



# Sustainability Report 2025





# BAUER Aktiengesellschaft Sustainability Report 2025



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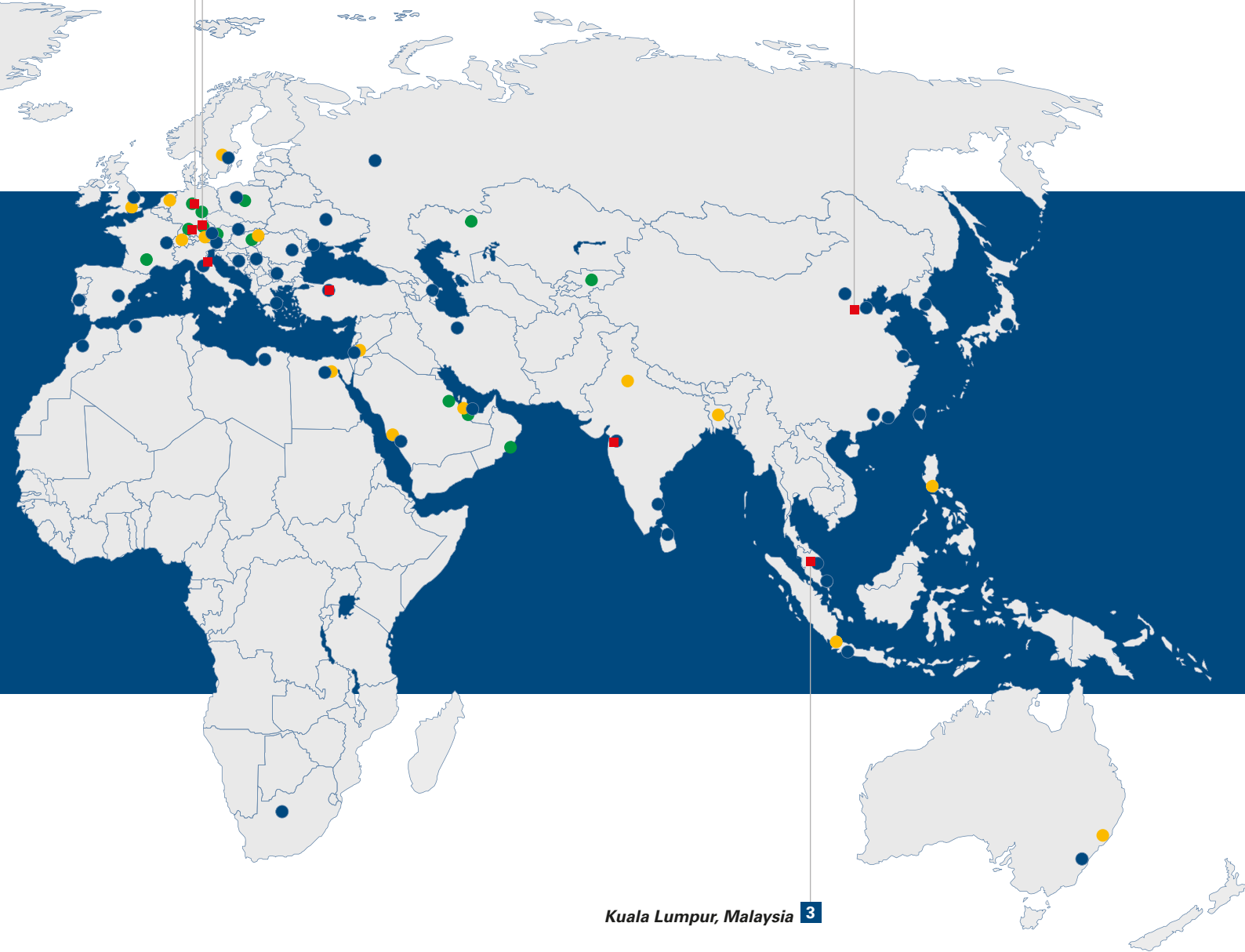
# The World is our Market



**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,**

In the year under review, the BAUER Group was once again faced with a challenging environment shaped by economic uncertainty, geopolitical tensions and increasing regulatory requirements. At the same time, the social and political demands for sustainable business continue to grow. For the BAUER Group, these developments are a challenge as well as an opportunity.

Sustainability has been firmly rooted in our company goals for many years. As an internationally operating Group with a long-term orientation, our objective is to consistently combine economic success with responsibility to the environment, society and employees. This understanding shapes our strategic decisions as well as our daily activities in all three segments: Geotechnical Solutions, Equipment and Resources.

In the Geotechnical Solutions segment, sustainability has long been part of business operations. ESG topics play a defining role in pre-qualifications, bid processing and dialog with customers. In the internal BAUER Sustainability FAQ Catalog we have created a reliable, central source for answers. This catalog pools information, organizes complex content and delivers consistent, reviewed statements on environment, social and governance matters. We are constantly working to promote sustainable innovations. With a method nominated for the bauma Innovation Award 2025, we have made it possible to build offshore wind parks with considerably less noise and reduced intervention in sensitive marine ecosystems. We bring together technical precision and effective environmental protection. For us, sustainability also means being responsible for people. A mentoring pilot project for women in specialist foundation engineering promotes dialog, networking and professional development. Experienced mentors and young talents learn from one another. In this way, we are reinforcing diversity, expertise and solidarity.

In the Equipment segment, we combine technical performance capacity with measurable environmental advantages. One example is the eRG 19 T hybrid electric pile driver, which has demonstrated on urban sites like Hellerup near Copenhagen that a hybrid drive contributes to significantly lower emissions and noticeably reduced noise pollution. Another example is the electrification of our cutter soil mixing method. With the successful completion of a field test, the proof of concept was established for an electrically powered mixing tool. High continuous output, low energy consumption, improved mixing quality and the elimination of hydraulic components are factors that open new prospects for sustainable operation in challenging soil conditions. At the same time, for diaphragm wall equipment solutions like the BCS 185 power pack we rely on modular, energy-efficient drive concepts that show their strengths particularly on major projects in urban environments – powerful, quiet and adapted for the future.

In the Resources segment, we develop solutions for soil protection, water treatment and the circular economy. On key focus lies in nature-based technologies that reduce environmental impact and keep resources within the cycle on the long term. In Saudi Arabia, the major project Noem is demonstrating how this approach can be scaled. There, BAUER Resources is implementing natural methods for wastewater and sludge treatment: from decentralized constructed wetland systems for daily treatment of household wastewater all the way to the first industrial-scale reed bed plant in the country. The results: significantly reduced operating costs, minimal energy consumption, a decrease in sludge volume by more than 70% as well as new living spaces for animals and plants. During the treatment and rehabilitation of polluted soils and when using modern filtration and recycling plants, we generate usable alternative construction materials from the excavation material and reduce landfill volumes along with transport emissions. In this way, we are making a specific contribution to the circular economy in the construction sector. Our projects demonstrate: Resource management means far more than just disposal. It involves closing material cycles, strategically harnessing natural processes and making materials reusable.

Our employees are a key factor for success when it comes to developing our sustainability performance. Safety, qualification, integrity and taking responsibility are firmly anchored in our company culture. They create the foundation for implementing sustainable solutions in every day work routines, while driving innovation forward.

At the same time, regulatory developments such as the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) are significantly changing the requirements for transparency and controlling. We gradually integrate these requirements into our existing processes and use them to further systematically incorporate sustainability factors into decision-making and management mechanisms.

In the year under review, we further developed key foundations. These include, in particular, the Group-wide greenhouse gas calculation and the establishment of a Group-wide sustainability strategy based on double materiality analysis. With these measures, we will establish a robust data basis and define clear areas of action for further development.

This Sustainability Report is addressed to our stakeholders and provides a structured overview of our activities, progress and objectives. It reflects the latest status of our development while also illustrating the fact that sustainability is an ongoing process which we constantly strive to advance.

We would like to thank all employees, as well as our customers, partners and stakeholders for their trust and support. Together, we are working to further develop the long-term success and future viability of the BAUER Group.

Schrobenhausen, July 3, 2026

Yours sincerely

Dr. Martin Beck

Dirk Pfortner

**Group key figures 2022-2025 (summarized)**

IFRS in EUR million					Changes
	2022	2023	2024	2025	2024/2025 in %
Total Group revenues	1,748.1	1,831.1	2,183.4	1,725.2	-21.0 %
Of which					
Germany	536.5	432.4	441.6	459.0	3.0 %
International	1,211.6	1,398.7	1,741.8	1,266.2	-27.1 %
Of which					
Geotechnical Solutions	787.4	904.0	1,191.4	753.3	-36.8 %
Equipment	747.8	721.5	789.4	728.6	-7.7 %
Resources	299.2	277.7	270.8	292.8	8.1 %
Sales revenues	1,630.1	1,698.2	2,035.9	1,627.9	-20.0 %
Cost of materials	876.9	900.7	1,145.5	730.2	-36.3 %
Personnel expenses	463.4	458.7	480.1	478.7	-0.3 %
EBIT	-68.0	89.0	89.1	103.0	15.7 %
Earnings after tax	-94.0	2.8	9.7	12.5	28.9 %
Employees (Reporting date)	11,892.0	12,034.0	11,380.0	10,544	-7.3 %
Of which					
Germany	4,045.0	3,876.0	3,938.0	3,852	-2.2 %
International	7,847.0	8,158.0	7,442.0	6,692	-10.1 %

**Consolidated Balance Sheet (summarized)**

Aktiva			Equity and liabilities		
in EUR thousand	Dec. 31, 2024	Dec. 31, 2025	in EUR thousand	Dec. 31, 2024	Dec. 31, 2025
Intangible assets	27,224	23,752	<b>Equity of BAUER AG shareholders</b>	<b>493,922</b>	<b>495,288</b>
Property, plant and equipment	497,239	442,700	Non-controlling interests	8,060	6,690
Investments accounted for using the equity method	70,107	77,180	<b>Equity</b>	<b>501,982</b>	<b>501,978</b>
Participations	3,172	1,036	Provisions for pensions	111,701	102,178
Deferred tax assets	51,071	49,115	Financial liabilities	227,052	172,300
Receivables	23,980	20,620	Other non-current liabilities	8,606	6,923
Other non-current assets	10,606	8,566	Deffered tax liabilities	20,953	32,085
Other non-current financial assets	32,002	37,884	<b>Non-current debt</b>	<b>368,312</b>	<b>313,486</b>
<b>Non-current assets</b>	<b>715,401</b>	<b>660,853</b>	Financial liabilities	221,155	177,015
Inventories	507,021	441,920	Other current liabilities	505,980	449,592
Less advances received for inventories	-12,448	-24,946	Effective income tax obligations	28,387	28,990
	<b>494,573</b>	<b>416,974</b>	Provisions	57,818	68,794
Receivables and other assets	384,770	396,480	<b>Current debt</b>	<b>813,340</b>	<b>724,391</b>
Effective income tax refund claims	6,684	6,382		<b>1,683,634</b>	<b>1,539,855</b>
Cash and cash equivalents	72,944	55,972			
Non-current assets held for sale assets	9,262	3,194			
<b>Current assets</b>	<b>968,233</b>	<b>879,002</b>			
	<b>1,683,634</b>	<b>1,539,855</b>			

# General information

## ESRS 2 – GENERAL DISCLOSURES

The Sustainability Report of BAUER Aktiengesellschaft, Schrobenhausen, Germany (hereinafter referred to as BAUER AG) for the financial year from January 1, 2025 to December 31, 2025 was prepared in line with the European Sustainability Reporting Standards (ESRS). Integration into the management report of the annual financial statements is currently not yet planned. The report is published on July 3, 2026.

For the financial year under review, voluntary information is disclosed that is oriented on the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) as well as the EU Taxonomy Regulation (EU) 2020/852. Based on the current legal situation, there is only a reporting obligation pursuant to CSRD and the EU Taxonomy Regulation starting from the 2027 financial year.

Application of the ESRS results in several changes compared to the previous year's report, which means that comparability of data is only partially ensured. Furthermore, due to collection of data that was still incomplete in the previous year, the option was exercised to waive the disclosure of the previous year's values.

The Sustainability Report comprises the sections General information, Environmental information, Social information and Governance information. For the sake of legibility, the German text primarily uses masculine forms. However, it refers equal to all persons regardless of gender.

### GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

BP-1

The Sustainability Report is prepared on a consolidated basis. The basis of consolidation for the Sustainability Report is the same as the basis of consolidation for the consolidated financial statements pursuant to IFRS, and includes along with BAUER AG all material domestic and international subsidiaries that are controlled by BAUER AG. The sustainability reporting for the parent company thus fully covers all subsidiaries included in the basis of consolidation. Accordingly, these subsidiaries are excluded from independent sustainability reporting pursuant to Article 19a (9) and Article 29a (8) of Directive 2013/34/EU.

As a globally operating Group with the segments of Geotechnical Solutions, Equipment and Resources, the BAUER Group spans the entire value chain in its Sustainability Report – from the selection and procurement of raw materials, to in-house production and assembly of equipment, all the way to execution of complex construction projects and responsible resource management. Not only our own activities, but also upstream and downstream activities play a key role in the sustainability of our sector and our company.

In this report, we have not made use of the option to leave out specific information referring to intellectual property, know-how or the results of innovations.

In the reporting period, the company has not applied any exceptions pursuant to Article 19a (3) and Article 29a (3) of Directive 2013/34/EU.

## DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

BP-2

### Timeframes

BAUER has defined the short-term, medium-term and long-term timeframes for this Sustainability Report and the double materiality analysis as follows:

- Short-term: < 1 year
- Medium-term: > 1 year and < 5 years
- Long-term: > 5 years

The definition of time periods was chosen to enable a sound and traceable evaluation. This takes into account the current availability of data and accuracy of forecasts, which is significantly lower for longer periods of time.

### Estimates regarding the value chain

The key figures stated in this Sustainability Report include data regarding upstream and downstream value chain activities which were estimated using approximate values when other methods could not be applied. This is relevant for key figures relating to climate change, for instance. In the specific chapter, the foundations for preparation and the resulting degree of precision are discussed in greater detail when relevant key figures are stated. An indication is also provided as to how the precision of the key figure could be improved in the future.

### Sources of estimation and outcome uncertainty

The corresponding information is presented in line with the requirements from ESRS 1 Section 7.2 Sources of estimation and outcome uncertainty. As part of the double materiality analysis, the financial effects of future events (opportunities and risks) were recorded based on uncertainty with the help of internal experts and detailed justifications.

### Disclosures due to other legal regulations or generally acknowledged announcements regarding sustainability reporting

This Sustainability Report includes the disclosures pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council and pursuant to the Relegated Regulations of the Commissions (EU Taxonomy).

## THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOV-1, GOV-2

The sustainability management 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.

To ensure that sustainability goals can be achieved, it is essential to have clear responsibilities and a structure that integrates all key areas of the company. This structure makes sure that strategies and goals do not remain isolated, but instead are integrated into overall company planning. Regular coordination and open dialog help to review ongoing activities, identify risks and opportunities early on and define suitable actions. As a result, sustainability is an integral component of the decision-making process and company management.

The key administrative, management and supervisory bodies that assist with implementation are listed below.

## **Supervisory Board**

### **Members of the Supervisory Board**

#### Shareholder representatives

- Alfons Doblinger, Munich  
Managing Director of Doblinger Beteiligung GmbH, Munich
- Sabine Doblinger, Munich  
Personnel Director of DIBAG Industriebau Aktiengesellschaft, Munich
- Prof. Dr.-jur. Bastian Fuchs, Schrobenhausen, Chairman (until February 28, 2026)  
Attorney at TOPJUS Rechtsanwälte Kupferschmid & Partner mbB, Munich
- Dipl.-Ing. Klaus Pöllath, Stuttgart (until June 7, 2025 and from August 15, 2025 until February 24, 2026)  
Retired civil engineer
- Sebastian Sennebogen, Straubing  
Managing Director of SENNEBOGEN Multi Line GmbH & Co. KG, Wackersdorf
- Florian Freiherr Tucher von Simmelsdorf, Rottach-Egern  
CEO of MuP Verwaltungs- und Beteiligungs AG, Tegernsee
- Martin Saler, Koblach, Austria (from March 18, 2026)  
Head of the Manufacturing Division at Julius Blum GmbH, Höchst, Austria
- Prof. Dr. Peter Bömelburg, Ansbach, Chairman (from March 17, 2026)  
Independent certified auditor and tax advisor, Ansbach

#### Employee representatives

- Rainer Burg, Gerolsbach  
Technical Marketing Manager at BAUER Spezialtiefbau GmbH, Schrobenhausen
- Dipl.-Ing. (FH) Petra Ehrenfried, Langenmosen  
Chairwoman of the Works Council BAUER Resources GmbH, Schrobenhausen
- Maria Engfer-Kersten, Langenhagen  
Union secretary of IG BCE Industriegewerkschaft Bergbau, Chemie, Energie, Hannover
- Robert Feiger, Deputy Chairman, Neusäß  
Federal Chairman at the Bauen-Agrar-Umwelt industry union, Frankfurt am Main
- Reinhard Irrenhauser, Schrobenhausen  
Chairman of the Works Council BAUER Maschinen GmbH, Schrobenhausen
- Dipl.-Ing. Wolfgang Rauscher, Gachenbach  
Head of Production at BAUER Maschinen GmbH, Schrobenhausen

After the balance sheet date, changes occurred in the Supervisory Board of BAUER Aktiengesellschaft. Supervisory Board members Prof. Dr.-jur. Bastian Fuchs and Dipl.-Ing. Klaus Pöllath withdrew from the Supervisory Board. Two new members of the Supervisory Board were appointed: Prof. Dr. Peter Bömelburg, who was also elected as Chairman of the Supervisory Board, and Martin Saler.

## **Tasks**

The Supervisory Board is the main controlling entity of the BAUER Group. They regularly monitor and assist the work of the Executive Board and ensure that the company's strategic orientation is implemented. To this end, continuous communication is maintained and regular meetings are held in which the Executive Board reports about the business performance, finance,

risks and compliance topics. The Supervisory Board reviews the reports from the Executive Board, evaluates compliance with legal and ethical standards and assists with the ongoing development of the company strategy. In addition, the Supervisory Board is informed regarding particular events and involved in key decision-making processes.

In the 2025 financial year, the Executive Board reported to the Supervisory Board regarding the status of sustainability management. There was no separate sustainability committee during the reporting period.

### **Composition (diversity and expertise)**

As of December 31, 2025, there were 12 members of the Supervisory Board in total. Of these, 6 members of shareholder representatives and the other 6 members are employee representatives. The average ratio of female to male members of the Supervisory Board was 25%. The share of independent members corresponds to 33.33% in the parity co-determined system. The composition of the board ensures a balanced representation of different perspectives. The members contribute extensive expertise in the sectors and markets that are relevant for the BAUER Group, particularly in construction and specialist foundation engineering, equipment manufacture along with environmental and engineering services. Furthermore, several members have international experience in Europe, Asia and North America and with the management of global projects and companies. Apart from this, expertise in legal matters of construction and tendering law, process engineering and production, personnel management, union work and sustainability strategies is also represented. This diversity assists with the management of the company in its core segments and global markets.

### **Executive Board**

#### **Members of the Executive Board**

- Dipl.-Betriebswirt (FH) Hartmut Beutler, Schrobenhausen (until May 31, 2025)
- Lena-Franziska Effinger, Dasing (from June 1, 2025 and until January 16, 2026)
- Prof. Dr.-Ing. Detlef Heck, Kitzack, Austria (from August 15, 2025 and until January 16, 2026)
- Peter Hingott, Schrobenhausen (until June 7, 2025)
- Dipl.-Ing. Klaus Pöllath, Stuttgart (from June 7, 2025 and until August 14, 2025)
- Dr.-Ing. Martin Thormann, Essen (from September 15, 2025 and until June 15, 2026)
- Dirk Pfortner, Munich (from February 19, 2026)
- Dr. Martin Beck, Ingolstadt (from June 16, 2026)

After the balance sheet date, changes occurred in the Executive Board of BAUER Aktiengesellschaft. The Executive Board members Lena-Franziska Effinger, Prof. Dr.-Ing. Detlef Heck and Dr.-Ing. Martin Thormann withdrew from the Executive Board. With effect as of February 19, 2026, Dirk Pfortner was appointed, and with effect as of June 16, 2026, Dr. Martin Beck was appointed from the Supervisory Board onto the Executive Board.

### **Tasks**

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 for each segment, which are converged at BAUER AG level and integrated into the strategic corporate planning process.

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. The managing directors and the company management of the various individual companies operate under the corporate guidelines, regulations and the overarching targets and 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 BAUER Group defines the principles of proper conduct for its companies, including compliance with ethical and moral standards, in part by an ethics management and values program. These are flanked by corporate guidelines and management principles for our employees. The management 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 optionally using the synergies between the segments.

### **Composition (diversity and expertise)**

As of December 31, 2025, the Executive Board of BAUER AG comprised one woman and two men, which corresponds to an average ratio of female to male Executive Board members of 33.33%. The Executive Board members of BAUER AG bring extensive international and industry-specific experience to the table. These include, in particular, thorough knowledge in the areas of corporate finance, treasury and international financial structures, expertise in specialist foundation engineering as well as the construction sector and project management, along with comprehensive know-how in equipment and plant construction combined with international management experience. Overall, these competencies cover the key business areas, products and geographical markets of the Group.

### **ESG Consolidated Group**

#### **Tasks**

In the ESG consolidated group, the Executive Board and representatives for the segments collaborate with representatives for the core topics of sustainability, supply chain due diligence obligations, HSE, ethics, human rights, compliance, internal auditing and legal in order to strategically manage and develop key sustainability topics. The ESG consolidated group meets twice a year.

All sustainability activities in the BAUER Group have been combined and coordinated under the name B.sustainable since the 2021 financial year. Among other activities, the BAUER Group is currently working on developing a sustainability strategy for the Group and the segments. Given the growing relevance of sustainability topics for our business divisions, one major concern for us it to further develop our long-established commitment, which is deeply rooted in our company culture, into a clear organizational and operational structure.

