



Wacker Neuson  
Group

# Creating Sustainable Success

Non-financial Group report 2023



# SUSTAINABILITY AT A GLANCE

EUR **93** million

research and development expenses in 2023 including capitalised expenses (2022: EUR 79 million)

**69**

new patent and utility model applications in 2023 (2022: 60)

**-11** %

CO<sub>2</sub><sup>eq</sup> emission intensity<sup>1</sup> compared to previous year

<sup>1</sup> emissions in tons CO<sub>2</sub><sup>eq</sup>/sales in EUR million

**25 + 5**

The Wacker Neuson Group's portfolio includes 25 battery-powered products for the construction industry and 5 more for the agricultural sector.

**-3** %

energy intensity compared to previous year

<sup>2</sup> energy consumption in MWh/sales in EUR million

**226**

apprentices in 2023<sup>3</sup>

<sup>3</sup> in Germany, Austria, Switzerland and the UK

## ABOUT THIS REPORT

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 information required for an understanding of the Group's business performance, business results, the situation and the impact of its business activities on the following reportable aspects:



**Environmental matters**



**Employee matters**



**Social matters**



**Respect for human rights**



**Combating corruption and bribery**

It also contains the disclosures 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 referred to as the "EU Taxonomy Regulation") and the delegated acts adopted in this regard.

Unless otherwise stated, all information relates to the Group. A framework such as that of the Global Reporting Initiative (GRI) is not used due to the different materiality assessment. Responsibility for sustainability lies with the Chairman of the Executive Board.

In 2022, a materiality analysis was conducted at the Wacker Neuson Group and seven topics were identified as material in this context. For 2023, these topics were updated in light of the CSR-RUG requirements applicable to Wacker Neuson and confirmed as still material. A materiality analysis adjusted in accordance with CSRD requirements will be carried out in preparation for the CSRD reporting obligation for Wacker Neuson from fiscal year 2024. The results will be published with the 2024 non-financial report.

### The following key topics remain valid for the 2023 financial year:

- 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 relate to 2023, supplemented by comparative figures from 2022. The reporting period corresponds to the calendar year (1 January to 31 December). All amounts are rounded in accordance with standard commercial practice. In the case of totals, rounding differences may occur in the presentation due to values being rounded up or down to two decimal places.

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# 1. THE WACKER NEUSON GROUP

The Wacker Neuson Group is an international group of companies with around 6,600 employees<sup>1</sup> and eight production sites in Germany, Austria, Serbia, the US and China. As a leading manufacturer of light and compact equipment, the Group offers its customers worldwide 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 railway companies and industrial enterprises. The Group's product brands include Wacker Neuson, Kramer and Weidemann. Other brands and holdings include Enar, Battery One and Sequello. In 2023, the Group generated revenue of around EUR 2.655 billion. Wacker Neuson SE, a European stock corporation (Societas Europaea) based in Munich, acts as a management holding company with a centralised management structure and is responsible for strategic Group management. It directly or indirectly holds the shares in 49 consolidated Group companies and one company valued at equity. The Group is managed by the four-member Executive Board team of Wacker Neuson SE, 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 information on the Wacker Neuson Group and its business model, please refer to the Combined Management Report of Wacker Neuson SE and its Group for fiscal year 2023.

## OUR VISION

Our innovative solutions drive technological change.

## OUR PURPOSE

We make a strong contribution to sustainable construction and agriculture.

## OUR MISSION

We make our customers more productive than anyone else in the market.

