



Wacker Neuson
Group



Moving Sustainability

Non-financial Group report 2022

SUSTAINABILITY AT A GLANCE

EUR **79** m

research and development expenses 2022
incl. capitalized expenses (2021: EUR 75 m)

60

new patent and utility
model applications 2022
(2021: 35)

-14% **17+2**

CO₂^{eq} emission intensity¹
compared with previous year

¹ emissions in metric tons of
CO₂^{eq}/revenue in EUR million)

Wacker Neuson's portfolio includes
17 battery-powered products for the
construction industry and 2 more for
agriculture.

-15%

energy intensity²
yoy

² energy consumption in MWh/
revenue in EUR million

208

apprentices in 2022³

³ in Germany, Austria, Switzerland and
the United Kingdom

English translation of the German original.

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ABOUT THIS REPORT¹

In accordance with the requirements of sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB), this non-financial Group report of the Wacker Neuson Group contains the disclosures required for an understanding of the course of business, the business result, the situation and the effects of business activities on the following reportable aspects:



Environmental matters



Employee matters



Social matters



Respect for human rights



Fighting corruption and bribery

It also contains the information required by Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the „EU Taxonomy Regulation“) and the delegated acts adopted in this regard.

Unless otherwise stated, all disclosures relate to the Group. A framework such as that of the Global Reporting Initiative (GRI) is not used due to the different materiality assessment. The material issues are determined by an internal process involving the relevant departments and the full Executive Board. Responsibility for sustainability lies with the Chairman of the Executive Board.

The following key issues arise for fiscal 2022:

- Customer orientation
- Sustainable product development – Sustainable products
- Responsible employer
- Training and talent development
- Environmental and climate protection
- Compliance, data privacy and information security
- Respect for human rights within the organization and throughout the supply chain

In this report, all figures refer to the year 2022, supplemented by comparative figures from 2021. The reporting period corresponds to the calendar year (January 1 to December 31). All references to content outside this non-financial report are to be understood as additional information and are not part of the non-financial report.

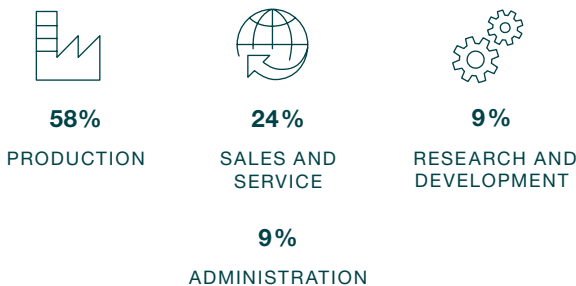
¹ The Enar Group, which has officially been part of the Wacker Neuson Group since June 1, 2022, has not been included in the calculation of all figures in this non-financial Group report. All amounts are rounded in accordance with standard commercial practice.

1. THE WACKER NEUSON GROUP

The Wacker Neuson Group is an international group of companies with around 6,300¹ employees and seven production sites in Germany, Austria, Serbia, the US and China. As a leading manufacturer of light and compact equipment, the Group offers its customers around the world a broad product portfolio and a comprehensive range of services. The product range is primarily aimed at customers in the mainstream construction, gardening and landscaping, agricultural, municipal and recycling sectors, as well as rail operators and industrial companies. The Group owns the Wacker Neuson, Kramer and Weidemann brands. In 2022, the Group generated revenue of around EUR 2.3 billion. Wacker Neuson SE, a European stock corporation (Societas Europaea) headquartered in Munich, Germany, acts as a management holding company with a centralized management structure and is responsible for strategic Group management. It directly or indirectly holds the shares in 53 affiliates. The Group is led by the four-member Wacker Neuson SE Executive Board team, which works closely with the Supervisory Board. The aim is to secure the long-term success of the Wacker Neuson Group and increase company value on a sustained basis.

For more detailed information on the Wacker Neuson Group and its business model, please refer to the combined Management Report for Wacker Neuson SE and its Group for fiscal 2022.

EMPLOYEES BY DIVISION 2022¹



2021: production 55%; sales and service 25%; research and development 10%; administration 9%

¹ By number of jobs (FTE = Full-Time Equivalents; the number of employees was converted to full-time equivalents, excluding temporary workers.) as of Dec. 31.

Innovative brands

Strong industries

Construction and agriculture

One common goal

Generating added value for our customers

It is no secret what the Wacker Neuson Group stands for and what its strengths are: With innovative brands in strong industries, the Wacker Neuson Group pursues one common goal.

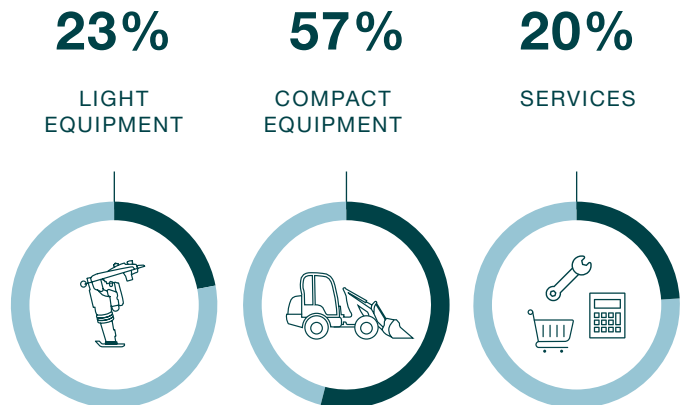
EUR 2.3 bn

revenue in 2022
(2021: EUR 1.9 bn)

6,301

employees worldwide 2022
(2021: 5,506)

REVENUE BREAKDOWN BY BUSINESS SEGMENT 2022



2021: light equipment 21%; compact equipment 57%; services 22%

2. SUSTAINABILITY AT WACKER NEUSON

Anchoring sustainable thinking and action in all Group processes is crucial to the future viability of the Wacker Neuson Group business model. Alongside economic growth and increased profitability, social responsibility, climate protection and the intelligent use of resources are all relevant to Wacker Neuson. In fiscal 2022, the most important aspects were environmental and climate protection, a high level of customer focus, sustainable products and responsibility towards employees, as well as human rights and compliance. Progress in these areas not only helps to secure long-term economic success, but also pays dividends in terms of social, environmental and employee issues.

MEGATRENDS AND THREE PILLARS OF STRATEGY 2022 CREATE OPPORTUNITIES

The Wacker Neuson Group's aim is to generate sustained positive results in order to create long-term value for customers, investors, employees and other stakeholders. The foundation for sustainable corporate development is provided by the Strategy 2022 presented in March 2018, which aims to strengthen the Group's role as one of the leading international light and compact equipment manufacturers. The three strategic pillars of **focus**, **acceleration** and **excellence** form the basis for further expanding market positions and increasing revenue and profitability.

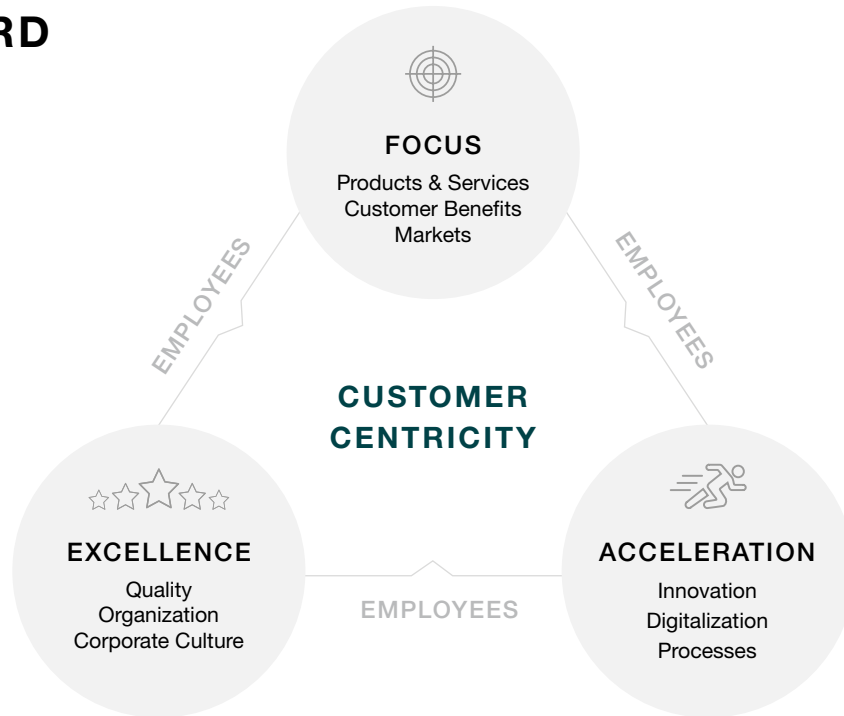
In the opinion of the Executive Board, neo-ecology, urbanization and connectivity are key megatrends that require the constant evolution of the Wacker Neuson Group's business model. The Executive Board is convinced that they will bring about structural changes in the market and competitive environment as well as a shift in social norms.

According to the Zukunftsinstitut, environmental awareness and sustainability are increasingly becoming a central economic factor. Neo-ecology as a megatrend is transforming business in the direction of a new economy with a focus on sustainability and social responsibility. Technological innovations play an important role in helping to overcome current and future challenges.² Already in the current decade, the course must be set to radically reduce emissions and limit global warming to a maximum of 1.5 degrees Celsius. Under increasing political pressure to comply with international climate protection agreements, the number of new laws, ordinances and other regulatory interventions is growing. On the other hand, more and more customers not only expect companies to be fully transparent about their emissions and reduction targets, but are also keeping a close eye on whether actual efforts are in line with targeted climate goals.³ With its *zero emission* product strategy, Wacker Neuson offers a wide range of electrically powered compact equipment and light equipment that can be used to operate a construction site with zero exhaust emissions, thus helping to reduce CO₂^{eq} emissions. The further electrification of the product range is of great importance within the **Focus** strategy pillar, even though sales of battery-powered products still account for a comparatively small proportion of the Group's total revenue. [Sustainable product development – Sustainable products](#) With the neo-ecological dynamic and associated initiatives, Wacker Neuson expects demand for compact equipment to rise – for example, due to the planned expansion of e-charging stations and construction work to be carried out on public roads for this purpose. The German government has announced investments of EUR 2.5 billion to promote e-mobility as part of its package for the future, with one million charging points planned by 2030.

² Source: Zukunftsinstitut, 4 Zukunftsthesen zum Megatrend Neo-Ökologie, <https://www.zukunftsinstitut.de/dossier/megatrend-neo-oekologie/>, retrieved on 12.12.2022

³ Source: Roland Berger: Publication for the UN Climate Change Conference in Glasgow, #roadmap2026, Sustainability & Climate Protection, <https://www.rolandberger.com/de/Insights/Global-Topics/Sustainability-Climate-Action/Publications/>

STRATEGY – WHAT DRIVES US FORWARD



Urbanization has led to an increase in the population of cities worldwide. After the Zukunftsinstitut had assumed during the peak of the Corona pandemic that this megatrend would slow down or even reverse, the assessment has now prevailed that the influx into urban areas will not dry up in the coming decades either¹.

