



Wacker Neuson
Group



Moving Sustainability

Non-financial Group report 2021

SUSTAINABILITY AT A GLANCE

EUR **75** m

invested in research and development in 2021,
incl. capitalized expenditure (2020: EUR 64 million)

35

new patents and utility models
filed in 2021 (2020: 34)

-47%

CO₂ emissions intensity¹
compared with previous year

¹ Emissions as tons of CO₂ / revenue
in EUR million

16+2

battery electric products for the
construction and agricultural
industries respectively

-9%

energy intensity²
compared with previous year

² Energy consumption as MWh / revenue
in EUR million

214

apprentices in 2021³

³ in Germany, Austria, Switzerland
and the UK

CONTENTS

THE WACKER NEUSON GROUP	3
SUSTAINABILITY AT WACKER NEUSON	4
Customer centricity	8
Sustainable product development – sustainable products	12
Responsible employer	17
Training and talent development	20
Resource consumption	22
Compliance, data privacy and information security	25
Respect for human rights within the organization and throughout the supply chain	29
RISK ASSESSMENT PROCESS	31
EU TAXONOMY	32
INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT	37

ABOUT THIS REPORT

This non-financial report issued by the Wacker Neuson Group was drawn up on the basis of Germany's CSR Directive Implementation Act (CSR-RUG). It includes information necessary for understanding the development and results of the business as well as the status and impact of business operations on the following mandatory topics:



Environmental matters



Employee matters



Social matters



Respect for human rights



Combatting corruption and bribery

Unless otherwise stated, the information given here refers to the Group. A framework of standards such as the Global Reporting Initiative (GRI) has not been applied as the Wacker Neuson Group has adopted a

different approach to materiality analysis. The material topics are determined through an internal process that involves the relevant departments and functions and the entire Executive Board. Responsibility for sustainability matters lies with the CEO.

Wacker Neuson has identified the following material topics for fiscal 2021:

- Customer centricity
- Sustainable product development – sustainable products
- Responsible employer
- Training and talent development
- Resource consumption
- Compliance, data privacy and information security
- Respect for human rights within the organization and throughout the supply chain

All figures in this report refer to the year 2021. In most cases, comparative values from 2020 have also been provided. The reporting period corresponds to the calendar year (January 1 through December 31). Any references to content beyond this non-financial report are intended as additional information only and are not deemed part of this non-financial report.

1. THE WACKER NEUSON GROUP

The Wacker Neuson Group is an international network of companies, employing around 6,000¹ people worldwide. As a leading manufacturer of light and compact equipment, the Group offers customers around the globe a broad portfolio of products and a wide range of services. The Wacker Neuson Group is the partner of choice among professional users particularly in construction, gardening, landscaping, agriculture, recycling, rail transport and manufacturing, as well as among municipal bodies. The Wacker Neuson, Kramer and Weidemann brands belong to the Group. In 2021, the Group generated revenue in the amount of EUR 1.9 billion. Wacker Neuson SE is a European stock corporation (Societas Europaea) with its headquarters in Munich, Germany. It operates as a management holding company with a central management structure and is responsible for strategic Group governance functions. It directly or indirectly holds shares in 45 affiliates. The Group is headed by the Executive Board of Wacker Neuson SE, which comprises four members and works closely with the Supervisory Board. Management's aim is to secure the long-term success of the Wacker Neuson Group and create a lasting increase in company value.

For further information on the Wacker Neuson Group and its business model, refer to the 2021 Combined Management Report for Wacker Neuson SE and its Group.

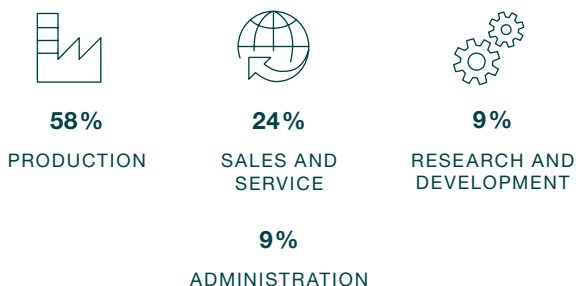
3 BRANDS
2 INDUSTRIES
1 GOAL

– This formula sums up what the Wacker Neuson Group stands for and where its strengths lie. With its three brands, it focuses on two industries and pursues one overarching aim: Creating added value for customers.

EUR 1.9 bn
 in revenue 2021
 (2020: EUR 1.6 bn)

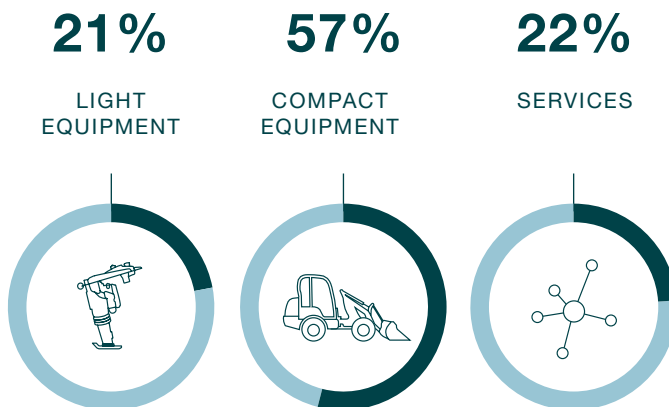
5,992
 employees worldwide 2021
 (2020: 5,554)

EMPLOYEES BY SECTOR: 2021¹



2020: production 54%, sales and service 27%, research and development 9%, administration 10%

REVENUE BY BUSINESS SEGMENT 2021



2020: light equipment 22%, compact equipment 54%, services 24%

¹ Based on number of positions (FTE = full-time equivalents; the number of people working for the company, temporary staff included, was converted into full-time equivalents) as at December 31.

2. SUSTAINABILITY AT WACKER NEUSON

The Wacker Neuson Group is convinced that a sustainable mindset and sustainable action are key to the future success of its business model and thus strives to embed this approach across all of its processes. Social engagement, climate protection and intelligent use of resources are just as important for the Group as growing the business and profitability. In fiscal 2021, the most important focus areas were strong customer centricity, sustainable products and responsibility towards employees. The Group's progress in these areas not only helps to secure its long-term financial success; it also plays into its sense of corporate responsibility towards its people, society in general and the environment.

OPPORTUNITIES ARISING FROM MEGATRENDS AND THE THREE PILLARS OF STRATEGY 2022

The Wacker Neuson Group is committed to achieving sustained positive results and creating long-term value for customers, investors, employees and other stakeholders. Ensuring that its business model remains competitive and fit for the future is an important strategic focus area here. Strategy 2022, which was introduced in March 2018, provides a solid foundation for the company's steady growth path moving forward, powering the Group's efforts to strengthen its position as a leading international manufacturer of light and compact equipment. Guided by the three Strategy 2022 pillars of **focus**, **acceleration** and **excellence**, the Group aims to further expand its market positions while at the same time increasing revenue and profitability.

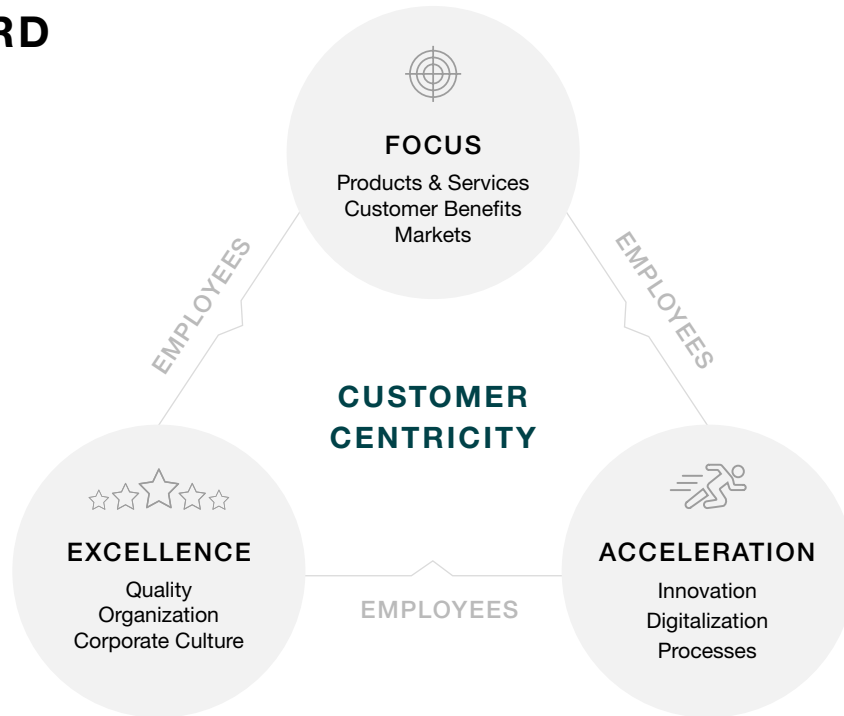
Urbanization, connectivity and neo-ecology are key megatrends that call on the Wacker Neuson Group to continually evolve its business model. These developments create structural changes in markets and the competitive landscape while also reshaping social norms. Meanwhile, the spread of COVID-19 has significantly modified our social and business interactions. The effects of this crisis will continue to shape our day-to-day lives for the foreseeable future and influence the trends mentioned above.

According to the German think-tank Zukunftsinstitut, the coronavirus pandemic has accentuated the shift in attitudes towards our planet and stepped up the call for eco-friendly solutions (green pressure). As a result, neo-ecology is becoming a defining megatrend. Within this current decade, steps must be taken to enable a radical reduction in emissions and limit global warming to a maximum of 1.5 degrees Celsius. Under mounting political pressure to comply with international climate protection agreements, the number of new laws, directives and other regulatory interventions is growing. At the same time, not only do customers increasingly expect companies to be fully transparent about their emissions and reduction targets, they also closely monitor whether measures actually taken are in line with climate goals those companies announced.¹ Under its *zero emission* product strategy, Wacker Neuson offers a broad range of electrically powered light and compact equipment to enable emission-free construction sites, thus helping to reduce CO₂ emissions. Although sales of battery electric products still account for a comparatively small share of total Group revenue, the **focus** strategy pillar has defined the continued electrification of Wacker Neuson's product portfolio as an important priority. [↗ see Sustainable product development – sustainable products](#) Wacker Neuson expects demand for compact equipment to rise, driven in part by the growing neo-ecology movement and the various initiatives this is generating – such as plans to expand the electric charging infrastructure, which will require construction work on public roads. As part of its economic package to stimulate future growth, the German government has earmarked EUR 2.5 billion to promote electric mobility and plans to install one million charging points by 2030.²

¹ Source: Roland Berger: Article on UN Climate Change Conference in Glasgow, #roadmaptocop26, Sustainability & Climate Action, <https://www.rolandberger.com/en/Insights/Global-Topics/Sustainability-Climate-Action/Publications/>

² Sources: Article from German Federal Ministry of Finance: "Eckpunkte des Konjunkturprogramms: Corona-Folgen bekämpfen, Wohlstand sichern, Zukunftsfähigkeit stärken" (Cornerstones of stimulus package: Absorbing coronavirus impacts, supporting citizens, investing in the future), published June 3, 2020 (in German); Article published by German Government: "Umstieg auf Elektromobilität fördern" (Encouraging people to switch to electric vehicles), <https://www.bundesregierung.de/breg-de/themen/klimaschutz/verkehr-1672896#>

STRATEGY – WHAT DRIVES US FORWARD



Urbanization has increased the number of people living in cities across the world. Although the impact of the coronavirus pandemic means this megatrend looks set to at least slow down, if not actually reverse, existing infrastructure in metropolitan areas must still be maintained. As a result, and also on the back of government infrastructure measures announced in connection with the pandemic, an increase in modernization projects is anticipated. This is likely to fuel demand for compact equipment for urban construction sites.