In order to ensure that relevant specialist knowledge regarding aspects of sustainability is available in the company, the material overall need for training is determined by the personnel development team together with the German-language subsidiaries as part of annual planning in the Group, and the annually updated seminar program is prepared in coordination with the managing directors. This is distributed to all German-language subsidiaries and made available to all employees in the BAUER Intranet. In addition, individual employees and responsible controllers participate in specific ongoing education activities related to ESG as a way to continually deepen and expand their specialist knowledge. For special issues or particularly specific sustainability topics, external knowledge or external support is obtained from qualified consultants to ensure that they are handled professionally.

The administrative, management and supervisory bodies are regularly informed regarding key impacts, risks, and opportunities. They are currently informed at least once per year as part of ESG Group reporting, and additionally as part of group leadership and company management rounds. Furthermore, information is reported to the Supervisory Board as needed. The underlying governance and reporting processes are currently being refined, particularly in view of clearly defined responsibilities, structured reporting formats and standardized workflows. Implementation of due diligence obligations and the establishment of strategies, actions and target systems related to sustainability are currently under development. Accordingly, systematic reporting on these measures is also gradually being expanded. Impacts, risks and opportunities are accounted for within existing processes, which are currently being further formalized and integrated into strategy monitoring, key decisions and risk management.

### INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

GOV-3

Sustainability-related performance criteria that can be applied uniformly Group-wide for integration in remuneration systems are currently under review. Particular challenges that still remain in this context include defining, measurability and monitoring of suitable targets (key performance indicators) as a way of determining the amount of remuneration. For this reason, sustainability criteria are not yet currently considered when determining remuneration for members of the Executive Board and Supervisory Board.

### STATEMENT ON DUE DILIGENCE

GOV-4

The BAUER Group has implemented extensive processes and methods in order to fulfill the company's due diligence obligation with regard to sustainability. The purpose of these measures is to identify at an early stage, evaluate and adequately address actual or potential negative impacts on the environment, society and human rights. The core elements of the due diligence obligation are an integral component of our sustainability management and are based on international standards such as the UN Guiding Principles on Business and Human Rights as well as the OECD Guiding Principles for Multinational Companies. The attached table outlines the information contained in the Sustainability Report to fulfill this due diligence obligation.

Core elements of Due Diligence	Areas in the Areas in the Sustainability Statement	Page	
a) Integration of due diligence obligation in governance, strategy and business model	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	8 et seq.	
	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	21 et seq.	
b) Integration of affected stakeholders in all key phases of due diligence obligation	ESRS 2 SBM-2 Interests and views of stakeholders	18 et seq.	
c) Determining and evaluating negative impacts	ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	25 et seq.	
	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	21 et seq.	
d) Measures to combat these negative impacts	see policies and measures in the standards for specific topics	47 et seq. 63 et seq. 83 et seq.	
	e) Tracing the effectiveness of these efforts and communication	see objectives and key figures in the standards for specific topics	47 et seq. 63 et seq. 83 et seq.

## RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

GOV-5

The sustainability reporting for the BAUER Group is currently prepared annually in the middle of the year. As long as the available data are provided, the reported sustainability and ESG data are defined in coordination with the statutory requirements as well as the reporting standards applied by the Group. The basis for this is an ESG reporting process that is established Group-wide.

Coordination of ESG reporting is carried out by the central Sustainability department. Recording, pooling and evaluation of relevant ESG data and information is assisted Group-wide by a central software solution. This is supplemented with recording and reporting processes for specific topics as well as operationally managed processes.

In coordination with the supervisors of the operational units, the responsible ESG controllers define the required ESG data, specify reporting frequencies and ensure the quality of reporting. This particularly encompasses monitoring and control of completeness, uniformity and plausibility of the ESG data. Responsibility for accuracy of content and verifiability of data lies at the operational level in the data-recording entities. This guarantees that Group-wide ESG reporting is closely interlinked with operational activities.

To ensure data quality and integrity of sustainability reporting, the BAUER Group relies on a multi-level controlling system which safeguards unified coordination and implementation of ESG data reporting across all organizational levels. One central element of this system is integrated reporting using central ESG software; for this purpose, the Group has established a platform for recording and maintaining ESG data.

Reliability of content is ensured through technical monitoring and content checks as well as central functions in the holding company, along with the management of the operative units. This process also relies on systematic plausibility checks including defined tolerance thresholds which, if exceeded, must be justified and documented. For ongoing monitoring of sustainability performance, the company also uses visual analysis and dashboards to enable transparent control of ESG performance. As a whole, these measures help to safeguard the quality, traceability and consistency of reported information and fulfill the requirements of reliable reporting pursuant to ESRS standards.

## STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1

### Strategy and business model

The BAUER Group is a leading provider of services, equipment and products related to ground and groundwater. It operates a worldwide network on all continents. The business activities of the Group are divided into three future-oriented segments: Geotechnical Solutions, Equipment and Resources.

### Geotechnical Solutions

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, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

### **Equipment**

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, Turkey and in the USA.

### **Resources**

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. The areas of expertise include water extraction and drilling technologies, brownfield remediation and waste management along with water treatment and building rehabilitation.

### **Corporate Services**

The **Corporate Services segment** encompasses services (personnel, accounting, Corporate accounting and controlling, financing, publicity work and marketing, legal, accounting and taxes, IT, internal audits, compliance and risk management as well as health safety and environment) provided by BAUER AG for the Group companies. This also comprises the other units not assignable to the separately listed segments, which provide services such as in-house and external education and training as well as centralized research and development or work in the offshore area.

### **Overview of our markets**

The appraisal of the market developments along with the general and economic situation for the BAUER Group and its business segments is based on information from the individual subsidiaries as well as the appraisals of regional managers and the top levels of management.

As expected, the macroeconomic trends described above had varying effects on the individual markets. North America was able to continue its positive development, which benefits both the construction sector and consequently the area of construction equipment as well. The European markets – with the exception of Germany – performed well for the most part compared to the previous year, which benefited the construction sector as well. China remained behind expectations once again in terms of its economic performance and was unable to recover. This also had a sustained impact on the construction sector and the area of construction equipment. The other countries in Asia recorded stable performance overall. The persistent positive development in the Middle East enables local construction markets to continue growing. Nevertheless, the impacts of the ongoing conflict in Iran are currently impossible to predict. Characterized by persistent crises on the continent, the countries in Africa continued to develop at a low level.

The general need for infrastructures, both in countries with emerging economies and in established industrial nations, continues to exist. State investments in infrastructure supported the global construction markets.

Alongside construction and equipment, which are the most important markets for us, we also see a positive trend in environmental services, water, mining and renewable energies, which is being spurred on by the growing significance of these products and services.

### **Germany**

Subdued economic growth, political conditions and the effects of inflation and interest rate trends from the previous years continued to have a noticeable impact on the construction industry. In residential construction and building construction, the activities remained at a low level and the market environment for project developers was still difficult. In industrial construction as well, customers' reluctance to invest was noticeable due to the economic and political conditions. Public sector construction continued to benefit from a considerable deficit in infrastructure, for which federal funding was available despite the tense budget situation. Price pressure and the competitive situation in the market further intensified over the course of the year.

The demand for construction equipment was roughly at the same high level in 2025 as in the previous year.

### **Europe**

The construction sector in Europe was subdued in most countries compared with the previous year. The markets for construction equipment were accordingly restrained. This development applied particularly for the countries in southern Europe such as Italy, but also for Belgium.

### **Middle East**

The persistent demand for raw materials, as well as the transformation of the countries in the Middle East towards a period after natural resources, provided for good economic development and growth. This particularly has applied and continues to apply for Saudi Arabia and the United Arab Emirates. The construction equipment markets also benefited from this trend. However, the persistent conflict in the Middle East could still result in disruptions in 2026.

### **Asia-Pacific**

China's economy remained behind expectations due to the persistent challenges within the country. Even state measures were not able to generate a turnaround. The construction and equipment markets performed at a very low level. This impacted in particular the exportation of construction equipment from China to the Asian markets, which increased considerably and placed European manufacturers under further pressure.

The other countries in the region recorded stable development. As the fastest-growing country in the region, India on the other hand experienced a marked upturn in the construction sector, which was particularly driven by infrastructure, energy and industry projects. The market for construction equipment also benefited from this growth, yet remains heavily dominated by Chinese manufacturers. Australia recorded solid economic development, which also affected construction activities. This particularly applied to the areas of infrastructure and building construction. This environment had a corresponding positive effect on the market for construction equipment.

### **Americas**

The backlog demand in the infrastructure sector of the USA remains high. The US economy performed well overall. A solid environment was also apparent in the sale of construction equipment. Nevertheless, geopolitical uncertainties have a growing negative influence on economic performance. In Canada, the construction and equipment market performed well, while in contrast the countries in Central and South America continued to be subdued.

### **Africa**

In Africa, the economic level of many countries continues to be very low, which meant that demand for construction and equipment was weak in 2025 as well. Only Egypt had a stable construction sector. This is primarily due to state infrastructure projects. Algeria also shows positive signs. Important future issues for the continent, such as water, the environment, energy

and natural resources, are gaining in importance and have been supported by incentive measures. Nevertheless, developments are very subdued in these areas as well.

### Summary of markets

The persistent volatility of global markets, crisis flashpoints and geopolitical developments along with climate change and its impacts, once again pose major challenges. Political and economic framework conditions continue to change at short notice, requiring us to adapt quickly and flexibly. The opportunities and risks resulting from climate change as well as developments in the area of artificial intelligence need to be managed professionally with sufficient foresight in order to stay competitive on markets over the long term.

Overall, the global demand in the construction and equipment markets was positive in 2025 as well. Negative influencing factors, such as Russia's war against Ukraine and political tensions, had a negative effect on individual markets. Nevertheless, the global economy remained robust in 2025. Overall it is expected that the markets will continue to adjust to the modified framework conditions.

### Employees by geographical region

The BAUER Group's employees literally come from all over the world. In 2025, our staff included 10,544 employees (previous year: 11,380 employees) from roughly 100 different nations – people from widely varying cultural and ethnic backgrounds who strive on every continent to achieve our common goals. The following table shows the development in the number of employees for the regions of Germany, rest of Europe, Middle East, Asia-Pacific, Americas and Africa.

### Employees by region

	2021	2022	2023	2024	2025	Changes 2024/2025 in %
Germany	4,001	3,951	3,776	3,848	3,669	-4.7%
(Rest of) Europe	784	737	689	680	536	-21.2%
Middle East	1,429	485	317	277	243	-12.3%
Asia-Pacific	3,007	3,798	5,069	4,366	3,744	-14.2%
America	595	638	650	542	523	-3.5%
Africa	2,150	2,283	1,533	1,667	1,829	9.7%
<b>Total</b>	<b>11,966</b>	<b>11,892</b>	<b>12,034</b>	<b>11,380</b>	<b>10,544</b>	<b>-7.3%</b>

### Sales revenues

The total income (sales revenues) of the BAUER Group according to the annual financial statements published for the 2025 financial year amount to EUR 1.6 billion. Itemization by ESRS sectors is not currently carried out, since the corresponding classification for specific sectors is only available as a draft so far and no legally binding foundation has been established.

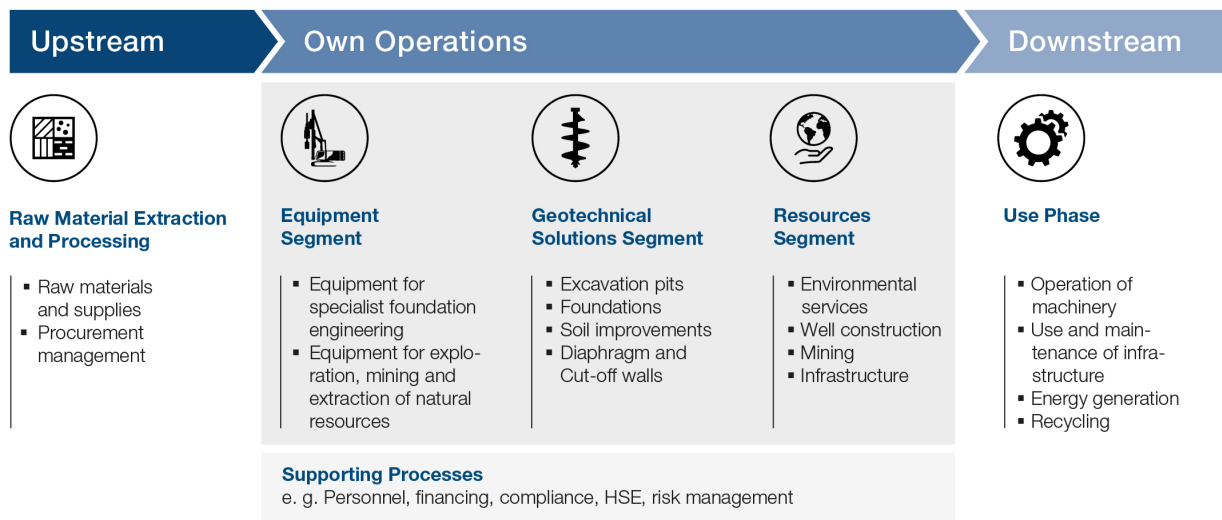
### Value chain

The value chain for the BAUER Group is characterized by a high level of vertical integration. It extends from the development and manufacture of equipment and methods to execution of complex construction and environmental projects all the way to operation and repair of technical equipment.

Thanks to close collaboration between the three segments of Equipment, Geotechnical Solutions and Resources, the BAUER Group is able to use synergies along the entire value chain, implement technological innovations strategically and execute

projects efficiently at high quality levels. International presence and diversified positioning makes it possible to serve both public and private clients in various market segments. Upstream value creation stages particularly include procurement of raw materials, components and services, while downstream value creation involves the use of structures and equipment as well as accompanying operations and services.

### Value chain of the BAUER Group



### Upstream value chain

The value chain starts at the upstream stage with obtaining raw materials and procuring technical components from external partners.

- **Raw materials and materials:** Key inputs are energy-intensive materials such as steel, bentonite, concrete and plastics along with ores for manufacturing hydraulic and electronic components.
- **Procurement management:** In line with industry standards, BAUER relies on a global network of suppliers and subcontractors who are obligated to comply with the Supplier Code. Where possible, increasing reliance is placed on regional procurement in order to minimize transport routes and CO<sub>2</sub> emissions.

### Own operations

Within its own business operations, the BAUER Group interlinks three complementary segments in order to offer holistic solutions for global challenges such as urbanization and infrastructure expansion.

- **Equipment 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, Turkey and in the USA, among other locations.
- **Geotechnical Solutions segment:** This area 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 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.

- **Resources segment:** 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 water well construction, environmental services and energy, mining, infrastructure as well as constructed wetlands.
- **Supporting processes:** BAUER Aktiengesellschaft (BAUER AG) is the holding company of the Group and primarily represents the Corporate Services segment. As a service provider, BAUER AG performs central administrative and service functions for the affiliated companies, with particular involvement in the areas of personnel, accounting, financing, balance sheet preparation and controlling, public relations and marketing, legal and tax affairs, IT, internal audit and risk management as well as health, safety and environment (HSE).

### **Downstream value chain**

The downstream level encompasses the entire use cycle of the services provided until their end.

- **Use and end-of-life:** The value chain ends with the multi-year use phase or the end of life for equipment and completed structures (e.g. bridges, wells). At the end of the life cycle, the BAUER Group draws on its expertise in the Resources segment to engage in dismantling, decontamination and professional recycling in order to reintroduce materials into the material cycle.

### **Sustainability strategy and targets**

As of the reporting date, the company is in the process of developing a holistic sustainability strategy based on the results of the double materiality analysis as well as sustainability targets established on that basis. In this context, key areas of action are currently being identified, prioritized and recorded with specific targets, measures and projects. Systematic derivation of specific sustainability goals with regard to key product and service groups, customer segments, geographical brands and stakeholders as well as a corresponding evaluation of these areas is carried out during ongoing implementation of structured sustainability management and will be expanded successively. Independently of this, the sustainability goals defined in the previous years will still be listed in the Sustainability Report for now under the corresponding topics, transparently traced and continued.

## **INTERESTS AND VIEWS OF STAKEHOLDERS**

SBM-2

Considering the interests and expectations of our stakeholders is an integral component of our business strategy and our sustainability management. We define stakeholders as all groups which are affected by our business operations or which have an influence over the long-term development of the BAUER Group. These particularly include customers, employees, investors, suppliers, authorities as well as the society and relevant environmental agents.

The involvement of stakeholders is systematic, continuous and strategic. The goal is to obtain a well-founded understanding of key sustainability factors, their impacts, risks and opportunities as well as regulatory and societal developments. Dialog with stakeholders is based on the principles of transparency, traceability and inclusivity, relying on an open and respectful exchange of ideas.

For each key stakeholder group, there is at least one responsible internal function or organizational unit. This unit is responsible for selecting suitable formats for dialog and communication, recording feedback in a structured manner and analyzing this in the specific professional context. The formats for stakeholder involvement, depending on stakeholder group and purpose, range from bilateral discussions and regular dialog sessions all the way to trade fairs.

The knowledge obtained through stakeholder involvement is systematically integrated into relevant decision-making and control processes. In particular, this involves:

- Conducting and updating the double materiality analysis to identify, assess and prioritize key impacts, risks and opportunities,
- Defining and further developing the Group strategy as well as the strategies for the individual segments,
- Designing and enhancing our products, services and business models in line with regulatory requirements and social expectations.

Key results and relevant developments from dialog with stakeholders will be communicated on defined communication channels that are suitable for the target audience. We view stakeholder involvement not as an occasional measure but as an ongoing process and central tool for the long-term sustainable orientation of the BAUER Group.

**Stakeholder involvement**

Stakeholder group	Expectations / interests	Dialogue formats / Stakeholder engagement	Organizational unit(s)
<b>Customer</b>	Quality, reliable performance, customized solutions, service, fair pricing, sustainability	Direct communication, trade fairs and events (e.g. bauma, Schrobenshausener Tage), customer surveys, reporting, corporate websites, social media channels	Sales
<b>Shareholder</b>	Corporate value, Transparency and information, ESG ratings, Strategic alignment	Direct communication, Annual General Meeting, reporting	Executive Board, Managing directors
<b>Management</b>	Strategy implementation, sustainable business development	Direct communication, reporting, social media channels, participation in working groups, code of conduct	Sustainability Management
<b>Employees</b>	Fair working conditions, opportunities for development, employee participation, work-life balance, transparent communication, authentic corporate culture	Employee surveys, intranet, employee newsletter, company/information events, company suggestion scheme, code of conduct	Human Resources, Works Council, Group Communications
<b>Financial institutions / banks</b>	Capital security & growth, liquidity management	Direct communication, reporting, corporate websites	Executive Board, Managing directors, Corporate Finance, Controlling
<b>Suppliers &amp; Subcontractors</b>	Long-term partnership, fair terms, participation in success, security	Direct communication, reporting, corporate websites, trade fairs and events (e.g. supplier days), external audits, visits & assessments, supplier code of conduct	Procurement
<b>Government &amp; Local authorities</b>	Compliance with legal requirements, sustainability regulations	Direct communication, reporting, compliance processes	Company management, Compliance
<b>Region &amp; Society</b>	Environmental and social impacts of local activities, contribution to the common good	Direct communication, reporting, corporate websites, donations, support for associations	Group communications
<b>Silent Stakeholder (Environment)</b>	Protection of natural resources, climate protection, biodiversity	Studies and reports, reporting	HSE, Sustainability Management
<b>Research and science</b>	Collaborative development, knowledge transfer, support for education and research	Research collaborations, bachelor's/master's theses, teaching assignments, social media channels	Various corporate departments, especially Research and Development
<b>Workers in the value chain</b>	Human rights, safe working conditions, fair wages, no child labor, social minimum standards	Corporate websites, social media channels, reporting, code of conduct	Procurement, Compliance
<b>Affected communities</b>	Environmental and health impacts, social participation, respect for cultural and social rights	Corporate websites, social media channels, direct communication, reporting	Company management, Compliance, Project Manager – Construction Project

## **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL**

SBM-3

In the course of the double materiality analysis, the material impacts, risks and opportunities (IROs) along the entire value chain of the BAUER Group were analyzed and the following key topics were defined.

### **Environment**

#### **Climate change mitigation and energy**

As an energy-intensive and resource-intensive company in specialist foundation engineering, equipment manufacturing and environmental services, the BAUER Group has a significant responsibility for sustainable transformation. Along the entire value chain – from the manufacture and procurement of energy-intensive materials such as steel and bentonite, to the transport of equipment and materials, all the way to operation of in-house production facilities and buildings – both process-related and energy-related greenhouse gas emissions are generated. These emissions exacerbate global warming and pose a long-term challenge that is gaining increasing importance as a result of growing regulatory requirements and social expectations.

At the same time, the development of innovative technologies in the area of climate change mitigation offers significant opportunities. Solutions such as geothermal heat and constructed wetlands make it possible to reduce emissions in our own operations and in customer operations, while helping to provide climate-neutral energy and ensuring a sustainable energy supply. In this way, BAUER is reinforcing its competitiveness and positioning itself as a forerunner for climate-friendly solutions.

#### **Adaptation to climate change**

The consequences of climate change are already visible today and require strategic adjustments. Increasing extreme weather events such as heavy rains and floods pose major challenges. The BAUER Group takes on a key role here in that the company implements measures that increase the resilience of infrastructure. As a central example, there are projects in flood and catastrophe protection such as the construction of dams and protective structures which protect people, buildings and critical supply facilities against flooding.

### **Social**

#### **Own workforce – Working conditions**

With regard to the working conditions of our employees, there are both positive and negative impacts on our own workforce worldwide. Positive impacts result from secure employment through employee qualification and development, along with investments in research and development. Written employment contracts, collective bargaining agreements and employee representatives on the works council and the supervisory board ensure stability and transparency. In addition, we encourage participation of our employees through staff meetings and employee surveys. Measures related to health and safety (HSE) as well as offers such as mobile work contribute to improved work-life balance and well-being.