Shorter innovation cycles and rising customer expectations demand **acceleration**. The Group is responding to the change in customer needs, which is characterized by the megatrend of connectivity, with new solutions and sales channels. Digital services are becoming increasingly important, machines are working (partially) autonomously or with assistance systems, and construction sites are becoming connected. Wacker Neuson sees these changes as an opportunity to help shape the future and meet customer needs even better. As it is becoming increasingly difficult to differentiate purely on the basis of product, the Group sees a need to supplement traditional products with innovative business models and make them fit for the future. The company is undergoing a transformation from machine builder to full-service solutions provider. At Wacker Neuson's eStore ePartner, for example, product configurations and orders can be placed online, enabling the Group to respond to changes in customer purchasing behavior. Digital service offerings also give customers access to machine and fleet data. Customers can thus deploy resources in a more targeted manner, minimize downtime, and optimize the utilization of their machines. [customer-orientation](#) Increasing digitization is also having an impact on construction site activities, for example through fiber optic broadband expansion. Construction equipment and compact construction machinery in particular are used for laying fiber optics.

¹ Source: Zukunftsinstitut, Der Megatrend Urbanisierung, <https://www.zukunftsinstitut.de/dossier/megatrend-urbanisierung/>, retrieved on 12.12.2022

An intensive and proactive exchange on future topics and the networking of all relevant players is a key concern for the Wacker Neuson Group. The Group not only wants to generate momentum, but also create a shared digital ecosystem with suppliers and customers in the long term. This is why the Group is involved in several associations. Within the German Engineering Federation (VDMA), Wacker Neuson is a partner in the Blue Competence sustainability initiative with the aim of promoting sustainability in the machinery and plant engineering sector, as well as familiarizing sustainable solutions in the industry.

To further enhance operational **excellence**, Wacker Neuson has set itself the goal of continuously developing the high-quality level of products, processes and workflows in all areas of the company as part of its Strategy 2022. In this context, the Wacker Neuson Group sees ongoing employee training, the promotion of commitment and agility, and teamwork as key to the company's success. [↗ Training and talent development, Responsible employer](#)

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.

ANCHORING A NEW SUSTAINABILITY STRATEGY IN THE CORPORATE STRATEGY

The Wacker Neuson Group is aware of its responsibility for a future worth living. The Group can only live up to this responsibility if it succeeds in getting all employees to think and act sustainably. To achieve this, sustainability must be anchored in corporate strategy. Based on the aspiration to act in a climate-responsible and socially responsible manner, to manufacture innovative and environmentally friendly products, and to ensure the long-term sustainability of the business model, the framework for a sustainability strategy was defined in fiscal 2021 on the basis of the United Nations Sustainable Development Goals (SDGs). In fiscal 2022, this strategy was further developed and is to be presented in 2023 as part of the new corporate strategy. Approaches in the area of environmental and climate protection are to be integrated here, which will at the same time represent strategic perspectives for the corporate strategy in the coming years.



Wacker Neuson has identified SDGs 6, 8, 9, 11, 12 and 13 as the most relevant fields of action for the Group. This is because it is in these SDGs that our business activities as a machine builder yield the greatest potential to directly or indirectly impact the economic, environmental and social goals of the United Nations.

2.1 CUSTOMER ORIENTATION

THE CUSTOMER IN FOCUS

Aligning the company with customer needs is at the heart of the Wacker Neuson Group's strategy. Only if the Group succeeds in creating added value for its customers will it be able to differentiate itself from the competition in the long term. In fiscal 2022, Wacker Neuson continued to pursue and drive customer focus as a central element. In addition to end customers in the construction and agricultural sectors, customer groups include dealer partners and rental chains as well as international construction companies.

CONTROLLING ELEMENTS

In the area of customer orientation, topics and activities are coordinated with the managing directors and other managers of the sales companies, the plants, the Corporate Digital Products & New Business, Corporate Marketing and Corporate Sales Tools & Processes central functions, and the Executive Board. This included, among other things, the joint definition of the marketing topics to be focused on in the 2022 financial year, for example as part of campaign planning.

INCREASE CUSTOMER SATISFACTION AND LOYALTY

The Wacker Neuson Group actively seeks proximity to its customers in order to gain a precise understanding of their needs. Continuous feedback enables customer requirements to be identified, understood and proactively implemented at an early stage. For this reason, regular surveys and customer workshops are conducted within the Wacker Neuson Group.

The **customer satisfaction analysis** is based on an online survey conducted with the support of an external service provider. The data is collected every two years; the survey covering 2022 is already in preparation and will be carried out at the beginning of 2023. For example, customer satisfaction with regard to support from the Group's own sales team, delivery, product quality, spare parts, and dealer satisfaction with sales and service support and the training offered will be examined. Each region or country then receives an individual evaluation of the results so that measures can be derived to increase customer satisfaction.

When developing new products and solutions, the Wacker Neuson Group maintains a close dialog with its customers. Representatives from construction companies, dealers, rental companies and users provide the Group with direct feedback at **Voice of Customer (VoC)** and **Voice of Service (VoS)** events. In this way, customers' knowledge and practical experience flow directly into the development process. The Group maintains a regular dialog with future users from the initial idea through to the market launch of a product or new service. Voice of Customer and Voice of Service events are important tools for the Wacker Neuson Group to maintain an active dialog with its customers and align the Group even more closely with market needs. These events are set to remain a key strategy building block in the future. In fiscal 2022, customer feedback was gathered via online surveys and alternative event formats due to the ongoing restrictions caused by the COVID 19 pandemic. In addition, some face-to-face events could also be held in compliance with hygiene rules.

The Wacker Neuson Group aims to make everyday work easier for its customers through digital solutions. Customers and dealers can use the **ePartner** online ordering and information platform to find out about products, spare parts, accessories and their delivery availability at any time, configure compact equipment and place orders for machines and spare parts. The implementation of ePartner for the Weidemann and Kramer brands was successfully completed in fiscal 2022 and rollouts for the Wacker Neuson brand continued, for example in Italy, Switzerland, the Netherlands and Australia.



During the development of a new product, the knowledge and practical experience of customers flow directly into the development process during Voice-of-Customer (VoC) events.

Both end customers and dealers can benefit from further developments by the Group in the area of **digital servicing**. The EquipCare telematics solution ensures transparency in fleet management. EquipCare-equipped machines report maintenance needs, operational malfunctions, or unexpected relocations in real time to the customer's end device (desktop, tablet, smartphone). Through the tool, customers have a comprehensive overview of their machines, their location, the number of operating hours, downtime and upcoming services. EquipCare enables customer and dealer technical support and Wacker Neuson Service to work hand in hand – and thus particularly efficiently. The aim is to provide customers with a smooth process, short downtimes, less time spent and thus a more efficient way of working. In fiscal 2022, EquipCare was expanded to include further services such as the maintenance manager.

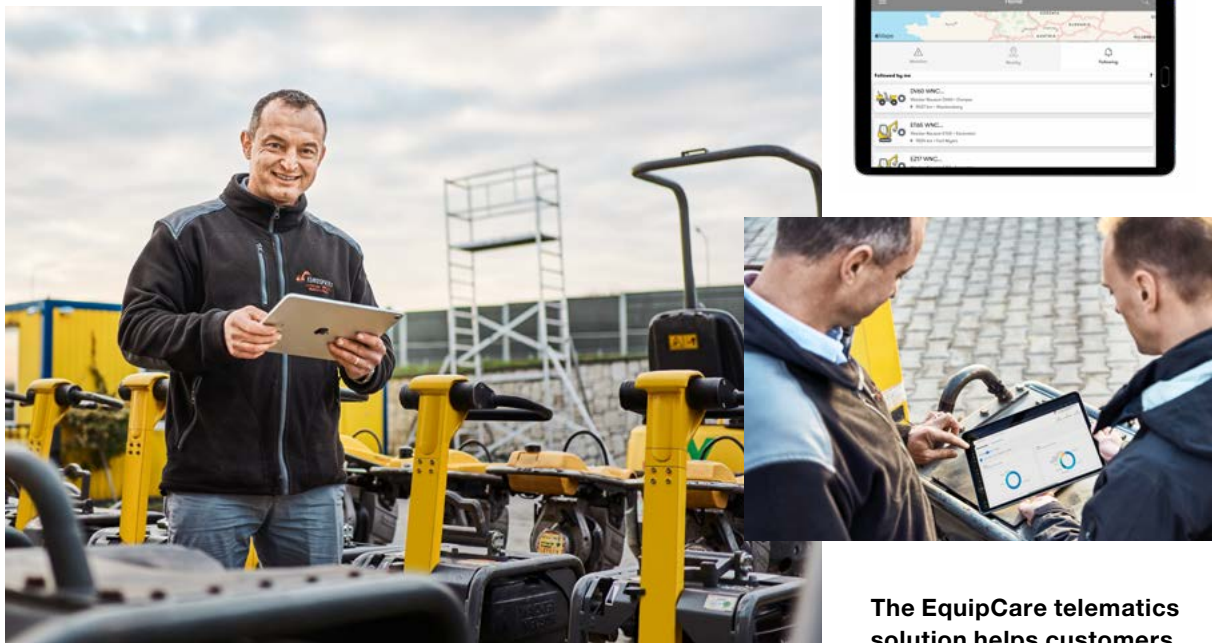
With the cloud-based software solution **EquipCare Pro**, initially launched in Germany in 2022, Wacker Neuson enables its customers to manage, schedule and evaluate all machines, equipment and quantity items regardless of manufacturer or brand, thus boosting the productivity of their machine fleet. In addition to the functions offered by Wacker Neuson's EquipCare telematics solution, EquipCare Pro now enables customers to plan the deployment of equipment and personnel in a single system and manage everything from excavators and car fleets to construction fencing used on site.

For the Wacker Neuson Group, local presence is essential. With the principle of the Group being a „**one-stop solution provider**“, qualified and motivated employees are available for everything from consulting and purchase processing to servicing – on the part of sales partners and in direct sales via Wacker Neuson's affiliates. **Regional presence** through our own sales and service stations, as well as support from competent dealer partners, plays a major role in ensuring long-term, trusting and cooperative working relationships. With the help of the location finder, customers can quickly and easily find the branch or dealer closest to them on the websites.

Across the Group, the **Corporate Aftermarket** unit aims to offer customers high delivery reliability, competence and quality and thus optimum spare parts availability. For example, spare parts orders are processed according to order type and customer requirements are taken into account as early as the order placement stage.

As a result of the further roll-out of the ePartner ordering platform in fiscal 2022, almost all retailers can now place their orders electronically. The service level 6 in fulfilling customer orders was 96 percent in fiscal 2022. In 2022, construction work began on a new logistics center in Mülheim-Kärlich near Koblenz, which is being built on a 105,000-square-meter site with a total of 55,000 square meters of warehouse space in accordance with the highest sustainability standards of the German Sustainable Building Council (DGNB). The logistics center is designed to ensure future-proof storage capacity for the Wacker Neuson Group.