EUR **2.7** billion

in sales 2023  
(2022: EUR 2.3 billion)

**6,579**

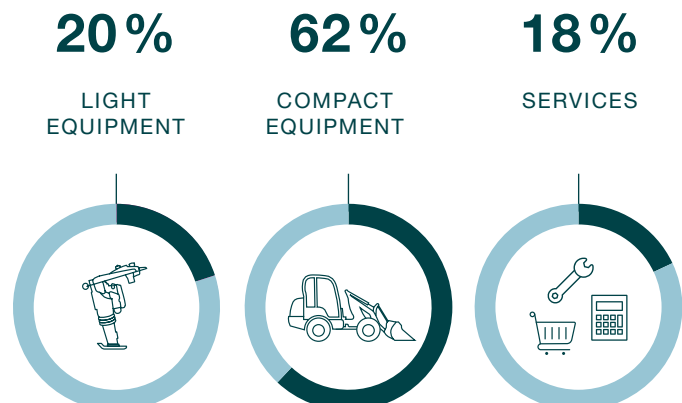
employees worldwide in 2023  
(2022: 6,301)

## EMPLOYEES BY DIVISION IN 2023



2022: production 58%; sales and service 24%; research and development 9%; administration 9%

## DISTRIBUTION OF REVENUE BY BUSINESS SEGMENT 2023



2022: light equipment 23%; compact equipment 57%; services 20%

<sup>1</sup> 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.

## **2. SUSTAINABILITY AT WACKER NEUSON GROUP**

For the future viability of the Wacker Neuson Group's business model, it is crucial to embed sustainable thinking and action in all Group processes. In addition to economic growth and increasing profitability, social responsibility, climate protection and the intelligent use of resources are also relevant for the Wacker Neuson Group. In fiscal year 2023, the most important aspects were environmental and climate protection, a strong 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 contributes to employee and environmental concerns.

### **SUSTAINABILITY WITH TANGIBLE LEVERS – AN INTEGRAL PART OF STRATEGY 2030**

The Wacker Neuson Group aims to create long-term added value for its customers, investors, employees and other stakeholders with its products and innovations. In mid-June 2023, the Wacker Neuson Group presented its new corporate strategy to the public. In this "Strategy 2030", the Group sets out guidelines for continuing its growth trajectory of recent years with the aim of significantly increasing revenue and earnings in the long term. A detailed explanation of this can be found in chapter "General Framework" of the annual report. To structure the individual steps in the implementation of the new corporate strategy, "Strategy 2030" is based on ten strategic levers. They describe milestones for growth prospects resulting from the market position, the innovative product portfolio, regional expansion opportunities, digitalisation and efficiency gains, as well as aspects of sustainability and employee retention and development.

Neo-ecology, urbanisation and connectivity are important long-term megatrends that require the Wacker Neuson Group to continuously develop its business model. The Executive Board is convinced that they will lead to 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 key economic factor. Neo-ecology as a megatrend is transforming the economy towards a new economy focussing on sustainability and social responsibility. Technological innovations play an important role in helping to overcome current and future challenges.<sup>1</sup> 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 expect companies not only to be fully transparent with regard to their emissions and reduction targets, but are also closely monitoring on whether actual efforts are in line with the targeted climate goals.<sup>2</sup> Further information on this can be found in the section "Anchoring the sustainability strategy in the corporate strategy".

<sup>2</sup> Source: Zukunftsinstitut, 4 Zukunftsthesen zum Megatrend Neo-Ökologie, <https://www.zukunftsinstitut.de/dossier/megatrend-neo-oekologie/>, retrieved on 29.09.22

<sup>3</sup> Source: Roland Berger: Publication relating to UN Climate Change Conference in Glasgow, #roadmactop26, Sustainability & Climate protection, <https://www.rolandberger.com/de/Insights/Global-Topics/Sustainability-Climate-Action/Publications/>



Three key strategic levers of “Strategy 2030” alone therefore focus on the topic of sustainability at the Wacker Neuson Group and thus cover the important aspects of E, S and G, which stand for environmental, social and governance. We define our contribution to a sustainable and future-proof Wacker Neuson Group under the two strategic levers “Sustainability Actions” and “zero emission solutions”.