At the same time, we are aware that there are negative impacts, particularly on construction sites and in production. Employees are exposed to a higher risk of work-related injuries in those locations. Irregular working hours as a result of shift work or project-specific deployments can lead to overload. Furthermore, employees on construction sites or in production are also more frequently exposed to health risks due to changing climatic conditions, such as heat waves, for example. We take these challenges seriously and are working constantly to reduce them.

Despite existing challenges in the area of occupational health and safety, a higher HSE standard makes it possible to improve employee satisfaction and increase the long-term appeal of the BAUER Group as an employer.

#### **Own workforce – Equal treatment and equal opportunities for everyone**

Promoting equal treatment and equal opportunities through specific personnel development measures plays an important role in improving employee satisfaction and reinforcing our company culture. Personnel development is firmly anchored in our master guideline.

#### **Governance**

##### **Company culture**

A strong governance structure is essential for the BAUER Group in order to ensure integrity, transparency and efficiency. The positive effects can be seen primarily in promoting a respectful company culture and clear management principles. Implementing an ethics management system creates a working environment based on fairness and responsibility. In addition, internal audits of our management systems – for example, in the areas of quality and environment – ensure transparency and constant improvement. Established management systems encourage efficient workflows and enhance the reliability of our processes.

##### **Protection of whistleblowers**

We are aware that there are also challenges: When it comes to protecting whistleblowers, it is possible that employees will hesitate to report incidents. Here we are working constantly to establish trust and guarantee secure reporting channels.

##### **Corruption and bribery**

Moreover, preventing corruption and bribery is a core element of our governance policy. With targeted training sessions on ethics management, we make sure that our employees understand and actively live by these principles.

Below is a list with all material IROs (impacts, risks and opportunities) for E1 Climate change, S1 Own workforce and G1 Governance.

**E1 Climate change**

Topic / Subtopic	Impact, Risk, Opportunity	Description	Value chain	Time horizon	Segment
Climate change adaption	opportunity	Increase in revenue and enterprise value through projects related to climate change adaptation (including, among others, flood protection and disaster management projects)	own operations	long-term	Geotechnical solutions
Climate change mitigation	positive impact	Reduction of GHG emissions through various business models (including, among others, geothermal energy, and constructed wetlands)	own operations, downstream	long-term	Resources
	negative impact	Contribution to climate change through GHG emissions in the value chain and from own operations, including transport and production	upstream, downstream, own operations	long-term	across all segments
	negative impact	Contribution to global warming through greenhouse gas (GHG) emissions from the operation of equipment	own operations	long-term	across all segments
Energy	positive impact	Provision of climate-neutral energy or energy savings through various business models (e.g., geothermal energy, constructed wetlands, etc.)	downstream	long-term	Geotechnical solutions, Resources
	negative impact	Contribution to the climate crisis through energy consumption in the supply chain and transportation	upstream	long-term	across all segments
	negative impact	Contribution to the climate crisis through energy consumption in production and buildings	own operations	long-term	across all segments

**S1 Own workforce**

Topic / Subtopic	Impact, Risik, Opportunity	Description	Value chain	Time horizon	Segment
<b>Working conditions</b>					
Secure employment	positive impact	Secure employment due to employee qualification and development	own operations	long-term	across all segments
	positive impact	Secure employment / ensuring the future viability through R&D and innovation	own operations	long-term	across all segments
	positive impact	Secure employment based on written employment contracts	own operations	long-term	across all segments
	negative impact	Insecure employment due to fixed-term employment contracts	own operations	short-term	across all segments
Working time	negative impact	Employee overload due to irregular working hours caused by shift work and project work	own operations	short-term	across all segments
Social dialogue	positive impact	Employee participation in the majority of locations (e.g., works meetings, employee surveys)	own operations	medium-term	across all segments
Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	positive impact	Comprehensive codetermination through social dialogue with trade unions and the works council	own operations	long-term	across all segments
	positive impact	Employee satisfaction due to representation by the respective works council	own operations	long-term	across all segments
	positive impact	Employee satisfaction due to transparent communication within the BAUER Group (e.g., via internal media and works meetings)	own operations	long-term	across all segments
Collective bargaining, including rate of workers covered by collective agreements	positive impact	Regulated and generally better working conditions due to collective bargaining agreements (in Germany)	own operations	medium-term	across all segments
Work-life balance	positive impact	Promotion of employee well-being (especially among employees in offices) through enhanced work-life balance enabled by remote working	own operations	long-term	across all segments
Health and safety	positive impact	Promotion of employee health through HSE measures (e.g., workplace and construction site ergonomics)	own operations	long-term	across all segments
	negative impact	Work-related injuries, particularly among employees in production facilities and on construction sites	own operations	long-term	across all segments
	negative impact	Health risks for employees due to changing climatic conditions (e.g., heatwaves)	own operations	long-term	across all segments
	opportunity	Increasing employee satisfaction and employer attractiveness through a high HSE standard	own operations	long-term	across all segments
<b>Equal treatment and opportunities for all</b>					
Training and skills development	positive impact	Increasing employee satisfaction through personnel development measures	own operations	long-term	across all segments

**G1 Business conduct**

Topic / Subtopic	Impact, Risik, Opportunity	Description	Value chain	Time horizon	Segment
Corporate culture	positive impact	Respectful working environment through the implementation of an ethics management system	own operations	long-term	across all segments
	positive impact	Promotion of transparency through internal audits of management systems (e.g., quality, environmental)	own operations	long-term	across all segments
	positive impact	Promotion of efficient working practices through implemented management systems	own operations	long-term	across all segments
	positive impact	Establishment of a well-defined leadership philosophy through defined leadership principles	own operations	long-term	across all segments
Protection of whistle-blowers	negative impact	Employee hesitation to report incidents (whistleblowing)	own operations	medium-term	across all segments
Corruption and bribery - Prevention and detection including training	positive impact	Prevention of corruption and bribery through employee training on ethics management	own operations	short-term	across all segments

Analysis of the current financial impacts of the company's key risks and opportunities does not currently indicate any significant risks that could lead to a significant adjustment of carrying amounts for the assets or liabilities reported in the 2025 annual financial statements during the next reporting period.

In the ESG consolidated group, the key impacts, risks and opportunities from 2024 were reviewed again and it was resolved that no changes have occurred in the key topics. No company-specific topics were identified for the year under review.

**DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES**

IRO-1

Conducting a double materiality analysis (DMA) is the core element for developing the company's sustainability framework and strategic priorities. The analysis encompasses both the impact materiality (positive and negative effects of the company on environment and society) as well as financial materiality (financial risks and opportunities for the company that result from sustainability topics). In line with the European Sustainability Reporting Standards (ESRS), the entire value chain is considered and the viewpoints of relevant stakeholders are incorporated.

In 2024, the double materiality analysis was carried out in line with the requirements of ESRS in multiple stages:



### **1. Specifying the scope**

The goal of this step is to establish a holistic understanding of the company's context. This involves analyzing the company's activities, products and services, conducting a review of the 2021 materiality analysis, mapping the entire value chain, carrying out a benchmark analysis as well as a stakeholder identification and analysis.

### **2. Preparation of a list with relevant sustainability topics (longlist)**

Based on these findings, a comprehensive list of potentially relevant sustainability topics was drawn up. The structural basis built on the topic areas provided by the ESRS, which are divided into ten principal topics with corresponding sub-topics and sub-sub-topics in a detailed table.

### **3. Identification of key impacts, risks, and opportunities (IROs)**

In the next step, we examined all the relevant sustainability topics in detail. To this end, four day-long workshops were held with trained specialists from the company. In addition, interviews were conducted with internal stakeholders, particularly to obtain customer perspectives. Overall, we were able to identify more than 400 impacts, risks and opportunities (IROs) along the entire value chain and for all three operative segments of the BAUER Group.

### **4. Evaluation of key impacts, risks, and opportunities (IROs)**

In order to estimate the identified IROs based on their materiality, we have defined clear evaluation criteria and threshold values. Strategic training from the specialists ensured that evaluation was consistent and objective. Apart from the experience and assessments of the experts, evaluation is based on thorough research, internal data as well as the use of recognized databases in order to classify environmental topics in particular on a factual basis. In addition, interviews were conducted with relevant stakeholders, including representatives from a bank and the works council, in order to include their perspectives in the evaluation as well. The current status of the evaluation was presented in management meetings to ensure transparency and guarantee company-wide validation of the results.

For the evaluation, the following parameters and respective evaluation scales were used:

### Parameters for the calculation of impacts

Parameter	Description	Assessment scale
Scale	The severity of positive and negative impacts on people and the environment	1 = very low 2 = low 3 = medium 4 = high 5 = very high
Scope	Assessment of the extent of negative or positive impacts on people or the environment. For the environment, this refers to the number of impacts or the affected area. For people, it refers to the number of individuals affected.	1 = local / minimal (1% of the workforce / 120 employees) 2 = regional / low (3% of the workforce / 360 employees) 3 = national / medium (5% of the workforce / 600 employees) 4 = continental / high (10% of the workforce / 1,200 employees) 5 = global / very high (> 1,200 employees)
Irremediability	Degree to which negative impacts can be remedied or addressed.	1 = easily remediable 2 = moderately remediable 3 = difficult to remedy 4 = very difficult to remedy 5 = irremediable
Likelihood of occurrence	Probability that an impact will occur.	5% = very unlikely (less than once every 10 years) 25% = unlikely (every 7-10 years) 50% = neutral (every 4-6 years) 75% = likely (every 2-3 years) 95% = very likely (annually)
Potential human rights violation	A human rights violation occurs when fundamental rights and freedoms of individuals or groups are disregarded or violated.	If a human rights violation is possible, "Yes" is recorded. In the calculation of the final score, the likelihood is automatically set to 1 instead of the respective percentage value.

### Impact assessment methodology

		Methodology for calculation
Actual impact	Positive	(Scale + Scope) : 2
	Negative	(Scale + Scope + Irremediability) : 3
Potential impact	Positive	(Scale + Scope) : 2 x Likelihood of occurrence*
	Negative	(Scale + Scope + Irremediability) : 3 x Likelihood of occurrence*

\* If there is a potential human rights violation present, i.e. answered with Yes, then when calculating the final value, the probability of occurrence is entered as a 1 instead of the specific percentage.

If the value exceeds the threshold of 3.5, the impact is material.

### Parameters for the calculation of opportunities and risks

Parameter	Description	Assessment scale
Potential financial scale	The extent to which an ESG topic may affect financial metrics such as revenue, costs, assets, liabilities, and investments. In assessing the potential magnitude, the financial impacts of sustainability matters are quantified to the extent possible, taking into account that some impacts may be qualitative in nature.	1 = low 2 = moderate 3 = significant 4 = major 5 = very high
Likelihood of occurrence	Probability that an opportunity or risk will occur.	5% = very unlikely (less than once every 10 years) 25% = unlikely (every 7-10 years) 50% = neutral (every 4-6 years) 75% = likely (every 2-3 years) 95% = very likely (annually)

### Opportunity and risk assessment methodology

	Methodology for calculation
Opportunity / risk	Potential financial scale x Likelihood of occurrence

If the value exceeds the threshold of 2, the opportunity or risk is material.

In order to evaluate the risks, it was not possible to adopt BAUER's underlying risk management procedure without changes, since a different evaluation method is used and adjustments were therefore required. The evaluation scales are oriented on general approaches used in the industry.

### 5. Summary of material topics

The final results were presented to the Executive Board in February 2025 and approved. The entire process was documented in an open and traceable manner. The material topics that were identified serve as the basis for future ESRS- and CSRD-compliant sustainability reporting in the BAUER Group.

**DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT**

IRO-2

The following table provides an overview of the disclosures required by ESRS as well as the corresponding page references in this Sustainability Report.

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# Environmental information

## EU TAXONOMY

The EU taxonomy pursuant to Regulation (EU) 2020/852 comprises a core element of the Action Plan on Sustainable Finance initiated by the European Commission under the framework of the “European Green Deal”.

The goal of the EU taxonomy is to establish a binding classification system EU-wide for determining environmentally sustainable economic activities. This aims to establish transparency regarding the contribution of economic activities to the environmental goals of the European Union and support targeted steering of capital flows into sustainable investments. The EU taxonomy is focused around six defined environmental goals which are used to evaluate the environmental sustainability of economic activities:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (WTR)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. The 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 fulfill for 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 fulfill the minimum requirements for occupational safety and human rights described by the Taxonomy Regulation.

As part of the “*Omnibus I Package*”, the European Commission passed a delegated act simplifying the application of the EU taxonomy on July 4, 2025. This legal act modifies the Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486, introducing measures such as a materiality threshold of 10%, which will be used as a basis for determining that non-material economic activities no longer need to undergo a detailed review of their taxonomy eligibility and compliance. For the 2025 year under review, the BAUER Group exercised the option of applying the simplifications provided in the Omnibus delegated act.

### 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	2024	2025
Turnover	2,035.8	1,627.9
CapEx	199.8	141.1
OpEx	43.3	54.4

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. Double counting is also prevented by separately recording the revenues for products and projects and evaluating them afterwards.

**Financial year (2025)****Breakdown by environmental objectives of taxonomy-aligned activities**

KPI	Total	Proportion of taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year 2024	Proportion of taxonomy-aligned activities in previous financial year 2024
Text	EUR million	%	EUR million	%	%	%	%	%	%	%	%	%	%	EUR million	%
Turnover	1,628	31.1	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0	0.0
CapEx	141	9.8	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
OpEx	54	5.9	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.1	0	0.0

## DETAILS REGARDING THE TURNOVER KPI

The turnover of the BAUER Group are generated in the three operational segments of 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.
- 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.
- 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 water well construction, environmental services and energy, mining, infrastructure as well as constructed wetlands.

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 produces and sells products in the Equipment segment and in the Resources segment. These are the only segments in which services are performed in the form of clearly delineated “individual services”. In addition to project-related activities, there are independent products that can be differentiated as product-related turnover. The taxonomy codes below were identified as relevant for the business activities of these segments after review, which means that the corresponding turnover can be reported as taxonomy-eligible. Because only insufficient data or proof is available for fulfilling the technical assessment criteria for these sales, no taxonomy compliance audit was carried out in line with Point 13 of the Communication of the EU Commission C/2023/30.

### Manufacturing industry

Code	Economic activity	Economic activity BAUER Group
CCM 3.1	Manufacture of renewable energy technologies	<p>The solar hand pumps of the subsidiary GWE extract water from wells using energy generated by solar modules. Renewable energy is used here to facilitate water procurement. The corresponding sales are counted as taxonomy-eligible according to the specified code.</p> <p><b>Resources segment: Solar hand pumps</b></p> <p>Moreover, the product solutions offered by GWE for the use of geothermal energy to generate heat or cooling (e.g. geothermal probes and shaft structures) are classified as taxonomy-eligible.</p> <p><b>Resources segment: Geothermal heat products (geothermal probes, shaft structures)</b></p>
CCM 3.6	Manufacture of other low carbon technologies	<p>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 CO<sub>2</sub> in the usage phase or lead to their complete elimination.</p> <p>In the BAUER Group and specifically in the Equipment segment, these include electrified and hybrid construction equipment that help to reduce CO<sub>2</sub> emissions on construction projects that would occur with comparable, non-electrified construction equipment during use because of the consumption of fossil fuels.</p> <p><b>Equipment segment: Electrified and hybrid equipment</b></p>

**Project-related turnover:**

The Geotechnical Solutions and Resources segments of the BAUER Group achieve the majority of their turnover with various construction project businesses. These project sales 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 assessed as taxonomy-eligible which could be clearly allocated to a taxonomy code based on their service descriptions. Due to the variety of projects carried out and the necessary detailed audit at the single project level in each case, for the 2025 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 90% of the project sales volume in each segment.

During the evaluation of our economic activities according to the requirements of the EU taxonomy, the Omnibus rule was applied. In this context, 3.6% of overall revenues did not undergo taxonomy evaluation.

A declaration of conformity was waived for the 2025 financial year for the corresponding taxonomy-eligible turnovers. The reason for this was that providing evidence for the fulfillment of the technical assessment criteria by review on a single-project basis would have been unreasonably complex, particularly due to unavailable evidence. The BAUER Group is frequently active at the start of construction projects and has limited insight into the characteristics of the overall construction project. For the future it is planned to conduct taxonomy alignment audits for the most relevant revenue positions as well.

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:

## Energy

Code	Economic activity	Economic activity BAUER Group
CCM 4.3	Electricity generation from wind power	<p>This activity comprises the operation and construction of equipment for generating electricity using wind power. The Geotechnical Solutions segment regularly performs specialist foundation engineering services for wind power projects, particularly foundations and geotechnical solutions for wind turbines.</p> <p><b>Geotechnical Solutions segment: Specialist foundation engineering for wind turbines</b></p>
CCM 4.5	Electricity generation from hydropower	<p>This activity comprises the operation and construction of equipment for generating electricity using hydropower. The Geotechnical Solutions segment supports hydropower projects worldwide by executing complex specialist foundation engineering works such as diaphragm walls, cut-off walls as well as drilling and grouting work for sealing and stabilizing construction soil and dam facilities.</p> <p><b>Geotechnical Solutions segment: Specialist foundation engineering for hydropower plants</b></p>
CCM 4.7	Electricity generation from renewable non-fossil gaseous and liquid fuels	<p>The Resources segment assists with the construction of combined heat and power plants that are operated with sewage gas through project-related services in the area of energy and plant infrastructure. These include general work for expansion, adjustment or optimization of plant components as well as accompanying technical services in the project timetable.</p> <p><b>Resources segment: Project work construction combined heat and power plant (operation with sewage gas)</b></p>
CCM 4.9	Transmission and distribution of electricity	<p>The Geotechnical Solutions segment carries out project work for structural implementation of electric power lines, including foundation-related specialist foundation engineering services for masts and line infrastructure.</p> <p><b>Geotechnical Solutions segment: Specialist foundation engineering for electrical power lines</b></p>
CCM 4.22	Production of heat/cool from geothermal energy	<p>The Resources segment develops and realizes geothermal plants for efficient generation of heat and cooling, whereby the company covers all project phases – from consulting and geothermal potential analysis to design all the way to turnkey implementation – from a single source. Using geothermal probe systems, buildings are sustainably heated and cooled by harnessing the constant temperature of the ground.</p> <p>Furthermore, the Resources segment also offers thermally activated construction components (energy piles and energy walls) as an integral solution in which structurally required underground construction elements also generate geothermal energy, increasing efficiency and environmental benefits.</p> <p><b>Resources segment: Project work geothermal heat</b></p>
CCM 4.24	Production of heat/cool from bioenergy	<p>This activity comprises the operation and construction of equipment for generating heat or cooling from biomass, biogas or liquid biofuels. The Resources segment takes care of project-related sales of components for bioenergy equipment, e. g. pyrolysis plants for an at-equity company which generate process heat from biomass.</p> <p><b>Resources segment: Component sale for bioenergy equipment</b></p>
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	<p>This activity comprises the operation and construction of nuclear power plants. The Geotechnical Solutions segment performs specialist foundation engineering services for power plants, particularly foundations.</p> <p><b>Geotechnical Solutions segment: Specialist foundation engineering nuclear power plants</b></p>
CCM 4.29	Electricity generation from fossil gaseous fuels	<p>This activities comprises the construction and operation of electricity generation facilities that produce electricity using fossil gaseous fuels. These particularly include gas-based power plants based on gas turbine or combined cycle gas turbines (CCGT) which generate network electricity. The Geotechnical Solutions segment performs specialist foundation engineering services for energy generation plants, particularly foundations.</p> <p><b>Geotechnical Solutions segment: Specialist foundation engineering gas power plants</b></p>

## Water supply, sewerage, waste management and remediation

Code	Economic activity	Economic activity BAUER Group
CCM 5.3	Construction, extension and operation of waste water collection and treatment	<p>The subsidiary SCHACHTBAU NORDHAUSEN GmbH engages in new building, expansion and conversion of water supply and disposal plants, pumping stations and hydraulic engineering facilities, and thus covers all services from project planning and design to turnkey construction. Activities also include the manufacture of numerous components, particularly for pipeline construction, in the company's own production halls. The range of services extends to sewage treatment plant, pumping stations, drinking water facilities and hydraulic engineering works, and thus falls into the area of construction and expansion for centralized wastewater systems, which includes wastewater collection (canal network) and wastewater treatment.</p> <p><b>Resources segment: Construction projects for construction/expansion of sewage treatment plants and facilities, pumping stations, drinking water facilities and hydraulic engineering works (SCHACHTBAU NORDHAUSEN GmbH)</b></p>
CCM 5.4 / CCA 5.4	Renewal of waste water collection and treatment	<p>The Resources segment has particular expertise in work carried out during ongoing plant operation while maintaining all functions, which facilitates new building as well as refurbishment. This capacity particularly supports the refurbishment of centralized wastewater systems where there is no significant change in the load or flow rate of the collected or treated water. In particular, this is relevant for rehabilitation of sewage treatment plants, pumping stations, drinking water facilities and hydraulic engineering projects in existing buildings.</p> <p><b>Resources segment: Construction projects: Refurbishment of sewage treatment plants and facilities, pumping stations, drinking water facilities and hydraulic engineering works (SCHACHTBAU NORDHAUSEN GmbH)</b></p>
CCM 5.5	Collection and transport of non-hazardous waste in source segregated fractions	<p>The soil treatment centers operated by BAUER Resources GmbH make an important contribution to separated collection and transport of non-hazardous mineral waste by collecting a variety of waste categories – including soils, construction debris, railway ballast and other mineral substances – directly where they are generated or using defined collection channels, and providing these material for environmental friendly further treatment. At sites such as the fully enclosed Soil treatment Center Schrobenshausen, this waste is received in separate categories, temporarily stored, then undergoes biological or dry mechanical treatment and is prepared for recovery or recycling.</p> <p><b>Resources segment: Soil treatment centers</b></p>
WTR 2.1	Water supply	<p>In the area of water supply, SCHACHTBAU NORDHAUSEN GmbH engages in construction, expansion, operation and refurbishment of plants for water extraction, treatment and supply, particularly including drinking water facilities and hydraulic engineering facilities. Work covers all phases from design to turnkey construction, encompassing new building as well as reinforcement measures while maintaining ongoing operation. In this way, the company helps to ensure a reliable supply using water extracted from near-surface or aquifer resources and prepared for human use.</p> <p><b>Resources segment: Construction projects (SCHACHTBAU NORDHAUSEN GmbH)</b></p> <p>The subsidiary GWE GmbH has technical and application-specific competencies as well as years of experiences from in-house production plants. These activities comprise all major steps of project execution in water well construction. The basis for these projects is extensive experience from a variety of water well construction projects that have been implemented. Apart from project-related services, GWE GmbH offers a broad product range of components for water well construction. The products are used for various applications, including municipal water supply, industrial usage and agricultural irrigation.</p> <p><b>Resources segment: Construction projects in water well construction (GWE GmbH)</b></p>
CE 2.4	Treatment of hazardous waste	<p>This activity comprises treatment, processing, interim storage or removal of hazardous waste according to the applicable legal requirements for waste disposal. In particular, this comprises safe acceptance, characterization, handling and environmentally compatible preparation of polluted or contaminated waste flows. As a certified state approved treatment facility, the Resources segment operates multiple sites for the treatment and storage of hazardous mineral waste. These include the soil treatment centers f. ex. in Regensburg, which handles up to 85,000 t of hazardous and non-hazardous waste per year.</p> <p><b>Resources segment: Handling of hazardous mineral waste</b></p>
CE 2.7	Sorting and material recovery of non-hazardous wastes	<p>This activity encompasses the construction and operation of sites for sorting and material recovery of non-hazardous waste using mechanical processes to generate high-quality secondary raw materials. The goal is to reintroduce the materials into the material cycle in line with the circular economy. The Resources segment operates multiple soil treatment centers across Germany in which non-hazardous mineral waste is treated mechanically and biologically, and processed into usable secondary raw materials. These sites engage in sorting, prepared and reintroducing materials in high-quality recovery channels.</p> <p><b>Resources segment: Sorting and material recovery of non-hazardous mineral wastes</b></p>