Shorter innovation cycles and rising customer expectations call for **acceleration**. Customer needs are changing as a result of the connectivity megatrend. The Group is responding to this by developing new solutions across new sales channels. Digital services are becoming increasingly important, machines are working (partially) autonomously or with assistance systems and digital technologies are connecting construction sites. Wacker Neuson sees these trends as an opportunity to help shape the future and increase its responsiveness to customer needs. Differentiation through products alone is becoming increasingly difficult. The Group therefore recognizes the need to use innovative business models to complement traditional products and make them fit for the future. The company is transitioning from an equipment manufacturer to a full-service and solution provider. Wacker Neuson's eStore platform *ePartner*, for example, allows customers to configure and order products online. The Group introduced this option in response to changes in consumer purchase patterns. The Group also offers digital services that provide customers with access to equipment and fleet data. This allows customers to deploy their resources more productively, minimize downtime and optimize machine utilization. [🔗 see Customer centricity](#) Increased digitalization is also having an impact on construction activity, for instance through the expansion of fiber broadband networks. Construction work to lay fiber-glass cables relies in particular on light and compact equipment.

The changing market environment means that competitors no longer come exclusively from the same industry; they can also emerge from other sectors. Wacker Neuson continually screens the market landscape to identify new market players and promising startups. The aim of its market intelligence and M&A activities is to ensure the Group can also proactively navigate changing market conditions.

The Wacker Neuson Group attaches great importance to in-depth, proactive dialog around trending topics and to networking with all relevant stakeholders. The aim is not just to provide innovative momentum but to actually build a joint digital ecosystem with suppliers and customers over time. To support this goal, the Group is an active member of multiple associations. As part of the German Engineering Federation (VDMA), Wacker Neuson is involved in the Blue Competence sustainability initiative. Through its work here, the Group aims to promote sustainability across mechanical and plant engineering and raise awareness of sustainable solutions in this sector.

To further increase its operational **excellence**, Wacker Neuson has committed to systematically advancing the high quality of its products, processes and workflows across all areas of the company. This goal is enshrined in the Group's Strategy 2022. Key success factors identified by the Wacker Neuson Group include streamlining its internal structures to accelerate and improve workflows, offering ongoing talent development opportunities, and fostering commitment, agility and teamwork. [↗ see Training and talent development, Responsible employer](#) To make the organization faster and more efficient, the Group launched its "Xto1" project in fiscal 2020. The aim of this reorganization initiative was to eliminate and/or standardize redundant structures and processes, streamline reporting lines, improve cross-functional collaboration and give stronger momentum to the Group's innovative capabilities. As part of the "Xto1" implementation roadmap, various excellence projects were launched at the beginning of fiscal 2021, which were largely completed by the end of December.

COVID-19 has accelerated the megatrends of neo-ecology and connectivity. This development could open up opportunities for the Wacker Neuson Group in the medium term. In fiscal 2021, however, the coronavirus pandemic again presented the Group with operational challenges. Above all, these included disrupted supply chains, with lack of material availability in some cases leading to the loss of production slots.

BLUE COMPETENCE

Organized under the umbrella of the German Engineering Federation (VDMA), Blue Competence aims to promote sustainability in the mechanical and plant engineering industries. By signing up as a Blue Competence partner, we commit to upholding its twelve sustainability guidelines.



STRATEGIC

- 01 Sustainability is a crucial part of our company strategy.
- 02 We create solid business schemes with sustainable values and secure entrepreneurial success.
- 03 Our technologies and solutions promote worldwide sustainable developments.



OPERATIVE

- 04 Sustainable thinking and action are represented in our processes and products.
- 05 We act with consideration of resources and stand up for climate protection.
- 06 Our staff is our most valuable asset. We promote engagement and participation.
- 07 We stand up for keeping the human rights.



CULTURAL

- 08 Our company is a habitat.
- 09 We take responsibility in our region.
- 10 We do, what we promise!



COMMUNICATIVE

- 11 We actively cultivate the network with all participants.
- 12 We transparently communicate our sustainable action.

EMBEDDING A NEW APPROACH TO SUSTAINABILITY IN THE COMPANY'S CORPORATE STRATEGY

The Wacker Neuson Group is keenly aware of its responsibility to help build a future worth living. The Group can only live up to this responsibility if it succeeds in inspiring all employees to think and act sustainably. To achieve this, sustainability must be embedded in the company's corporate strategy. In fiscal 2021, work began on developing a sustainability strategy based on the United Nations Sustainable Development Goals (SDGs). This approach to sustainability will form an integral part of the updated corporate strategy, which is set to be introduced in fiscal 2022. In line with its commitment to operate in a socially and environmentally responsible way, develop innovative and eco-friendly products, and ensure the long-term viability of its business model, Wacker Neuson has identified SDGs 6, 8, 9, 11, 12 and 13 as the most relevant action areas for the Group. This is because these SDGs give companies specialized in mechanical engineering the greatest potential to directly or indirectly contribute to the economic, environmental and social goals of the United Nations.



Wacker Neuson has identified SDGs 6, 8, 9, 11, 12 and 13 as the most relevant action areas for the Group. This is because these SDGs give companies specialized in mechanical engineering the greatest potential to directly or indirectly contribute to the economic, environmental and social goals of the United Nations.

2.1 CUSTOMER CENTRICITY

PUTTING THE CUSTOMER FIRST

The Wacker Neuson Group's customer-centric focus is at the heart of its Strategy 2022. The Group will only be able to differentiate itself from the competition in the long term if it succeeds in creating added value for its customers. In fiscal 2021, the Group again continued to develop and drive customer centricity as a central element of its strategy. In addition to end customers in the construction and agricultural sectors, customer groups include dealers and rental chains as well as international construction companies.

Within the framework of Strategy 2022, the Wacker Neuson Group aims to grow twice as fast as the market. To achieve this goal, the Group will have to exceed customer expectations, offering them more than the competition. The individual measures required to achieve this strategic goal can be divided into the following topic areas: Identifying customer needs, increasing customer satisfaction and loyalty, and maintaining dialog with customers.

STEERING FUNCTIONS

Topics and activities related to customer centricity are coordinated with the managing directors of the different sales affiliates, the production plants, the central function Marketing & Digital Business and the members of the Executive Board. As in 2020, communication relating to COVID-19 developments was a particular focus in fiscal 2021. The Group assessed the impact on customer centricity measures and discussed potential solutions. These were then implemented at the different sites based on the recommended courses of action. Equally, 2021 saw the restructuring of the sales and marketing functions as part of the "Xto1" Group project. From now on, topics and activities related to customer centricity will be steered by newly created corporate centers in collaboration with the managing directors of the sales affiliates and with the production plants and Executive Board. One of the aims of this project was to bring products and services to market even faster, while aligning them more closely with customer requirements.

INCREASING CUSTOMER SATISFACTION AND LOYALTY

The Wacker Neuson Group actively seeks to build close relationships with its customers in order to gain a precise understanding of their needs. Continuous feedback is the path to early identification and understanding of customer needs, as well as to the proactive implementation of solutions to meet those. To this end, the Wacker Neuson Group regularly carries out surveys and customer workshops.

The Group's **customer satisfaction analysis** is based on an online survey carried out with the support of an external service provider, with data collected every two years. This explores customer satisfaction levels in relation to the support provided by the Group's own sales teams, for instance, as well as regarding deliveries, product quality and spare parts. It also gauges how satisfied dealers are with sales and service support and training opportunities. Each region or country then receives an individual evaluation of the findings so that measures can be derived to increase customer satisfaction.

The Wacker Neuson Group communicates closely with its customers when developing new products and solutions. Construction companies, dealers, rental companies and end users provide the Group with direct feedback through **Voice of Customer (VoC) and Voice of Service (VoS) events**. In this way, the knowledge and practical experience of customers can be directly channeled into the development process. The Group thus regularly engages with its future users every step of the way from the initial idea to market maturity of a product or new service. Voice of Customer and Voice of Service events are important tools for the Wacker Neuson Group in fostering active dialog with customers and aligning the Group even more effectively with market needs. These events will continue to be an important part of Strategy 2022 execution moving forward. Due to COVID-19 restrictions, online surveys played a greater role in gathering customer feedback again in fiscal 2021, and efforts were made to optimize alternative



Voice of Customer events enable the Group to directly channel the knowledge and practical experience of customers into the development of new products.

event formats. In compliance with strict hygiene regulations, it also became possible to hold more face-to-face events again, particularly during the second half of the year.

The Wacker Neuson Group aims to make everyday working life easier for its customers through digital solutions. Customers and dealers can use the online ordering and information platforms **ePartner** and **eStore** around the clock to find out more about products, spare parts and accessories, check their availability, configure compact equipment and place orders for equipment and spare parts. In fiscal 2021, implementation of ePartner was successfully completed for the Weidemann brand, with roll-out for the Wacker Neuson and Kramer brands continuing to progress.

End customers and dealers can all benefit from the Group's continued development of its **digital service offering**. The EquipCare telematics solution brings a new level of transparency to fleet management. Machines featuring EquipCare send real-time messages to the customer's device (desktop, tablet or smartphone) to alert the user to maintenance needs, malfunctions or unexpected relocations. The tool gives customers a comprehensive overview of their machines, their locations, operating hours, downtime and upcoming service appointments. EquipCare allows the technical support teams at customer and dealer sites to collaborate seamlessly and extremely efficiently with Wacker Neuson service engineers. This aims to streamline workflows for customers, minimize downtime, save time and increase worksite efficiencies. Fiscal 2021 saw additional services added to EquipCare, such as new reporting functionality.

Work also continued on the implementation of EquipZip, a digital fleet sharing solution for the US market. This rental app enables end users and construction companies to contactlessly locate, reserve and rent a wide range of machines around the clock. The solution is initially intended for the USA, with market launch currently being planned.