The Wacker Neuson Group offers its customers worldwide a **range of training courses** for service, products and sales. The offering is aimed at the Group's own sales and service staff as well as dealers, rental companies and end customers from various industries. Service, product and sales training courses are held at the academies in Reichertshofen (Germany) and Menomonee Falls (USA), among others, as well as at the production sites in Pfullendorf, Korbach (both Germany) and Pinghu (China). In addition, the range of online training courses and videos on the learning management platforms was further expanded in 2022. In addition to instructional videos, training videos for blended learning can be found there as a supplement and preliminary stage to classroom training. Following the opening of a video studio in the Wacker Neuson Academy at the Reichertshofen site, training sessions and new product presentations have increasingly been held in livestream format since this year. As part of the dealer development program, it is now also possible to evaluate service qualifications for each sales unit on any machine type.



The EquipCare telematics solution helps customers plan the deployment of their machine fleet more efficiently.

96%

Service level¹ 2022
(2021: 94%)



TARGETED DIALOG WITH CUSTOMERS

Creating local presence also means maintaining an ongoing dialog. The Wacker Neuson Group offers its customers target-group-specific access to the latest information on its products and services via numerous communication channels such as the websites of the three brands and the Group website, social media channels, newsletters, traditional print brochures and articles in the trade press. In order to provide customers with information in a simple and user-friendly way, the focus was on relaunching the websites of the Wacker Neuson, Kramer and Weidemann brands and the Wacker Neuson Group. The modern, user-friendly design and available features of the new websites are designed to offer visitors a positive user experience.

Personal touchpoints with customers include trade show appearances and events in addition to the sales staff of the company's own sales companies and dealer partners.

In 2022, more events were held again, and the live experience regained importance. For example, the world's largest construction machinery trade fair, Bauma, was held in Munich in October with around 495,000 visitors. The Kramer and Wacker Neuson brands exhibited together on an area of around 5,000 square meters under the motto „Meet the Future“. Kramer and Weidemann also showcased products and solutions at the EuroTier trade fair in Hanover, the world's leading trade fair for professional animal husbandry and livestock management. Wacker Neuson also took part in the World of Concrete and EquipExposition trade fairs in the US. In addition to the trade fairs, events are regularly organized for dealers and customers to strengthen personal relationships.

¹ Measured in OTS (Order to Shipment): Average percentage of orders received within the order acceptance time that were handed over to the shipping company 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 provide an environmentally friendly, safe and ergonomic product range. As a global provider of light and compact equipment, the Group must comply with a wide range of national and international laws on environmental and user protection, particularly those relating to exhaust emissions, ergonomics, noise and vibration levels. The product portfolio is therefore continuously reviewed in the light of additional requirements, harmonized standards and regulations, and adapted accordingly where necessary. The aim is always to integrate new regulations into processes and products as quickly as possible. With sustainable, innovative and safe products, the Wacker Neuson Group also aims to create added value for its customers and the environment. In terms of environmental and user protection, its products often offer more than is required by law. The Group provides an innovative product range and future-oriented solutions and claims a pioneering role in the areas of product safety and ergonomics, energy efficiency and emission-free working.

Research and development play a key role in the success of the Wacker Neuson Group. The R&D ratio including capitalized expenses was 3.5 percent in fiscal 2022 (2021: 4.0 percent). The Wacker Neuson Group actively protects innovative products and processes from unwanted imitation through patents and utility models. Worldwide, the Group applied for 60 new patents and utility models in fiscal 2022 (2021: 35), while 70 patents and utility models were granted (2021: 15). In total, the Wacker Neuson Group has 251 patents and utility models worldwide (2021: 216).



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.



CONTROL ELEMENTS

In fiscal 2022, the organizational alignment of research and development (R&D) launched in 2021 was consolidated as part of the Group's „Xto1“ project, including the Corporate Centers for Group-wide topics. The Corporate Centers are actively and effectively structured so that they can support the projects of the individual product lines and forward-looking technology development.

In addition, as part of the R&D Excellence project, the entire R&D organization was examined with the help of external expertise at each development site in order to identify potential in terms of cost-effectiveness, innovation, efficiency and time to market on the basis of benchmarks and best practice examples. The results are incorporated into the processes, methods and, in particular, the strategic alignment of the organization in order to enhance its future market position and innovative strength.

The proven mechanisms for defining product roadmaps with the involvement of the sales organizations have led to a clear strategic alignment of the individual product groups and brands. In addition to the numerous new developments that were shown, for example, at the leading trade show Bauma 2022 in Munich, the market is to benefit in the future on the basis of these processes from, among other things, a broad and attractive zero emission product range based on economical modular structures.

Cooperation with universities, institutes, research facilities, suppliers and development service providers is consistently geared to the future demand for zero emission products, greater automation of application processes in agriculture and the construction industry, sustainability and efficiency gains in the use of machines.

The R&D competencies built up in recent years have been significantly expanded to include additional capabilities in the areas of simulation, calculation, thermal management, NVH optimization (noise vibration harshness), software development, functional simulation, sensor technology and validation. In this context, investments were also made in software, hardware and field testing on a larger scale in order to verify the identified detailed technical customer requirements early in the development process.

60

new patent and utility model applications in 2022 (2021: 35)

70

patents and utility models granted in 2022 (2021: 15)

EUR 79 m

research and development expenses in 2022 including capitalized expenses (2021: EUR 75 m)

3.5%

R&D ratio (R&D as a percentage of revenue including capitalized expenses) (2021: 4.0%)

9%

Share of employees in research & development (2021: 9%)¹

¹ By number of positions (FTE = Full-Time Equivalents; the number of employees was converted to full-time equivalents, excluding temporary workers.) as of Dec. 31.

FOCUS ON ENVIRONMENTALLY FRIENDLY PRODUCTS, REDUCTION OF EXHAUST EMISSIONS A CENTRAL MATTER

The Wacker Neuson Group is convinced that its products can make a contribution to reducing exhaust emissions. Irrespective of its obligation to continuously adapt and develop its product portfolio in line with regulatory requirements, the Wacker Neuson Group has made a conscious decision to offer a comprehensive range of environmentally friendly products and services.

In addition to reducing exhaust emissions, the Wacker Neuson Group is giving high priority to eco and energy efficiency activities in order to meet the requirements for an even more environmentally friendly and safer product range in the future. These include the development of new control systems that optimize machine travel drives. Functions such as energy-saving mode reduce fuel consumption and increase energy efficiency. Engineers are also working on new drive concepts and standardizing components across different models, modules and product groups.

PRODUCT DEVELOPMENT FOLLOWS REGIONAL CUSTOMER DEMAND

The corporate strategy is to develop and manufacture products increasingly in those regions where they are primarily sold. In developing new products, the Group focuses strictly on the needs and requirements of the target markets. The aim is to meet the requirements of customers worldwide in terms of development, delivery conditions and service as well as to shorten transport routes, reduce freight costs and thus cut CO₂^{eq} emissions through regional procurement and production.

BROAD RANGE OF BATTERY-POWERED COMPACT EQUIPMENT AND LIGHT EQUIPMENT

Part of our Strategy 2022 - and firmly anchored in our product and technology roadmap for the coming years - are zero emission products. With its zero emission product line, Wacker Neuson offers a wide range of electrically powered compact equipment and light equipment. In addition to battery-powered rammers and vibratory plates for soil compaction and internal vibrators for concrete compaction, the product portfolio also includes tracked and wheeled dumpers, a hybrid mini excavator and an all-electric mini excavator and wheel loaders for construction and agriculture. A new generation of electrically driven reversible vibratory plates (APU) with direct drive went into series production in fiscal 2022. Construction sites in emission-sensitive environments, such as residential areas, tunnels, underground parking garages or building interiors, can be operated without exhaust emissions and at low noise levels with the zero emission product portfolio. At the same time, the products offer special protection for users and the environment, require less maintenance, and demand lower operating costs than products with conventional drives.

For end customers, but also for rental companies, zero emission solutions are already an attractive addition to the machine fleet. Sales of battery-powered products are growing strongly, although they still account for a comparatively small share of the Group's total revenue. Wacker Neuson believes that alternative drive concepts will play a significant role in the future of the construction and agricultural machinery industry and has continued to invest substantially in this area in 2022. The Group anticipates that the construction industry will also face stricter regulation in the coming years in light of the ambitious goals of the EU's Green Deal. Combined with anticipated technological leaps in the field of battery technology, battery-powered light and compact equipment is therefore likely to become much more important. The Wacker Neuson Group therefore aims to systematically continue on its chosen path and steadily expand its team of development experts in this area over the coming years.

In the development of new products, the Group attaches great importance to modularization. For example, the battery for the electric vibratory plates and rammers available today, as well as the high-frequency internal vibrator, can be used in modular form. This solution not only offers added financial value for the customer, but also reduces the burden on the environment, as fewer batteries are needed overall.

zero emission

The zero emission portfolio includes 17 different products for the construction industry and 2 compact machines for agriculture. It encompasses battery electric rammers and vibratory plates, internal vibrators, track and wheel dumpers, a hybrid mini excavator and a battery electric mini excavator and a wheel loaders for the construction and agricultural industries.

HIGH IMPORTANCE OF PRODUCT SAFETY, USER PROTECTION AND ERGONOMICS

The safety of its customers plays a central role for Wacker Neuson. Machines should be easy to operate without risk of danger and provide users with the best possible support in their work. Wacker Neuson is continuously improving the user safety of its products, whether by making technical adjustments to existing series or developing new, innovative products, such as the new EW100 wheeled excavator. The equipment design has been specially developed to meet the operator's needs in terms of optimum visibility. For example, the right tire is very easy to see in the normal sitting position, which significantly increases safety for the operator and the surrounding area. The optimized visibility around the machine makes the EW100 safer and more maneuverable, especially in road traffic and in tight conditions on the construction site.

In addition to function-oriented design, ergonomics for the operator also play a major role in development. For example, Wacker Neuson is the only supplier to offer six excavator models with Vertical Digging System (VDS). It is used wherever different height levels need to be compensated for, e.g. when working on slopes or over sidewalk edges. It is designed to enable the operator to work without fatigue, as he can compensate for gradients of up to 27 percent by continuously tilting the upper carriage at the push of a button and maintain his usual sitting position.

ZERO EMISSION PORTFOLIO



AP1850e



AS60e



AS30e



APS1135e



APU3050e



AS50e



ACBe



ambitious goals of the EU Green Deal

expected technology leaps in battery technology

large market potential



WL20e



DW15e



803 dual power



DT10e



EZ17e



5055e



KL25.5e



Hoftrac 1190e

2.3 RESPONSIBLE EMPLOYER

SATISFIED EMPLOYEES AS THE FOUNDATION OF CORPORATE SUCCESS

At the end of fiscal 2022, the Wacker Neuson Group, including its Wacker Neuson, Kramer and Weidemann brands, employed 6,301 people worldwide (2021: 5,506)¹. Our employees form the foundation for the Group's success and forward-looking growth. To foster their professional and social skills and maintain their enthusiasm, the Group seeks to create optimum working conditions, pays attractive salaries and promotes an appreciative and open corporate culture.