### Water supply, sewerage, waste management and remediation

PPC 2.3	Remediation of legally non-conforming landfills and abandoned or illegal waste dumps	<p>This activity comprises the rehabilitation of non-conforming or abandoned landfills that are permanently closed. This includes measures for curbing, controlling or reducing contaminant emissions, for instance with ecological isolation, sealings, drainage systems, leachate treatment, gas capping and recultivation. The Resources segment carries out rehabilitation and environmental construction activities at landfill sites, including excavation of contaminated materials, sealing systems, dewatering and treatment plants along with the implementation of safety-related and environmental measures.</p> <p><b>Resources segment: Rehabilitation of non-compliant landfills</b></p>
PPC 2.4	Remediation of contaminated sites and areas	<p>At former industrial, military and business locations, the Resources segment treats polluted soils and basic structures using suitable rehabilitation methods and prepares them to be used again. Depending on the contaminant and site conditions, this includes removal of contaminated materials as well as their in-situ treatment. On more complex projects, rehabilitation also includes extensive revitalization of the area, all the way to execution of a excavation pit that is ready for building. In this way, formerly polluted premises can be made usable again in line with technical and environmental standards.</p> <p><b>Resources segment: Projects in brownfield remediation</b></p> <p>In the past, industrial facilities and unsecured landfill sites have been the source of subsoil contamination in many places. To prevent ground water contamination, the Geotechnical Solutions segment encloses these areas with cut-off walls, allowing the contaminated soil to be replaced or cleaned.</p> <p><b>Geotechnical Solutions segment: Projects in cut-off walls for contaminated areas</b></p>

#### 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 turnovers amounting to EUR 13.1 million (previous year: EUR 13.7 million) with a project in Oman in 2025, 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](#)).



## Transport

Code	Economic activity	Economic activity BAUER Group
CCM 6.14	Infrastructure for rail transport	<p>The BAUER Spezialtiefbau GmbH supports rail infrastructure projects by constructing sophisticated foundations, excavation pits and cut-off walls which serve as the geotechnical basis for bridges, tunnels and other rail-related traffic structures. With its specialized construction methods and years of international experience, the company executes the required underground structures to enable durable and safe railway transport systems.</p> <p><b>Geotechnical Solutions segment: Infrastructure (BAUER Spezialtiefbau GmbH)</b></p> <p>With its long-established business division for steel construction, SCHACHTBAU NORDHAUSEN GmbH makes a significant contribution to railway transport infrastructure, particularly with the design, construction and rehabilitation of complex steel bridge structures. Services comprise the latest design technologies, extensive depth of production and quality assurance methods that are tailored to durable and economical traffic structures. The company also assists with relevant engineering activities such as design, technical development and structural execution in the context of constructing and modernizing traffic structures.</p> <p>With professional slope and rock stabilization measures such as protective nets, anchoring and fences, SPESA Spezialbau und Sanierung GmbH makes an important contribution to safeguarding and stability of slopes and rock head zones near railway lines.</p> <p><b>Resources segment: Bridge construction, securing slopes and rock walls</b></p>
CCA 6.15	Infrastructure enabling road transport and public transport	<p>BAUER Spezialtiefbau GmbH assists road infrastructure projects with the construction of complex foundation, excavation pits and cut-off walls that serve as the geotechnical basis for road bridges, underpasses and other road-related traffic structures. With its specialist foundation engineering methods and years of international expertise, the company executes the required underground structures to realize durable and safe road traffic structures.</p> <p><b>Geotechnical Solutions segment: Infrastructure (BAUER Spezialtiefbau GmbH)</b></p> <p>SCHACHTBAU NORDHAUSEN GmbH and other companies in the BAUER Group make an important contribution to road infrastructures by providing complex services in engineering, steel and bridge construction. These include the manufacture and assembly of high-quality steel construction components, execution of challenging traffic structures, design and realization of durable steel and steel composite structures, along with supplementary construction services such as foundations, retaining structures and facilities installation, which together ensure the performance capacity, safety and resistance of modern roadways.</p> <p><b>Resources segment: Steel construction, securing slopes and rock walls</b></p>
CCA 6.16	Infrastructure for water transport	<p>The Geotechnical Solutions segment performs key activities related to shipping infrastructure with projects such as soil stabilization at coastal sites and the new building of lock systems. These construction activities include modernization and upkeep of waterways as well as river engineering to safeguard the functional capacity of critical transport routes for future generations. In this context, a key focus is adaptation to climate change by using technical solutions to increase the physical resistance of the infrastructure to location-specific climate risks. By safeguarding ship transport on the long term, these projects also promote the shift of goods transport to lower-emissions transport options, thereby assisting with the overarching goals of sustainable and climate-resilient mobility.</p> <p><b>Geotechnical Solutions segment: Soil stabilization at coastal locations; new building of lock systems</b></p>

### Disaster risk management

Code	Economic activity	Economic activity BAUER Group
WTR 3.1	Nature-based solutions for flood and drought risk prevention and protection	<p>With the construction, reinforcement and rehabilitation of dams and dikes, the Geotechnical Solutions segment delivers robust solutions that protect people and the infrastructure from the force of water. These structures are also used to store water for consumption, irrigation and industrial usage, and contribute to CO<sub>2</sub>- reduction with hydropower. In this way, BAUER projects support sustainable water management with resilient coordination at the level of river catchment areas and regions.</p> <p><b>Geotechnical Solutions segment: Dams and dikes</b></p>

### Construction and real estate activities

Code	Economic activity	Economic activity BAUER Group
CCM 7.2	Renovation of existing buildings	<p>This activity comprises above-ground and underground construction work or preparations.</p> <p>The Resources segment uses expert knowledge to preserve the long-term value of historical and modern structures through professional rehabilitation. Specialized services such as micro pile foundations and underpinning work safeguard structural integrity as a fundamental preparation for the renovation of existing buildings. By retaining the basic structure, resource-intensive demolition work is avoided and the technical prerequisites are established for long-term continued use. In this way, the company provides the basis for energy modernization in existing buildings, making a key contribution to climate change mitigation while protecting historical monuments.</p> <p><b>Resources segment: Building rehabilitation (SPESA Spezialbau und Sanierung GmbH)</b></p>
CE 3.3	Demolition and wrecking of buildings and other structures	<p>The Resources segment executes demolition work in systematic and precise methods, often in tight urban conditions, for example the demolition of a residential building in the center of Munich or when dismantling an industrial site in Munich's factory district. In this process, large volumes of material are moved and contaminants are removed. If excavation pits are also executed during an order for subsequent construction projects, this falls under "New building" or "Renovation of existing buildings".</p> <p><b>Resources segment: Dismantling</b></p>

## Reported KPI (Turnover)

Financial year (2025)

Environmental objective of taxonomy-aligned activities													
Economic Activities	Code	Taxonomy-eligible KPI (Proportion of taxonomy-eligible Turnover)	Taxonomy-aligned KPI (monetary value of Turnover)	Taxonomy-aligned KPI (Proportion of taxonomy-aligned Turnover)	Climate change mitigation	Climate change adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity (E)	Transitional activity (T)	Proportion of taxonomy-aligned in taxonomy-eligible
Text		%	EUR million	%	%	%	%	%	%	%	E (where applicable)	T (where applicable)	%
Manufacture of renewable energy technologies	CCM 3.1, CCA 3.1	0.1	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	E		0.0
Manufacture of other low carbon technologies	CCM 3.6, CCA 3.6	0.4	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	E		0.0
Electricity generation from wind power	CCM 4.3, CCA 4.3	1.2	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Electricity generation from hydropower	CCM 4.5, CCA 4.5	1.5	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Electricity generation from renewable non-fossil gaseous and liquid fuels	CCM 4.7, CCA 4.7	0.3	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Transmission and distribution of electricity	CCM 4.9, CCA 4.9	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	E		0.0
Production of heat/cool from geothermal energy	CCM 4.22, CCA 4.22	0.5	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Production of heat/cool from bioenergy	CCM 4.24, CCA 4.24	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
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	2.6	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Electricity generation from fossil gaseous fuels	CCM 4.29	0.7	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		T	0.0
Construction, extension and operation of waste water collection and treatment	CCM 5.3, CCA 5.3	1.6	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Renewal of waste water collection and treatment	CCM 5.4, CCA 5.4	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5, CCA 5.5	0.1	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Infrastructure for rail transport	CCM 6.14, CCA 6.14	6.8	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	E		0.0
Renovation of existing buildings	CCM 7.2, CCA 7.2	0.1	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		T	0.0
Renewal of waste water collection and treatment	CCA 5.4	0.2	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			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 2025, the BAUER Group recorded no additions in the area of "Agriculture". The total value of the remaining CapEx areas as defined under the EU taxonomy Regulation (denominator of CapEx KPI) amounted to EUR 141 million in 2025.

For these 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. Accordingly, the focus of the CapEx review for 2025 was on the purchase of production from taxonomy-eligible or taxonomy-aligned economic activities as defined under Clause 1.1.2.2. c) of Delegated Regulation (EU) 2021/2178. The largest taxonomy-eligible items in this area were the transport by motorbikes, passenger cars and light commercial vehicles (CCM 6.5), acquisition or ownership of buildings (CCM 7.7) for business purposes, close to market research, development and innovation (CCM 9.1).

In the year under review, selected capital expenditures (CapEx) were identified and reported in connection with taxonomy-eligible products as defined under Clause 1.1.2.2. c) of Delegated Regulation (EU) 2021/2178. This relates to development expenses of EUR 205.7 thousand for products associated with taxonomy-eligible economic activities (Code CCM 3.6 and Code CCM 4.22). The remaining development costs, which are not associated with a taxonomy-eligible activity (i.e. they were recorded in Code CCM 9.1), amount to EUR 2.44 million. The precise allocation of the remaining investment expenditures to individual taxonomy-eligible projects proves to be complex, as many of the investments benefit several projects simultaneously. Particularly when it comes to the procurement of operating materials or infrastructure, these are used across different projects, which makes it difficult to allocate them exactly to a specific project.

For 2025 no investment expenditures were recorded that form part of a plan for the expansion of taxonomy-compliant economic activities in order to convert taxonomy-eligible economic activities into taxonomy-compliant economic activities ("CapEx plan") under Clause 1.1.2.2. c) of Delegated Regulation (EU) 2021/2178.

The following codes were applied when accounting for CapEx:

- CCM 3.6 – Manufacture of other low-carbon technologies
- CCM 4.11 – Storage of thermal energy
- CCM 4.16 – Installation and operation of electric heat pumps
- CCM 4.22 – Production of heat/cool from geothermal energy
- CCM 6.4 – Operation of personal mobility devices, cycle logistics
- CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles
- CCM 6.6 – Freight transport services by road
- CCM 6.13 – Infrastructure for personal mobility, cycle logistics
- CCM 7.2 – Renovation of existing buildings
- CCM 7.3 – Installation, maintenance and repair of energy efficiency
- CCM 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings  
(and parking spaces attached to buildings)
- CCM 7.5 – Installation, maintenance and repair of instruments and devices for measuring,  
regulation and controlling energy performance of buildings
- CCM 7.6 – Installation, maintenance and repair of renewable energy technologies
- CCM 7.7 – Acquisition and ownership of buildings
- CCM 9.1 – Close to market research, development and innovation
- CCA 6.15 – Infrastructure enabling road transport and public transport
- WTR 3.1 – Nature-based solutions for flood and drought risk prevention and protection

For the 2025 financial year, calculated according to the requirements of the EU taxonomy, we report a taxonomy-eligible CapEx numerator of EUR 13.8 million in total.

The entire CapEx was evaluated in the year under review within the context of the EU taxonomy.



### 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 taxonomy-eligible economic activities in the Equipment segment for the 2025 financial year in the area of research and development. The audit focused on the expenses of BAUER Maschinen GmbH to which the potentially taxonomy-eligible research expenses are limited. Multiple projects of subsidiaries contribute to the first environmental goal of the EU taxonomy, climate change mitigation, as they correspond with Code 3.6 "Manufacture of other low-carbon technologies." Relevant activities include (partial) electrification of construction equipment and thus the significant reduction or elimination of CO<sub>2</sub> caused by exhaust gas. As the criteria for a substantial contribution to climate change mitigation through 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 2025 financial year. Furthermore, the corresponding taxonomy-eligible expenditures do not exceed the internally defined threshold of financial materiality in comparison with the total OpEx of the BAUER Group. In the OpEx cost areas of short-term leasing, maintenance and repair for the 2025 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 costs for e-bike leasing that were incurred under the framework of the taxonomy Code 6.4 "Operation of personal mobility devices, cycle logistics" and were thus determined to be taxonomy-eligible.

A share of 94.1% of the OpEx was not evaluated in the year under review within the context of the EU taxonomy. This relates to all positions for which insufficient information was available as of the reporting date in order to make an unambiguous allocation to taxonomy-eligible economic activities.



# Environmental Information

## ESRS E1 – CLIMATE CHANGE

As a company active in specialized civil engineering, mechanical engineering, and environmental services, the BAUER Group is aware of the impact its business activities have on the climate and the environment, particularly with regard to emissions, energy and resource consumption, and effects on air, soil, and water. We are committed to systematically tracking and continuously reducing these impacts throughout the entire value chain – from material procurement through production and transportation to the operation of our machinery. Addressing climate change is a strategic challenge. The Executive Board is responsible for steering measures and managing the associated risks and opportunities. In addition to complying with regulatory requirements, the BAUER Group relies on preventive measures, innovative technologies, and a comprehensive approach to environmental awareness. This includes integrated risk and adaptation strategies for managing physical climate risks, as well as measures to reduce its own greenhouse gas emissions and thereby minimize the impact of its business activities on climate change. At the same time, the Group actively capitalizes on opportunities arising from the growing demand for climate-friendly and resilient infrastructure as well as sustainable technologies.

### INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE INTO INCENTIVE SCHEMES

GOV-3

A description of how sustainability-related performance is incorporated into incentive schemes can be found in the section ESRS 2 GOV-3 (General information).

### INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-2

Climate change and the responsible management of natural resources are among the key challenges of our time. For companies, this results in growing expectations to take the environmental impacts of their business activities into account and to promote sustainable solutions. For the BAUER Group, too, addressing environmental and climate issues responsibly is a key priority. As an internationally active company in specialized civil engineering, mechanical engineering, and environmental technology, the BAUER Group recognizes its responsibility to incorporate environmental considerations into its business decisions and to contribute to sustainable development.

Against this backdrop, environmental and climate issues are also a focus for various stakeholders. Employees, customers, business partners, investors, government agencies, and the general public all attach great importance to the responsible use of resources and the minimization of environmental impacts. The BAUER Group is expected to structure its business operations accordingly and to systematically address issues of environmental protection, climate protection, and adaptation to climate change.

Regular dialogue with our stakeholders provides important guidance for the further development of sustainability activities within the company. Through this dialogue, relevant expectations and perspectives become apparent at an early stage, allowing them to be incorporated into internal processes and decision-making structures. In this way, stakeholder dialogue helps to continuously advance environmental issues and ensure they are appropriately addressed within the company.

## **MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND THE BUSINESS MODEL**

SBM-3

The BAUER Group's business activities are closely linked to the use of energy, materials, and technical resources. As an internationally active company in specialized civil engineering, mechanical engineering, and related services, climate- and environment-related impacts arise along the value chain – for example, through the use of energy-intensive materials such as steel or concrete, the operation of machinery and equipment, and through transportation and construction activities. These impacts can manifest, among other things, as greenhouse gas emissions, resource consumption, and effects on air, soil, and water. The BAUER Group is aware of these impacts and aims to keep them as low as possible within the scope of its business activities and to continuously reduce them.

At the same time, climate change is increasingly affecting the operating environment for business activities. Against this backdrop, climate-related aspects are taken into account on a qualitative basis in Group-wide risk management. In addition, external risk analyses – for example, by insurance companies – as well as internal insights from various business units are incorporated into the assessment.

Furthermore, the growing importance of climate and environmental issues also presents opportunities for the further development, in-house use, and marketing of technologies, products, and services. Innovative and resource-efficient solutions can help reduce environmental impacts while simultaneously meeting the rising demands of customers, markets, and regulatory frameworks.

As a responsible company, the BAUER Group considers it a matter of course to continuously advance environmental and climate protection across all areas of the business. Achieving these goals falls within the purview of the managing directors of the individual companies, who coordinate environmental and climate-related goals, strategies, and measures through open dialogue with employees.

The HSE department supports this process through cross-functional coordination, providing guidance, and fostering continuous dialogue, thereby helping to ensure transparency regarding progress toward achieving environmental and climate-related goals. In addition, through targeted activities and training programs, it makes an important contribution to further strengthening environmental and climate awareness among all employees.

The BAUER Group takes the described impacts, risks, and opportunities into account as part of its strategic orientation. The goal is to gradually integrate environmental and climate-related aspects more strongly into business decisions and to further develop business operations over the long term. In doing so, both the responsible management of environmental impacts and adaptation to changing climatic conditions are viewed as integral components of sustainable corporate development. This makes it possible to systematically consolidate existing measures, identify new areas of action, and align the corporate strategy with environmental responsibility.

A resilience and scenario analysis to assess the resilience of the strategy and business model to climate change is currently underway. It will be systematically refined as the process continues.

## **DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES**

IRO 1

The procedures for identifying and assessing material climate-related impacts, risks, and opportunities are being successively refined. As part of a workshop on double materiality analysis, initial assessments were conducted with the involvement of internal departments.

Climate-related impacts, risks, and opportunities were systematically identified along the entire value chain and classified according to physical risks and transition risks. The assessment is conducted using qualitative and, where available, quantitative methods, taking into account the probability of occurrence and potential impacts on the business model, strategy, and financial position over short-, medium-, and long-term time horizons. An in-depth analysis based on established climate scenarios is currently being developed. The insights gained from this analysis will serve as the basis for a future resilience analysis to assess the business model's resilience to climate-related changes. The procedures will be further refined and standardized to ensure a consistent, robust, and transparent assessment. A report on this will be issued as soon as the process is completed.

## **TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION**

E1-1

The BAUER Group is currently exploring the development of a transition plan for climate protection. The goal of this plan is to define concrete measures and time-bound targets to systematically reduce the company's greenhouse gas emissions and operate in a climate-neutral manner over the long term. The transition plan will align the company's strategic direction with climate protection requirements and take into account short-, medium-, and long-term options for action.

Many climate protection measures are already being implemented within the company, such as those aimed at reducing energy consumption, emissions, and resource use. However, these activities have not yet been consolidated into an overarching strategy and are therefore not formally incorporated into the transition plan.

The global inventory of greenhouse gas emissions laid the foundation for developing the transition plan. Building on this, the plan will be further refined to systematically integrate existing measures, identify additional areas for action, and establish a clear roadmap for implementation.

Once the plan is finalized and approved by the Executive Board, the BAUER Group will transparently communicate its measures and goals and put them into operational practice. This is intended to ensure that the company's activities are continuously aligned with climate goals and that the BAUER Group contributes to sustainable development.

## POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

E1-2

The BAUER Group's [Corporate Social Responsibility Policy](#) (CSR Policy) establishes environmental protection—including integrated climate protection—as one of the four central pillars of the company's policy. As part of the Group-wide HSE (Health, Safety, Environment) management system, environmental protection is integrated into operational processes as a holistic and indispensable component. A key strategic focus is on increasing energy and resource efficiency, as well as expanding the use of renewable energy, in order to minimize the unavoidable impacts on air, soil, and water and to consistently reduce the Group's environmental footprint. This approach is complemented by the development of durable, efficient equipment and the optimization of construction processes aimed at minimizing negative environmental impacts and increasing the recycling of materials through prioritized waste management. Through this orientation, which is firmly anchored in the Group's governance structure, the BAUER Group ensures that environmental responsibility and economic performance are inextricably linked in the interest of a healthy and sustainable enterprise. Ultimate responsibility for this transformation lies directly with the Executive Board and the management teams of the operating segments.