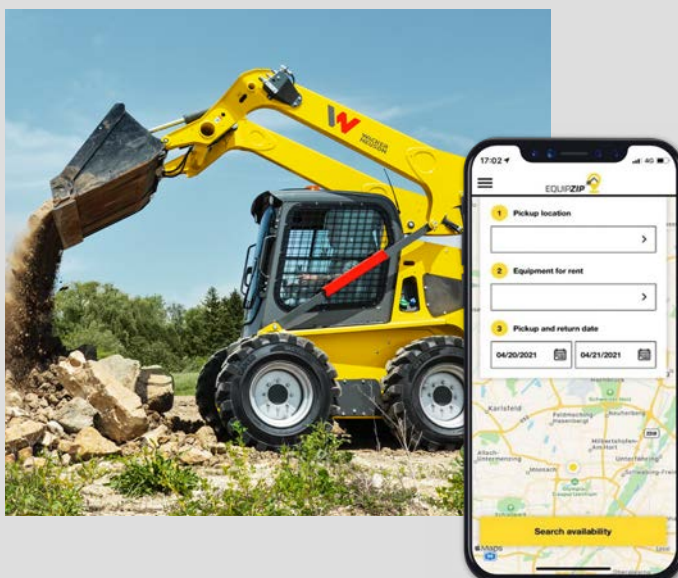
Being close to its customers is vital for the Wacker Neuson Group. Reflecting the Group's position as a **one-stop solution provider**, qualified, motivated employees accompany customers every step of the way – from initial consultation through purchasing to aftersales service and support, provided by sales

partners and by Wacker Neuson's own direct sales and service stations. **Regional proximity** to customers made possible by the Group's own sales and service stations as well as complementary expert dealer partners plays an important role in building long-term, collaborative and trusted relationships.

At Group level, the **Aftermarket** unit ensures customers can rely on on-time deliveries, professional service and high quality, as well as optimized spare parts availability. Spare parts orders are thus categorized for processing, and customer requests are taken into consideration as soon as orders are placed. Thanks to the continued roll-out of the ePartner ordering platform during fiscal 2021, almost all dealers can now place their orders electronically. Fulfillment of customer orders remained at a 94 percent service level in fiscal 2021. This matched and even slightly exceeded the previous year's level, despite persistently overstretched and in some cases disrupted supply chains sending overall supply chain reliability into sharp decline. Reasons for the continued high service level included the centralization of spare parts in the Nuremberg warehouse in 2020 and the implementation of global inventory management.

The Wacker Neuson Group offers its customers across the world a range of **training courses** covering service, product and sales topics. Course offerings are aimed at its own sales and service employees as well as dealers, rental companies and end customers in different industries. Locations for service, product and sales training courses include the Group's academies in Reichertshofen (Germany) and Menomonee Falls (US) and its production locations in Pfullendorf and Korbach (both Germany) and Pinghu (China). In addition, Wacker Neuson expanded its online training and video offering in 2021. As well as instruction videos, the Wacker Neuson website now includes videos about mobile excavators, new dumper models and special features of zero emission compact equipment.

COMING SOON



EquipZip™ is an app provided by Wacker Neuson that allows contractors as well as private customers to find, reserve and rent a variety of machines via smartphone. Whether a customer is looking for soil and asphalt compaction, earthmoving or material handling: The app always locates a clean and well-maintained piece of equipment any time of the day or night.

The first pick-up and drop-off points are to be set up at dealers in the USA. The app can be customized, making it easily adapted for markets worldwide. It is currently being used as a pilot project to test user-friendliness in selected markets.

94%

spare parts availability¹ 2021
(2020: 94%)



TARGETED DIALOG WITH CUSTOMERS

Staying close to customers also means maintaining ongoing communication with customers. The Wacker Neuson Group uses various communication channels to provide different target groups with up-to-date information on its products and services. These channels include the three brand websites, the Group website, social media channels, newsletters, conventional print brochures and articles in the trade press. Complementing the various Group locations and its affiliates, trade shows and other events provide additional customer

touchpoints. Due to the coronavirus pandemic, many events again took place virtually in fiscal 2021 – such as a digital EMEA Summit hosted by Wacker Neuson and a US-based Dealer Fest using a hybrid format. With the gradual lifting of coronavirus restrictions, Wacker Neuson was able to participate in certain face-to-face events again, such as the Nordbau trade fair in Germany, Matexpo in Belgium and the ARA Rental Show in the US. It also attended the Construction Equipment Forum and Future Battery Forum conferences in Germany.

¹ Measured as order to shipment (OTS): Average percentage of orders placed within the order window that were transferred for shipping on the same day.

2.2 SUSTAINABLE PRODUCT DEVELOPMENT – SUSTAINABLE PRODUCTS

FOCUS ON ENERGY EFFICIENCY AND PRODUCT SAFETY

Wacker Neuson is aware of its responsibility to develop an environmentally sound, safe and ergonomic portfolio of products. As a global supplier of light and compact equipment, the Group has to observe numerous national and international statutory guidelines governing environmental and user protection. Above all, these include provisions regulating exhaust gas emissions and ergonomics as well as noise and vibration-induced impact. The company thus reviews its product portfolio on an ongoing basis and, if necessary, adapts it to ensure compliance with new requirements and harmonized standards and norms. The aim is always to integrate new regulations as promptly as possible in processes and products. Furthermore, the Wacker Neuson Group strives to create value for customers and the environment with sustainable, innovative and safe products. In many cases, the company's products go above and beyond legal regulations governing environmental and user protection. As such, the Group maintains a pioneering role in product safety and ergonomics, energy efficiency and emission-free work processes through its innovative product portfolio and forward-looking solutions.

Research and development is a key success factor for the Wacker Neuson Group. The R&D ratio, including capitalized expenditure, amounted to 4.0 percent in fiscal 2021 (2020: 4.0 percent). The Wacker Neuson Group actively protects its innovative products and processes against unauthorized imitations through patents and utility models. In fiscal 2021, the Group filed 35 new patents and utility models around the world (2020: 34), and 15 patents and utility models were granted (2020: 11). In total, the Wacker Neuson Group owns 216 patents and utility models worldwide (2020: 216).

STEERING FUNCTIONS

At the start of fiscal 2021, the research and development (R&D) area was restructured as part of the "Xto1" Group project. As a result, the R&D organization is now geared towards product groups, with a uniform, Group-wide structure intended to add focus and efficiency. In addition to this, the introduction of corporate centers vested with the authority to issue Group-wide guidelines and focused on Group-wide topics such as industrial design and value engineering has created clear roles and responsibilities.



The Wacker Neuson Group is committed to creating value for its customers and for the environment by delivering high-quality products which result in longer service lives.



These corporate centers aim to harmonize processes and standards, bundle resources and expertise, and support the entire Group with these competencies.

The innovation process is guided by a clear technology roadmap, which outlines development projects for the coming years. New development projects are jointly selected as part of the cross-factory technology and product roadmap consultation process involving R&D, sales and production, and the Executive Board. These roadmap committees also monitor the progress of current projects. Complementing this process, regular meetings take place to align standards at different levels of the Group. For topics that are of particular strategic importance for the Group's future direction, the formation of cross-hierarchical coordination teams spanning multiple sites ensures decisions are made quickly and effectively.

The Wacker Neuson Group is also engaged in a number of joint projects with universities and renowned research institutes. This gives it non-stop access to the latest scientific insights in its areas of research. These collaborative projects take place in a number of different formats, for example through the Group's own research projects, PhD projects and student theses. Wacker Neuson also takes part in innovative concepts aimed at promoting collaboration between research facilities and industry, for example through organizations like the Tabakfabrik Linz.

MARKET INSIGHTS THROUGH FRONT-LOADING

The Wacker Neuson Group attaches considerable importance to front-loading in its product development process. The aim of front-loading is to focus on detailed planning and simulation activities in the early stages of a project in order to reduce unnecessary resource and material consumption further down the line. Above all, this entails understanding customer requirements, technical functionality and the operational performance of a product. Maintaining close contact with customers is a very important part of this process, as is ongoing internal alignment and the use of digital models. This approach enables the Group to identify potential for improvement, strengthen its innovative drive and ensure that the products under development deliver more value to customers. Involving customers at an early stage in projects also prevents unnecessary development loops. This in turn saves time and materials, allowing resources to be redeployed more productively elsewhere. Integrating value engineering (optimizing value and benefits while using resources as efficiently as possible) again enabled the Group to identify cost saving potential for strategic products in the early stages of development in fiscal 2021. By using various simulation methods, including kinematic and structural analysis and computational fluid dynamics, the Group was able to reduce the effort for physical testing and deploy the remaining physical tests in a more selective manner.

35

**new patents and utility models
filed in 2021 (2020: 34)**

15

**patents and utility models
granted in 2021 (2020: 11)**

EUR 75 m

**invested in research and development
in 2021, including capitalized expenditure
(2020: EUR 64 m)**

4.0%

**R&D ratio 2021
(R&D share of revenue including
capitalized expenditure)
(2020: 4.0%)**

9%

**of employees working
in R&D in 2021
(2020: 9%)¹**

¹ Based on positions as at December 31, with the number of people working for the company, temporary staff included, converted into full-time equivalents (FTE)

The structure and methods of the product development process are continually reviewed and revised. Employees undergo continual training to refresh their knowledge, ensuring they maintain high levels of expertise.

DIGITALIZATION AND VIRTUAL PRODUCT DEVELOPMENT

The Wacker Neuson Group places particular emphasis on the use of new technologies in its development activities. The opportunities presented by virtual and augmented reality are being harnessed in industrial design and product engineering, and will also be deployed for optimized planning of production workflows in the future. These technologies enable engineers and also customers to experience machines in a virtual environment and test, for example, the ergonomic design of a cockpit before an initial prototype has even been built. Such technologies can also support the development process through virtual tests and simulations – also of the product assembly process. Simulation eliminates the need for resource-intensive building and reworking of physical prototypes. All of this makes the overall research and development process faster, more efficient and more sustainable. It also promotes interdisciplinary collaboration across multiple sites, helping teams conserve resources while working together efficiently. Wacker Neuson's toolchain builds virtual reality into the industrial design process, for instance, further shortening design iterations.

PRIORITIZING ECO-FRIENDLY PRODUCTS AND EMISSIONS REDUCTION

The Wacker Neuson Group believes that its products can make a contribution to climate protection. Reaching beyond its obligation to continuously adapt and evolve its portfolio in line with regulatory requirements, the Wacker Neuson Group has made a conscious decision to develop a broad offering of environmentally sound products and services. Environmental criteria are an integral part of the product specification process, helping to incorporate these demands early on into the development workflow.

Looking past the reduction of exhaust emissions, the Wacker Neuson Group's eco-efficiency and energy efficiency activities are also key levers in the drive to develop an even safer and more environmentally friendly product portfolio in the future. This includes the development of new control systems for optimizing drive technologies in machines. Functions such as energy-saving mode reduce fuel consumption and improve energy efficiency. The Group's engineers also focus on developing new drive concepts and standardizing components used in different models, modules and product groups.

PRODUCT DEVELOPMENT IN TUNE WITH REGIONAL CUSTOMER DEMAND

Group strategy envisages even greater emphasis on developing and manufacturing products in the regions home to the largest sales markets. This reflects the Group's commitment to systematically developing new products in line with the needs and regulations of its target markets. The overarching goal here is to tailor development activities, delivery conditions and the service offering as closely as possible to the concrete requirements of customers around the globe. This regional approach to procurement and manufacturing aims to shorten transport routes and reduce freight volumes, which in turn will cut CO₂ emissions.