Wacker Neuson is convinced that satisfied and committed employees are more productive and perform better. The company is committed to ensuring that employees feel comfortable in their workplace. In this way, the Group aims to retain employees over the long term, even in times of a shortage of skilled workers. This is reflected in long-term employment histories averaging 8.4 years (2021: 8.4 years)² and a fluctuation rate of 14.7 percent (2021: 13.2 percent)³. Wacker Neuson supports employees in balancing their private and professional lives and takes measures to ensure a good work-life balance. This includes the option of mobile working and home office in the area of office activities through to individual coordination with regard to the employee's place of work. In addition, employees can opt for elective working hours of 35 and 40 hours per week or make an individual part-time agreement with the company, which allows for operational flexibility. Nevertheless, many of the Group's sites are still subject to collective bargaining agreements. Group-wide, the company pays attention to an attractive and comparable salary level, also in particular due to the shortage of skilled workers and competition on the employer market. To ensure that employees feel able to cope with technological, methodological or organizational changes in their working lives and see change as an opportunity, the company strives to identify and implement optimization potential in the areas of workplace conditions, health and well-being at an early stage.

¹ By number of positions (FTE = Full-Time Equivalents; the number of employees was converted to full-time equivalents, excluding Temporary workers.) as of Dec. 31.

² Calculated on headcount basis including trainees, excluding temporary workers as of Dec. 31.

³ Reasons for departures include terminations, severance agreements and retirement/death, calculated on headcount basis excl. temporary workers, based on departures in the reporting period divided by the number of employees as of Dec. 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 a result of the dedication of the motivated employees at the Wacker Neuson and Kramer booth, the Group can look back on a successful Bauma 2022.

The global HR strategy with the objective of „Best company to work for“ sets out Group-wide guidelines, standards and processes to support the long-term growth of the company. This strategy is currently in the process of being shaped. Structurally, the Wacker Neuson Group is set up in such a way that global topics are defined and developed jointly by the central HR department and local HR officers. Since fiscal 2020, five management principles have served as a guideline for all employees working together. In 2022, further measures were taken to bring these into common practice of the individual teams at all sites. This includes, for example, a weekly challenge for managers. The leadership guidelines form a common basis for the Wacker Neuson Group’s understanding of values and encourage employees to reflect on their own actions.

WORK-LIFE BALANCE

Being a family-friendly employer and helping employees achieve a work-life balance, for example through flexible working hours in many areas, is a fundamental concern of the Wacker Neuson Group. The Corona pandemic has given work-life balance a new priority. Provided that the contractually owed activity can be performed in the form of mobile work or home office, employees are free to work from home in consultation with their line manager to protect their health. Occupational health and safety is very important to Wacker Neuson at its individual sites. For this reason, this is the local responsibility of the companies. In addition, a global guideline – Statement of Principles for HR – is currently being developed.

EMPLOYEE SURVEY

The scheduled global employee survey will be conducted in 2023 due to the COVID 19 pandemic, as many of the questions relate to a „normal“ work situation. After Wacker Neuson had already conducted an extra-rotational survey of employee satisfaction with their employer under the challenging conditions of the COVID 19 pandemic in fiscal 2020, the company found that postponing the employee survey while retaining the traditional questionnaire made more sense for reasons of comparability than making a one-off adjustment to the questionnaire to reflect the special situation. Factors such as the personnel changes in the company's management that occurred in fiscal 2021 also made it seem sensible to postpone the global survey until a later date. Nevertheless, topic-related surveys were conducted in individual teams in 2022, for example at the site in Austria, in order to further strengthen the feedback culture.

6,301
Employees 2022
(2021: 5,506)¹

8.4
years of service in 2022
(2021: 8.4 years)²

14.7%
Staff turnover in 2022
(2021: 13.2%)³

¹ According to number of positions (FTE = Full-Time Equivalents; the number of employees was converted to full-time equivalents, excluding temporary workers.) as of Dec. 31.

² Calculated on headcount basis including trainees, excluding temporary workers as of Dec. 31.

³ Reasons for leaving include terminations, severance agreements and retirement/death, calculated on headcount basis excluding temporary employees, based on departures in the reporting period by the number of employees as of Dec. 31.

2.4 TRAINING AND TALENT DEVELOPMENT



TRAINING AND INDIVIDUAL SUPPORT

To remain competitive in the future, the Wacker Neuson Group relies on committed and qualified employees. Lifelong learning is essential if we are to keep our finger on the pulse and meet the demands of the working world in a professional manner. The Wacker Neuson Group facilitates continuous learning for its employees by offering a variety of training opportunities: Webinars, team and individual coaching, external and internal training, e-learning and on-the-job training concepts. Employees should not only be able to realize their full potential in their jobs, but should also continuously develop – both professionally and personally. This aims to secure and develop motivation and skills in the long term.

This starts with in-company training. In fiscal 2022, the Wacker Neuson Group will train 208 young people in Germany, Austria, Switzerland and the UK (2021: 214): Firstly, in industrial, technical and commercial professions, and secondly, in the practice-oriented courses offered by the dual universities. The take-over rate after training was 94.6 percent in fiscal 2022 (2021: 94.3 percent).

The Group offers its employees the opportunity to complete part-time courses of study or further training. In some cases, this is also supported financially and/or organizationally, e.g. through tailored, flexible working time models. In the reporting period, for example, employees in Germany, Austria and the USA received targeted support.

In addition, Wacker Neuson operates its own academies in both Europe (Reichertshofen, Germany) and the US (Menomonee Falls) – equipped with modern training rooms and product testing areas for theory and practice. [🔗 customer-orientation](#)

In German-speaking countries, employees can select site-specific and national training courses via the HR training portal on the global intranet. In fiscal 2022, the training offering was supplemented by additional e-learnings. These were mainly produced internally and thus specifically adapted to the needs of employees at Wacker Neuson. Many of the existing training offerings were expanded to include blended learning approaches.

WIDE RANGE OF CAREER DEVELOPMENT OFFERS

In a working environment that is becoming increasingly dynamic due to digital transformation, among other things, the requirements for leadership style and collaboration are also changing. Instead of long-term planning, faster and more agile action is required. A new generation of employees increasingly wants to work in a more self-determined and autonomous manner. Wacker Neuson is already responding to these new needs with a targeted HR strategy and development programs.

In order to provide employees with the necessary knowledge of modern forms of working, the Wacker Neuson Group invested more heavily in training on agile working methods in 2022. In both the commercial and technical areas, training courses were offered for agile coaches, product owners and agile project management, with the aim of empowering our employees.

The „PerspACTIVE“ leadership program for prospective managers has been running in German-speaking countries since 2012. PerspACTIVE is a multi-stage, modular program for developing leadership skills. The participant groups are made up across divisions and locations; as a result, the program not only promotes specialist knowledge, but also contributes to a shared leadership culture. In 2022, the program was again held in a classroom setting – in some cases with strict hygiene requirements. In addition, an international, English-speaking group started the program, which was conducted in hybrid form for this particular target group.

94.6%

Takeover rate 2022
(2021: 94.3%)



In German-speaking countries, employees can select site-specific and cross-regional training courses via the HR training portal on the global intranet.

208

apprentices in Germany, Austria, Switzerland and the United Kingdom in 2022 (2021: 214)

Since 2018, „ReflACTION“ has offered a development platform for middle managers from Germany and Austria; in 2022, the program was expanded to include the target group of project managers. The managers are shown personal strengths and areas for development, from which qualification recommendations are derived and their implementation is accompanied in the long term. The focus is on self-reflection; participants should get to know themselves and their own values better and be able to draw conclusions about their own actions as leaders. To this end, participants in the ReflACTION program go through various modules in order to receive dedicated feedback from a team of observers to compare their self-image and the image they have of others.

The Leadership Excellence Program („LEP“) is aimed at executives at the top management level as well as the divisional manager level. In the „LEP“, participants deal with the strategic topics of „Business Orientation“, „Strategic Thinking & Customer Orientation“, „Innovation & Business Development“, „Leading in an agile Environment“ and „Change & Organizational Development“ in five modules. The program is designed for a period of 12 to 18 months. In 2022, three groups completed the program.

In 2015, the Group-wide T.A.G. (train and grow) trainee program was introduced as part of our efforts to secure the next generation of employees. The program is aimed at master's graduates in technical and commercial fields of study and is designed to last a maximum of 24 months. The duration of the individual departmental assignments varies between two and four months. At least one of the assignments is to be completed in a foreign subsidiary – if the pandemic situation permits. The diversity of the assignment departments enables program participants to get to know the Group quickly and from different perspectives. Similar to the „INTRAMove“, „PerspActive“, „ReflACTION“ and „LEP“ employee programs, the trainee program also promotes networking between the Group's various companies. Demand for cross-departmental and specialist trainees is increasing significantly, so more trainee positions were offered in 2022.



2.5 ENVIRONMENTAL AND CLIMATE PROTECTION

ENERGY AND ENVIRONMENTAL MANAGEMENT SYSTEM

The use of fossil fuels and the resulting emissions have an impact on the environment. Production at the Wacker Neuson Group’s international sites is not very energy- and emissions-intensive due to the low level of vertical integration. Wastewater and waste are generated only to a very limited extent. Nevertheless, the company shares responsibility for the ecological impact of its products, for example through the import and processing of raw materials and the goods manufactured from them. Certification of its largest sites to DIN EN ISO 14001 (environment) and 50001 (energy) enables the Wacker Neuson Group to assess the effects of its value creation processes on the environment – within its own system boundaries – and derive appropriate improvement measures. All production and sales sites in Germany and Austria as well as Group headquarters in Munich are certified (hereinafter referred to as „certified companies“).

TARGETS

In fiscal 2021, the framework for a sustainability strategy was defined on the basis of the United Nations Sustainable Development Goals (SDGs). In fiscal 2022, this strategy was further developed and is to be presented in 2023 as part of the new corporate strategy. Approaches in the area of environmental and climate protection are to be presented here, which will at the same time represent strategic perspectives for the corporate strategy in the coming years.

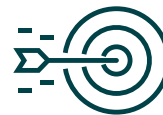
For all sites that are not certified according to DIN EN ISO 14001 and 50001, a start was made in 2019 on defining so-called Group-wide „minimum standards“ for energy and environmental management. These include, among others:

- Uniform processes and reporting structures
- Central and unified data management
- Standardization of dangerous goods and hazardous substances management

In the long term, the aim is to establish a Group-wide energy and environmental management system with uniform standards. Binding, quantitative targets for continuous improvement with regard to environmental and energy efficiency will be newly developed in this course.