Our environmental management system has been established within the company for many years. The Group-wide [Health, Safety, and Environmental Policy \(HSE\)](#) forms the basis of our actions and is aligned with internationally recognized standards. We continuously take environmental aspects into account in our organizational and decision-making processes, with safety and health protection serving as further central areas of focus in our HSE corporate strategy. We ensure responsible conduct through our standards and guidelines, which we review for effectiveness as part of regular HSE audits to validate target values and proactively prevent potential undesirable developments. This commitment is underscored by the "BAUER's Triple A" mission statement, which defines HSE, quality, ethics, and performance as equally important pillars of corporate management.

The BAUER Group has been registered as an EMAS-certified company ([EMAS certificate](#)) for over 20 years, demonstrating its long-term commitment to the continuous improvement of its operational environmental performance. The current consolidated environmental declaration for 2025 covers the main site in Schrobenhausen, consisting of the headquarters and the plants in Schrobenhausen, Aresing, and Edelshausen. Also integrated into the EMAS-certified environmental management system are the key sites of BAUER Resources GmbH, namely the soil remediation centers (BRZ) in Duisburg, Hirschfeld, Regensburg, Schrobenhausen, Weilheim, and, starting in 2026, the BRZ in Hamburg. In 2025, SCHACHTBAU NORDHAUSEN GmbH was also successfully registered for the first time under the EMAS environmental management system. The EMAS system is embedded as an integral part of the overarching Health, Safety, and Environment (HSE) management system and serves to minimize environmental impacts on the climate, resources, and biodiversity through systematic analyses and measurable goals.

Building on the existing systems, the BAUER Group is currently working intensively on the development of a comprehensive sustainability strategy that addresses climate protection, energy issues, and adaptation to the effects of climate change.

Our core approach to the future sustainability strategy is based on a differentiated view of "handprint" and "footprint": While the footprint describes the reduction of our own negative impacts on the environment and society, the handprint represents our active contribution to generating positive effects through our products, services, and business model. This holistic understanding commits us not only to taking responsibility for our own actions, but also to developing targeted solutions that enable and reinforce sustainable transformation beyond our own corporate boundaries.

Based on the results of the double materiality analysis and the areas of action identified as material, measures and initiatives are currently being reviewed, consolidated, and further developed to combine responsibility for environmental and climate protection with economic efficiency in the future. The goal is to systematically integrate existing activities into an overarching strategy, optimize energy and resource use, reduce greenhouse gas emissions, and strengthen the company's ability to adapt to changing climatic conditions.

The following sections provide an overview of the key areas of action on which the BAUER Group is currently focusing and expanding its work in the areas of climate protection, energy, and adaptation to climate change.

### **Energy Efficiency at Our Construction Sites and in Our Production Plants**

The BAUER Group places great emphasis on using energy as efficiently as possible at its construction sites. Through appropriate measures and the use of modern technologies, the consumption of fuels and electricity is to be specifically reduced. The focus is on the efficient operation of machinery and equipment, optimized construction site setups, and an overall resource-conserving use of energy.

Through the continuous improvement of production processes, the use of modern plant and machinery technology, and the prevention of energy losses, energy consumption in production is sustainably reduced. This enables a reduction in direct emissions from fuel use as well as indirect emissions from energy consumption.

In this way, energy and operating costs can be lowered while simultaneously reducing greenhouse gas emissions. Furthermore, an energy-efficient organization of construction sites and production processes helps to optimize workflows and further strengthen competitiveness through modern and efficient construction and manufacturing processes.

### **Resource-Optimized Construction Methods and Production**

The BAUER Group relies on construction methods that enable the most efficient use of materials possible and conserve resources. Through optimized construction workflows and the targeted use of suitable building materials, material requirements are reduced, waste is avoided, and the recycling of materials is supported. Furthermore, the BAUER Group employs construction methods that make efficient use of existing materials and integrate them into the construction process. One example is our "Mixed in Place" method, in which the existing soil is not removed but is transformed into concrete in situ by adding a cement slurry.

This approach helps increase resource efficiency in construction and effectively implement sustainable practices in day-to-day construction work. At the same time, it lowers material costs and reduces waste generation, thereby combining environmental and economic considerations.

At our production facilities, we also focus on continuously optimizing manufacturing processes to minimize material losses and use raw materials as efficiently as possible. This reduces scrap volumes and improves material efficiency throughout the value chain.

### **Adapting to Climate Change**

The BAUER Group evaluates measures to strengthen resilience against the consequences of climate change and systematically incorporates climate-related risks into its risk management. Through forward-looking planning, robust infrastructure, and flexible approaches, the company aims to minimize the potential impacts of extreme weather events, ensure the continuity of projects, and protect employees, partners, and resources. On this basis, strategies are developed and further expanded to promote the company's future resilience.

### **Innovation and Future Markets**

The BAUER Group develops sustainable products and technologies with a focus on environmental opportunities and resource efficiency. Through practical innovations and forward-looking solutions, new markets are tapped, competitiveness is strengthened, and long-term environmental and economic added value is created. In this way, the BAUER Group shapes its transformation in a sustainable manner and solidifies its position as a provider of forward-looking solutions. This aligns with our "handprint" approach.

### **Product and Technology Development**

The BAUER Group develops innovative, sustainable, and resource-efficient technologies and solutions for all of its business segments. In the Geotechnical Solutions segment, this includes new construction methods and digital solutions; in the Equipment segment, it encompasses energy-efficient and low-emission equipment, innovative construction methods, and smart assistance systems; and in the Resources segment, it features sustainable products and services for resource conservation, environmental technology, and processing. The targeted integration and coordination of technologies across all segments create synergies that enhance competitiveness and technological leadership, differentiate the company from the competition, and promote innovation and efficiency throughout the entire product and service portfolio.

### **Machinery Take-Back, Refurbishment, and Lifecycle-Oriented Services**

The BAUER Group pursues a life-cycle-oriented strategy aimed at extending the service life of machines through buyback, reconditioning, and comprehensive services. Through a global service network, digital solutions, and structured remarketing approaches, operational downtime is reduced and material cycles are strengthened. In this way, the strategy helps to increase resource efficiency and avoid emission-intensive new production.

### **Sustainable Business Segments**

The BAUER Group identifies and develops new, sustainable market segments with growth potential across all business divisions, for example in the areas of flood protection, geothermal energy, infrastructure projects, low-emission machine use, and new services in the environmental and resources sectors. By tapping into these business areas, the Group diversifies its revenue streams, strengthens its market position, and capitalizes on future-oriented opportunities in the Geotechnical Solutions, Equipment, and Resources segments. In this way, the BAUER Group contributes to securing its long-term corporate development while simultaneously strengthening the sustainable orientation of its business activities.

### **Market Analysis and Customer Solutions**

The BAUER Group systematically analyzes market trends, customer needs, and regulatory requirements to develop tailored, sustainable solutions across all business areas—from innovative construction methods and efficient machinery solutions to environmentally sound resource and service solutions. On this basis, business opportunities are identified early on, strategic decisions are made on a sound foundation, and customer focus is strengthened. In this way, the BAUER Group creates competitive advantages through tailored, sustainable offerings that leverage synergies across all segments and support the company's forward-looking development.

### **Sustainable Office and Mobility Operations**

The BAUER Group places particular emphasis on the energy-efficient use of its office and operational buildings. The goal is to optimize energy consumption and ensure that building operations are sustainable and resource-efficient. To this end, technical improvements are implemented, a smart energy management system is established, and the building infrastructure is modernized over the long term.

In addition, the BAUER Group is working to further develop its mobility strategies toward low-emission, efficient, and cost-effective solutions. The focus is on a modern vehicle fleet, optimized travel decisions, the increased use of digital alternatives to business travel – such as virtual meetings – and the preferential use of public transportation, such as trains, or other environmentally friendly modes of transport. The goal is to make mobility within the Group more sustainable while ensuring economic efficiency.

This strategic direction not only reduces energy and operating costs but also sustainably lowers greenhouse gas emissions. At the same time, this modernization helps align the BAUER Group with a sustainable and future-proof infrastructure in the long term.

### **ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES**

E1-3

The BAUER Group is currently developing a comprehensive sustainability strategy. Building on the areas of action identified as key, the following section highlights selected measures already being implemented to lower energy consumption, reduce emissions, and use resources efficiently. These activities form the foundation for the further development of the sustainability strategy and provide insight into the company's practical approaches to addressing climate-related challenges.

#### **Energy Efficiency at Our Construction Sites and in Our Production Plants**

The BAUER Group is implementing various measures to continuously reduce energy consumption at construction sites and in our production plants.

On construction sites, digital solutions are used to collect and analyze machine and production data to optimize operational processes and reduce energy and resource consumption. Analyzing this data enables more efficient scheduling of machinery and personnel and helps avoid unnecessary downtime.

At production sites, processes are continuously reviewed and refined to lower energy consumption and reduce emissions. This includes the use of energy-efficient equipment, the modernization of technical infrastructure, and the ongoing collection and analysis of relevant consumption data. In addition, site-specific measures are implemented, such as the use of photovoltaic systems, the switch to energy-efficient LED lighting, the utilization of waste heat, and the optimization of heating and building systems. These measures help to sustainably reduce energy consumption and improve energy efficiency throughout the entire value chain.

### **Resource-Optimized Construction Methods and Production**

The BAUER Group is continuously advancing its sensor technology, machinery, and process technologies to reduce material usage and resource consumption in construction. As early as the end of 2024, a prototype of a specialized civil engineering machine for producing vibration-free gravel columns was successfully tested at a test site in Sweden. The insights gained are being used to further optimize the equipment design.

Another focus is on improving the use of construction materials. For example, innovative approaches are being pursued for the treatment of grout mixtures used in the construction of diaphragm walls to extend their service life and reduce waste.

To implement its strategic direction, the Equipment segment pursues various operational approaches throughout its production processes. These include, in particular, initiatives to reduce energy consumption and emissions, such as through the increased use of efficient equipment and the expansion of renewable energy sources. In addition, processes are continuously reviewed and refined to improve the use of materials as well as the management of water and waste. An important foundation for this is the ongoing collection and analysis of relevant consumption data, which enables the identification of targeted optimization measures.

In addition, site-specific solutions are implemented that take into account environmental and economic requirements. Overall, the measures aim to gradually increase resource efficiency and environmental sustainability in the production environment and to support the transition toward more sustainable value creation.

In addition, the BAUER Group utilizes the Mixed-in-Place (MIP) process, a construction method in which the existing soil can be mixed directly on-site with a binder suspension produced locally. This reduces the need for additional materials and integrates the existing soil directly into the structural element. [Environmental Product Declarations](#) have been prepared for the Mixed-in-Place construction materials.

### **Adapting to Climate Change**

The BAUER Group takes climate-related risks into account as part of its risk management and develops measures to strengthen resilience to the consequences of climate change. In doing so, the potential impacts of extreme weather events on sites, projects, and operational processes are assessed and integrated into existing management processes.

Through the continuous refinement of planning, control, and monitoring processes, the BAUER Group is laying the groundwork to respond flexibly to changing climatic conditions and ensure the long-term stability of its business activities.

### **Innovation and Future Markets**

#### **Product and Technology Development**

In the Geotechnical Solutions and Resources segments, digitalization is being advanced in research and on-site applications. The primary focus here is on the digitalization of construction site data and the associated processes. Digital production data collection using mobile applications, machine data analysis, measurement data transmission via IoT, digital surveying with drones and mobile devices, and the creation of digital planning models using BIM methods are now standard practice on large-scale projects. Project participants gain access to this data via the BAUERdigital portal. The analysis of this production data enables BAUER Spezialtiefbau GmbH and BAUER Resources GmbH to optimize their on-site operations and thus avoid wasting resources. As part of the deeper integration of digital construction site applications, Digital Managers have been trained at every subsidiary worldwide within the Geotechnical Solutions segment; as local key users, they support on-site construction personnel and drive the digital transformation of the subsidiaries. In the Resources segment, current topics also

include the rollout of digital standards across all company divisions, initial AI applications, IoT products, and construction robotics.

The Equipment segment continues to focus on digital fleet management and the digital construction site. Thanks to continuous product optimizations and enhancements, customers benefit from even more efficient ways to manage and analyze their fleets, as well as to plan, execute, and document their construction sites. A central element of this is the real-time collection and analysis of machine and production data. In May 2025, the new central customer portal, myBAUER, went live. It forms the basis for a seamless digital “customer journey.” The first prototypes of sensor technology for drilling tools were put into use and form the foundation for a new business model.

In addition, the Equipment segment is actively driving the development of a high-quality, future-oriented product portfolio, with a particular focus on low-emission and low-noise technologies for urban specialized civil engineering. Building on electric equipment such as the MC 96 cable excavator and the eBG 33 drilling rig, hybrid technology has been further developed with the eRG 21 T hybrid, which reduces emissions and increases efficiency through the combination of a diesel engine and an electric motor. Innovative solutions are also evident in the Grand Paris Express project, featuring an electrified milling system based on the BCS 185 power pack, as well as in the eCSM prototype – a fully electric advancement of the CSM process – which is scheduled for use on construction sites in Tokyo in 2026. Further advances include the approved track-laying train for lower-emission and resource-efficient rail construction, as well as the fully electric KLEMM KR 806 4E drilling rig, which is already being successfully deployed in Oslo with zero emissions. Overall, the segment is pursuing a clear electrification strategy, supplemented by technology-neutral transitional solutions to enable a gradual transformation under various operating conditions. In parallel, a standardized methodology for calculating the Product Carbon Footprint was introduced, and initial calculations were performed for selected equipment to systematically reduce product-related emissions in the future.

### **Sustainable Office and Mobility Operations**

The BAUER Group is implementing various measures to reduce the environmental impact of its office and operational sites as well as its mobility. These include the implementation of EMAS requirements at selected locations and investments in energy-efficient building technology.

To improve energy efficiency, the Group uses, among other things, LED lighting systems, modern heating and building technology, waste heat recovery, and photovoltaic systems. In addition, electricity from renewable energy sources is used whenever available and economically viable.

In the area of mobility, digital meeting formats are used to avoid business travel. In addition, an approval process helps ensure that the necessity of business trips is thoroughly assessed. The vehicle fleet is continuously modernized and optimized for efficiency. By combining technical, organizational, and digital measures, the BAUER Group aims to reduce mobility-related emissions in the long term.

## TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

E1-4

As part of its current strategy development process, the BAUER Group will define clear, transparent, and measurable climate targets for the future. These targets are based on the company's key environmental impacts and are designed to make a measurable contribution to reducing greenhouse gas emissions, increasing energy efficiency, and promoting the efficient use of resources, as well as to mitigate the risks of climate change.

These goals are designed to be practical to implement while also supporting the promotion of climate-friendly technologies and work practices. Progress toward achieving these goals will be regularly reviewed and evaluated to continuously refine the climate strategy.

In this way, climate protection and adaptation to climate change are systematically integrated into the corporate strategy, enabling the BAUER Group to shape its business activities in a sustainable and future-proof manner over the long term.

## ENERGY CONSUMPTION AND MIX

E1-5

### Explanations regarding data collection for energy consumption and Scope 1 and 2 emissions

Since the 2025 reporting year, energy-related consumption figures have been collected regularly on a monthly basis. The relevant information is extracted from the ERP systems used by the companies and transferred centrally to the Group-wide sustainability software. The primary data sources are incoming and outgoing invoices for energy procurement and fuel consumption, which document the actual quantities and allow for direct allocation to the individual companies. In ERP systems where quantity data is not systematically maintained, consumption figures are derived from the accounted expenses. For this purpose, an internal, country-specific average price per energy or fuel type is determined based on selected invoices. This average price is then used to derive the corresponding consumption volumes. The selection of invoices for determining the average price is based on random sampling, with the aim of achieving the highest possible coverage of the underlying expenses. In exceptional cases – such as when no suitable invoice information is available – average prices are determined based on publicly available or government-published price information. If consumption data is not immediately available, estimates are made based on documented assumptions. These are based on empirical values or historical consumption data. All estimates are fully documented and traceable.

Data collection is standardized according to clearly defined processes that ensure consistency and comparability. The sustainability software supports data validation, the assignment of responsibilities, and adherence to the dual-control principle, with every entry being logged. Data quality is verified through internal controls and regular internal audits. Random checks of billing data and consistency checks across time series serve to identify and correct inaccuracies at an early stage. In addition, deviations from expected consumption patterns are analyzed to rule out erroneous entries.

## Energy Consumption and Energy Mix

	2025
<b>Energy</b>	
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	331,991
(3) Fuel consumption from natural gas (MWh)	22,293
(4) Fuel consumption from other non-renewable sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	14,979
<b>(6) Total energy consumption from non-renewable sources (MWh)</b>	<b>369,263</b>
<b>Share of fossil sources in total energy consumption (in %)</b>	<b>95%</b>
<b>Nuclear energy</b>	
(7) Consumption from nuclear sources (MWh)	1,407
<b>Share of consumption from nuclear sources in total energy consumption (in %)</b>	<b>0%</b>
<b>Renewable Energy</b>	
(8) Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWh)	1,407
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	14,895
(10) Consumption of self-generated non-fuel renewable energy (MWh)	1,566
<b>(11) Total renewable energy consumption (MWh)</b>	<b>17,713</b>
<b>Share of renewable sources in total energy consumption (in %)</b>	<b>5%</b>
<b>Total energy consumption (MWh)</b>	<b>388,383</b>

Data on energy consumption and the energy mix were collected for the first time on a global and Group-wide basis in the 2025 reporting year. It is therefore not possible to report prior-year figures.

## Energy consumption per net revenue

	2025
Energy intensity per net revenue (MWh/million EUR)	
Total energy consumption per net revenue	238.56

Data on energy consumption was collected for the first time on a global and Group-wide basis in the 2025 reporting year. It is therefore not possible to report prior-year figures. The net revenue of TEUR 1,628, which served as the basis for calculating energy intensity, corresponds to the revenue reported in the consolidated statement of income.

## Own energy production

	2025
MWh	
Solar energy	1,566

Due to a lack of metering points at the sites, it is currently not possible to fully track and report the energy generated and consumed in-house from geothermal sources and waste heat across the Group. The corresponding data collection system is currently being set up.

## Explanatory Notes on Energy Consumption and Energy Mix

Energy consumption is recorded in the company-wide sustainability software and converted automatically into megawatt-hours (MWh) using scientifically validated combustion and heating values. For electricity consumption, the respective national electricity mix is used, based on data from the Ember Energy database. Quantities contractually procured as 100% renewable electricity are reported separately and deducted from total consumption, so that they are fully attributed to renewable energy sources. The remaining electricity consumption is allocated to fossil fuels, nuclear energy, and renewable energy sources in proportion to the country-specific electricity mix. Self-generated energy, such as from photovoltaics or geothermal sources, is also recorded by the sustainability software and included in the overall balance.

Conventional diesel is accounted for entirely as fossil energy, as it derives predominantly from fossil sources. Biofuels, such as HVO, are classified entirely as renewable energy. There is no detailed breakdown of fossil diesel by upstream energy sources or blending ratios.

## GROSS SCOPES 1, 2, 3, AND TOTAL GHG EMISSIONS

E1-6

The information under “Explanations on Data Collection for Energy Consumption and Scope 1 and 2 Emissions” in section ESRS E1-5 also applies accordingly to the following paragraph.

### Greenhouse Gas Inventory

in tCO <sub>2</sub> eq	2025
<b>Scope 1 Greenhouse Gas Emissions</b>	
Gross scope 1 GHG emissions	91,588
Percentage of scope 1 GHG emissions from the EU Emissions Trading System (EU ETS) (%)	-
<b>Scope 2 GHG emissions</b>	
Gross location-based scope 2 GHG emissions	16,578
Gross market-based scope 2 GHG emissions	16,188
<b>Significant Scope 3 GHG emissions</b>	
<b>Total gross indirect (Scope 3) GHG emissions</b>	<b>1,062,130</b>
3.1 Purchased Goods and Services	895,443
3.2 Capital goods	99,549
3.3 Fuel- and energy-related emissions	21,221
3.4 Upstream transportation and distribution	24,294
3.5 Waste generated in operations	7,527
3.6 Business traveling	14,096
<b>Total GHG emissions</b>	
<b>Total GHG emissions by location</b>	<b>1,170,296</b>
<b>Total GHG emissions, market-based</b>	<b>1,169,906</b>

Data on the greenhouse gas footprint was collected for the first time on a global and Group-wide basis in the 2025 reporting year. It is therefore not possible to report prior-year figures.

### Total GHG emissions per net revenue

GHG intensity per net revenue (tCO <sub>2</sub> e/million EUR)	2025
<b>Scope 1 and 2</b>	
Total GHG emissions (location-based) per net revenue	66.44
Total GHG emissions (market-based) per net revenue	66.20
<b>Total greenhouse gas emissions</b>	
Total GHG emissions (location-based) per net revenue	718.86
Total GHG emissions (market-based) per net revenue	718.62

Data on the greenhouse gas footprint was collected for the first time on a global and Group-wide basis in the 2025 reporting year. It is therefore not possible to report prior-year figures. The net revenue of EUR 1,628 million, which served as the basis for calculating greenhouse gas intensity, corresponds to the revenue reported in the consolidated statement of income.

### System Boundaries

For the consolidation of emissions, the BAUER Group follows the Greenhouse Gas Protocol (GHG Protocol) and applies the operational control approach. This means that all emissions are accounted for from those areas over which the company has operational control and can implement its own guidelines. Emissions from rented or leased properties are classified as Scope 1 or Scope 2 emissions, provided that operational control exists. For companies over which no operational control exists, emissions are reported as Scope 3 emissions.

The selection of included companies is based on the ownership structure and operational control. Companies over which the BAUER Group exercises at least 50% operational control are fully included in Scope 1 and Scope 2. Companies defined as immaterial within the scope of financial reporting were additionally reviewed for their expected emissions and were also assessed as immaterial based on their emissions. These companies are therefore also classified under Scope 3 investments.