With its zero emission product strategy, Wacker Neuson Group 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, thereby helping to reduce CO<sub>2</sub><sup>eq</sup> emissions. The growing electrification of the product portfolio is of increasing importance to the Wacker Neuson Group, with the aim of steadily expanding sales of battery-powered products from their current comparatively small share of total Group revenue (see [Sustainable product development – Sustainable products](#)). With the neo-ecological dynamic and associated initiatives, Wacker Neuson Group expects demand for compact equipment to increase – for example, due to the planned expansion of e-charging stations and construction work to be carried out on public roads for this purpose.

Urbanisation has led to a global increase in the population of cities. After the Zukunftsinstitut assumed during the peak of the Corona pandemic that this megatrend would slow down or even reverse, it has now become generally accepted that the influx into urban areas will not dry up in the coming decades.<sup>1</sup>

„HOUSE OF STRATEGY“ AS A FRAMEWORK FOR NEW “STRATEGY 2030”



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

Shorter innovation cycles and rising customer expectations therefore demand new solutions for zero emission and digital products. With new solutions and sales channels, the Group is responding to the change in customer needs, which is characterised by the connectivity megatrend. Digital services are becoming increasingly important, machines are working (partially) autonomously or with assistance systems and construction sites are becoming connected. The Wacker Neuson Group sees these changes as an opportunity to help shape the future and fulfil customer needs even better. As product differentiation alone is becoming increasingly difficult, the Group recognises the need to supplement traditional products with innovative business models and make them fit for the future. The company group is transforming itself from a machine manufacturer into a full-service solution provider. In the eStore of the Wacker Neuson ePartner brand, for example, product configurations and orders can be placed online, which is the Group's response to changing customer purchasing behaviour. Digital service offerings also give customers access to machine and fleet data. This enables customers to deploy resources in a more targeted manner, minimise downtimes and optimise the utilisation of their machines (see [Customer-orientation](#)). Increasing digitalisation is also having an impact on construction site activities, for example through the expansion of fibre optic broadband. Construction equipment and compact construction machinery in particular are used for laying fibre optic cables.

The Wacker Neuson Group is committed to an intensive and proactive dialogue on future topics and the networking of all relevant market players. The Group not only wants to provide impulses, but also create a shared digital ecosystem with suppliers and customers in the long term. The Group is therefore involved in several associations. Within the German Engineering Federation (VDMA), Wacker Neuson Group is a partner of the Blue Competence sustainability initiative to promote sustainability in mechanical and plant engineering and to familiarizing sustainable solutions within the industry.

Successful, innovative, high-quality products and agile processes in all areas of the company to further increase the operational excellence are created through and with the ideas of the highly qualified employees. Another important and therefore third strategic lever of our "Strategy 2030" with a special focus on sustainability is therefore "Best Company to work for". Under this heading, the group formulates its aspiration to invest in the continuous professional development of its employees and thus in the promotion of commitment, agility and teamwork as the key to future and sustainable corporate success (see ["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 THE SUSTAINABILITY STRATEGY IN THE CORPORATE STRATEGY

The Wacker Neuson Group is aware of its responsibility for a future worth living. The Group can only fulfil this responsibility if it succeeds in encouraging all employees to think and act sustainably. To achieve this, sustainability is firmly anchored in the corporate strategy. With the aim of acting in a climate-responsible and socially responsible manner, manufacturing innovative and environmentally friendly products and ensuring the long-term viability of the business model, the framework for a sustainability strategy was defined in fiscal year 2021 based on the United Nations Sustainable Development Goals (SDGs). The Wacker Neuson Group has identified goals 6, 8, 9, 11, 12 and 13 from the United Nations' 17 Sustainable Development Goals (SDGs) as the most relevant areas of action. This is because our business activities as an engineering company give us the greatest potential to have a direct or indirect impact on the economic, environmental and social goals of the United Nations in these SDGs.