BROAD OFFERING OF BATTERY ELECTRIC LIGHT AND COMPACT EQUIPMENT

Electromobility is framed by Strategy 2022 and also hardwired into the Group's technology roadmap for the coming years. With its zero emission product line, Wacker Neuson offers a broad portfolio of electrically powered light and compact equipment. This includes battery electric rammers and vibratory plates for soil compaction, internal vibrators for concrete compaction, a track and a wheel dumper, a hybrid mini excavator and a battery electric mini excavator, and wheel loaders for the construction and agricultural industries. In fiscal 2021, the Group added a new generation of electrically powered vibratory plates (APS) to the range. The company's zero emission portfolio paves the way for emission-free, low-noise construction work in sensitive environments such as residential zones, tunnels, underground car parks and indoor areas. Not only do the products in this range offer enhanced protection for users and the environment, they also require less maintenance and have lower operating costs than equipment powered by conventional drives.

Zero emission solutions are already an attractive addition to fleets for both end customers and rental companies. Sales of battery electric products are growing fast although they still account for a

zero emission

The zero emission portfolio includes 16 different products for the construction sector and 2 compact machines for the agricultural industry. It encompasses battery electric rammers and vibratory plates, internal vibrators, a track and a wheel dumper, a hybrid mini excavator and a battery electric mini excavator, and wheel loaders for the construction and agricultural industries.

comparatively small share of the Group's total revenue. The Wacker Neuson Group believes that alternative drive concepts will play a key role in the future of the construction and agricultural equipment industries and remains committed to channeling above-average investments into this area. In light of the ambitious goals set out in the EU's Green Deal, the Group also expects the construction sector to be subject to more stringent regulations over the coming years. Enabled in part by the further advancements in battery technologies currently anticipated, battery electric light and compact equipment is expected to experience a strong increase in market uptake. As such, the Wacker Neuson Group intends to firmly remain on its current strategic path and aims to further ramp up the development of new electrically powered machines.

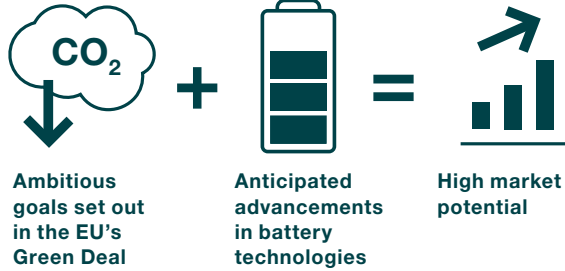
Modularization plays an important role in new product development at the Wacker Neuson Group. The batteries for the Group's existing electric vibratory plates, rammers and high-frequency internal vibrators, for example, are all interchangeable. This solution saves customers money and is also beneficial for the environment as it means that fewer batteries are required overall.

THE IMPORTANCE OF PRODUCT SAFETY, USER PROTECTION AND ERGONOMICS

Customer safety is a top priority for Wacker Neuson. The company aims to deliver machines that are easy to use, do not pose any risk to the operator and provide the best possible support for construction site workflows. Wacker Neuson continuously improves user safety by making technical modifications to existing products and developing new, innovative products such as the Dual View wheel dumper. The operating and seat console of this dumper can be rotated through 180 degrees; unlike conventional dumper models, this ensures that the operator can always drive straight ahead and has a clear view in the direction of travel. In hazardous environments such as tunnels, the Dual View concept increases operator safety, for instance by reducing the amount of maneuvering required. With its comfortable design and high safety levels, the Dual View dumper has opened up a new market segment as it can be used in many applications where contractors previously had to rely on construction site trucks.

Looking beyond functional design, development work also focuses heavily on operator ergonomics. Wacker Neuson is the only provider to offer excavators equipped with the Vertical Digging System (VDS), for instance. The seven models in this range come into their own wherever there is a need to navigate differences in surface height, such as when working on slopes or across the edge of curbs. This innovative concept means operators can continuously tilt the vehicle's superstructure at the push of a button, which allows them to compensate for gradients of up to 27 percent while still working in an upright position, thus minimizing fatigue.

ZERO EMISSION PORTFOLIO



2.3 RESPONSIBLE EMPLOYER

EMPLOYEE SATISFACTION IS THE FOUNDATION FOR THE COMPANY'S SUCCESS

Wacker Neuson, Kramer and Weidemann employ around 6,000¹ people worldwide, all of whom are key to the Group's success and growth into the future. To develop its employees' technical/commercial and soft skills and ensure they retain their enthusiasm for their roles, the Group strives to create optimum working conditions in an open corporate culture that values and respects individual effort.

Wacker Neuson firmly believes that satisfied, committed employees are more productive and achieve better results. The company is committed to promoting wellbeing at the workplace and aims to build long-term employee loyalty – also in times of skill shortages. This is reflected in long retention rates with an average length of service of 8.4 years (2020: 8.6 years)² and, as expected, a low fluctuation rate of 13.2 percent (2020: 13.6%)³. Wacker Neuson supports its people in striking the right work-life balance and implements measures to protect employee health – a particular focus again during a second year shaped by the coronavirus pandemic. To ensure employees feel well equipped to deal with technological, procedural and organizational changes at work and are able to see change as an opportunity, the company strives to identify optimization potential in workplace ergonomics, occupational health and employee wellbeing at an early stage and to implement appropriate measures.

The global human resource strategy aligns closely with Strategy 2022. It provides Group-wide guidelines, standards and processes to promote long-term growth across the company. Global topics are jointly defined and developed by Group HR and local HR officers. In place since fiscal 2020, the Group's five leadership principles provide all employees with guidelines around successful collaboration, encouraging each individual to reflect on their own actions and fostering a joint understanding of Wacker Neuson Group values.

At the close of fiscal 2021, the Group employed 5,992 people (2020: 5,554).¹

¹ Based on number of positions (FTE = full-time equivalents; the number of people working for the company, temporary staff included, was converted into full-time equivalents) as at December 31.

² Calculated based on headcount excluding temporary staff as at December 31

³ Reasons for leaving the company include termination and severance agreements, as well as staff retirement or death; calculation based on headcount excluding temporary staff, dividing departures in the reporting period by total headcount at December 31

OUR UNDERSTANDING OF LEADERSHIP



WE ASSUME RESPONSIBILITY



WE BELIEVE IN MUTUAL RESPECT



WE ACT AS COACHES

WE CONTINUE TO DEVELOP



WE CELEBRATE SUCCESS



As part of the Wacker Neuson Group's "Let's get the job done" campaign, employees at various sites were offered vaccinations in fiscal 2021

STRIKING THE RIGHT WORK-LIFE BALANCE

The Wacker Neuson Group attaches great importance to being a family-friendly employer and to supporting employees in achieving the right work-life balance through initiatives such as flexible working hours in many areas. Striking the right work-life balance has taken on a new importance since the start of the coronavirus pandemic. To protect health, employees who were able to carry out their contractually agreed tasks remotely or from home were – in consultation with their line manager – given the option of doing so during fiscal 2021. The aim of this arrangement was also make it easier for individuals to look after children or family members in need of care and to supervise home schooling. At the Munich site (265 employees¹), extended mobile / home office hours remained in place, stretching from 6 am to midnight to allow employees to work flexible shifts around family commitments.

The topic of "Health in the workplace" also became particularly significant during a second year of the coronavirus pandemic. Action plans were drawn up at the various Group companies to protect all employees from infection and minimize the spread of the virus while at the same time maintaining business operations. Health protection measures carried out in fiscal 2021 included offering a COVID-19 vaccination service to employees across several sites. The workforce was also given the opportunity to take a COVID-19 test on several days each week to detect infections and protect against the further spread of the virus.

¹ Headcount of active employees as at December 31

EMPLOYEE SURVEY

The global employee survey originally planned for summer 2021 will be held at a later date due to the COVID-19 pandemic, since many of the questions relate to a “normal” work situation. Having already conducted an extra, unscheduled survey in fiscal 2020 on staff satisfaction with their employer during the challenging conditions of the COVID-19 pandemic, Wacker Neuson found that, for comparability reasons, postponing the standard employee survey and retaining the established questions would make more sense than producing a one-off questionnaire adapted to the exceptional circumstances. Factors such as the staffing changes in company management that occurred in fiscal 2021 as well as changes to the organizational structure of the Wacker Neuson Group due to the “Xto1” Group project added further weight to the decision to postpone the survey to a later date.

5,992

employees in 2021
(2020: 5,554)¹

8.4

**years average length
of service in 2021**
(2020: 8.6 years)²

13.2%

fluctuation in 2021
(2020: 13.6%)³

¹ Based on positions as at December 31, with the number of people working for the company, temporary staff included, converted into full-time equivalents (FTE)

² Calculated based on headcount excluding temporary staff as at December 31

³ Reasons for leaving the company include termination and severance agreements, as well as staff retirement or death; calculation based on headcount excluding temporary staff, dividing departures in the reporting period by total headcount at December 31

2.4 TRAINING AND TALENT DEVELOPMENT



VOCATIONAL TRAINING AND INDIVIDUAL DEVELOPMENT

To ensure it remains competitive in the future, the Wacker Neuson Group needs committed, skilled employees. The Group's extensive portfolio of training and talent development courses provides opportunities for lifelong learning. Wacker Neuson wants its employees not only to unleash their full potential in their roles, but also to continuously develop their technical/commercial and soft skills. The aim here is to secure and expand staff motivation levels and skill sets over time.

This all starts with apprenticeship and study programs. In fiscal 2021, the Wacker Neuson Group provided apprenticeship for 214 young people in Germany, Austria, Switzerland and the United Kingdom (2020: 217) in industrial, technical and commercial positions. Opportunities were also provided within the framework of practical training programs flanked by studies at technical or vocational colleges. The take-up rate for trainees who completed their courses was 94.3 percent in fiscal 2021 (2020: 98.4 percent).

The Group gives employees the opportunity to complete study or further training programs alongside their jobs. In some instances, this is flanked by financial and/or organizational support, for example through tailored, flexitime models. Staff in Germany, Austria and the US were able to avail of this dedicated offer during the period under review.

To keep employees up to speed on the latest technology and methodology advances in their specialist area and equip them with the skills to meet changes in demands, the Group offers targeted training either with in-house instructors or external education facilities.

In addition to this, Wacker Neuson operates its own Academies in Europe (Reichertshofen, Germany) and the US (Menomonee Falls). These are equipped with state-of-the-art training facilities and product testing areas to blend both theoretical and practical learning experiences. [↗ see Customer centricity](#)

The HR training portal on the global intranet offers a range of site-specific and cross-regional training opportunities for employees in German-speaking countries. In fiscal 2021, internal training and talent development focused on IT and project management skills. The coronavirus pandemic resulted in a large number of training sessions moving to a virtual space. This also meant that many sessions were able to span multiple sites.

WIDE-RANGING CAREER DEVELOPMENT OPPORTUNITIES

In an ever-accelerating work environment shaped by trends such as digital transformation, new styles of leadership and collaboration are required. Instead of making long-term plans, companies have to act faster and be more agile. A new generation of employees is looking for increasing levels of autonomy and responsibility in the workplace. Wacker Neuson is already responding to these new demands with a tailored HR strategy and various talent development programs. Given the COVID-19 situation, development programs in fiscal 2021 could only be held in person to a limited extent and had to move to a virtual classroom for certain periods. To protect employees, the INTRAMove exchange program had to be suspended due to the pandemic.

The PerspACTIVE development program for prospective managers has been running in German-speaking countries since 2012. PerspACTIVE is a multi-phase, modular program for developing leadership skills. By drawing participants from different disciplines and locations, the program not only helps to upskill trainees but also to build a common leadership culture.