The reporting scope of GHG accounting thus corresponds to the scope of consolidation for financial reporting. Changes in ownership interests or operational control result in a corresponding adjustment of the system boundaries.

### Materiality Test for Scope 3 Categories

Category	Materiality	Rationale
<b>Upstream</b>		
3.1 Purchased Goods and Services	Yes	
3.2 Capital goods	Yes	
3.3 Fuel- and Energy-Related Emissions	Yes	
3.4 Upstream Transportation and Distribution	Yes	
3.5 Waste generated in operations	Yes	
3.6 Business traveling	Yes	
3.7 Employee commuting	No	Below the materiality threshold
3.8 Upstream leased assets	No	Category falls outside the system boundary
<b>Downstream</b>		
3.9 Downstream transportation	No	Below the materiality threshold
3.10 Processing of sold products	No	Below the materiality threshold
3.11 Use of sold products	Yes	
3.12 End-of-life treatment of sold products	Yes	
3.13 Downstream leased assets	Yes	
3.14 Franchise	No	The BAUER Group has no franchise businesses
3.15 Investments	No	Below the materiality threshold

### Status of Scope 3 data collection: downstream

In 2025, the BAUER Group launched a project to capture and assess downstream Scope 3 emissions. The goal is to comprehensively capture emissions along the entire value chain and transparently present the impacts of business activities beyond the company's own operational boundaries.

At the start of the project, the BAUER Group's business segments and activities were subjected to a relevance assessment for Scope 3. The goal of this assessment was to identify those business segments and activities that are actually relevant to the calculation of downstream Scope 3 emissions. Based on this, a materiality analysis was conducted to prioritize downstream emissions in a structured manner.

The analysis shows that the use of sold products accounts for the largest share of downstream Scope 3 emissions. Another significant source is rented or leased fixed assets, while other categories—such as downstream transportation, investments, or end-of-life product management—were assessed as less significant during the screening process.

Based on these results, data collection is currently being systematically prepared, and the methodology for calculating emissions is being developed. The goal is to be able to quantify downstream emissions in a timely manner and thereby increase transparency regarding the climate impact of the BAUER Group's business activities beyond its own operational boundaries.

By implementing this project, the BAUER Group is laying the foundation for consistent, traceable, and sustainable long-term reporting of Scope 3 emissions that meets both regulatory requirements and stakeholder expectations.

### **Explanations of Scope 1 and 2 Emissions**

Scope 1 emissions include direct greenhouse gas emissions from owned or controlled sources, particularly from the consumption of fossil fuels in heating, production, and vehicle fleets.

Scope 2 includes indirect emissions resulting from the purchase of energy such as electricity, heat, steam, or cooling.

The consumption data recorded in the Group-wide sustainability software serves as the basis for calculating GHG emissions in the Scope 1 and Scope 2 categories. Before applying emission factors, all quantity units are standardized and converted into uniform units of measurement. These conversions are performed automatically using scientifically validated conversion factors. The quantities are then transformed into the units required for calculating CO<sub>2</sub> equivalents.

CO<sub>2</sub>e emissions are calculated using scientifically validated emission factors. Factors from the Ecoinvent database (Allocation, cut-off by classification, Version 3.10) are primarily used. This database provides verified life cycle assessment data for various industries and regions and is updated regularly. Where possible, country-specific emission factors are applied to account for regional differences in energy production and respective emission intensities. This increases the accuracy of the calculation and ensures a realistic representation of actual emissions at individual locations. For emission drivers for which no suitable factor is available in Ecoinvent, targeted research is conducted in government and scientific sources, for example, based on the emission factors provided by Governance UK.

Two approaches are distinguished for calculating Scope 2 emissions: Site-specific emissions are determined based on country-specific emission factors from the Ecoinvent database to account for regional differences in energy generation and respective emission intensities. Market-based emissions are reported exclusively for 100% renewable electricity procured through contracts or recorded on an invoice basis. For all other consumption, the relevant emission factor is also applied.

### Explanations Regarding Upstream Scope 3 Emissions

Upstream Scope 3 emissions include indirect greenhouse gas emissions along the supply chain that are outside the Group's direct sphere of influence. For the BAUER Group, the following categories are particularly relevant according to the GHG Protocol:

- Purchased goods and services (Category 3.1): Emissions from the production of purchased materials and services,
- Capital goods (Category 3.2): Emissions from the production of durable assets,
- Upstream transportation and distribution (Category 3.4),
- Waste from operational activities (Category 3.5), and
- Business travel (Category 3.6).

Upstream Scope 3 emissions are calculated using a monetized approach, in which purchase volumes (in EUR) are linked to sector- and country-specific emission factors. The goal is to determine average emission intensities for upstream activities at an aggregated level. The emission factors are based on the EXIOBASE database (version 3.8.2), which enables a globally consistent representation of economic interdependencies and associated environmental impacts. The industry-by-industry structure is used. The data cover 163 sectors across 44 countries as well as a "Rest of the World" region.

To fully map the upstream value chains, both direct and indirect effects are taken into account. To this end, the Leontief inverse of the input-output matrix is calculated, which reflects the economic interdependencies between sectors and countries. By linking this matrix with environmental satellite data, comprehensive emission factors are determined that include both direct (Tier 1) and indirect (Tier N) emissions along the supply chain. The underlying emission factors are based on the internationally recognized GWP100 standard (IPCC) and are reported as CO<sub>2</sub> equivalents per monetary unit (EUR output). To ensure comparability over time, the factors are adjusted for inflation for the respective reporting years. Macroeconomic price indices (including those from Eurostat and the IMF) are used for this purpose.

For use within the company, the emission factors are linked to data from procurement controlling. The assignment is carried out using a multi-level system: First, purchased goods and services are classified in a structured manner using internal material groups. This is followed by an assignment to sectors in the EXIOBASE database, supported by NACE codes and manual plausibility checks. Suppliers are also assigned to a country to account for country-specific emission intensities. Emissions are calculated by multiplying the assigned emission factors by the respective procurement volumes. For suppliers that cannot be clearly assigned, an average emission factor at the company level is used. This approach ensures that any remaining data gaps are filled in a consistent and traceable manner.

The methodology used enables a consistent and transparent determination of upstream Scope 3 emissions at the aggregate level. Due to the use of average values at the sector and country levels, the results are approximations and do not replace product-specific emission values. Nevertheless, they provide a robust basis for sustainability reporting as well as for the analysis of emission drivers along the supply chain.

## **GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS**

E1-7

Within the scope of this report, there are currently no projects that remove greenhouse gases or generate carbon credits.

Outside the scope of this report is BAUER Nimr LLC, an equity-accounted company that operates a constructed wetland treatment plant in Oman. The facility uses natural purification systems to treat industrial wastewater, thereby avoiding significant CO<sub>2</sub> emissions. At the same time, the operation of the facility generates verified carbon credits, which are registered in accordance with recognized standards such as those of the Global Carbon Council. BAUER Nimr LLC thereby contributes directly to greenhouse gas reductions, even though the corresponding quantities are not consolidated within the BAUER Group's Scope 1 or Scope 2 GHG inventory due to equity accounting.

Key figures (outside the reported scope):

- Avoided CO<sub>2</sub> emissions: approx. 200,000 metric tons of CO<sub>2</sub>e per year
- Carbon credits generated: 180,000 to 200,000 metric tons of CO<sub>2</sub>e per year (registered under the Global Carbon Council; CORSIA registration in progress)
- Project duration: Phases 1/2: through 2031/2032; Phase 3: through 2044

## **INTERNAL CARBON PRICING**

E1-8

The BAUER Group does not apply an internal carbon pricing system.

# Social information

## ESRS S1 – OWN WORKFORCE

Employees are the foundation for the BAUER Group's sustainable business success, and for this reason are a top priority in our company policies. We are convinced that long-term performance capacity can only be guaranteed with qualified and satisfied employees acting on their own initiative. Given this background, we actively promote a safe and healthy work environment and offer ergonomically designed workplaces. Protecting and encouraging the physical and mental health of our employees is the top priority. Continual improvement of occupational health and safety along with employee satisfaction is a core goal of our sustainable business activities.

The own workforce is made up of employees in an employment relationship with a fully consolidated company as well as workers who are not directly employed, known as non-employees. Non-employees are individuals with whom the company has concluded a contract for the provision of work services ("self-employed people") or individuals deployed by companies, who primarily work in the area of "Employee placement and temporary employment activities" (NACE-Code N 78). The latter category is also referred to as temporary workers.

### INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-2

The interests, perspectives and rights of employees are accounted for through regular systematic participation among other measures (see table in ESRS 2 SBM-2 (General information)) and integrated into the strategic orientation as well as the business model. Respect for human rights is firmly anchored in the BAUER Group through a Group-wide declaration of human rights.

Our employees expect and deserve fair and reliable conditions for their professional activities. These include, in particular, fair working conditions that guarantee safety as well as transparent and clear regulations. It is equally important to have individual opportunities for development and ongoing education that support long-term personal and professional growth.

Another key concern of employees is to effective co-determination rights which allow them to actively contribute their perspectives and experiences in decision-making processes. In addition, a healthy work-life balance plays an important role by bringing professional requirements in harmony with personal areas of life.

Our employees also expect open and transparent communication which provides orientation and promotes trust. All these expectations are reflected in the company culture we live by, which is based on appreciation, respect and responsible cooperation and shapes our everyday working environment. These requirements can also be found in the table in ESRS 2 SBM-3 (General information).

The current principles are concentrated on the core workforce at the moment. Extension to non-employees will be reviewed in the course of further development.

### MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

SBM-3

The management of key impacts, risks, and opportunities for the own workforce is fundamentally anchored in our company-wide master guideline for the BAUER Group as well as in various guidelines. They form the basis for a systematic procedure and ensure that relevant sustainability aspects are appropriately accounted for. In addition, our culture and values ([Our Values | BAUER AG](#)) are also a key pillar. A detailed explanation can be found below under S1-1.

The company strategy considers the interests of employees as a key stakeholder group. Adjustments to the strategic orientation are made in consideration of changing framework conditions and relevant stakeholder expectations. Based on the identified interests of employees, corresponding actions and targets are derived and integrated into the existing business model.

## **POLICIES RELATED TO OWN WORKFORCE**

S1-1

Our employees are a core component of our value creation and play a key role in the company's long-term success. For this reason, it is particularly important for us to protect their interest and rights by creating a responsible, safe and health work environment. To this end, the BAUER Group maintains comprehensive guidelines and management systems that apply Group-wide, with the aim of effectively managing and continuously improving key impacts, risks, and opportunities related to the own workforce.

### **Ethics management**

Our company's success is based on people – our employees as well as our customers and partners. Our values program is the foundation for trusting and responsible cooperation. The Group's values-oriented company culture is based on appreciation, responsibility, openness, innovation and a down-to-earth attitude. These values are applied globally in all company divisions, shaping daily interactions as well as the management philosophy. Here, integrity is a core standard for our activities. ([Our Values | BAUER AG](#))

Ethics management is anchored in the general guidelines of our Group. The Executive Board of BAUER Aktiengesellschaft is responsible for this area. Ethics management follows international frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD Guiding Principles for Multinational Companies. Compliance with these standards is supported by implemented governance structures (in particular, clear responsibilities and internal guidelines), regular risk analysis as well as defined complaint and remedy processes. Ethics management officers have been appointed for implementation in all segments. The ethics management requirements apply for all companies in the BAUER Group and are published on our homepage ([Ethics Management | BAUER AG](#)). When new employees start work, we familiarize them with our values and our principles of conduct. Regular training provides guidance to our employees about how to implement our company values during daily work.

### **Declaration of Human Rights Principles for the BAUER Group**

Respecting human rights is a central component of ethics management. In harmony with the [Declaration of Human Rights Principles for the BAUER Group](#), we are committed to adopting significant measures to identify and avoid risks relating to human rights as well as the environment. Our subsidiaries as well as our suppliers are required to comply with the following due diligence obligations:

- Prohibition of slavery, child labor and forced labor, including modern forms of slavery and human trafficking.
- No harassment or discrimination based on origin, gender, sexual identity, religion, disability, health status, worldview, age or position in the company.

- Respect of personal dignity, privacy and personal rights of each individual employee across all levels.
- Freedom of association, right to collective bargaining.
- Fair working conditions (including wages and working hours).
- Occupational health and safety at the workplace.
- Protection of local communities and indigenous peoples.
- Prohibition on unlawful eviction or unlawful removal of land, forests or bodies of water.
- Standards for environmental protection.
- Sustainable actions.

### **Code of Conduct**

Another component of our ethics management system is the [Code of Conduct for the BAUER Group](#). As a trustworthy and responsible company, we have defined rules of conduct. The Code of Conduct for the BAUER Group stipulates binding rules for acting responsibly, with integrity and in compliance with the law; these apply for all employees worldwide, including the management. This code underscores core values such as appreciation, openness, responsibility, innovation and a down-to-earth attitude, and also stipulates a clear rejection of corruption, manipulation and anti-competitive behavior. Part of the code is an obligation to comply with international and national legal regulations, fair business practices as well as a respectful, safe and discrimination-free work environment. This includes:

- Lawful relationships with customers and business partners.
- Foreign trade provisions and export restrictions.
- Rules of conduct to fight corruption and bribery.
- Conflicts of interest and gifts.
- Donations, sponsoring and lobbying.
- Protection of confidential information.
- Human rights, anti-discrimination.
- Health, safety and environment.

The ethics management system supports the implementation of these principles and ensures that BAUER remains a reliable and trustworthy partner.

### **Whistleblower system, ombudsman, internal reporting office and corrective measures**

As a corrective measure to counteract actual or potential impacts on human rights, the BAUER Group operates a multi-level, international complaint and remedy system. With a confidential whistleblower system as well as an independent ombudsman, an accessible and protected reporting channels is ensured for employees, business partners and external stakeholders. Tips are systematically reviewed, assessed and addressed with appropriate corrective measures if the factual circumstances are confirmed. This system is described in more detail under S1-3.

### **Occupational health and protecting the safety of our employees**

As an internationally operating Group with locations in Europe, Asia-Pacific, Africa, the Middle East as well as North and South America, with regular international deployments of our employees as well as health requirements in production halls and the office, the BAUER Group faces various challenges related to occupational health and safety. For this reason, protecting the health of all employees and ensuring safe work conditions are the top priority.

The BAUER Group pursues an integrated Health, Safety & Environment (HSE) strategy ([Health, Safety & Environment | BAUER AG](#)) with the primary objective of entirely preventing work accidents worldwide and protecting the well-being of all employees (“Zero” rate vision). The strategy addresses key impacts and risks that result from global activity on sites, in production halls and from regular international deployments. To continually monitor effectiveness, regular HSE audits are conducted and all accidents or unsafe behavior is systematically analyzed, documented and assessed in regular HSE committee meetings and internal reviews at the Executive Board level.

The HSE strategy is binding for all companies in the BAUER Group operating worldwide and is oriented on internationally recognized standards, in particular DIN ISO 45001 (formerly OHSAS 18001) along with relevant legal and industry standards in the respective countries. The scope of application extends across all geographic regions in which we are active (Europe, Asia-Pacific, Africa, Middle East, Americas) and expressly includes the own workforce along with subcontracts engaged by BAUER at our locations and on our projects.

The implementation and further development of the HSE standards are defined by the Executive Board of BAUER Aktiengesellschaft. Binding procedures are applied for operational implementation, such as hazard assessments, the “[BAUER TOP Safety Rules](#)” (e.g. saying STOP in the event of danger) and site inspections. The strategy and resulting operational standards are communicated in writing to all affected managers, supervisors and employees worldwide in order to ensure unified application.

When defining and implementing our HSE policy, we rely on the active participation and personal responsibility of our employees. We expect each employee to address unsafe behavior directly and ensure that necessary protective equipment (PPE) is worn consistently to promote a robust safety culture.

### **Responsibility and strategy for encouraging diversity and inclusion**

At BAUER, there are people from more than 100 countries collaborating worldwide – in various divisions and roles, in different countries, with diverse ideas, strengths and interests. Our success is based on this strong international team and a diverse workforce that drives us forward. The diversity of the people at our company is one of our greatest strengths and one of the reasons we are able to look back at more than 230 years of history.

The promotion for encouraging diversity and inclusion is defined by the Executive Board of the BAUER Group, is a core component of our company culture as well as our internationally applicable master guideline and our [Code of Conduct](#). Our employees come from various cultures and ethnic groups and play a key role in the company’s success. Diversity is a strength which we actively promote in order to optimally use the different backgrounds of our international teams and achieve our common goals.

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.

The HR department and human rights officer are responsible for processing and escalating tips relating to potential risks or problems within the Group, depending on the specific circumstances. In addition, an established whistleblower system is available enabling employees and external stakeholders to confidentially report potential misconduct or abuses.

A disability representative for the Group and for the individual segments promotes the classification of (severely) disabled individuals at operational sites or in the office, promotes their interests at operational sites or in the office and provides them with advice and assistance. This relates to the German-speaking companies.

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 14.5% of Group employees were women in 2025 (see also S1-6), which essentially reflects the construction sector, technical nature of our business and the low number of women applying for such careers.

The Supervisory Board determined a female target quota of at least one woman in the Executive Board by June 22, 2027. The Executive Board target of at least one female member was temporarily achieved in the financial year gone by with the appointment of Ms. Lena Effinger as member of the Executive Board with effect as at June 1, 2025 until the termination of her appointment on January 16, 2026.

The Executive Board specified a female target quota of at least 21.43% in the first executive level beneath the Executive Board by June 30, 2027 and 29.16% by June 30, 2027 for the second executive level beneath the Executive Board. At the end of the year under review, these targets were not fully reached at the first level of management below the Executive Board, where the female quota was 20.00%, but they were significantly exceeded at the second management level, where the quota was 42.86% (rounded). The background for not achieving this target at the first management level is that the positions are, as a rule, appointed based on the suitability of the persons being considered, and gender is not the deciding factor for filling the management position in the event of better suitability.

Regardless of the legal requirement to set target quotas, the Group is committed to supporting women and men who want to become executives and, as a technology-driven company, is especially interested in inspiring women to pursue technical professions.

### **Initiatives for promoting women in the construction industry**

Our company has launched various initiatives specifically aimed at recruiting and promoting female talent in the construction sector. These measures are intended to improve equal opportunities and increase diversity among our employees. We ensure that our job listings are formulated in a gender-neutral manner in order to equally address female, male and diverse applicants. Our recruiting strategy includes specifically addressing women through career fairs, networks and platforms. We also regularly carry out awareness initiatives to increase awareness around diversity and inclusion.

- **Girls' Day**

Girls' Day has been a long-standing event on the calendar in many companies of the BAUER Group since its introduction. On April 3, 2025, the BAUER Group opened its doors in Schrobenhausen to around 20 female students with a passion for technology. These participants had the opportunity to visit different departments at the company and gain practical experience. Girls' Day is an important element of our strategy for encouraging more women to pursue technical careers and improve the diversity in our workforce. In some companies, the initiative has now evolved into Girls' and Boys' Day.

- **"Women in Construction" work group**

The "Women in Construction" work group plays a central role in our efforts to actively promote diversity and inclusion within the BAUER Group. The program extends Group-wide across all segments and companies, and was established to address the specific challenges and needs of women in the construction industry. The work group offers a platform for exchanging experiences and established practices throughout the entire company. Regular meetings and events are dedicated to topics like equal opportunities, professional development and work-life balance. These initiatives foster an open dialogue that helps to break down barriers and create a more inclusive work environment. Another core concern of the work group is to increase the visibility and appreciation of women in this traditionally male-dominated field. The work

group is committed to ensuring that the perspectives of women are given greater consideration in company strategies and decisions. This also includes promoting initiatives to improve working conditions and to support the professional development of women in the construction industry. With its efforts, the “Women in Construction” work group makes a key contribution toward improving professional opportunities for women in the construction sector and strengthening diversity within the BAUER Group.

### **Diversity monitoring**

The topic of diversity has a firm place in our company. To better understand the diversity of our workforce, we regularly collect data on various aspects such as gender, age, origin or potential disabilities. We treat this information anonymously and confidentially. Evaluating this information helps us to identify trends and arrange our activities more strategically in the area of diversity and inclusion. In this way we are able to estimate where we are already well positioned and where there is still potential for further development. Analysis regarding age and potential disabilities relate predominantly to German-speaking companies.

### **PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS**

S1-2

The BAUER Group has established and effective methods for systematically involving its own workforce and employee representatives in matters that have potential impacts on their work conditions, their health, their safety or their rights. These participation structures enable continual, constructive dialog between employees, representatives of interest groups and company guidance. This ensures that relevant perspectives and concerns are accounted for in a suitable manner.

Employees are directly involved in a variety of ways. These include annual employee interviews, employee surveys, work groups, opportunities for participation and obtaining information provided by the Group-wide Intranet B.inside as well as cross-department dialog formats such as the “Zam Kemma” employee get-together as well as the employee “Stammtisch” social meetings held multiple times a year.

- The company conducts comprehensive employee surveys at regular intervals, in which all employees of German companies are invited to participate. These surveys are an important foundation for registering employees' satisfaction with their work situation, identifying potentials for improvement and strategically supporting the ongoing development of company culture. Feedback demonstrates strengths as well as areas with a need for development. Results are communicated transparently, for instance via internal communication channels such as the Intranet and staff meetings. Surveys are conducted anonymously by an independent external body to guarantee open and honest feedback. Based on the focal points identified, the company management derives specific actions and prioritizes their further implementation. Surveys are typically conducted roughly every three years.
- At the same time, internal committees and work groups such as the “People in the company” work group are constantly engaged in promoting a positive and appreciative company culture. These include formats and initiatives that strengthen dialog, collaboration and a sense of community within the company. Opportunities are also created to allow employees to contribute ideas, tips or suggestions at any time. These activities help to expand dialog between the workforce and company management, further reinforcing an active feedback culture throughout the company.
- In addition, the “Women in Construction” work group helps women to find support in a career field that is often dominated by men, overcoming challenges and addressing professional questions while networking.