The activities of the Group's sustainability strategy contribute to these sustainable development goals. In fiscal years 2022 and 2023, the sustainability strategy was further developed and also embedded in the "Strategy 2030" published in June 2023. The sustainability strategy plays a key role here as a separate strategy lever under the term "Sustainability Actions". Approaches from the areas of environmental and climate protection were integrated with a focus on reducing CO<sub>2</sub> emissions from the company's own activities, which are intended to contribute in particular to targets from SDG 13. In addition to an increase in energy efficiency and an increase in investments in climate protection (e.g. photovoltaic systems), the Wacker Neuson Group wants to achieve a reduction in CO<sub>2</sub> emissions in particular. By 2025, 50 percent of CO<sub>2</sub> emissions in Scope 1 and Scope 2 are to be reduced compared to 2019. The Group also sees the contribution of the zero emissions programme to reducing CO<sub>2</sub> emissions in the operation of the equipment it produces as a major lever for achieving SDG 11 targets and would like to expand this business area. The Group has set itself a sales growth target of +50 percent per year in the zero emission business area.



**The Wacker Neuson Group has identified SDGs 6, 8, 9, 11, 12 and 13 as the most relevant areas of action. This is because our business activities as an engineering company give us the greatest potential in these SDGs to have a direct or indirect impact on the economic, environmental and social goals of the United Nations.**



## **2.1 CUSTOMER ORIENTATION**

### **FOCUS ON THE CUSTOMER**

The Wacker Neuson Group focuses on aligning the company with the needs of its customers. 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 year 2023, the Wacker Neuson Group continued to pursue and drive forward customer focus as a central element. In addition to end customers in the construction and agricultural industries, customer groups include trade partners and rental chains as well as international construction companies.

### **CONTROL ELEMENTS**

In the area of customer orientation, topics and activities are coordinated with the managing directors and other managers of the sales companies, the factories, the central functions Corporate Digital Products & New Business, Corporate Marketing and Corporate Sales Tools & Processes and the Executive Board.

### **INCREASING CUSTOMER SATISFACTION AND LOYALTY**

The Wacker Neuson Group actively seeks proximity to its customers in order to precisely understand their requirements and needs. Through continuous feedback, customer requirements can 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 was conducted at the beginning of 2023. Customer satisfaction is analysed amongst other factors with regard to the support provided by the Group's own sales team, delivery, product quality, spare parts as well as trader satisfaction with sales and service support and the training offered. Each marketing cluster then receives an individual evaluation of the results in order to derive measures to increase customer satisfaction.

When developing a new product or solution, the Wacker Neuson Group is in close dialogue with its customers. Representatives from construction companies, traders, 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 dialogue with future users from the initial idea until 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 dialogue with its customers and align the Group even more closely with market needs.

The Wacker Neuson Group aims to make everyday work easier for its customers with digital solutions. Customers and traders can use the online ordering and information platform **ePartner** to find out about products, spare parts, accessories and their availability, configure compact equipment and place orders for machines and spare parts at any time. The implementation of ePartner for the Weidemann and Kramer brands was already successfully completed in fiscal year 2022 and the roll-outs for the Wacker Neuson brand will continue in 2023, for example in the Netherlands.



**During the development of a new product, the knowledge and practical experience of customers are directly incorporated into the development process as part of Voice of Customer (VoC) events.**

Both end customers and traders can benefit from the Group's further developments in the field of **digital servicing**. The EquipCare telematics solution ensures transparency in fleet management. Machines equipped with EquipCare report maintenance requirements, malfunctions or unexpected changes of location in real time to the customer's end device (desktop, tablet, smartphone). The tool gives customers a comprehensive overview of their machines, their location, the number of operating hours, downtimes and upcoming services. EquipCare enables technical support from customers and traders and the service of the Wacker Neuson brand to work hand in hand – and therefore particularly efficiently. The aim is to provide customers with a smooth process, short downtimes, less time required and therefore a more efficient way of working. In addition, EquipInspector – the new Machine diagnostics of the Wacker Neuson brand – was introduced in fiscal year 2023. EquipInspector is a new platform for quickly and efficiently determining the machine status on site. The platform is the first step towards a comprehensive workshop information system. Service-relevant information is bundled in this system and made available to the service technician quickly and clearly.