57%

of Wacker Neuson Group production sites are certified to DIN EN ISO 14001 and DIN EN ISO 50001 (2021: 57%)

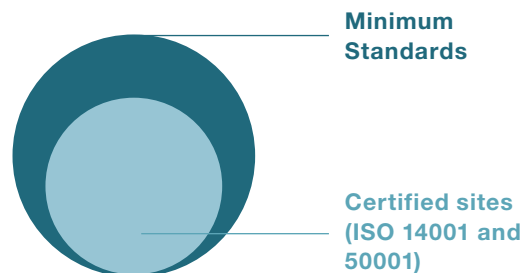


Targets

MINIMUM STANDARDS

- Uniform processes and reporting structures
- Central and unified data management
- Standardization of dangerous goods and hazardous substances management

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



MEASURES

Annual management reviews of the certified companies take place. Improvement opportunities derived from these assessments are discussed with the company's management, and their feasibility and implementation are examined and promoted. In addition, periodic coordination meetings are held between the central energy and environmental management of the Corporate Real Estate function and the local contacts from the energy and environmental departments. This overarching exchange serves to ensure that the identified savings potential can also be examined and, if necessary, implemented at other sites. Central data management additionally promotes this.

In addition to the COVID 19 pandemic, the acute energy supply crisis also had an impact on internal processes and resource consumption in fiscal 2022. Measures were therefore drawn up or projects initiated at all company sites to minimize dependencies on third parties in this respect. In addition, supply chain bottlenecks once again disrupted production processes at Wacker Neuson sites. Although investments had to be postponed in light of the COVID 19 pandemic, which made it more difficult to implement planned projects aimed at conserving resources, a number of projects were also successfully completed or initiated in fiscal 2022.

Measures – Locations Germany and Austria:

In the 2022 financial year, it was again possible to cover the electricity requirements for all sites in Germany and Austria with 100 percent green electricity, which is reflected accordingly in the CO₂^{eq} balance sheet. In addition, projects were initiated to substitute natural gas-powered processes/plants with alternative energy supplies.

Measures – Locations Germany:

Projects for the implementation of photovoltaic plants have been started at the three production sites. The maximum output of the plants will be around 7.4 MWp. This should cover around a maximum of 35 percent of electrical energy consumption at these sites. In detail, the following measures have been implemented at the German sites:

Measures – Headquarters Munich: The lighting in the underground car park and the security lighting system were converted to LED.

Measures – Hörsching plant:

In addition to optimizations of the heating system as well as compressed air supply and installation of door air curtains, a changeover was made in the painting process. A hybrid system allows the electrical power generated in the PV system to be used to heat the curing oven, which leads to a reduction in natural gas consumption.

Measures – Reichertshofen location:

For the Reichertshofen site, the decision was made in fiscal year 2022 to install a photovoltaic system, which is currently being implemented. From the third quarter of 2023, an output of approx. 2.3 MWp is to be fed into the company's own network via the photovoltaic system. Various sustainability aspects were taken into account in the construction of the new logistics center due to the relocation from Karlsfeld to Reichertshofen. For example, the heat supply is provided by an air heating system and the lighting is LED across the board. In addition, a charging infrastructure with 16 charging points was implemented at the site.

Measures – Korbach location:

A photovoltaic system is currently being installed at the Korbach production site, which is expected to supply up to 2.1 MWp from the second quarter of 2023. In addition, air curtains were used on a trial basis in the logistics area in order to achieve a reduction in heating power. This will be evaluated in the new year.

Measures – Pfullendorf site:

At the Pfullendorf site, a photovoltaic system with a maximum output of 3 MWp is to go into operation by mid-2023. In addition, the administration building is to be heated alternatively with the help of a water heat pump system; commissioning is targeted for early 2023.

NON-FINANCIAL KEY FIGURES

Energy consumption and the resulting CO₂^{eq} emissions are recorded at the German and Austrian production sites and sales offices, as well as at the production, administration and sales sites in the USA. In addition, the emissions of the Swiss company are included in the scope of the report for the first time. The period under review for water consumption and waste volumes relates to October 1, 2021 to September 30, 2022.

In fiscal 2022, sales, production output and the scope of accompanying operational processes and logistics services increased again despite the ongoing COVID 19 pandemic and persistent bottlenecks in global supply chains and the energy crisis. This was accompanied by an increase in absolute energy consumption and associated emissions. Energy consumption in 2022 amounted to 92,703 MWh, a change of +2.49 percent compared to the previous year (2021: 90,454 MWh).

The CO₂^{eq} emissions generated were calculated using emission factors and energy consumption. In 2022, the sites considered emitted a total of 18,740 metric tons of CO₂^{eq} (2021: 18,162 metric tons), which corresponds to a change of +3.18 percent compared with the previous year.

Indirect emissions (Scope 2) amounted to 3,533 metric tons of CO₂^{eq} (2021: 3,724 metric tons), while direct emissions (Scope 1) totaled 15,208 metric tons of CO₂^{eq} (2021: 14,438 metric tons).

Since the energy demand and resulting greenhouse gas emissions (GHG emissions) are largely influenced by the production capacity utilization of the plants, it makes sense to look not at absolute energy consumption but at the measure of energy intensity (energy consumption in relation to revenue) and CO₂^{eq} emission intensity (CO₂^{eq} emission in relation to revenue).

In 2022, the energy intensity was 41.16 MWh/revenue in EUR million (2021: 48.47 MWh/revenue in EUR million). Compared with the previous year, this represents a reduction of around 15.09 percent.

CO₂^{eq} emission intensity in 2022 was 8.32 to CO₂^{eq}/revenue in EUR million (2021: 9.73 to CO₂^{eq}/revenue in EUR million), a reduction of approximately 14.49 percent from the previous year.

As with energy demand, water withdrawal and waste volumes are also highly production-dependent.

Water withdrawal at the sites under consideration amounts to 68,312 m³ for the period 01.10.2021 to 30.09.2022 (2021: 57,627 m³). The consumption mainly stems from the cleaning of machines after their production as well as from trial and test machines. In addition, water consumption occurs in the sanitary facilities located at the sites, such as toilet facilities or showers for employees. The process water required in small quantities is recycled for reuse by means of evaporator systems or other water treatment plants. Projects to reduce water withdrawal, such as use of rainwater or modification of process steps, are under consideration.

The semi-finished goods supplied to the respective sites as required input products and individual process steps in production generate waste to a certain extent. However, due to the high disposal requirements in place at each site, this amounted to only 10,076 tons (2021: 8,581 tons) of non-hazardous waste and 2,053 tons (2021: 1,313 tons) of hazardous waste in the above period. Continuous efforts are being made to reduce the volume of waste through measures such as recyclable packaging.

	2022 ¹	2021	Change
Energy consumption in MWh			
Power	29,219	28,766	+1.58%
District heating	1,788	2,421	-26.13%
Natural gas	37,901	39,275	-3.50%
Heating oil	779	532	+46.33%
Diesel	19,062	15,567	+22.45%
Gasoline	3,954	3,894	+1.55%
Total consumption	92,703	90,454	+2.49%
Energy intensity in MWh/ revenue in EUR million			
Energy intensity	41.16	48.47	-15.09%
CO₂^{eq} emissions in metric tons ²			
Electricity (Scope1)	3,078	3,109	-1.00%
District heating (Scope1)	454	615	-26.11%
Natural gas (Scope2)	8,506	8,814	-3.50%
Heating oil (Scope2)	233	159	+46.33%
Diesel (Scope2)	5,392	4,403	+22.45%
Gasoline (Scope2)	1,078	1,061	+1.55%
Total emissions	18,740	18,162	+5.34%
CO₂^{eq} emission intensity in metric tons of CO ₂ / revenue in EUR million			
CO ₂ ^{eq} emission intensity	8.32	9.73	-14.49%
Water withdrawal in m ³			
Water withdrawal	68,312	57,627	+18.54%
Water intensity in m ³ / revenue in EUR million			
Water intensity	30.33	30.88	-1.79%
Waste quantities in tons			
Non-hazardous waste	10,076	8,581	+17.42%
Hazardous waste	2,053	1,313	+56.37%
Total waste	12,129	9,894	+22.59%
Waste intensity in tons/ revenue in EUR million			
Waste intensity	5.38	5.30	+1.60%

¹ Figures for 2022 include the emissions of the Swiss subsidiary for the first time. Therefore, the absolute figures for 2021 and 2022 are comparable to a limited extent.

² Emission factors from GEMIS database, version 5.0 www.gemis.de; time reference 2015.



2.6 COMPLIANCE, DATA PRIVACY AND INFORMATION SECURITY

The international orientation and growth of the Group make it necessary to have an effective compliance management system to prevent corruption and bribery. The system covers the organizational structure and workflows, i.e. also the processes designed to prevent and fight bribery and corruption in the company. An important component here is the corporate culture practiced by management and employees, which aims to prevent irregularities and legal violations.

COMPLIANCE MANAGEMENT SYSTEM FOR ANTI-CORRUPTION WITH GLOBAL REACH

The compliance organization, which is responsible for the core compliance issues of anti-corruption, antitrust law and other financial offenses in the Group, is set up centrally. If necessary, Group-wide and thus globally uniform guidelines are issued by Group headquarters. The regional, local or functional compliance managers (regional presidents and/or local managing directors) promote the issue of compliance locally and in their area of responsibility. These regional or functional compliance managers support the various compliance measures and, for example, conduct training courses for employees as required. In 2022, no training was conducted by regional compliance managers. In their compliance function, they report on relevant issues to the Corporate Compliance Office, which is part of the Corporate Legal & Compliance department. The Chief Compliance Officer, who is also head of the Corporate Legal & Compliance department, reports directly to the Chairman of the Executive Board.

Compliance reporting is carried out semi-annually by the responsible local or regional compliance managers to the Corporate Compliance Office. This reporting is supplemented by a compliance self-assessment of all subsidiaries and staff functions in the form of a self-disclosure, which is submitted to the Corporate Compliance Office by the heads of the respective companies or staff functions.

The Group Compliance Committee, which is made up of the heads of Internal Audit, Corporate Legal & Compliance, and Human Resources, is the central point for all compliance reports that come to light. In consultation with the Executive Board, the committee steers the respective procedure on the basis of its rules of procedure. The Chief Compliance Officer reports both regularly and on an ad hoc basis to the Executive Board as well as on request, usually once a year, to the Supervisory Board.

In addition, the company has an Anti-Fraud Committee made up of managers from Internal Audit, Legal & Compliance, Information Security and Treasury. The Anti-Fraud Committee usually meets every six months, more frequently if necessary. It is responsible for defending against and dealing with possible fraud attempts or external attacks – for example in payment transactions – and for warning and informing employees. Process automation, IT security, guidelines and active communication to employees are used for this purpose. Information about fraud attempts is to be passed on by employees to the Anti-Fraud Committee.