94.3%

take-up rate in 2021
(2020: 98.4%)



The HR training portal on the global intranet offers a range of site-specific and cross-regional training opportunities for employees in German-speaking countries. In 2021, internal training and further development measures focused on IT and project management skills.

214

apprentices in Germany, Austria,
Switzerland and the UK in 2021
(2020: 217)

The RefI ACTION program has provided a development platform for middle managers in Germany and Austria since 2018, with a supplementary program for project managers planned for 2022. RefI ACTION gives managers the opportunity to identify their strengths and potential for further development. These insights are used to develop further qualification recommendations which are then tracked over time. Self-reflection is a key focus here. Participants are encouraged to find out more about themselves and their values and use these insights to draw conclusions about their actions as leaders. Participants in the RefI ACTION program advance through various modules, with dedicated feedback from a team of observers enabling them to explore differences between the way they see themselves and the way they are perceived by others.

The Leadership Excellence Program (LEP) is aimed at both top-level managers and department heads. Participants in the LEP focus on five modules covering the strategic topics “Business Orientation”, “Strategic Thinking & Customer Orientation”, “Innovation & Business Development”, “Leading in an Agile Environment” and “Change & Organizational Development”. The program runs for a period of 12 to 18 months.

In 2015, the Group-wide T.A.G. (train and grow) trainee program was introduced to support the Group’s efforts to secure the next generation of talent. The program is aimed at Master’s graduates in technical and business management disciplines and takes a maximum of 24 months to complete. The duration of the participants’ placements in individual departments varies between two and four months. At least one placement must be completed in a foreign affiliate – the pandemic situation permitting. The opportunity to experience so many different departments means that program participants can familiarize themselves with the Group over a short period of time and from different perspectives. Like the INTRAMove, PerspACTIVE, RefI ACTION and LEP employee programs, T.A.G. facilitates networking across the various Group companies.

2.5 RESOURCE CONSUMPTION



ENERGY AND ENVIRONMENTAL MANAGEMENT SYSTEM

Consuming natural resources has an impact on the environment. The Wacker Neuson Group also shares responsibility for these environmental impacts, caused, for example, by the import and processing of raw materials and the products manufactured using these materials. Certification of its largest sites to ISO 14001 (environment) and 50001 (energy) enables the Wacker Neuson Group to assess the effects of its value-adding processes on the environment (within the limits of its own systems) and to develop appropriate improvement measures. All of the Group’s production and sales sites in Germany and Austria as well as its headquarters in Munich are certified (referred to in the following as “certified companies”).

GOALS

The goal for certified companies is a 5 percent improvement in energy and environmental KPIs (such as energy and emissions intensity) on a site-specific basis by 2022 relative to the baseline year of 2018.

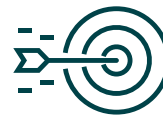
In 2019, Wacker Neuson started to define Group-wide minimum standards for energy and environmental management for all sites that are not certified in line with ISO 14001 and 50001. These include the following:

- Uniform processes and reporting structures
- Central, uniform data management
- Standardized hazardous goods and hazardous materials management

The long-term objective is to ensure a Group-wide energy and environmental management system based on uniform standards. Binding, quantitative goals for driving continuous improvement in the fields of environmental and energy efficiency will be defined as part of this process. Due to structural changes within the Wacker Neuson Group and the challenges it faces in the wake of the COVID-19 pandemic, the goal of rolling out the minimum standards to all non-certified sites has been postponed from the original target of fiscal 2021 and will likely take place in 2023.

57%

of Wacker Neuson Group production sites are certified to ISO 14001 and ISO 50001 (2020: 57%)

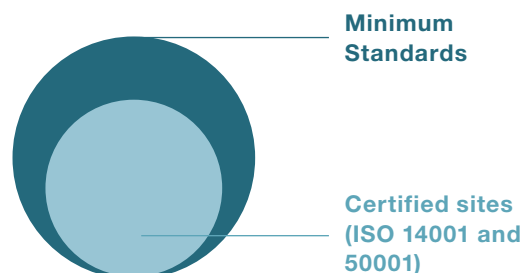


Goals

MINIMUM STANDARDS

- Uniform processes and reporting structures
- Central, uniform data management
- Standardized hazardous goods and hazardous materials management

Figure: Targeted global energy and environmental management system as of 2023



MEASURES

Management evaluations are carried out at the certified companies every year. Discussions then take place with company management to examine potential improvement measures, assess their feasibility and drive implementation. In addition, periodic consultations are held between central energy and environmental management from the Group Corporate Real Estate function and local energy and environmental officers. This exchange of information across the Group ensures that any potential savings identified can also be explored at other sites and implemented there too if necessary. The Group's centralized data management system also supports this approach.

In fiscal 2021, the COVID-19 pandemic again impacted internal processes and resource consumption. At the same time, bottlenecks in the supply chain disrupted production processes at Wacker Neuson sites. Although investments had to be postponed against the backdrop of the COVID-19 pandemic, which made it difficult to implement planned resource conservation projects, the following projects were successfully executed in fiscal 2021:

Measures at the sites in Germany and Austria:

In fiscal 2021, the power supply to all sites in Germany and Austria consisted of 100% green electricity for the first time, which is also reflected in the carbon footprint.

Measures at the sites in Germany:

An analysis of waste categories and volumes was carried out at the Reichertshofen site back in fiscal 2020, with the aid of a specialist partner. The results obtained from this prompted Wacker Neuson to extend the analysis to all of its German sites. This enabled the Group to apply the identified improvement measures across multiple sites and achieve a higher recycling rate through better waste separation and sorting. Waste collection intervals have also been optimized, with containers now picked up as soon as – but not before – they are full.

Measures at the Hörsching plant:

The Group decided to install a photovoltaic system at its production site in Hörsching. For this purpose, a concept based on the site's energy use was developed in collaboration with a company specializing in this area, and this is currently in the implementation phase. The approximately 2.1 MWp system is set to start operating in the second quarter of 2022.

Measures at the Reichertshofen site:

External specialists carried out a general consumption review according to energy source at the Reichertshofen site in fiscal 2021. This paved the way for various concepts outlining potential efficiency gains, which are scheduled for gradual implementation over the coming years. These initiatives were kicked off in fiscal 2021 with the acquisition of an energy-efficient variable-speed air compressor.

Measures at the Korbach site:

Here energy savings potential was realized through various optimizations to the spray facility control system and controlled deactivation of the compressed air supply. The addition of a variable-speed air compressor rounds off these efficiency-enabling measures.

NON-FINANCIAL INDICATORS

The Group records energy consumption and the resulting CO₂ emissions at its German and Austrian production sites and sales affiliates, as well as at the production, administration and sales sites in the US. The Group is also reporting water consumption and waste volumes – separated into hazardous and non-hazardous waste – for the first time for 2021. The reporting period for these key indicators ranges from October 1, 2020 through September 30, 2021.

In fiscal 2021, sales, production output and the scope of accompanying operational processes and logistics services remained on a strong growth path despite the ongoing COVID-19 pandemic. This was accompanied by an increase in absolute energy consumption and associated emissions, which had declined in the previous year due to the impact of the pandemic. Energy consumption for 2021 amounted to 90,454 MWh, a change of +5.6 percent in comparison with the previous year (2020: 85,696 MWh).

The resulting CO₂ emissions were calculated using emissions factors and energy consumption figures. In 2021, the sites under review emitted a total of 18,162 tons of CO₂ (2020: 29,905 tons), which represents a -39.3 percent change relative to the previous year.

Indirect emissions amounted to 3,724 tons of CO₂ (2020: 16,883 tons), while direct emissions totaled 14,438 tons of CO₂ (2020: 13,022 tons).

Given that energy consumption and the resulting greenhouse gas emissions are largely linked to capacity utilization at its production plants, the Group believes it makes sense to focus on energy intensity (energy consumption in relation to revenue) and CO₂ emissions intensity (CO₂ emissions in relation to revenue) rather than absolute energy consumption.

Energy intensity for 2021 amounted to 48.47 MWh / revenue in EUR million (2020: 53.05 MWh / revenue in EUR m). This is a reduction of approximately 9 percent compared with the previous year.

CO₂ emissions intensity in 2021 amounted to 9.73 tons of CO₂ / revenue in EUR m (2020: 18.51 tons of CO₂ / revenue in EUR m), a reduction of around 47 percent compared with the previous year.

As with energy consumption, water consumption and waste volumes are also strongly dependent on production.

Water consumption for the period from October 1, 2020, through September 30, 2021 amounted to 57,627 m³. This consumption mainly stems from sanitary facilities and the cleaning of finished products.

Waste volumes for the period above amounted to 8,581 tons of non-hazardous waste and 1,313 tons of hazardous waste.

	2021	2020 ¹	Change
Energy consumption in MWh			
Electricity	28,766	29,006	-0.8%
District heating	2,421	2,544	-4.9%
Natural gas	39,275	38,907	+0.9%
Fuel oil	532	851	-37.4%
Diesel	15,567	11,114 ¹	+40.1%
Gasoline	3,894	3,274 ¹	+19.0%
Total consumption	90,454	85,696	+5.6%
Energy intensity in MWh / revenue in EUR million			
Energy intensity	48.47	53.05	-8.6%
CO₂-emissions in tons ²			
Electricity	3,109	16,236	-80.8%
District heating	615	647	-4.9%
Natural gas	8,814	8,732	+0.9%
Fuel oil	159	254	-37.4%
Diesel	4,403	3,144	+40.1%
Gasoline	1,061	892	+18.9%
Total emissions	18,162	29,905	-39.3%
CO₂-emissions intensity in tons of CO ₂ / revenue in EUR million			
CO ₂ emissions intensity	9.73	18.51	-47.4%

	2021
Water consumption in m ³	
Water consumption	57,627
Water intensity in m ³ / revenue in EUR million	
Water intensity	30.88
Waste volumes in tons	
Non-hazardous waste	8,581
Hazardous waste	1,313
Total waste	9,894
Waste intensity in tons / revenue in EUR million	
Waste intensity	5.30

¹ Current conversion factors were used to calculate the 2021 values. The prior-year figures were adjusted accordingly. In addition, the diesel and gasoline consumption values for 2020 were adjusted. The quantities ordered were reported as consumed in 2020 even though these fuels were not actually used until fiscal 2021. Consequently, the CO₂ equivalent for 2020 was retrospectively revised down by 173 tons.

² Emissions factors based on the GEMIS database, version 5.0, www.gemis.de; 2015 baseline



2.6 COMPLIANCE, DATA PRIVACY AND INFORMATION SECURITY

The continued growth and international focus of the Group make an effective compliance management system indispensable. This system encompasses the organizational and procedural structures and thus also the processes in place aimed at preventing and combatting bribery and corruption in the company. The corporate culture embraced by company management and employees alike plays a key role here and is designed to prevent irregularities and violations of the law at Wacker Neuson.