For the Wacker Neuson Group, local presence to the customer is essential. With the principle of **“one-stop solution provider”**, qualified and motivated employees are available from consulting to sales processing and servicing – on the sales partner side and in direct sales via the Wacker Neuson Group branches. **Regional presence** to the customer through our own sales and service centres and support from competent trade partners play a major role in ensuring long-term and trusting cooperation. With the help of the location finder, customers can quickly and easily find their local branch or dealer on the websites.

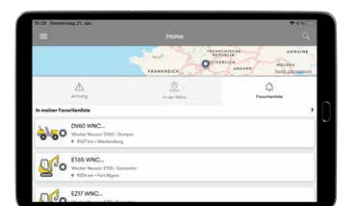
Across the Group, the **Corporate Aftermarket** unit offers customers high delivery reliability, competence and quality and therefore optimum spare parts availability. Spare parts orders are processed according to order type and customer requests are already taken into account when placing the order.

Thanks to the ePartner ordering platform, almost all retailers have been able to place their orders electronically since 2022. The service level<sup>1</sup> for the fulfilment of customer orders was 96 percent in the 2023 financial year. The new logistics centre in Mülheim-Kärlich near Koblenz, which was built on a 105,000 square metre site with a total of 55,000 square metres of warehouse space in accordance with the highest sustainability standards of the German Sustainable Building Council (DGNB), was completed in 2023. The aim is to achieve DGNB-Platinum-certification. The DGNB report is currently still being prepared following completion of the building. The logistics centre is intended to ensure future-proof storage capacity for the Wacker Neuson Group. The warehouse technology, including an automated small parts warehouse, was also installed and the processes and software tested in 2023. The planned go-live is scheduled for mid-2024. This will be followed by the relocation of around 100,000 spare parts from the current warehouse in Nuremberg to Mülheim-Kärlich, which should be completed by the end of 2024.

<sup>1</sup> Measured in OTS (Order to Shipment): Average percentage of orders received within the order acceptance period that were handed over to the carrier on the same day.

Since mid-2023, the new Attachments business unit has been installed in the Corporate Aftermarket. The aim is not only to generate sustainable sales with attachments as original equipment for products, but also to offer a comprehensive portfolio for excavators, telehandlers, wheel loaders and skid steer loaders as an aftermarket business. This will enable us to address customer needs even better in the future and support the Wacker Neuson Group brands in their role as solution providers.

The Wacker Neuson Group offers its customers worldwide a **training programme** for products, service and sales. The programme is aimed at the Group’s own sales and service employees as well as traders, 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) as well as at the production sites in Pfullendorf, Korbach (Germany) and Pinghu (China), among others. In 2023, the “foundation stone” for the Wacker Neuson eCampus was laid as part of a Group-wide project. The sales and service channels of all three Group brands are connected and networked on a completely redesigned learning management platform. The platform organises the respective training content and provides a booking portal. It also enables skills management, which means that users will be able to precisely record and analyse skills on the basis of predefined skills profiles in future. The go-live for the learning platform is planned for January 2024.



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



# 96%

**Service level<sup>1</sup> 2023**  
(2022: 96%)



**Newly opened in 2023: Mühlheim-Kährlich logistics centre**

## TARGETED DIALOG WITH CUSTOMERS

Creating proximity to customers also means maintaining an ongoing dialogue. 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 brand websites, 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 Weidemann brand and the Wacker Neuson Group, following the implementation of the Wacker Neuson and Kramer brand websites in 2022. The modern, user-friendly design and in-depth information on the new websites offer visitors a positive user experience. There is also an even greater focus on video: With different types of videos, depending on the platform used, the products are brought to life emotionally. In this way, information is conveyed in an entertaining way and the practical use of the machines and devices is visualised.