ACTIVE PREVENTION OF CORRUPTION IN THE ORGANIZATION

The Group has set itself the goal of avoiding all forms of corruption. Among other things, preventive measures are intended to ensure that corruption risks are identified at an early stage and unlawful acts are thus avoided.

Employee training and information events on the topics of compliance, corruption prevention, avoidance of conflicts of interest, antitrust violations and money laundering are being further expanded worldwide to raise awareness in greater depth. Due to its international character, the Group relies on e-learning. Corresponding multilingual training content from a renowned provider has already been acquired, and the training courses will be offered via the online learning management system and completed by various target groups from fiscal 2021. In addition to basic training for every employee with access to e-learning offerings and every manager, target group-specific compliance training with more detailed content will be introduced in the medium term in order to strengthen independent action and systematize lawful behavior. A total of 866 employees completed the basic training, which was offered for the first time in 2021, in fiscal 2022. The proportion of employees trained in basic compliance training as a percentage of the total workforce is to increase continuously with the help of e-learning while also increasing international reach. The selection of employees and managers who are to take part in compliance training as a matter of priority is based on the corresponding risk potential; these are primarily employees from sales, marketing, purchasing and the administrative areas.

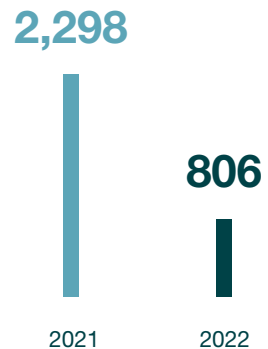
The Wacker Neuson Code of Conduct for employees, which includes principles of corporate ethics and behavioral guidelines for day-to-day work, but also addresses the issue of anti-corruption, is available in fifteen languages. Every new employee receives this Code of Conduct, and it is also available online on the Group intranet and in German and English on the Group website. All employees are bound by the Code of Conduct; a corresponding passage has been included in employment contracts since 2016. Managers should consciously act as role models here, be aware of their special responsibility as superiors and actively exemplify the principles.



Tell-it

AROUND THE CLOCK, WORLDWIDE AND CONFIDENTIAL, ALSO AVAILABLE ANONYMOUSLY ON REQUEST.

With the Tell-it whistleblower system, the Group has had an Internet-based communication channel for identifying possible violations of laws and policies for several years.



informational accesses to the Tell-it whistleblower system in 2022

MEASURES TO ANCHOR COMPLIANCE PRINCIPLES BEYOND THE BOUNDARIES OF THE COMPANY

Corruption is also to be prevented in the supply chain. The Group expects its suppliers to adhere to compliance principles. These are described in the Wacker Neuson Code of Conduct for Suppliers. Adherence to these principles forms the basis for a trusting and sustainable business relationship. The code of conduct is available on the Group website. Adherence to the compliance principles is also checked in the form of on-site supplier audits, so-called „Supplier Potential Assessments“. [🔗 Respect for human rights within the organization and throughout the supply chain](#)

The Group's Tell-it whistleblower system provides an Internet-based communication channel for identifying potential violations of laws and policies affecting Wacker Neuson Group companies. This whistleblower system is available to employees as well as business partners, customers and other third parties. Via the corporate website, Tell-it can be accessed around the clock, worldwide and confidentially, anonymously if desired. The system is monitored by the Corporate Compliance Office. Although no cases of corruption were reported during the year under review, the 806 (informational) hits (2021: 2,298) on the homepage of the Tell-it whistleblowing system emphasize the high level of awareness of the online platform from the Wacker Neuson Group's perspective.

In previous years, Group companies were already classified according to country risks in line with Transparency International's Corruption Perception Index. Starting in 2019, a concept for a more differentiated risk analysis of such compliance risks was anchored by the Compliance Office, among others. The questions based on this were also made available to all subsidiaries in the reporting year under the leadership of the Risk Management department. Depending on the results, individual risk minimization measures, in particular e-learning, are to be used in the coming years.

In fiscal year 2022, no case of confirmed corruption from within the organization was reported to the Compliance Committee. Likewise, no confirmed case of corruption in the supply chain was reported.

DATA PROTECTION AND INFORMATION SECURITY

The threat situation in information technology areas has worsened significantly worldwide. The increasing number of attacks and their greater degree of professionalism are causing ever greater damage. As a result, valuable know-how and processes as well as customer and employee data are at risk, which could pose a threat to the competitiveness and long-term existence of the Wacker Neuson Group.

To deal with the challenges, Wacker Neuson implemented initial projects from the previous year's Excellence Initiative in fiscal 2022, which include both technical and organizational packages of measures. This includes establishing an information security management system in line with ISO/IEC 27001, including aspects of a comprehensive information risk lifecycle. This extends from collection or detection (risk analysis), through treatment (risk control), to mitigation, relocation or acceptance of the risk by means of pending measures. Furthermore, the company operates a business continuity management as well as a data protection management, resulting in a consistent and documented continuous improvement cycle. In addition, the focus is on developing and maintaining a sound set of policies, procedures and relevant documentation to ensure accountability to all internal and external stakeholders. Projects have been bundled into so-called „Strategic Themes“ and are to be managed by means of these. This is intended to enable a dynamic and timely response to new developments.

Information security is currently anchored as a staff unit of Group IT. It sets uniform Group-wide and thus global guidelines and reports to the Group IT management and departmental management (CFO). In the course of the transformation, which will take several years, the organization will be steadily strengthened in terms of personnel and governance will be adapted. The aim is to achieve a stronger horizontal alignment of the topics, i.e. across brands and divisions. The aim is also to achieve a stronger vertical focus, i.e. the integration of security by design principles across the entire product, project and

data lifecycle. This means that security requirements should be systematically identified and taken into account as early as the idea generation or project initiation stage. Likewise, general and specific security measures should be observed and implemented until the end of the lifecycle. Regular, global awareness campaigns and simulations of common attack patterns accompany the reorganization.

With regard to data privacy, data privacy officers have been appointed for all Group companies for which the prerequisites for an obligation to appoint exist. For all European companies in the Group that do not meet these requirements or for which there is no obligation to appoint data privacy officers, data privacy coordinators have been appointed to support the respective data privacy officer in complying with the legal obligations and corporate policies. The data privacy officers and coordinators each report to the local controller, i.e. to the management of the respective Group company. In addition, the function of Group Data Privacy Officer („gDPO“) has been established, who reports to the CFO. The gDPO coordinates data privacy issues beyond Europe, is an independent observer of the local officers and coordinators, and serves as an escalation point between the CFO as the overall data privacy officer and the local organizational units when necessary.

The gDPO also chairs the Data Privacy Advisory Board, which is made up of the gDPO and the appointed data privacy officer of Wacker Neuson SE. The board adopts uniform organization-wide guidelines and processes and drives their anchoring in the local organizational units. It addresses opportunities and suggestions for improvement as well as any incidents, their reporting, treatment and prevention of their potential recurrence. At the same time, it ensures the exchange of knowledge among the officers and coordinators and informs them of changes or additions to the data protection regulations in the wake of new laws, decisions by the courts, or resolutions by national and European supervisory authorities.



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

PREVENTION TO RESPECT HUMAN RIGHTS IS AN IMPORTANT GOAL

The issue of human rights is of great importance to the Wacker Neuson Group, not least due to its international focus. In order to remain competitive in the long term, the Group is taking a far more international approach to supplier selection than was the case just a few years ago. The aim is to protect human rights, both within the organization and in the supply chain.

With the aim of preventing human rights violations within the organization, the Wacker Neuson Group has established a code of conduct for employees. [🔗 Compliance](#) Furthermore, Group principles are summarized in the „Declaration on the Prevention of Human Rights Violations in the Wacker Neuson Group and its Supply Chain“. It can be viewed on the company website.

In addition, the Group should be able to detect human rights violations. The online whistleblowing system Tell-it is available to employees and third parties, such as customers and suppliers. [🔗 Compliance](#) Suspected cases of human rights violations can also be reported here.

In fiscal year 2022, no complaints or suspected cases (2021: no complaints or suspected cases) involving violations of human rights aspects within the organization were reported to the Corporate Compliance Office.

Respect for and protection of human rights also play an important role within the supply chain. As a matter of principle, child labor and forced labor are not tolerated – neither at our own sites nor in business relationships with third parties. The Group also expects its suppliers in particular to actively address the issue of human rights.

In the course of implementing Strategy 2022 and in line with the goal of excellence, it is a concern of the Group to select only suitable suppliers. This places the focus on potential new suppliers when conducting supplier audits for direct production material. This task is the responsibility of the Supplier Development department, which is part of the Quality Management department. This department operates separately in the individual plants and uses globally coordinated methods and tools to carry out audits in risk countries.

The supplier audits for direct production material (so-called „Supplier Potential Assessments“) are carried out according to uniform Group-wide assessment standards. The review of compliance with Group-wide requirements on ESG standards and human rights is part of these audits. The only exception is the North American production company, which has included the issue of human rights in a separate supplier quality process audit. The basis for the qualification of potential suppliers is an internal guideline with uniform assessment criteria. These include, for example, the guarantee of freedom of association and the exclusion of child labor. If significant weaknesses are identified at suppliers, these are discussed with the suppliers in order to bring about a lasting improvement in the situation. In order to be integrated into the global supply network, new suppliers are screened against the internally defined criteria. This is intended to reduce the risks of human rights violations in the supply chain. Supplier relationships that existed before the standards were established are reviewed for compliance with these standards whenever there is a significant expansion of the business relationship. Decisions for or against a supplier are

made by the Supplier Nomination Committee. In addition to the technical and production managers of the plants, this committee includes (depending on the order volume and product group) the quality management departments including supplier development, technology, logistics, operational and strategic purchasing, and corporate aftermarket of the respective sites.

The Wacker Neuson Group has introduced a Code of Conduct for Suppliers to prevent human rights violations within the supply chain. Among other things, this code requires suppliers to respect human rights and refrain from using child or forced labor. It can also be viewed on the Group website. The Code of Conduct for Suppliers is a binding part of the contractual framework for framework agreement negotiations with suppliers. In the course of onboarding via supplier relationship management software (SRM), compliance with the Code of Conduct must be confirmed by the supplier when creating new suppliers (confirmation of compliance). With regard to the Code of Conduct, existing supplier relationships are also reviewed for compliance with these standards whenever there is a significant expansion of the business relationship. In this way, the proportion of audited business relationships among existing supplier relationships continues to increase. The purchasing managers at the sites are responsible for reviewing and approving supplier installations.

In preparation for the entry into force of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichten-gesetz), which will affect the Wacker Neuson Group from 2023, an interdisciplinary project team looked in detail at protected legal positions and required due diligence in fiscal 2022. This involved redefining and expanding activities in the area of human rights with regard to the risk aspects of child labor, forced labor and slavery, forced eviction and deprivation of land, occupational health and safety, freedom of association, discrimination, appropriate remuneration, torture and degrading treatment by security forces.