COMPLIANCE MANAGEMENT SYSTEM WITH GLOBAL REACH

Compliance is organized as a central function. Where appropriate, the Group headquarters draws up uniform guidelines which apply to the entire Group and thus worldwide. The regional, local and functional compliance managers (regional presidents and/or local managing directors) promote the topic of compliance at their locations and within their areas of responsibility. These regional and functional compliance managers oversee various compliance measures and organize training for employees where necessary, for instance. In their capacity as compliance managers, they report relevant information to the Corporate Compliance Office, which is part of the Corporate Legal & Compliance department. The Chief Compliance Officer is also head of the Corporate Legal & Compliance department and reports directly to the CEO.

The designated local and regional compliance managers submit compliance reports to the Corporate Compliance Office every six months. These reports are supplemented by a compliance self-assessment carried out by all affiliates and corporate functions in the form of a self-disclosure report, which is submitted to the Corporate Compliance Office by the relevant company director or head of function.

A Group Compliance Committee made up of the heads of Internal Auditing, Corporate Legal & Compliance and Human Resources is the central point of contact for any compliance cases reported. The committee steers activities here on the basis of its rules of procedure and in collaboration with the Executive Board. The Chief Compliance Officer submits reports on a regular basis and, if the situation arises, on an ad-hoc basis to the Executive Board. This Officer also reports to the Supervisory Board on request, usually once a year.

An Anti-Fraud Committee has also been set up at the company, comprising managers from Internal Auditing, Legal & Compliance, Information Security and Treasury. The Anti-Fraud Committee usually meets every six months or more frequently if the need arises. It is responsible for averting and dealing with possible fraud attempts or external attacks – for example in relation to payment transactions – and for issuing warnings and information to employees. The antifraud tools used include automated processes, IT security measures, guidelines and proactive communication with employees. Employees are required to report information on fraud attempts to the Anti-Fraud Committee.

PROACTIVE ANTI-CORRUPTION MEASURES IN THE ORGANIZATION

The Group's stated aim is to avoid corruption of all types. This includes putting preventive measures in place that enable the Group to identify corruption risks at an early stage and thus prevent illegal activities.

The Group intends to further expand employee training and information events around the world, focusing on compliance, anti-corruption, the avoidance of conflicts of interest, anti-trust violations and money

laundering to ensure employees have greater awareness of these issues. Reflecting its international reach, the Group will build on eLearning solutions in the future. Appropriate multilingual training content has already been acquired from a well-known provider, and the first training courses were offered via the e-learning management system in fiscal 2021 and completed by various target groups. In addition to basic training for all employees and managers, detailed audience-specific compliance training will be introduced in the medium term to encourage employees to take the initiative and to embed compliant behavior throughout the organization. The basic training, which was offered for the first time in the reporting year, was completed by over 500 employees in fiscal 2021. The Group aims to use online learning tools to continually increase the percentage of total employees who have completed compliance training and to expand the international reach of the training program. The process for prioritizing employees and managers for compliance training is based on risk potential, with employees from sales, marketing, purchasing and administration put forward in the first instance.

The Wacker Neuson code of conduct for employees sets out the principles of company ethics and the daily conduct expected in the workplace and also provides guidelines on preventing corruption. It is available in fifteen languages. A copy of the code is given to every new hire. It is also accessible to all employees on the Group-wide intranet and to the general public in English and German on the Group website. All employees are bound by the code of conduct; a clause to this effect has been included in all employment contracts since 2016.

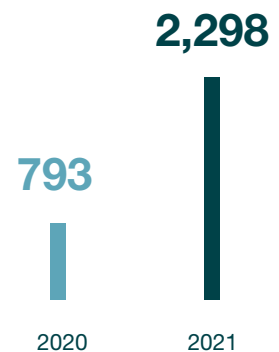
Management is expected to lead by example, recognizing their particular responsibility as leaders and actively upholding the values of the code of conduct. In fiscal 2021, more than 250 of the Group’s managers participated in a dedicated compliance e-learning course for managers for the first time.



Tell-it

**ROUND THE CLOCK,
WORLDWIDE AND
CONFIDENTIAL – WITH
ANONYMOUS ACCESS
IF PREFERRED.**

The Group’s online whistleblower system has been in place for several years now, enabling possible violations of policy or the law to be reported.



visits to the Tell-it whistleblower platform for information purposes in 2021

MEASURES AIMED AT EMBEDDING A COMPLIANCE CULTURE BEYOND COMPANY BOUNDARIES

Preventing corruption in the supply chain is another priority. The Group therefore expects its suppliers to abide by its compliance principles. These are set out in Wacker Neuson's code of conduct for suppliers. Compliance with these principles is a prerequisite for creating lasting business relationships built on a solid foundation of trust. The code of conduct is available on the Group website. Local audits evaluating suppliers' adherence to compliance principles are also carried out in the form of supplier potential assessments. [↗ see Respect for human rights within the organization and throughout the supply chain](#)

The Group's whistleblower system Tell-it is an online communication channel for reporting possible violations of policy or the law affecting companies of the Wacker Neuson Group. This whistleblower system can be used by employees, business partners, customers and other third parties. Tell-it can be accessed 24 hours a day from anywhere in the world via the company website and users are assured of confidentiality. Reports can also be made anonymously if preferred. The system is monitored by the Corporate Compliance Office. Even though no cases of corruption were reported during the year under review, the Wacker Neuson Group's perspective is that the 2,298 visits (2020: 793) to the Tell-it homepage for information purposes underscore the high level of awareness of this online platform.

In the past, a risk classification of Group companies by country was carried out in accordance with Transparency International's Corruption Perceptions Index. Back in fiscal 2019, however, the Compliance Office developed a more clearly differentiated risk analysis system for these kinds of compliance risks. During the period under review, the questions based on this were again made available to all affiliates under the direction of the Risk Management department. Depending on results, these insights will be used in the coming years to implement individual risk mitigation initiatives, with particular focus on eLearning courses.

In fiscal 2021, no cases of confirmed corruption were reported to the Compliance Committee by individuals in the organization. Similarly, no confirmed cases of corruption in the supply chain were reported.

DATA PRIVACY AND INFORMATION SECURITY

The threat level surrounding information technology has intensified significantly worldwide. The rising number of attacks and their growing sophistication are causing ever greater damage. Consequently, there is a risk to confidential intellectual property (IP) and processes as well as to customer and employee data, which could escalate into a threat to the competitiveness and long-term existence of the Wacker Neuson Group.

To navigate the challenges in this area, Wacker Neuson launched an excellence project in fiscal 2021 in collaboration with a consulting firm. This involved defining specific packages of measures across a total of thirty topics spanning the fields of information technology (IT) and operational technology (OT). These measures are intended to fundamentally restructure the Group's information security organization and to future-proof the underlying technologies. The goal here is to enable a dynamic and timely response to new developments.

Information security is currently embedded within the Group's IT department as a corporate function. This sets uniform guidelines across the Group – and thus worldwide – and reports to the Group's IT management and executive leadership (CFO). Implementation of the excellence project will involve expanding the organization's headcount and adapting its governance. The aim is to extend the horizontal reach of these focus topics across brands and organizational areas, while also promoting vertical integration by embracing a security-by-design approach across all product, project and data lifecycles.

A security-by-design mindset means that security requirements are systematically identified and incorporated right from the ideation or project kickoff stages. Similarly, it aims to factor in and implement general and specific security measures at all stages up to the end of the lifecycle. Regular global awareness campaigns and simulations of common attack scenarios will accompany this reorganization.

As far as data privacy is concerned, data privacy officers have been appointed at all Group companies that meet the criteria for a mandatory appointment. For any of the Group's European companies that do not meet these criteria or where appointments are not mandatory, data privacy coordinators have been assigned to support the relevant managers in complying with legal obligations and corporate policies. The data privacy officers and coordinators each report at local level – that is, to the management of the relevant Group company. In addition, the role of Group Data Privacy Officer (gDPO) has been established, reporting to the CFO. The gDPO coordinates data privacy issues within and beyond Europe, acts as an independent observer of the local officers and coordinators, and provides an escalation point between the CFO (who bears overall responsibility for data privacy) and the local organizational units where necessary.

The gDPO also chairs the Data Privacy Advisory Board, which is composed of the gDPO and the appointed data privacy officer of Wacker Neuson SE. The Board adopts standardized policies and processes across the organization and ensures they are embedded in the local units. It also deals with opportunities and suggestions for improvement as well as any incidents, handling the reporting and response processes as well as any measures to prevent a repeat episode. At the same time, it promotes knowledge sharing between the officers and coordinators and informs them about changes or additions to the data privacy regulations in the wake of new laws, legal decisions or rulings by national or European supervisory authorities.



2.7 RESPECT FOR HUMAN RIGHTS WITHIN THE ORGANIZATION AND THROUGHOUT THE SUPPLY CHAIN

PREVENTION IS AN IMPORTANT VEHICLE IN THE PROTECTION OF HUMAN RIGHTS

Human rights is a very important topic for the Wacker Neuson Group, especially given its international footprint. To remain competitive in the long term, the Group is working with a much more international group of suppliers than it did a few years ago. Human rights must be protected at all times in this increasingly diverse landscape – both within the organization and also across the supply chain.

As part of its efforts to prevent human rights violations within the organization, the Wacker Neuson Group introduced a code of conduct for employees. [↗ see Compliance](#) The Group also summarizes its human rights principles in its “Preventing human rights violations in the Wacker Neuson Group and its supply chain” statement, which is available on the company website.

In addition to this, the Group has to be in a position to expose violations of human rights. The Group’s online whistleblower system, Tell-it, is available to employees and other third parties such as customers and suppliers. [↗ see Compliance](#) This system can also be used to report suspected human rights violations.

In fiscal 2021, the Corporate Compliance Office received no complaints about violations of human rights in the organization; nor were there any suspected violations (2020: no complaints or suspected violations).

Respecting and protecting human rights is also a top priority in the supply chain. The Group has zero tolerance for child, youth or forced labor – either at its own sites or in business relationships with external partners. It expects suppliers in particular to engage actively with this topic.

As enshrined in Strategy 2022 and its excellence goal, the Group is committed to ensuring that it only selects suitable suppliers. As a result, the Group’s supplier audits for direct production materials focus in particular on potential new suppliers. The Supplier Development department, which is part of Quality Management, is responsible for this task. The department works independently in the different production sites and uses globally defined methods and tools to carry out audits in high-risk countries. As a result of the coronavirus pandemic and associated national and international travel restrictions, the number of audits carried out in fiscal 2021 remained comparatively low.

Supplier audits for direct production materials, known as Supplier Potential Assessments, are carried out on the basis of Group-wide uniform evaluation standards. The only exception here is the North American production company, which includes human rights in its own supplier quality process audit. An internal guideline containing standard evaluation criteria forms the basis for the qualification of potential suppliers. The guideline focuses on factors such as freedom of assembly and exclusion of child labor. If any shortcomings are identified in a supplier’s organization, action plans are drawn up to permanently eliminate these weaknesses. Only suppliers that meet the internal criteria will be included

in the global supply network. In this way, the Group hopes to reduce the risk of human rights violations occurring in its supply chain. The Supplier Nomination Committee decides whether to accept or reject a supplier. Depending on order volume and goods category, this committee consists of technical and production managers from the relevant plants, as well as representatives from the areas of quality management including supplier development, technology, logistics, operational and strategic procurement, and aftermarket at the sites involved.