Personal touchpoints with customers include trade fair appearances and events in addition to the sales staff from the company's own sales organisations and trade partners. Wacker Neuson presented new products and proven solutions at trade fairs such as Conexpo in the US,

Matexpo in Belgium, Nordbau in Neumünster and Samoter in Italy amongst others. The Wacker Neuson Group also took part in the annual Construction Equipment Forum conference in Berlin as a competence partner, exhibiting zero emission solutions at its own stand and giving a specialist presentation. In addition, Kramer and Weidemann presented products and solutions at the international Agritechnica trade fair in Hanover and many other agricultural equipment trade fairs and events in Central Europe.

In addition to trade fairs, events are regularly organised for dealers and customers to strengthen personal relationships. In September 2023, for example, the Wacker Neuson Group organised the long-standing event "Wacker Neuson Universe" at the production and development site in Reichertshofen. A total of almost 900 customers and traders from the EMEA region came together during the week of the event to experience the brand and the latest innovations. Two exclusive international trade and customer days were also held at Kramer. The focus was on experiencing the products and spirit of the Kramer brand as well as strengthening relationships.

<sup>1</sup> 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.

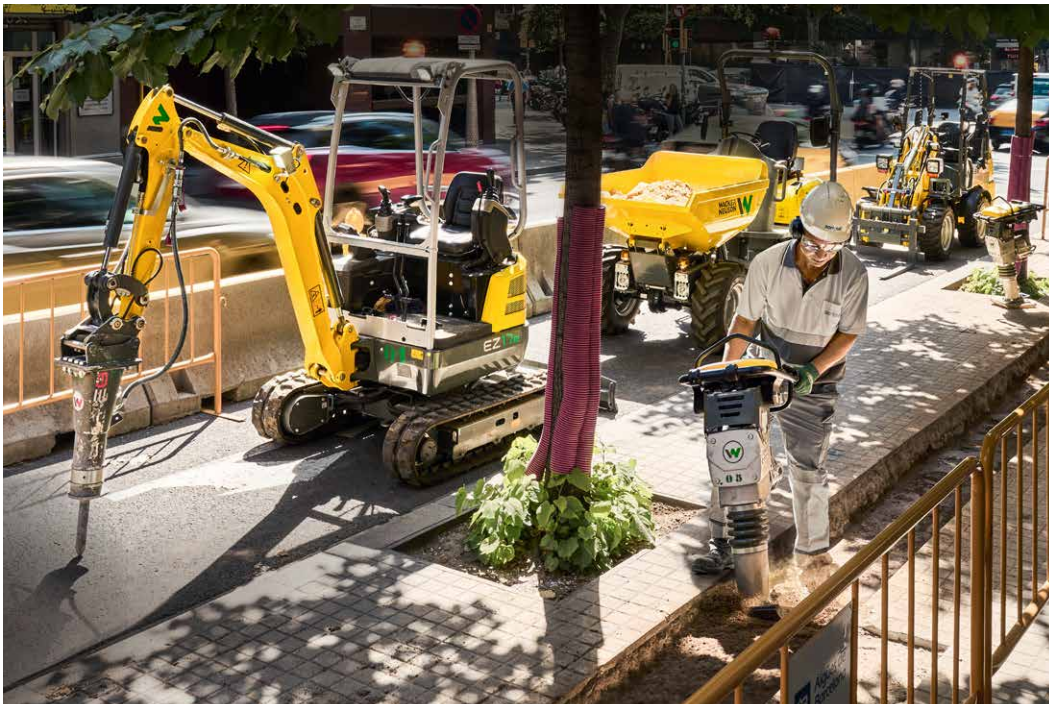
## 2.2 SUSTAINABLE PRODUCT DEVELOPMENT – SUSTAINABLE PRODUCTS