In this context, the policy statement on the prevention of human rights violations and the code of conduct for suppliers were updated, which will also apply to other business partners in the future. In addition, non-financial risk management in the areas of human rights and employee rights was expanded and extended to the supply chain. The prevention and mitigation measures for human rights-related risks were updated for the supply chain, and work also began on revising the Supplier Self Assessments and Supplier Potential Assessments with regard to human rights. The topic of human rights was also

No complaints of human rights violations in the organization or within the supply chain were reported in fiscal year 2022.



With the aim of embedding respect for human rights within the organization, the Wacker Neuson Group established a code of conduct for employees in fiscal 2014.

included in a dedicated manner in award decisions. In addition, a new category was added to the existing Tell-it whistleblowing system in order to be able to provide information on human rights in a more targeted manner in the future. The legal positions affected by the Supply Chain Due Diligence Act and the new processes were trained for the relevant employees and are to be rolled out in full in fiscal 2023.

In fiscal 2022, 20 supplier audits (2021: 28) were carried out at potential suppliers in Europe and China. In addition, 5 audits (2021: 11) were carried out at existing suppliers in Europe and China in fiscal 2022. The audits are generally determined according to industry- or country-specific risk criteria or on an event-driven basis. In addition to quality and delivery requirements, we are increasingly focusing on compliance with human rights, particularly with regard to working conditions. The reviews of both groups of suppliers revealed that there were no indications of violations with regard to human rights compliance in fiscal 2022 (2021: none). Furthermore, no complaints or suspected cases involving violations of human rights aspects within the supply chain were reported to the Group in fiscal 2022 (2021: none).

3. RISK ASSESSMENT **PROCESS**

The task of risk management with regard to „non-financial“ issues is to identify and assess the risks arising from the company’s business activities with regard to environmental, employee and social matters, respect for human rights and the fight against corruption. The focus here is on the question of what risks arise from business activities, business relationships, products or services on the aforementioned aspects. To this end, the Wacker Neuson Group’s central risk management team explicitly surveyed non-financial risks at all Group companies. To assess the risks, the probability of occurrence and extent of damage were queried and used to determine the gross risk. The gross risk and the strength of the reported countermeasures were then used to determine the net risk. Since the 2020 financial year, all reported risks have been regularly checked to ensure they are up to date by means of an automated reminder process.

As a result, there were no significant net risks from the Group’s perspective.

4. EU TAXONOMY

OBJECTIVE AND BACKGROUND OF THE EU TAXONOMY

In 2015, the global community set itself the goal of limiting global warming in the 21st century to well below two 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. According to these, the EU aims to achieve net-zero greenhouse gas emissions by 2050, and to reduce greenhouse gas emissions by at least 55 percent by 2030 compared with 1990. With the new Climate Protection Act coming into force in August 2021, the German government has already tightened the climate targets for Germany: by 2030, greenhouse gas emissions in Germany are to be reduced by at least 65 percent compared with 1990. The goal of greenhouse gas neutrality is to be achieved as early as 2045.

In the EU's view, this can succeed, among other things, if global financial flows are managed in such a way that public and private investments support the implementation of the agreed climate targets. The Paris Agreement formulates precisely this as one of its core objectives: the consistency of financial flows with development paths toward a climate-friendly world that is also resilient to the negative impacts of climate change.

A key instrument is the increase in transparency regarding „environmentally sustainable“ economic activities through the EU taxonomy. In particular, by classifying which economic activities are considered „environmentally sustainable“, the aim is to create certainty for investors and avoid greenwashing. It is based on Regulation (EU) 2020/852 of the European Parliament and of the Council of June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088, which on the one hand defines requirements for sustainable investments and on the other hand amends the Disclosure Regulation. The Taxonomy Regulation entered into force on July 12, 2020. The regulation mandates the EU Commission to adopt delegated acts to define technical assessment criteria. On December 9, 2021, the final delegated acts on the environmental objectives of climate change mitigation and adaptation were adopted.

The expansion of the EU taxonomy to include delegated acts for the remaining four environmental targets planned for 2022 has been postponed. Thus, the information given below continues to refer to the previous two environmental objectives „climate protection“ and „adaptation to climate change“.

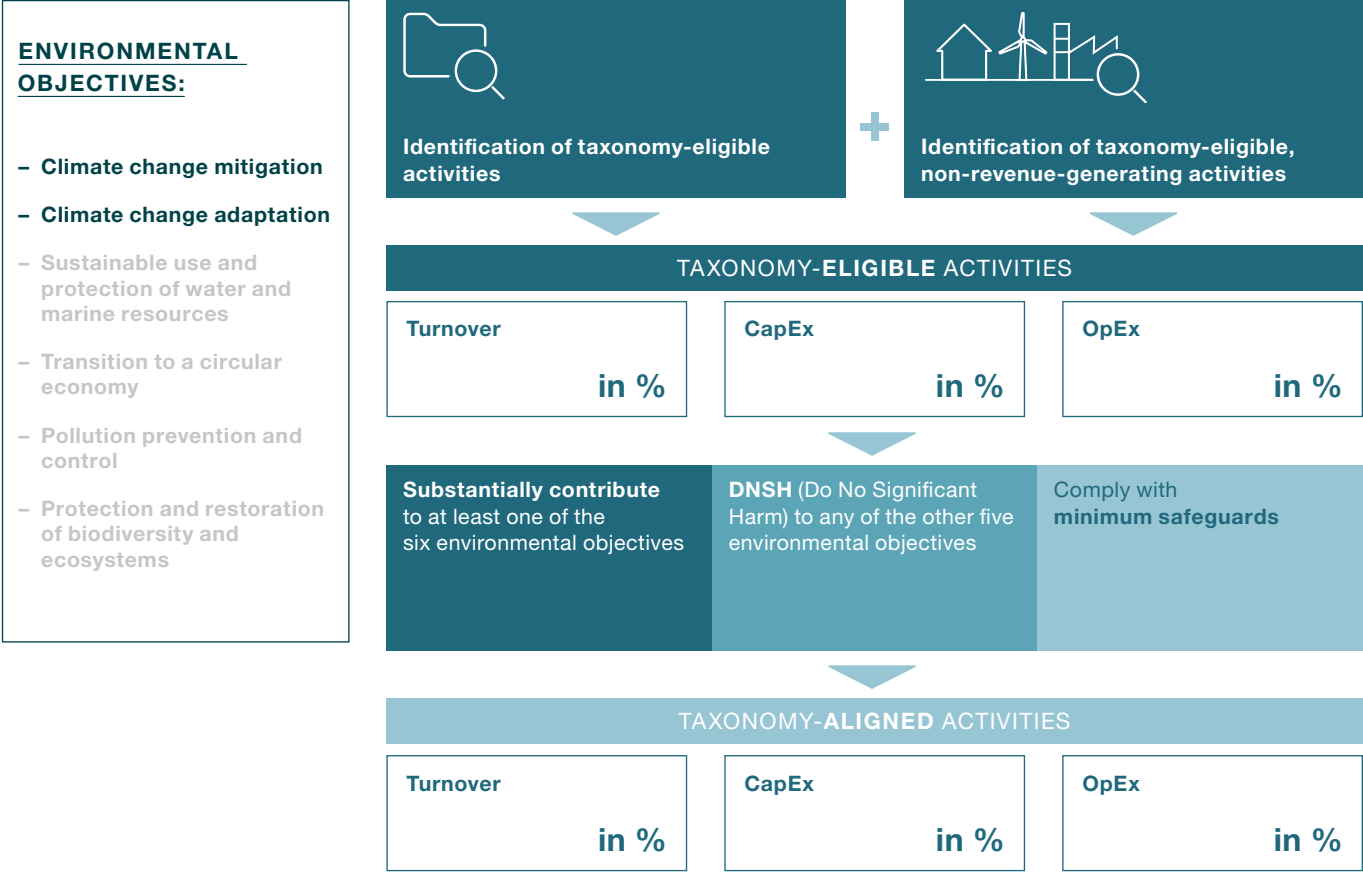
The EU taxonomy distinguishes between taxonomy-eligible and taxonomy-compliant (aligned) economic activities. Taxonomy-eligible economic activities are economic activities for which specific criteria have been defined in delegated acts for each environmental objective. For the environmental objectives „climate protection“ and „adaptation to climate change“, precise criteria have already been defined in the EU taxonomy. In this context, the EU taxonomy currently only includes criteria for economic sectors and economic activities that have the potential to make a significant contribution to climate protection or adaptation to climate change. Sectors responsible for 93.5 percent of direct greenhouse gas emissions in the EU were selected for the environmental goal „climate protection.“ At the same time, this means that there may also be economic activities that are „environmentally sustainable“ but are not currently covered by the taxonomy.

Economic activities are taxonomy compliant, i.e. „environmentally sustainable“ in the sense of the Taxonomy Regulation, if they cumulatively meet the following criteria:

- They make a substantial contribution to the respective environmental goal – currently climate protection or adaptation to climate change (Substantial Contribution), proven by compliance with the criteria defined by the EU (Technical Screening Criteria),
- They do not significantly affect the achievement of the five other EU environmental targets (DNSH: Do No Significant Harm) and
- They comply with minimum social protection criteria (Minimum Safeguards).

Via Article 8 of the Taxonomy Regulation in conjunction with Article 10 of the Delegated Act (EU) 2021/4987 of July 6, 2021, the disclosure requirements for the fiscal years starting in 2022 are regulated. The reporting requirements for the financial year 2022 are the taxonomy-compliant economic activities in relation to the first two environmental objectives and the share of revenue, capital expenditures (capex) and operating expenses (opex) associated with these economic activities in the respective total value of the Group. For fiscal year 2022, in addition to the reporting requirements from the previous year, taxonomy compliance must also be reported. In all likelihood, from 2023 the reporting requirement of taxonomy-compliant economic activities will be extended in relation to four further and thus all environmental targets determined by the EU.

REPORTING REQUIREMENT FROM FISCAL YEAR 2022



DETERMINATION OF THE TAXONOMY CAPABILITY AS WELL AS THE TAXONOMY CONFORMITY

Building on the results of the 2021 reporting, taxonomy-eligible and taxonomy-compliant economic activities were identified in 2022. The initial implementation of the key figure determination for taxonomy conformity was also carried out as part of a cross-divisional project team.

In order to determine the taxonomy-compliant business activities, all relevant business activities of the Wacker Neuson Group were reviewed. As part of the review, qualitative materiality considerations were applied in order to exclude obviously immaterial matters. When determining the economic activities eligible for taxonomy classification, the segments compact equipment and light equipment including research and development, vehicle fleet as well as investment activities in the field of real estate and energy efficiency measures were identified as relevant. In this context, it was possible to assign the business activity in the area of battery-powered light and compact equipment („zero emission“ product portfolio) to the economic activity „3.6 Production of other low-CO₂ technologies“, „6.5 Transportation by motorcycles, passenger cars and light commercial vehicles“, and in the area of investment activities to „9.1 Market-related research, development and innovation“. In contrast, the examination of economic activities 7.3, 7.5 and 7.7 in fiscal year 2022 revealed that they either did not take place or were classified as immaterial in the context of materiality considerations.