There is also the option of confidentially submitting tips, suggestions or critical topics to the management, the internal reporting office, the ombudsman or the human rights officer.

Indirect participation is provided through the employee representatives in the Supervisory Board, institutionalized employee representation such as trade units, the works councils for the companies, the Group Works Council and the disability representative.

- The Supervisory Board of BAUER AG comprises 12 members, with one half representing the shareholders and the other half representing the employees. The board meets at least twice a year for ordinary sessions.
- Along with the works councils for various German-speaking companies in the BAUER Group, there is a Group Works Council as well as a General Works Council in certain circumstances. The Group Works Council is also responsible for those German-speaking companies that do not have their own works council. The works councils for the different companies meet three times a year on average.
- A disability representative for the German companies promotes the classification of (severely) disabled individuals at operational sites or in the office, promotes their interests at operational sites or in the office and provides them with advice and assistance.
- There is also the option for employees to organize themselves in trade unions.

These various mechanisms ensure both a wide range of participation options as well as specific contact points for particular concerns. The master guideline stipulates that the Executive Board and management are obligated to keep an eye on relevant parties such as employees along with their expectations, and to derive objectives for the company on this basis. They must also review whether the necessary processes are established within the company in order to fulfill these derived objectives.

The [Declaration of Human Rights Principles for the BAUER Group](#) describes multiple mechanisms which the Executive Board and management can use to gain insight into the concerns and perspectives of the workforce: The core focus here is on yearly reporting from risk management regarding risks related to the environment and human rights, which is prepared through direct dialog with the various departments and managing directors of the subsidiaries. This is supplemented by feedback from the internal whistleblower system as well as confidential dialog via an external ombudsman with the aim of integrating employee perspectives directly into the management's strategic monitoring activities.

## PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

S1-3

We highly value an open and transparent dialog, and identifying potential risks or abuses at an early stage in the context of work environments, supply chains and business partners. For this purpose, multiple secure and structured reporting channels are available for employees.

### Available reporting channels

- Employees can contact their supervisors at any time, who also actively gather feedback during annual employee interviews.
- Regular staff meetings create additional opportunities for submitting concerns openly or anonymously.
- Furthermore, our whistleblower system offers both employees and external stakeholders – including customers, suppliers and employees in our supply chains – the opportunity of submitting tips regarding potential legal violations or human rights risks via a third party, confidentially (see BAUER's whistleblower system; G1-1). This can be done at an internal entity or an independent external entity.

### Independent review and structured process

As part of the whistleblower system, incoming tips are systematically reviewed by a responsible entity. If necessary, suitable measures are adopted, documented and traced to rectify abuses or minimize risks. The process ensures that tips are processed efficiently and affected parties are informed regarding major steps.

### Protection of whistleblowers

The protection of whistleblowers is a top priority for us. Every tip is treated with strict confidentiality. There is an obligation to protect the whistleblower. Any disadvantages or reprisals as the result of submitting a tip are expressly forbidden.

### Reinforcing trust and transparency

Through regular communication and education, we increase awareness about existing reporting challenges and promote a culture in which openly discussing concerns is a matter of course. These measures help us to react early on to potential negative impacts, and to implement effective preventive and corrective measures.

## **TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS**

S1-4

### **Secure employment**

As a responsible company, we want to offer our employees a stable working environment and thus a secure and satisfying workplace by maintaining a closed Group of companies. For us, secure employment means offering work relationships that are designed for long-term prospects and that comprehensively protect the rights of our employees. This involves consideration for particular circumstances and, where possible, employment contracts that are unlimited in time as well as the payment of living wages. We also promote the professional development of our employees through targeted continuing education and training offerings to ensure their long-term employability and personal development. Another important factor for safeguarding employment is our company's innovative spirit. In the 2025 financial year, research and development costs recognized in net income for the BAUER Group amounted to EUR 35.8 million (previous year: EUR 40.1 million). In the past, this expense has led to a general increase in the expertise base of the segments. The Company suggestion scheme also plays a central role here: This offers all employees the opportunity to contribute their ideas and suggestion proposals that can help optimize work processes, increase efficiency, improve occupational safety and reduce environmental impact. By recording and evaluating these inputs in a structured manner, we not only encourage the ongoing development of our company but also actively improve workplace safety and our future viability. The global restructuring initiatives carried out as part of the strategic realignment are intended for long-term stabilization and orientation of the Group, and do not pose a risk to the overall organization.

### **Working hours and work-life balance**

The BAUER Group considers its workforce of more than 10,000 employees worldwide as the foundation of its entrepreneurial success and adopts strategic measures to ensure a stable and satisfactory work environment. One core focus in this area is on managing working hours as well as promoting a healthy work-life balance in order to counteract potential negative impacts such as overloading the workforce.

In the context of global project work and shift work, the company identifies potential overloading due to irregular working hours as a material impact on the own workforce. In order to counteract this, the central master guideline for the BAUER Group bindingly stipulates that all applicable laws and regulations worldwide regarding working hours, breaks, on-call shifts, travel times and leave entitlements must be strictly complied with. The supervisors and managing directors are directly responsible for compliance with these standards, whereby the company has set severe penalties for identified violations, depending on the state legislation. Rest breaks and vacations are defined as necessary recovery phases that make a key contribution to employee satisfaction and performance capacity.

At the same time, the BAUER Group places a high value on ensuring proper work-life balance, and offer individual solutions to ensure this. To improve well-being, particularly among salaried employees, specific works agreements regarding mobile work are made with the works councils of the German subsidiaries. In units where no direct agreements are in place, procedures are in line with the central rules of BAUER AG. Apart from mobile working, the Group supports a healthy work-life balance with a range of part-time models, reintroduction programs, flexible working hours and job-sharing models. The transition from professional life to retirement is also made flexible through active assistance.

**Expanding "Be Mobil" program across the Group**

The "Be Mobil" program is being revised. The goal is to provide clear and transparent information for our employees regarding available paths for international work. Along with business trips and deployments, there should also be a program for interested employees who want to develop their technical, methodological and social skills in a different culture and expand their personal horizons. For all international deployments, the HR Department provides preparatory assistance services such as language courses or intercultural awareness training.

To monitor the effectiveness of these approaches, the BAUER Group relies on continuous social dialog and structured feedback tools. This includes regular employee surveys, the results of which are published transparently on the Intranet (as they last were in 2024), as well as close collaboration with employee representatives and the "People in the company" work group to constantly develop the company culture.

**Social dialog, freedom of association, existence of works councils and employees' rights to information, consultation and co-determination**

The BAUER Group considers active co-determination and continual social dialog to be key factors for ensuring high employee satisfaction and a stable company culture. In order to protect the interests of the workforce worldwide and across different locations, employee representation is firmly anchored in the organizational structure: Apart from the works councils for the various individual German-speaking companies, the Group has a Group Works Council as well as a General Works Council given certain prerequisites. In this regard, the Group Works Council also expressly takes on responsibility for the German-speaking company divisions that do not have their own representation of interests at the company, in order to ensure that co-determination is always granted. The employee representatives of the various companies meet multiple times per year to discuss strategic concerns and operational working conditions.

Another key pillar for employee satisfaction is transparent communication within the Group. The BAUER Group uses a range of internal media such as the Intranet and the employee newspaper to report openly on current developments and events. Regular company events and information sessions are another important forum for direct dialog, where employees can present their concerns and the company management provides direct feedback. This open dialog is flanked by tools such as the Company suggestion scheme and the "People in the company" work group, which offers strategic input for strengthening the sense of community and workplace quality.

With an established practice of social dialog, the BAUER Group ensures that employee needs are identified early on and the workforce contributes actively to shaping their work environment for the future.

**Collective bargaining**

The BAUER Group views collective bargaining agreements, which are primarily in place within Germany, as a key positive impact, since this creates a reliable framework for fair and usually above-average working conditions. These agreements ensure transparent standards for wages as well as regulated working hours and rest times, which plays a key role in protecting the physical and mental health of the workforce. This economic and social security is reflected in high employee satisfaction. Continual social dialog with employee representatives ensures consistent compliance with these standards and reinforces the company's long-term competitiveness.

## **Health protection and safety**

### **Principle and strategic foundation**

For the BAUER Group, protecting the health and safety of its employees is an integral component of the company's responsibility. The goal is to create a working environment that not only protects them against work-related dangers, but also improves physical and mental well-being. The implementation and further development of the HSE Policy is defined by the Executive Board of the BAUER Group. A central HSE committee prepares for strategic decisions. This is comprised of segment managers, the head of HSE and other employees in HSE functions as well as the Group Works Council. This committee meets at least four times per year.

### **HSE management system and standards**

The BAUER Group has established a Group-wide HSE management system that is oriented on international standards such as DIN EN ISO 45001, SCC (Safety Certificate Contractors), EMAS (Eco-Management and Audit Scheme) and the requirements of the International Labor Organization (ILO). This ensures a uniform procedure across all locations. The system's effectiveness is ensured through regular audits (internal and external), management evaluations and continual improvements. Subsidiaries are also integrated in the implementation process via an internal audit program.

### **Roles, responsibilities and involvement**

All managers bear direct responsibility for compliance and implementation of HSE rules within their area of responsibility. Employees are also obligated to contribute actively to occupational safety – by complying with safety rules, wearing personal protective equipment and reporting unsafe situations. Employee representatives are involved in all significant matters relating to occupational health and safety. Binding company-wide agreements have been established, as well as co-determination rights according to labor protection laws. Communication occurs via various channels such as toolbox meetings, staff meetings, the company suggestion scheme, Intranet, newsletter or works council meetings.

### **Risk assessment, accident analysis and measures**

In the course of systematic risk assessments, the BAUER Group identifies potential hazards and derives technical, organizational and personal measures. The effectiveness of these measures is regularly reviewed and adjusted as required. Accidents, near accidents and unsafe conditions are documented and analyzed in the central HSE reporting system. The findings are incorporated directly into preventive measures.

### **Training, health promotion and prevention**

Employees in the BAUER Group are regularly trained in safety-related topics. New employees receive a comprehensive HSE briefing before starting work. The HSE department also organizes refresher training courses, special instructions for construction sites and topical events. In Germany, an annual safety competition with prizes motivates employees to get actively involved with occupational safety matters.

To promote health, the BAUER Group also offers programs and lectures on topics such as occupational medicine, nutrition, fitness or stress management. Occupational checkups and healthy workplace design are also part of the program, along with the bike leasing service that contributes to sustainability mobility, as well as the offerings from the Leisure, Sports and Cultural Committee.

### **Emergency preparedness**

Emergency plans and reaction measures are defined in all operations and regularly reviewed. These include evacuation procedures, first aid concepts and handling specific emergency scenarios such as fires or hazardous substance leaks. Regular exercises ensure that employees are prepared for emergencies.

**Location and activity-related risks**

The BAUER Group considers specific risks depending on location and activity. On construction sites, the focus is on work organization, protecting against physical hazards and wearing suitable protective equipment. In office areas, the emphasis is on psychosocial risks such as stress, overload or bullying. In the production environment, specific risks such as noise, equipment accidents, handling loads and dealing with hazardous substances are taken into account. Preventive measures, support services and ergonomic optimizations are provided for all contexts. On construction sites, the measures implemented include daily toolbox talks, provision of personal protective equipment, regular safety inspections and training for accident prevention. In office workplaces, measures are adopted for stress management, for promoting a positive work environment and for providing support through company health services. In the production environment, measures such as noise control, safe equipment operation and handling of hazardous substances are secured with training courses, operating instructions and safety protocols.

**Improving HSE culture throughout the Group**

The BAUER Group will continue to develop its Group-wide health, safety and environmental policies consistently to fulfill the ever-increasing requirements for occupational safety and environmental protection. In the future, one particular focus will be on reinforcing safety culture in the entire company. To this end, strategic measures will be expanded to raise awareness among employees, particularly in the areas of safety-related conduct, open feedback culture and effective communication.

In addition, systematic collection and analysis of safety-related findings will be further intensified in order to derive specific measures for improvement. One central approach lies in linking individual targets more closely with safety-related aspects, and thereby encouraging each individual to take personal responsibility. These measures are intended to sustainably increase and continually improve occupational safety.

**Software for hazardous substance management**

To further improve occupational health and safety, the BAUER Group plans to introduce a Group-wide documentation system for hazardous substance management. The goal in the future is for hazardous working substances to be recorded and managed centrally, with relevant information made available to the responsible employees at all times. Implementation will start with a pilot program at the Schrobenshausen location. Building on this foundation, the system will be gradually rolled out at other locations. Over the long term, this will ensure consistent availability of measures, documentation and safety information Group-wide.

**Training and development of skills**

The BAUER Group views ongoing training and development of its more than 10,000 employees worldwide as an essential component of the company's long-term success, a way to safeguard global competitiveness as well as an opportunity to increase employee satisfaction. Our qualification strategy aims at promoting employability and directly addresses the key identified risks of the shortage of specialized workers along with potential safety risks such as inadequate equipment operation. In our central master guideline, all employees are granted equal rights to support.

The overarching responsibility for this strategy lies with the Executive Board of the BAUER Group. Operational implementation is carried out in a decentralized manner by management staff, and centrally controlled by personnel development and the BAUER Training Center, which offers specialized equipment training courses and technical sales training. All employees have the same access to ongoing education offerings as a rule. In regular performance reviews – at subsidiaries as well – individual targets are defined for professional development as well as the performance of duties. According to the specific requirements for their activities, particularly in the areas of quality, environment, safety and health protection, employees are offered targeted training courses.

The BAUER Group has prepared a varied range of training and skill development activities that are oriented on the different requirements and development needs of employees. The program is aimed at employees of the BAUER Group, including direct staff as well as part-time workers under certain conditions.

Some of the training activities are implemented centrally by personnel development worldwide. In this context, initiation and requests are the responsibility of management and employees themselves in many cases – particularly in areas where specialist requirements cannot be centrally defined. Alongside such programs, the BAUER Training Center also offers its own programs, particularly in the area of equipment training and technical sales training for the Equipment segment. Courses are organized independently by the BAUER Training Center in the shared learning management system. In addition, individual departments conduct their own training initiatives in exceptional cases. This occurs for example with regard to IT topics such as security awareness training, which is rolled out in collaboration with personnel development using IT platforms.

### **Training programs and skill development initiatives**

As understood by the BAUER Group, strategic personnel development measures play a key role in increasing employee satisfaction, which makes them a core tool for long-term employee loyalty. To systematically develop the professional personal skills of its employees, the BAUER Group therefore provide a comprehensive training program. This program includes training courses for developing technical, methodological, social and management skills, as well as equipment training. The content of these courses extends from technical training to training of soft skills, digital expertise and management topics. The content outlined below is intended as an example and is not intended to be exhaustive.

#### **1. Technical and specialist qualification initiatives**

##### Operation, maintenance and safety of equipment

- Basic technical training in digital format.
- Training in proper operation and maintenance of equipment and machinery.
- Training on safe handling of hydraulic and electronic systems.
- Basic and advanced training for mechanics and service personnel (e.g. in electrics/electronics, hydraulics, repair technology).

##### Specialist continuing education

- Expanding on technical skills in areas such as welding technology, construction technology, concrete technology and construction management.
- Training on occupational safety.

## 2. Legal and business management training

- Compliance (e. g. Code of Conduct, human rights).
- Fundamentals of data protection, export control and contract law.
- Training on business management topics such as cost accounting and VAT tax.

## 3. IT training

- IT security.
- SAP systems and additional administrative applications.

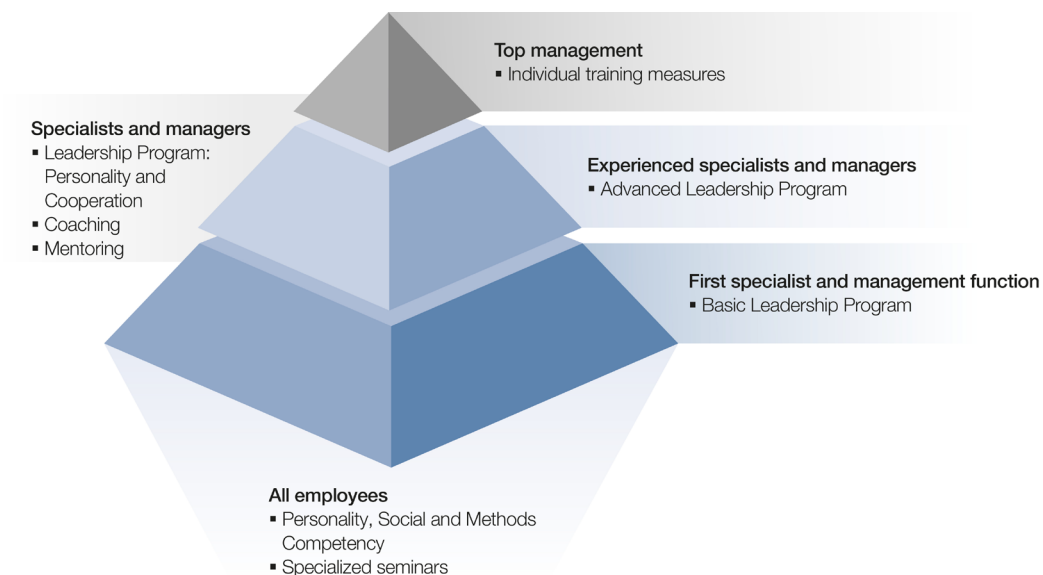
## 4. Personal development and soft skills – communication and collaboration

- Public speaking and presentation training.
- Training courses on effective moderation of meetings and workshops.
- Training courses on resilience, self-organization and effective time management in a professional context.
- Health promotion.

## 5. Manager development

- Introduction to management tasks and responsibility for disciplinary managers, department and project heads.
- Enhancement of leadership skills and strengthening of management personality.
- Individual coaching and mentoring opportunities.

Participation in training initiatives is open to all employee groups, regardless of the type of employment, working time model or hierarchy level. Digital learning formats in particular allow for flexible participation regardless of the location.



*From our seminar program: Skill development for our managers.*

### **Educational formats**

To optimally support individual learning needs and work contexts, the BAUER Group relies on a wide spectrum of educational formats. These allow for flexible participation from any place and at any time, while taking different learning preferences into account:

- In-person training: Classical learning through direct dialogue with trainers and participants on site.
- Webinars (Learn it live): Virtual live sessions with opportunities for interaction.
- E-learning (On-demand): Online training at flexible times for independent completion.
- Blended learning – Combined teaching formats with in-person and online learning elements.

### **Goals and results of training programs**

The goal of the training programs in the BAUER Group is to continually improve the capacities and skills of employees and to prepare them for changing conditions the work environment, such as increasing requirements due to digitalization or complex production processes. They contribute toward implementing the company strategy, particularly with regard to retaining skilled employees, occupational safety and technical development, as the following results demonstrate:

- Technical training: Improvement of knowledge in operation and maintenance of equipment such as drilling rigs, pile driving equipment and duty-cycle cranes, which leads to improved efficiency and occupational safety.
- Soft skills: Strengthening of interpersonal abilities such as communication, teamwork and resilience.
- Manager training: Development and enhancement of leadership skills with positive effect on employee guidance and development.

### **Evaluating the effectiveness of training programs**

The effectiveness of training initiatives is regularly reviewed through:

- Participant feedback: Evaluation of content, trainer quality and practical relevance.
- Success monitoring: Tests or practical exercises, particularly in the case of technical training courses.
- Long-term observation: Observation of performance development and skills growth over time.
- Selective data collection: Recording participant numbers, modules completed, satisfaction and effects on performance.

### **Plans and strategies for future training and skill development initiatives**

The BAUER Group will further expand its training and development initiatives in the coming years:

- Expansion of e-learning offerings for added flexibility and reach.
- Focus on digital skills to assist with the digital transformation.
- Individual development plans for targeted promotion of personal career goals as well as potential areas for improvement.
- Structuring/improving the proactive follow-up plan.
- Strengthening management culture through continual training for managers.
- Regular enhancement of programs based on feedback, strategic requirements and technological developments.

### **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.

These initiatives help to ensure the BAUER Group's ability to compete on the long term and prepare our employees for future challenges.

**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 expanded to include a high-potential program and enhanced with additional development modules, such as job rotation, international deployments and mentoring.

**Apprenticeships and dual study**

Our apprentices can expect to receive a varied education that is practical and future-oriented. To this end, we offer apprenticeships in about 30 different professions in the industrial, technical or commercial area. Year after year, we train numerous young people. In 2025, the number of trainees was 274 (previous year: 275). Because we know that our workforce is our greatest potential, continuing education plays an important role with us, right from the apprenticeship phase.

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.

In addition, we promote advanced further training and academic development.

**Establishing regional partnerships with universities and research organizations**

To strengthen the region, we continually work to develop closer collaboration 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.

**Fit4KeyUser: Sharing SAP knowledge, enhancing skills**

In March 2025, the BAUER Group began developing a regional SAP key user network to advance the optimization of internal processes through target-oriented professional dialog. The centerpiece of this initiative is the training series "Fit4KeyUser" which offers short, voluntary online webinars for practical skill enhancement in Microsoft Teams, directly at the workplace. This measure supports the objective of promoting professional development with flexible, digital learning formats and making specialist knowledge available at any time in the form of recordings. In this way, the network helps significantly to prepare the workforce for the increasing requirements of digitalization while reinforcing internal networking.

**Strong together: Training of industrial employees working on construction sites**

On September 18 and 19, 2025, a two-day training course was held in Schrobenhausen that brought together industrial construction site employees of BAUER Spezialtiefbau GmbH from various product groups, workers in soil improvement and trainees from Nordhausen. Apart from technical and safety-related training, the focus was primarily on personal exchanges, including direct dialog with the Executive Board. The event was received by all participants as a strong sign of team spirit, appreciation and mutual success.

## TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

S1-5

As of the current reporting date, the BAUER Group has not yet defined fully developed, time-based targets in line with the ESRS requirements for the key sustainability topics that were identified. The Group is currently engaged in a structured process to develop an integrated sustainability strategy for the BAUER Group and its segments. This is based on the results of the double materiality analysis that was conducted.