### FOCUS ON ENERGY EFFICIENCY AND PRODUCT SAFETY

The Wacker Neuson Group is aware of its responsibility for an environmentally friendly, safe and ergonomic product range. As a global supplier of light and compact equipment, the Group must comply with numerous national and international laws on environmental and user protection, particularly with regard to exhaust emissions, ergonomics, noise and vibration. The product portfolio is therefore constantly reviewed in terms of additional requirements, harmonised standards and regulations and adapted accordingly if 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 and often goes well beyond legal requirements with its products in terms of environmental and user protection. 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 Wacker Neuson Group's success. The R&D ratio including capitalised expenses was 3.5 percent in fiscal year 2023 (2022: 3.5 percent). The Wacker Neuson Group actively protects innovative products and processes from unwanted imitation through patents and utility models. The Group registered 69 new patents and utility models worldwide in fiscal year 2023 (2022: 60) and 64 patents and utility models were granted (2022: 70). The Wacker Neuson Group has a total of 301 patents and utility models worldwide (2022: 251).



### FOCUS ON PROCESS IMPROVEMENTS

In the 2023 fiscal year, the continuous focus was on process improvements in product development, which should lead to shorter time-to-market, cost efficiency, increased innovation performance and high product quality. The customers should benefit from the numerous new product developments. The Wacker Neuson Group continues to offer a broad and attractive zero emission product portfolio.

Cooperations with universities, institutes, research organisations, suppliers and development service providers are consistently geared towards the future demand for zero emission products, greater automation of application processes in the agricultural and construction industries, sustainability and efficiency gains in the use of machines.

The R&D expertise built up in recent years was further strengthened in order to consolidate capabilities in the areas of simulation, calculation, thermal management, NVH optimisation (noise vibration harshness), software development, function 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 detailed technical customer requirements early on in the development process.

### FOCUS ON ENVIRONMENTALLY FRIENDLY PRODUCTS, FOCUS ON REDUCING EXHAUST EMISSIONS

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

In addition to reducing exhaust emissions, the Wacker Neuson Group is prioritising activities in the area of eco- and energy efficiency in order to meet the requirements for an even more environmentally friendly and safer product range in the future. This includes the development of new control systems that optimise machine travel drives. Functions such as the energy-saving mode reduce energy consumption and increase energy efficiency. Examples of this include the efficient electric drive train with integrated ECO mode in the new electric wheel loaders and the new battery-powered telehandler. Engineers are also working on new drive concepts and the standardisation of components across different models, modules and product groups.

# 69

**new patent and utility model applications in 2023 (2022: 60)**

# 64

**patents and utility models granted in 2023 (2022: 70)**

# EUR 93 million

**research and development expenses in 2023 (2022: EUR 79 million)**

# 3.5%

**R&D ratio in 2023 (R&D as a percentage of revenue including capitalised expenses) (2022: 3.5%)**

# 10%

**share of employees in research & development in 2023 (2022: 9%)<sup>1</sup>**

<sup>1</sup> 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



**PRODUCT DEVELOPMENT FOLLOWS REGIONAL CUSTOMER DEMAND**

The corporate strategy is to develop and produce products increasingly in those regions where they are primarily sold. When 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 as best as possible in terms of development, delivery conditions and service, as well as to shorten transport routes, reduce freight costs and thereby reduce CO<sub>2</sub><sup>eq</sup> emissions through regional procurement and production.

**BROAD RANGE OF BATTERY-POWERED COMPACT AND LIGHT EQUIPMENT**

Part of Strategy 2030 – and firmly anchored in the product and technology roadmap for the coming years – is the strategic lever of zero emission solutions. 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, vibratory plates and rollers for soil compaction and internal vibrators for concrete compaction, the product portfolio also includes tracked and wheeled dumpers, a hybrid mini excavator, a fully electric mini excavator and various fully electric models of our wheel loaders and telehandlers for construction and agricultural applications. The start of production (SOP) of two wheel loader platforms and a telehandler platform using a common 96V-architecture represents an important milestone here, as this has enabled the electrification step into the next higher performance classes of construction machinery. The expansion of the modular system of e.g. batteries, inverters and electric motors provides the basis for further product developments and portfolio expansions in several product groups in the coming years. Wacker Neuson Group also offers solutions for flexible power supply on the construction site as part of the zero emission ecosystem. These include energy storage solutions and charging infrastructure solutions.