The identification of taxonomy-compliant activities with respect to the first environmental objective builds on the taxonomy-compliant activities. The verification of the material contribution was carried out for the respective economic activities by conducting interviews with the experts of the respective specialist department, evaluations of the existing certifications as well as the implementation of the respective specified verification requirements by the project team. With regard to the evidence of the avoidance of significant adverse effects, the requirements of the delegated act were also reviewed and documented by the project team in cooperation with the specialist departments for each relevant economic activity. The described audit procedures of the significant contribution, the criteria for the avoidance of significant adverse effects and the minimum social requirements were only carried out with regard to sites within the EU, as the zero emission production sites are exclusively located there. This was carried out by the project team with the involvement of the respective specialist departments and the legal department.

Based on the assessment of taxonomy eligibility and conformity, the internal data collection of the financial indicators required by the taxonomy – revenue, capital expenditure (capex) and operating expenses (opex) – was used to convert the economic activities identified as taxonomy-eligible and taxonomy-compliant into key figures. As far as possible, the financial indicators were assigned directly to a corresponding economic activity on the basis of the population, taking into account materiality principles. This avoids double counting in the allocation. The financial indicators were determined on the basis of the IFRS consolidated financial statements for the financial year 2022.

In fiscal 2022, 1.35 percent of Group revenue was taxonomy-compliant and included the zero emission product portfolio with the exception of products manufactured for the Group by external partners. Revenue was allocated according to the share of zero emission products in total revenue. This revenues of zero emission products forms the numerator of the financial indicator „revenue“. The population of revenue (denominator of the financial indicator) represents the line item „Revenue“ in the consolidated income statement (see page 76 in the consolidated financial statements) for the fiscal year 2022. The decrease in taxonomy ability compared to fiscal 2021 is mainly due to the fact that zero emission products accounted for a larger share of total revenue in fiscal 2021 than in fiscal 2022.

In fiscal 2022, the taxonomy-eligible capex ratio was 17.30 percent and the taxonomy-compliant capex ratio was 11.75 percent. Based on the project description of the additions, an analysis regarding taxonomy eligibility and taxonomy conformity as well as a comparison with Annex I (Significant Contribution to Climate Change Mitigation) and Annex II (Significant Contribution to Climate Change Adaptation) of Del. VO 2021/2800. The sum of additions from investments in connection with the acquisition of taxonomy-compliant services and products in the areas of research and development and low-CO₂ technologies and vehicle fleet forms the numerator of the taxonomy-compliant Capex figure in the amount of EUR 23.2 million. Similarly, the investments that are also taxonomy-compliant are combined into a further total (EUR 15.8 million). The difference between the taxonomy-compliant and the conforming key figure results from the fact that the taxonomy-compliant key figure also includes companies from non-EU countries as well as the economic activity „6.5 Transport of motorcycles, passenger cars and light commercial vehicles“, while the taxonomy-compliant key figure only includes EU member states and the economic activity „6.5 Transport of motorcycles, passenger cars and light commercial vehicles“ could not meet the criteria for the significant contribution and the DNSH criteria. The increase in taxonomy capability compared to FY 2021 is mainly due to more investment in FY 2022 under the economic activities „6.5 Transportation by Motorcycles, Passenger Cars, and Light Trucks“ and „9.1 Market-Related Research, Development, and Innovation.“

The universe (denominator of the financial ratio) of capital expenditures comprises the Group's investments in „Property, plant and equipment“ (including rights of use in accordance with IFRS 16 and, where applicable, investments in „Non-current assets held for sale“), „Investment property“ and „Other intangible assets“ (excluding „Goodwill“) in fiscal 2022.

In fiscal year 2022, 10.41 percent of operating expenses (opex) were taxonomy eligible and 10.31 percent were taxonomy compliant. The universe (denominator of the financial ratio) of operating expenses includes expenses for maintenance and repair of machinery and buildings and research and development expenses, excluding depreciation, amortization, impairment losses and lease payments made. The numerator, on the other hand, essentially comprises the taxonomy-compliant portions from „Maintenance & Repair“, „Short-term Lease“, „Building Renovation Measure“, „Other“, and „R&D.“ The difference between the taxonomy-compliant and the conforming key figures is due to the fact that the taxonomy-compliant key figure also includes companies from non-EU countries, while the taxonomy-compliant key figure only includes EU member states, as only these could fulfill the criteria for the significant contribution and the DNSH criteria and comply with the regulatory requirements of the EU taxonomy. The increase in the taxonomy capability compared to fiscal year 2021 is mainly due to the fact that in fiscal year 2022, in particular, more research and development activities took place as part of the zero emission product portfolio and therefore more expenses were also incurred in this regard.

There was no change in the valuation method compared to fiscal year 2021.

No information is provided on further nuclear power and gas reporting sheets according to VO (EU) 2022/1214 as Wacker Neuson does not perform any of these activities.

The preparation of the required disclosures was fundamentally associated with uncertainties for Wacker Neuson SE as questions regarding the definition of taxonomy-eligible economic activities, the interpretation of the technical assessment criteria as well as minimum protection criteria have not yet been conclusively clarified by the EU Commission.

Munich, March 23 2023

Wacker Neuson SE, Munich

The 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)

COURTESY TRANSLATION: INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT OF A SEPARATE NON-FINANCIAL GROUP REPORT

To Wacker Neuson SE, Munich

CONCLUSION

We have performed a limited assurance engagement on the separate non-financial group report (hereinafter the "non-financial group report") of Wacker Neuson SE, Munich, (hereinafter the "Company") for the purpose of complying with section 315c in conjunction with sections 289c to 289e of the German Commercial Code [HGB] and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for facilitating sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the delegated acts adopted in this respect for the financial year from 1 January 2022 to 31 December 2022.

Not subject to our limited assurance engagement are the external sources of documentation, infographics as well as image material and captions.

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the attached separate non-financial group report for the period from 1 January 2022 to 31 December 2022 has not been prepared, in all material aspects, in accordance with the relevant German legal and European regulations and the substantiating criteria outlined by the company's legal representatives.

We do not express an audit opinion on the external sources of documentation, infographics as well as image material and captions.

BASIS FOR THE CONCLUSION

We have performed our limited assurance engagement in accordance with the draft German auditing standard: Limited assurance engagement on non-financial (group) reports outside the scope of an audit of financial statements (IDW EPS 991 (11.2022)), as issued by the Institute of Public Auditors in Germany, Incorporated Association [Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)] and the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibility is further described in the section "Practitioner's Responsibility for the limited assurance engagement related to the separate non-financial group report".

Our audit firm has applied the quality assurance system requirements of the International Standard on Quality Management (ISQM 1) as issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We have complied with the German professional requirements on independence and other ethical requirements.

EMPHASIS OF MATTER – PRINCIPLES FOR THE PREPARATION OF THE NON-FINANCIAL GROUP REPORT

Without modifying our conclusion, we draw attention to the explanations in the non-financial group report, in which the principles for the preparation of the non-financial group report are described. The non-financial group report was prepared by the company to meet the requirements of section 315c in conjunction with sections 289c to 289e of the German Commercial Code (HGB) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the delegated acts adopted in this respect. Consequently, the non-financial group report is not suitable for other purposes.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE NON-FINANCIAL GROUP REPORT

The legal representatives are responsible for the preparation of the non-financial group report in accordance with the relevant German legal and European regulations and with the specific criteria outlined by the legal representatives, as well as for such internal control as the legal representatives determine it necessary to enable the preparation of a non-financial group report that is free from material misstatement, whether due to fraud or error (e.g. manipulation of the non-financial group report).

This responsibility includes the selection and application of appropriate methods to prepare the non-financial group report as well as making assumptions and estimates about individual non-financial disclosures that are reasonable under the circumstances.

The relevant regulations contain phrases and terms that are subject to considerable uncertainties of interpretation and for which authoritative comprehensive interpretations have not been published yet. Accordingly, the legal representatives have provided their interpretations of such phrases and terms in the section on the EU Taxonomy Regulation of the non-financial group report. The legal representatives are responsible for the reasonableness of these interpretations. As such phrases and terms may be interpreted differently by regulators or courts, the legality of such interpretations is uncertain.

The supervisory board is responsible for overseeing the process of preparing the non-financial group report.

PRACTITIONER'S RESPONSIBILITY FOR THE LIMITED ASSURANCE ENGAGEMENT RELATED TO THE NON-FINANCIAL GROUP REPORT

Our objective is to express a conclusion with limited assurance, based on our limited assurance engagement performed, as to whether any matters have come to our attention that cause us to believe that the non-financial group report has not been prepared, in all material respects, in accordance with the relevant German legal and European regulations as well as the substantiating criteria outlined by the legal representatives of the company.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The selection of the assurance procedures is at the practitioner's discretion.

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

- Assessment of the suitability of the criteria presented by the legal representatives in the non-financial reporting as a whole
- Evaluation of the overall presentation of the non-financial group report
- Interviews on the preparation process of the materiality analysis and evaluation of relevance and completeness of the selected topics
- Evaluation of the preparation process and the implemented controls
- Identifying and assessing the risk of material misstatement of the non-financial group report,
- Performing statement-related procedures on selected disclosures in the non-financial group report,
- Evaluation of future-oriented disclosures. There is a significant unavoidable risk that future events will differ materially from the future-oriented statements,
- Evaluation of the processes of identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial group report.

As set out in the description of the legal representatives' responsibilities, the legal representatives have interpreted the wording and terms contained in the relevant regulations; the legality of these interpretations is subject to the inherent uncertainties mentioned in this description.

RESTRICTION ON USE AND DISTRIBUTION OF OUR REPORT

We draw attention to the fact that the limited assurance engagement was carried out for the purposes of the Company and that the report is only intended to inform the Company of the result of the limited assurance engagement. Consequently, it is not suitable for any other purpose than the aforementioned. Thus, the report is not intended for third parties to make (financial) decisions based on it. Our responsibility is to the company alone. We do not accept any responsibility to third parties. Our conclusion is not modified in this respect.

GENERAL TERMS OF ENGAGEMENT

The General Engagement Terms for Certified Auditors and Audit Firms as of 1 January 2017 (<https://www.mazars.de/Home/Services/Audit-Assurance/Auftragsbedingungen>) as well as our Special Engagement Terms for audits and audit-related services as of 1 June 2019 shall apply during our limited assurance engagement. Clause 9 of the General Engagement Terms regulates the liability of our profession and contains a limitation of liability with respect to third parties. We shall not assume any responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the third party or such exclusion of liability would be ineffective.

We expressly point out that we do not update the report with regard to events or circumstances occurring after it was issued, unless there is a legal obligation to do so. Whoever takes note of the result of our work summarised in the above report must decide on his own responsibility whether and in what form he considers this result useful for his own purposes and extends, verifies or updates it by his own investigative actions.

Hamburg, 22 March 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft



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