The Wacker Neuson Group introduced a code of conduct for suppliers to prevent human rights violations in the supply chain. This document requires compliance with multiple standards, including the protection of human rights and the exclusion of child and forced labor. It can also be viewed on the Group website. The code of conduct for suppliers is discussed during contractual negotiations with suppliers and is a mandatory part of the final agreement. When a new supplier is added, compliance with the code of conduct for suppliers must be confirmed in the supplier relationship management (SRM) system as part of the onboarding process (statement of compliance). The heads of procurement at the different sites check and approve new suppliers created in the system.

In fiscal 2021, 28 audits were carried out on potential suppliers in Europe and China for the first time with regard to their human rights performance (2020: 32). Additionally, 11 audits were carried out on existing suppliers in Europe and China in fiscal 2021 regarding their human rights performance (2020: 10). Both sets of evaluations revealed that there were no violations of human rights by suppliers in fiscal 2021 (2020: none). Furthermore, the Group received no complaints about violations of human rights in the supply chain in fiscal 2021; nor were there any suspected violations (2020: none).

No complaints about violations of human rights in the organization or supply chain were reported in fiscal 2021.



In 2014, as part of its efforts to ensure human rights are respected within the organization, the Wacker Neuson Group introduced a code of conduct for its employees.

3. RISK ASSESSMENT **PROCESS**

With regard to non-financial indicators, the objective of risk management is to identify and assess risks arising from the company's business activities that are relevant to environmental, employment, social, human rights and anti-corruption topics. The main priority here is to find out what risks business operations, business relationships, products and services pose in relation to these topics. To this end, the central Risk Management function of the Wacker Neuson Group explicitly asked all Group companies to provide an assessment of the non-financial risks posed by their business operations. The risks facing the Group were evaluated with regard to probability of occurrence and level of exposure, with the gross risk then determined on this basis. The net risk was determined based on the gross risk and the scope of the countermeasures reported. Since fiscal 2020, the Group has been using an automated reminder process to regularly check that all reported risks are still up to date.

In summary, the Group did not identify any risks to be disclosed.

4. EU TAXONOMY

BACKGROUND AND OBJECTIVES OF EU TAXONOMY

In the Paris Climate Agreement of 2015, the international community set itself the goal of limiting global warming in the 21st century to well below 2 degrees Celsius and, if possible, to no more than 1.5 degrees Celsius. To achieve these climate targets and other sustainability goals, the European Green Deal and the EU Action Plan on Financing Sustainable Growth were adopted at EU level. These roadmaps set out the EU's aims to achieve net zero greenhouse gas emissions by 2050, and to achieve a reduction of at least 55 percent from the 1990 level of greenhouse gas emissions by 2030. In Germany, the government has already tightened climate targets with its new Climate Protection Act (KSG), which came into force in August 2021, specifying that greenhouse gas emissions in Germany are to fall by at least 65 percent by 2030, with the goal of climate neutrality to be achieved as soon as 2045.

All this will only be possible if global financial flows are managed in such a way that public and private investments support the implementation of agreed climate targets. Indeed, the Paris Agreement stipulates precisely this, with one of its core objectives being to make financial flows consistent with development pathways toward a climate-friendly world that is also resilient to the negative impacts of climate change.

The EU taxonomy is a key instrument here, enabling increased transparency around business activities deemed "environmentally sustainable". In particular, by classifying which business activities are considered environmentally sustainable, the aim is to achieve certainty for investors and avoid greenwashing. The taxonomy is based on Regulation (EU) 2020/852 of the European Parliament and of the Council of June 2020, establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. As such, it both defines requirements for sustainable investment and amends the Disclosure Regulation. The Taxonomy Regulation entered into force on July 12, 2020. It empowers the EU Commission to adopt delegated acts to define technical screening criteria. On December 9, 2021, the final delegated acts for the environmental objectives of climate change mitigation and adaptation were adopted. The delegated acts for the remaining environmental objectives are scheduled to follow in 2022.

The EU taxonomy distinguishes between taxonomy-eligible and taxonomy-aligned activities. Eligible activities are economic activities that have been defined in relation to the environmental objectives of "climate change mitigation" and "climate change adaptation". The taxonomy already specifies precise criteria for these two objectives. For the time being, however, it only includes criteria for economic sectors and activities that have the potential to make a substantial contribution to climate change mitigation or adaptation. For the climate change mitigation objective, the sectors selected are responsible for 93.5 percent of direct greenhouse gas emissions in the EU. At the same time, this means that there may also be activities that are environmentally sustainable but are not currently covered by the taxonomy.

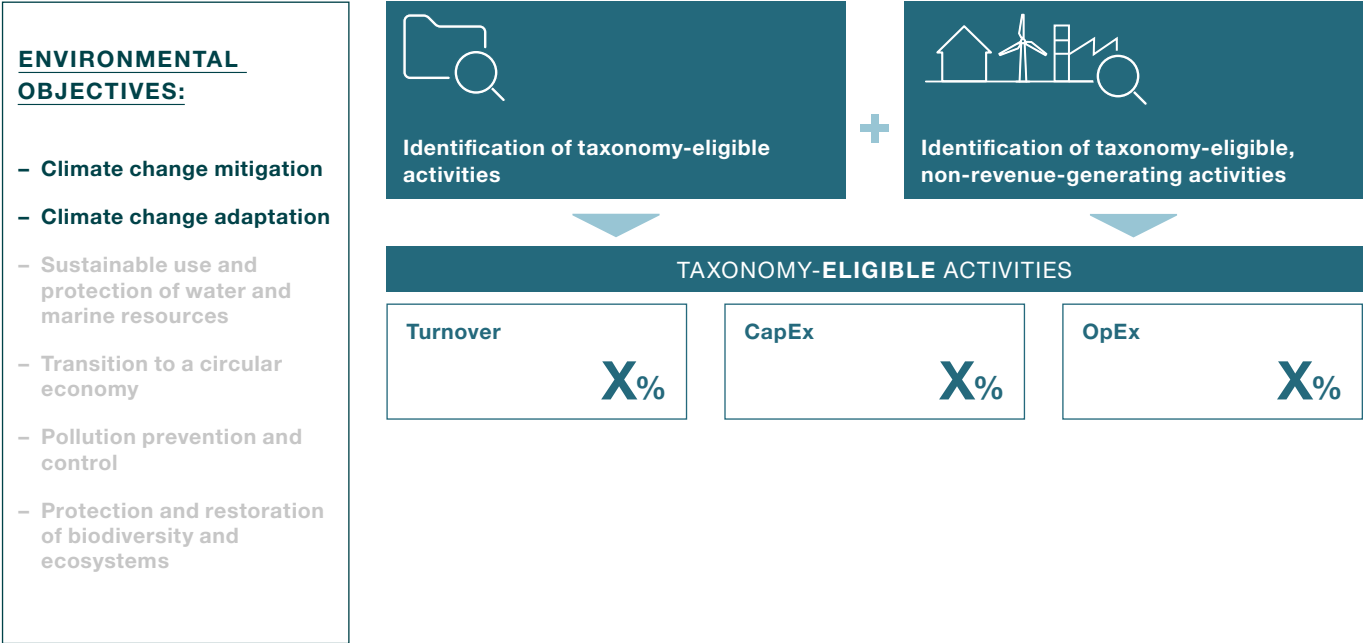
Business activities are taxonomy-aligned – that is, “environmentally sustainable” in the context of the Taxonomy Regulation – if they meet all of the following conditions:

- Making a substantial contribution to climate change mitigation or adaptation, demonstrated by compliance with the EU’s technical screening criteria (TSC)
- Do no significant harm (DNSH) to any of the other five EU environmental objectives
- Complying with minimum social safeguards

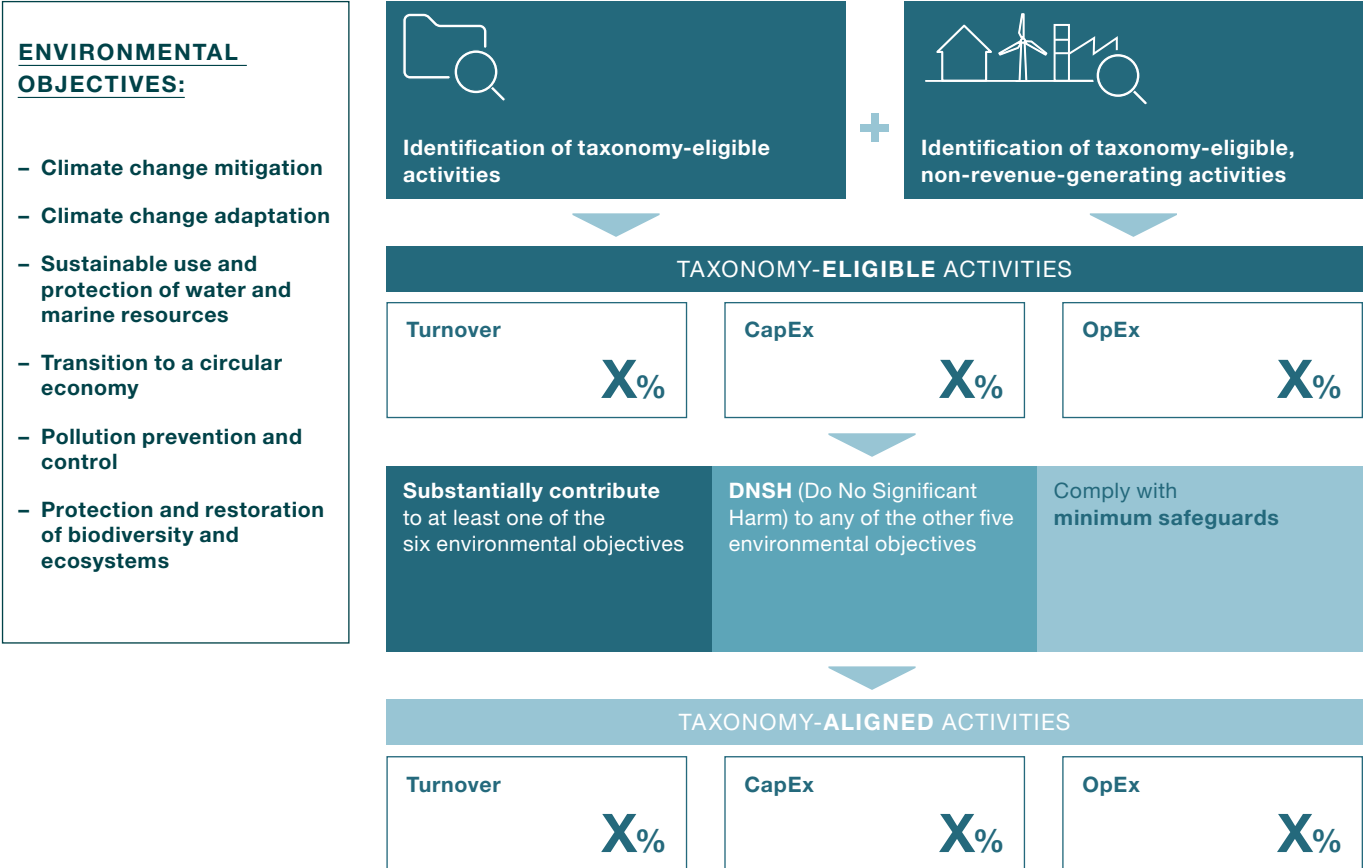
In conjunction with Article 10 of the Delegated Act (EU) 2021/4987 of July 6, 2021, Article 8 of the Taxonomy Regulation sets out the disclosure requirements for fiscal 2021. Reporting requirements for fiscal 2021 consist of the taxonomy-eligible business activities in relation to the first two environmental objectives and the proportion of total Group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with these activities. Full reporting is then required for fiscal 2022, with additional reporting on taxonomy-aligned business activities in relation to all six environmental objectives and the corresponding key performance indicators.