In the area of Health, Safety & Environment (HSE), there are already clearly defined and measurable targets. These existing targets will undergo a thorough and systematic review as part of the ongoing strategy process, particularly with regard to their effectiveness, relevance of control and possibility of integration into the future Group-wide sustainability strategy that is under development.

### Targets for occupational health and safety

By introducing established health, safety and environment standards and continually improving them, we work to consistently minimize our accident and damage rates with the clear goal of “zero” work accidents. For 2025, the Group-wide HSE committee for the BAUER Group has defined clear goals: No fatal or severe work accidents, LTI rate of BAUER Group below 0.8 and reduction of work-related accidents (involving time off work) by 2% compared with 2024.

The Lost Time Incident Frequency Rate (LTIFR) serves as one of the key figures for measuring success in 2025. The Lost Time Incident Frequency Rate (LTIFR) is consulted in the BAUER Group as a key figure for occupational safety and regularly evaluated as part of occupational safety management. This is calculated as the number of accidents involving time off work, multiplied by a factor of one million and divided by the number of productive work hours. In the period from 2021 to 2025, the LTIFR of the BAUER Group developed as follows:

- 2021: 4.5
- 2022: 4.4
- 2023: 3.0
- 2024: 3.1
- 2025: 3.3

This key figure thus demonstrates a reduced and ultimately stable accident frequency over the multi-year period, with a slight increase recorded in 2025.

In order to classify the performance of occupational safety, the accident frequency of the BAUER Group is compared with an external industry benchmark. The comparative value for the German construction industry in 2025 was 28.45 work accidents that needed to be reported. A work accident needs to be reported if it involved an incapacity to work lasting more than three days. Commuting accidents are not accounted for in this calculation. In this regard it must be noted that the frequency of accidents for the BAUER Group includes all segments; thus equipment manufacture is included in the key figure along with the construction industry.

The LTIFR is used as a quantitative performance indicator to monitor occupational health and safety measures, and helps when deriving and evaluating preventive measures related to safety management.

## CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

S1-6

The following data was requested from the consolidated companies as part of the yearly survey regarding the annual financial statements. A central survey is not possible due to different personnel recording and administration systems. Accordingly, the data were requested directly from the companies, reported using the survey tool and then centrally evaluated by the sustainability team. The collection of key figures was based on workforce numbers and relate to the reporting date of December 31, 2025. Due to differences in data collection, the number of employees differs from the figure in the 2025 Annual Report, which reported a total of 10,544 persons (FTE) working for the BAUER Group as of the reporting date on December 31, 2025. Of these, 3,364 are salaried staff, 6,906 are Industrial & trade employees (including temporary workers) and 274 are apprentices.

### Total number of employees by gender

Gender	Number of employees (headcount)
Male	8,237
Female	1,392
Other*	2
Not reported	0
<b>Total amount fo employees</b>	<b>9,631</b>

\* e. g. neutral gender

### Number of employees by country accounting for at least 10% of the total workforce

Country	Number of employees (headcount)
Germany	4,266
Egypt	1,689
India	598
United Arab Emirates	591
Saudi Arabia	472
Indonesia	341
USA	294
China	176
Canada	170
Malaysia	141

The table reflects the ten countries with the largest number of employees, and not only the two countries (Germany and Egypt) in which the employee count was more than 10% each of the total number of employees (and thus larger than 1,055 employees) as of the reporting date.

**Number of employees by gender and type of contract (headcount)**

	Female	Male	Others	Not reported	Total
<b>Number of employees</b>	<b>1,392</b>	<b>8,237</b>	<b>1</b>	<b>0</b>	<b>9,631</b>
Number of permanent employees	1,313	6,653	1	0	7,967
Number of temporary employees	77	1,572	1	0	1,650
Number of employees without guaranteed hours	2	12	0	0	14

Permanent employees are individuals hired by the company for an unlimited time. Their working relationship does not end automatically after a particular period or project, but only after termination by either party or on mutual agreement, or other events that end the relationship. Temporary or limited-time employees are individuals who work for the company on a temporary basis and have an employment relationship directly with the company that is limited in time or for a specific project. Employees without guaranteed working hours are individuals who are hired by the company without a guaranteed minimum or a fixed number of working hours.

**Total number of employees who left the company during the reporting period and the employee turnover rate during the reporting period**

	Number of employees
Number of employee departures (headcount)	1,293
Employee turnover rate (in %)	13.6

The following are considered reasons for withdrawal: Termination by the employer, termination by the employee, cancellation agreement, retirement and death of employee.

**TRAINING AND SKILLS DEVELOPMENT METRICS**

S1-13

**Employees participating in regular performance and career development reviews**

in %	Number of employees
Employees with completed performance review	46.4

**Average number of training hours per employee**

in h	Number of hours
Average number of training hours per employee	7.3

Employees as defined by S1-13 comprise salaried staff, industrial & trade employees and apprentices.

**HEALTH AND SAFETY METRICS**

S1-14

**Health protection and safety**

	2025
Workforce covered by a health and safety management system (headcount, in %)	100%
Fatal work-related injuries in own workforce (number)	0
Fatal work-related injuries of contractors at company sites (number)	0
Number of recordable work-related injuries in own workforce	76
Rate of recordable work-related injuries in own workforce (LTIFR)*	3.3
Number of days lost due to work-related injuries and fatalities (days)**	800

\* The rate of work-related injuries is calculated as the number of accidents involving time off work, multiplied by a factor of 1,000,000 and divided by the number of productive work hours.

\*\* When calculated days absent from work, only the German companies in the segments were included. Expansion to additional companies worldwide is being planned.

**INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS**

S1-17

**Work-related human rights incidents**

	2025
Number of judicial and extrajudicial proceedings initiated for discrimination	0
Number of judicial and extrajudicial proceedings initiated for other human rights violations	0
Number of internally confirmed incidents of discrimination / human rights violations	0
Total amount of fines and penalties recorded in the financial statements due to discrimination / human rights violations in EUR	0
Total amount of compensation payments recorded for victims of discrimination / human rights violations in EUR	0

The key figures regarding S1-8 collective bargaining coverage and social dialog were not collected for 2025.

# Governance information

## ESRS G1 – BUSINESS CONDUCT

Responsible and transparent corporate governance is the foundation for sustainable business conduct in the BAUER Group. Our governance concept is based on the five core company values of appreciation, innovation, a down-to-earth attitude, responsibility and openness. Acting with integrity is the guiding principle of our conduct and the prerequisite for long-term entrepreneurial success.

The BAUER Group is expressly committed to respecting human rights and protecting the environment; this responsibility is integrated in the Group's own areas of business as well as in collaboration with suppliers and business partners. The Human Rights Policy supplements the BAUER Code of Conduct applicable Group-wide, and is oriented on internationally recognized standards and guidelines. It describes central measures for identification, prevention and minimization of risks relating to human rights and the environment, while also implementing the requirements of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG). The Group-wide ethics management system is anchored in the master guideline of our Group and applies for all companies in the BAUER Group. Overall responsibility for its implementation lies with the Executive Board of BAUER Aktiengesellschaft, which defines the strategic guiding principles with the assistance of specialized functions such as compliance, internal auditing, ethics management and the human rights officer. The managing directors of the subsidiaries each have the operational responsibility for implementation and compliance with the governance requirements under their range of authority.

### **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL**

SBM-3

During the double materiality analysis, the key impacts, risks, and opportunities for the BAUER Group relating to the topic of governance were identified and assessed.

Introducing and consistently applying a Group-wide ethics management system and established management systems have a positive impact on the company culture of the BAUER Group. These systems promote a respectful, appreciative and rule-abiding working environment while making a key contribution to compliance with legal and internal requirements. Regular internal audit increase the transparency of business processes and improve the reliability of monitoring and control mechanisms. Processes and standards also support efficient, structured and traceable work practices within the Group. Moreover, binding management principles lead to a unified management philosophy and provide orientation, safety and reliability for employees in their daily activities.

On the other hand, the possibility that employees may hesitate to report incidents through a whistleblower system is a negative impact. If a potential abuse is not reported or only reported later on, this can make it difficult to detect violations at an early stage and negatively impact the effectiveness of internal control mechanisms. This can result in legal and financial risks, as well as risks to the reputation of the BAUER Group.

Regular training of our employees regarding ethics management, compliance and the applicable principles of conduct has a positive impact on awareness for acting with integrity and observing the rules. This actively contributes to the prevention of corruption, bribery and other abuses. At the same time, a significant opportunity arises here: A well-defined compliance culture that is put into practice increases the trust of business partners, customers and other stakeholders, and assists in the long-term reduction of legal and reputation-related risks. Accordingly, effective governance plays a key role in the sustainable business development of the BAUER Group.

## BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

G1-1

Our company culture is not just an internal guideline, but also a core component of our long-term company strategy. It considerably influences BAUER's ability to achieve targets and contributes to sustainably managing the challenges of the future. Our culture helps us to grow as a company, develop innovative solutions and ensure the long-term success of our company.

The company culture in the BAUER Group is actively shaped, managed and regularly reviewed by the Executive Board. It provides a central frame of reference for management and collaboration on all levels. The Executive Board is responsible for ensuring that the defined values are practiced and continually developed throughout the company.

### Our Values

Our company culture in the BAUER Group is characterized by a clear value orientation that is reflected in our daily business. The values of responsibility, openness, appreciation, innovation and a down-to-earth attitude guide our conduct as well as the way we collaborate as a company – both internally and externally. These values are the core of our culture and our success:

- **Appreciation:** We put people first. We interact on an equal footing and treat each other with respect and honesty. Maintaining a positive attitude, we work together in trusting collaboration with our employees, customers and partners.
- **Innovation:** We enthusiastically develop ideas and sustainable solutions for the challenges of the future. Our international experience and many years of expertise provide the foundation for our innovative capacity.
- **A down-to-earth attitude:** As a family business, we are committed to acting sensibly and responsibly. We make our decisions pragmatically and with foresight on the big picture.
- **Responsibility:** We rely on mutual trust and encourage each other to make decisions independently. We overcome challenges by working together as a team. The principles of integrity, reliability and appropriate conduct govern our daily actions.
- **Openness:** As an internationally operating company, we are open to new ideas and have the courage to make changes. The diversity of cultures and variety of people at our company make us who we are.

Our values are anchored in our Code of Conduct and are communicated to employees through training programs.

### Tools to promote the company culture

Our company culture is supported by a range of specific tools and initiatives that promote dialogue and employee involvement. These include regular performance reviews, which give us the opportunity of addressing the needs and concerns of our employees. Furthermore, we regularly conduct employee surveys, which provide us with valuable feedback on various aspects of company management and culture. Work groups and conferences also offer space for dialogue and further development of common ideas and solutions. These include the work group "People in the company," which comprises employees from different divisions working together on measures that promote the company culture. Another key component is the BAUER Appreciation System, which specifically recognizes the services of employees that are often performed in the background, but form an essential part of smooth workflows and the company's long-term success. With clearly defined and transparent forms of recognition, this often less visible work is consciously honored. The system reinforces the culture of appreciation and respect in the company, making a positive contribution to motivation, a sense of belonging and long-term employee loyalty.

### **Diversity as a strength**

Our diverse workforce is one of our greatest strengths. We employ more than 10,000 people from about 100 countries worldwide, which further strengthens our culture of diversity and respectful interactions. This diversity is a crucial factor for our success and one of the keys to our innovative spirit and ability to overcome the challenges of a globalized world.

### **Responsibility beyond the limits of our company**

We also take on responsibilities beyond the limits of our company. As the BAUER Group, we aim to contribute actively to the common good in the regions where we do business. Our social commitment is more than a positive external effect – at the same time, it also strengthens our company from within.

We see ourselves as an integral part of society and take our social responsibility as seriously as our commercial responsibilities. That's why we are engaged both regionally and within our sectors – in part through active contribution to numerous associations and unions. We assist associations and organizations through material donations and by offering our expertise and ideas.

The BAUER Group promotes important initiatives and projects – in strategic areas where sustainable motivation can be provided for society, education, environment or social cohesion. Different companies in the BAUER Group worldwide donated a total of EUR 133 thousand in 2025.

Numerous employees engage in volunteer work for various social concerns in their free time, thereby representing the values of the BAUER Group in the community as well. We provide selective and active support for the community involvement and projects initiated by our employees. Volunteering continues to be backed by flexible arrangements to facilitate participation.

### **Management systems**

The management systems of the BAUER Group are a core element that significantly shapes the company policy and culture. They control operational processes, define clear responsibilities and anchor Group-wide standards in the areas of quality, occupational health and safety, environment, HSE, ethics and risk management. Based on legal requirements, international standards (including ISO 9001), customer requirements and the company's own sustainability principles, they promote a culture of quality, safety, integrity and continuous improvement. Regular audits, key figures, training courses and a clear ethical guideline reinforce responsible conduct, respect for human rights and risk-conscious management of opportunities and dangers. Management staff have a particular responsibility for implementation in this regard and act as examples of a sustainable, value-oriented company culture.

It is also planned to gradually introduce management systems in other Group companies, considering the existing need as well as economic efficiency, and where beneficial to certify these systems in line with recognized standards as a way of ensuring a uniformly high level of processes and controls throughout the entire group. For example, SCHACHTBAU NORDHAUSEN GmbH successfully obtained EMAS certification in 2025, thereby meeting the requirements for one of the most demanding systems for sustainable environmental management worldwide. Moreover, it is planned to further improve the compliance management systems in order to systematically meet regulatory requirements, manage risks and ensure the long-term integrity and effectiveness of internal processes and controls.

### Ethics management system

The ethics management system of the BAUER Group is bindingly governed by the corporate management manual. This applies Group-wide and forms the foundation for proper conduct in all companies. A core element of the system is a Group-wide Code of Conduct, which is published on our website and available for all employees. This specifies in detail our five core company values – responsibility, openness, appreciation, innovation and a down-to-earth attitude – in the form of standards of conduct and rules for specific topics, including the topic of corruption.

### Our Code of Conduct

The Code of Conduct for the BAUER Group is a central component of governance and ethics management, and is binding for all employees and management staff worldwide. It defines clear rules for acting with integrity, lawfully and responsibly, based on our shared values such as appreciation, openness, responsibility, innovation and a down-to-earth attitude. Part of the code is an obligation to comply with international and national legal regulations, fair business practices as well as a respectful, safe and discrimination-free work environment. Corruption, bribery manipulation and anti-competitive behavior are not tolerated throughout the Group. Supported by the ethics management system, the Code of Conduct reinforces trust, integrity and the sustainable reputation of the BAUER Group among all stakeholders.



*Training content for compliance training*

### **Monitoring, effectiveness and improvement**

The Internal Auditing department regularly reviews the effectiveness of the ethics management system. In member companies of EMB Value Management System for Construction, external audits are also carried out. Audit findings are used to improve the system. One central tool for internal control in corruption prevention is the dual review principle anchored in the corporate management manual.

### **Training and raising awareness**

To encourage employees to conduct themselves with integrity at the company, regular training courses are offered. These include:

- special in-person training programs on anti-corruption, anti-trust law and data protection.
- an e-learning program from EMB-Wertemanagement Bau e.V. for companies involved in construction, as well as
- in-depth training for roles involving significant risk, e. g. purchasing or sales.

Contents are also communicated by the Executive Board.

### **Whistleblower system and protection of whistleblowers**

Promoting an open company culture and ensuring ethical conduct are core elements of the BAUER Group's governance structure. The internal whistleblower system is a key tool in this context. Responsibility for the internal whistleblower system lies with the Executive Board of BAUER AG, who ensure that the system is regularly reviewed and continually developed in order to guarantee effectiveness and legal compliance. The internal whistleblower system is based on the relevant legal and regulatory requirements, allowing both internal and external persons to report breaches against compliance guidelines and legal regulations.

The whistleblower system is an integral component of the overarching ethics management system of the BAUER Group, which also includes topics such as anti-corruption, anti-trust law, product safety and data protection. This ensures that both internal and external whistleblowers can report breaches safely and confidentially without fear of reprisals.

Reports from the Internal Reporting Office regarding submitted tips are generally presented to the Executive Board once a year. In addition, the Internal Reporting Office informs the Executive Board on an as-needed basis. In the process, the person submitting tips remains confidential and their identity is only disclosed by mutual agreement.

### **Reporting channels**

Whistleblowers can report violations through various channels:

- Internal and external: [compliance@bauer.de](mailto:compliance@bauer.de), Ombudsman.
- For Germany, the following external reporting offices have also been designated: Federal Office of Justice, BaFin, Federal Cartel Office.

The rules of procedure and contact data for reporting violations ([compliance@bauer.de](mailto:compliance@bauer.de) and the external ombudsman) are published on the BAUER AG website and accessible at any time.

**Confidentiality and anonymity**

A transparent working environment based on integrity is the foundation for long-term business success. This is why a whistleblower system is available for our employees, business partners and other stakeholders.

The whistleblower system makes it possible to report tips regarding potential legal violations, compliance breaches or other abuses in a confidential manner. The goal is to identify risks early on, prevent damages and ensure compliance with laws and internal guidelines.

Furthermore, an independent ombudsman is available as an external person of trust. The ombudsman receives tips, advises whistleblowers regarding their options and makes sure that information is treated confidentially. On request, the whistleblower's identity can remain protected from the company.

With the synergies between the whistleblower system and ombudsman, we promote an open company culture, reinforce trust in our processes and make an important contribution to compliance, integrity and responsible conduct.

**Protective mechanisms for whistleblowers**

The BAUER Group protects whistleblowers against reprisals. Acts of retaliation by employees or executive bodies of the BAUER Group will not be encouraged and can lead to warnings under labor law or termination. The identity of a whistleblower who reports information about violations, is protected and treated as confidential unless inaccurate information is reported about violations in a willful or grossly negligent manner.

**Processing and response**

Tips received at the internal reporting office are confirmed within seven days. Within three months following the acknowledgment of receipt at most, a response will be issued regarding follow-up measures that have been planned or already adopted, as well as the reasons. Responses to whistleblowers are made confidentially and documented.

**Training and raising awareness**

Employees are regularly informed about the whistleblower system. This occurs through talks at seminars or conferences and articles in the employee newspaper. Furthermore, training programs are conducted on the topics of anti-corruption, anti-trust and product safety in order to encourage awareness for ethical conduct and compliance within the Group. In addition, posters with the values of the BAUER Group along with information about the whistleblower system were distributed at central locations in our subsidiaries worldwide to further increase visibility and awareness for this important reporting option. In this way the BAUER Group ensure that all employees are thoroughly informed of their options and the protection offered by the whistleblower system.

**Reporting**

In 2025, 15 tips were submitted to the internal reporting office of BAUER AG. These tips were examined by the internal reporting office, in part in connection with discrimination and regulatory compliance. The BAUER Group handled all the matters reported with priority.

The findings of the whistleblower system are regularly evaluated to identify potential areas for improvement. Findings from the evaluation influence the ongoing development of the whistleblower system.

## BAUER stands for:



Freedom of assembly  
and association

Sustainability

Freedom of thought, belief and religion

**Human rights**

Occupational health and safety

Freedom of  
expression

**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 [www.bauer.de/en/ethics-management](http://www.bauer.de/en/ethics-management)

## PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

G1-3

The BAUER Group adamantly rejects any form of bribery and corruption. In all countries in which we market our products and services, our companies are required to comply with ethical standards that go above and beyond the legal requirements. Corrupt behavior, whether active or passive, is not tolerated anywhere in the world. Our fundamental belief is that decent and proper conduct is the foundation for long-term entrepreneurial success. This attitude is firmly anchored in the Group's ethics management system.

Corruption risks are regularly analyzed on the context of Group-wide risk management system. The results are documented in the risk inventory and handled in the responsible committees. The aspects considered include bribery/accepting bribes, export control and data protection. The ethics officers strive continually to enhanced and adapt the system.

Roles involving significant risk for which it can be assumed due to their tasks and responsibilities that there is a risk of corruption and bribery, such as employees in purchasing or sales, receive specific training.

The BAUER Group considers the responsible management of its supply chains as an integral component of sustainable corporate governance. Management of relationships to suppliers is based on clearly defined ethical, social, ecological and legal requirements that are bindingly defined in the [Code of Conduct for Suppliers](#) that applies Group-wide. This is oriented on internationally recognized standards, particularly the conventions of the International Labor Organization (ILO) as well the General Declaration on Human Rights of the United Nations, and specifies the expectations of the BAUER Group for its business partners.

The Supplier Code is a component of business relationships and applies for all natural and legal persons who provide goods or services directly or indirectly for the BAUER Group. It is expected for suppliers to comply with the principles of the code not only in their own area of business, but also to address this along their own supply chains. Central requirements include, in particular, compliance with applicable laws, respect of human rights, the ban on child labor and forced labor, fair working conditions, anti-discrimination, protection of health and safety at the workplace as well as responsible handling of environmental resources.

To ensure compliance with the requirements, the BAUER Group relies on preventive and controlling measures. These include as-needed or risk-based collection of information and evidence as well as conducting audits by the BAUER Group or engaged third parties. If violations are detected, suppliers are obligated to immediately cease or adopt suitable corrective measures. If material obligations are repeatedly violated and not remedied within appropriate deadlines, the BAUER Group reserves the right to suspend or terminate business relationships.

With this structured supplier management, the BAUER Group reinforces transparency, compliance and risk prevention in the supply chain while also contributing to the respect of human rights, environmental protection and long-lasting, stable, trusting business relationships.

The whistleblower system accessible worldwide, as well as internal audits, are used to detect incidents.

**INCIDENTS OF CORRUPTION OR BRIBERY**

G1-4

**Corruption and bribery 2025**

	2025
Number of criminal convictions for violations of laws combating corruption and bribery	0
Number of administrative sanctions imposed for violations of laws combating corruption and bribery	0
Amount of fines for violations of the law on combating corruption and bribery in EUR	0

Once again in 2025, BAUER Group 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.

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