The European Securities and Markets Authority (ESMA) lists the disclosures in connection with Article 8 of the Taxonomy Regulation as an audit focus for fiscal 2021. At the same time, ESMA emphasizes that adjustments in companies’ reporting are still to be expected with regard to identification and assessment of taxonomy-eligible and taxonomy-aligned activities – particularly against the backdrop that technical screening criteria are only available for two of the six environmental objectives to date, as well as due to the expedients for fiscal 2021 described above. The company will continue to monitor the developments and the application of disclosure requirements stipulated by Article 8 of the Taxonomy Regulation and further specified in the corresponding delegated acts and will make the necessary preparations to ensure timely and correct implementation of the requirements.

REPORTING REQUIREMENTS FOR FISCAL 2021



REPORTING REQUIREMENTS FROM FISCAL 2022



PROJECT SET-UP AND IDENTIFICATION OF TAXONOMY-ELIGIBLE ACTIVITIES

To determine its taxonomy-eligible activities, Wacker Neuson established a steering group bringing together the Investor Relations, Sustainability, Controlling, Research & Development, and Environment, Health & Safety departments. The CEO is project sponsor. The first step was to hold a kick-off workshop to ensure a uniform understanding of the company's taxonomy-related reporting requirements across the relevant departments and to draw up a project plan. This first entailed presenting the project's objectives and approach and clarifying basic questions. This introduction to taxonomy was an important step before being able to identify taxonomy-eligible business activities.

The next stage involved conducting interviews with experts from the relevant departments to analyze how the taxonomy applies to individual business activities and to structure the topics identified. To develop an overview of taxonomy-eligible business activities, the company surveyed its activities within the light and compact equipment segments – including research and development – as well as non-revenue-generating activities in the areas of real estate, vehicle fleet and energy efficiency measures. Eligible activities were then identified by mapping company activities to the taxonomy. To start with, “manufacturing” was identified as the relevant macro-sector. The second step involved allocating the company's activities in the field of battery-powered light and compact equipment (zero emission product portfolio) to taxonomy activity 3.6: “Manufacture of other low carbon technologies”. The following non-revenue-generating activities were also then identified: 6.5: “Transport by motorbikes, passenger cars and light commercial vehicles”, 6.6: “Freight transport services by road”, 7.3: “Installation, maintenance and repair of energy efficiency equipment”, 7.5: “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings” and 7.7: “Acquisition and ownership of buildings”.

Next, internal data was collected to establish the turnover, capital expenditure (CapEx) and operating expenditure (OpEx) financial metrics required by the taxonomy and thus translate activities identified as taxonomy-eligible into key performance indicators. During this process, the data compiled for the non-revenue-generating activities indicated that activity 6.5 can be classified as taxonomy-eligible. Activities 6.6, 7.3 and 7.5 are not considered as substantial based on the key indicators established. With regard to activity 7.7, there was no taxonomy-eligible activity for fiscal 2021, as no real estate was acquired. Activity 3.6: “Manufacture of other low carbon technologies” makes a “substantial contribution to climate change mitigation” and was therefore classified as taxonomy-eligible.

In fiscal 2021, 1.6 percent of the Group's turnover was taxonomy-eligible. Total turnover is shown in the “Revenue” line of the consolidated income statement for fiscal 2021.

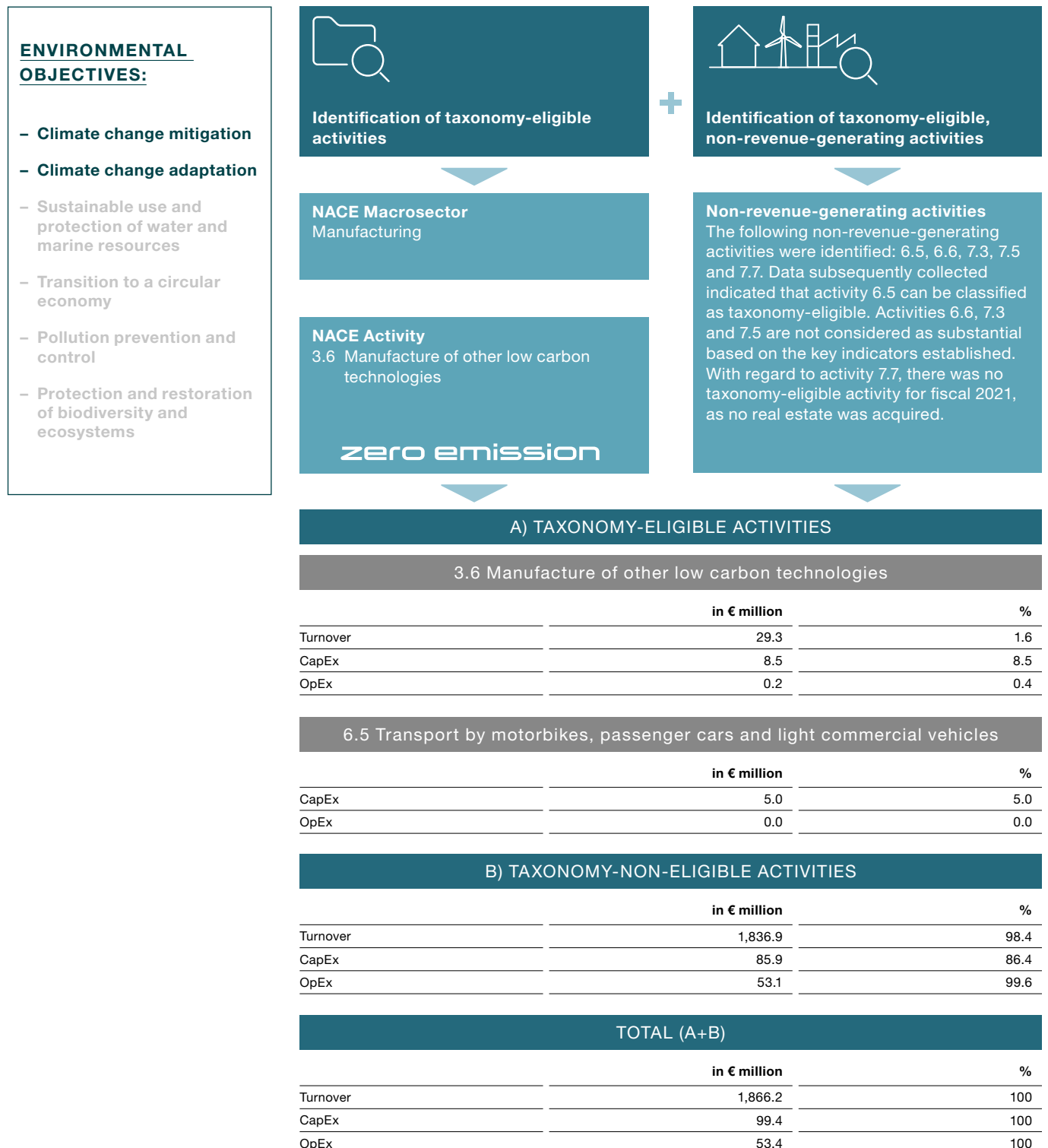
In fiscal 2021, 13.6 percent of capital expenditure was taxonomy-eligible. Total CapEx consists of the Group's investments in “property, plant and equipment” (including right-of-use assets under IFRS 16 and, where applicable, investments in “non-current assets held for sale”), “investment property” and “other intangible assets” (excluding “goodwill”) in fiscal 2021.

In fiscal 2021, 0.4 percent of operating expenditure was taxonomy-eligible. Total OpEx consists of expenses for repair and maintenance of machinery and buildings, and research and development costs excluding depreciation and amortization, impairments and lease payments made.

Notes on the calculation of key indicators:

- Cash discounts were allocated according to the contribution of zero emission products to total revenue.
- Zero emission revenue does not include any revenue from products manufactured for the Group by external partners. In fiscal 2021, this applies to a battery-powered dumper model (DT10e).

WACKER NEUSON GROUP RESULTS FOR FISCAL 2021



Munich, March 24, 2022

Wacker Neuson SE, Munich, Germany

The Executive Board

Dr. Karl Tragl

Chairman of the Executive Board
Chief Executive Officer (CEO)

Felix Bietenbeck

Chief Operations Officer (COO)
Chief Technology Officer (CTO)

Christoph Burkhard

Chief Financial Officer (CFO)

Alexander Greschner

Chief Sales Officer (CSO)

INDEPENDENT AUDITOR'S **REPORT ON A LIMITED** **ASSURANCE ENGAGEMENT**

The assurance engagement performed by Ernst & Young GmbH Wirtschaftsprüfungs-gesellschaft (EY) relates exclusively to the German version of the group non-financial report 2021 of Wacker Neuson SE. The following text is a translation of the original German independent assurance report.

To Wacker Neuson SE, Munich

We have performed a limited assurance engagement on the group non-financial report of Wacker Neuson SE, Munich, (hereinafter the "Company") for the period from 1 January 2021 to 31 December 2021 (hereinafter the "group non-financial report").

Not subject to our assurance engagement are other references to disclosures made outside the group non-financial report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the group non-financial report in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section „EU Taxonomy“ of the group non-financial report.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a group non-financial report that is free from material misstatement, whether due to fraud (manipulation of the group non-financial report) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section „EU Taxonomy“ of the group non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP [“Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer”]: Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the group non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's group non-financial report is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section „EU Taxonomy“ of the group non-financial report. Not subject to our assurance engagement are other references to disclosures made outside the group non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the preparation of the group non-financial report about the preparation process, about the internal control system related to this process, and about disclosures in the group non-financial report,
- Inquiries of the employees regarding the selection of topics for the group non-financial report, the risk assessment and the policies of the Group for the topics identified as material,
- Inquiries of employees of the Group responsible for data capture and consolidation as well as the preparation of the group non-financial report, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the group non-financial report,

- Identification of likely risks of material misstatement in the group non-financial report,
- Analytical procedures on selected disclosures in the group non-financial report,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- Evaluation of the process to identify the taxonomy-eligible economic activities and the corresponding disclosures in the group non-financial report,
- Evaluation of the presentation of the group non-financial report.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the group non-financial report of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section „EU Taxonomy“ of the group non-financial report.

We do not express an assurance conclusion on the other references to disclosures made outside the group non-financial report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 24 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Richter
Wirtschaftsprüferin
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]



Wacker Neuson
Group

Wacker Neuson SE
Preussenstrasse 41
80809 Munich
Germany

www.wackerneusongroup.com