Construction sites in emission-sensitive environments, such as residential areas, tunnels, underground car parks or building interiors, can be operated without exhaust emissions and quietly with the zero emission product portfolio. The products offer special protection for users and the environment, require less maintenance and have 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-electric powered products are growing strongly, even if they still account for a relatively small share of the Group's total revenue. The Wacker Neuson Group believes that alternative drive concepts will play an important role in the future of the construction and agricultural machinery industry and has also invested in this area in 2023. The Group anticipates that the construction industry will also be subject to stricter regulation in the coming years in light of the ambitious goals of the EU Green Deal. Combined with expected technological leaps in the field of battery technology, battery-powered light and compact equipment is therefore likely to become increasingly important. The Wacker Neuson Group therefore aims to continue along this path and continuously expand its team of development experts in this area over the coming years.

When developing new products, the Group attaches great importance to modularisation. For example, the battery for the currently available electric vibratory plates and rammers as well as the high-frequency internal vibrator can be used in a modular way. This solution not only offers financial added value for the customer, but also protects the environment, as fewer batteries are required overall.



## zero emission

The zero emission portfolio comprises 25 different products for the construction industry and 5 compact machines for agriculture – from internal vibrators to battery-powered rammers, battery-powered vibratory plates, electric rollers, electric wheel loaders and telehandlers, hybrid mini excavators, electric mini excavators and electric wheel and track dumpers.

### HIGH IMPORTANCE OF PRODUCT SAFETY, USER PROTECTION AND ERGONOMICS

The safety of its customers plays a central role for the Wacker Neuson Group. The machines should be easy to operate without any risk of danger and provide users with the best possible support in their work. The Group is continuously improving the user safety of its products, whether through technical modifications to existing series or through the development of new, innovative products, such as the new EW100 wheeled excavator. The machine design has been specially developed to meet operator's needs in terms of optimum visibility. For example, the right tyre can be seen very well in the normal sitting position, which significantly increases safety for the operator and those around him. The optimised visibility around the machine makes the EW100 safer and more manoeuvrable, especially on the road and in tight spaces on the construction site.

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

Further innovations in this context are the newly introduced premium models of the 8 series wheel loaders for the Kramer brand, with SOP in Q1 2024, whose improvements in the hydraulic, electronic and travel drive architecture lead to fuel savings of over 10 percent while at the same time increasing productivity and performance.

In addition to battery electric drives, our experts analyse other alternative drives and assess them for use in our products. The focus here is primarily on the use of alternative fuels. After Wacker Neuson Group machines were initially operated with HVO fuel (hydrogenated vegetable oil) for several years in field tests – to rule out any technical disadvantages – every machine that comes out of the German plants from 2024 will now be filled with HVO fuel instead of conventional diesel and HVO fuel will be approved for use in our machines by end customers. This will significantly reduce the CO<sub>2</sub> emissions of the machines in use.





The zero emission product portfolio of Wacker Neuson, Kramer and Weidemann is constantly being expanded and currently comprises 15 compact machines and 15 construction machines, including six zero emission wheel loaders, four telehandlers and nine vibratory plates in various performance classes.





## **2.3 RESPONSIBLE EMPLOYER**

### **SATISFIED EMPLOYEES AS THE FOUNDATION OF CORPORATE SUCCESS**

At the end of fiscal year 2023, the Wacker Neuson Group employed 6,579 people worldwide, including its Wacker Neuson, Kramer and Weidemann brands (2022: 6,301)<sup>1</sup>. The employees are the most valuable asset – they form the foundation for the Group's success and future-oriented growth. In order to promote their professional and social skills and maintain their enthusiasm, the Group endeavours to create optimal working conditions, pay attractive salaries and promote an appreciative and open corporate culture. This year, the 175th anniversary of the company was celebrated around the globe together with the employees.

The Wacker Neuson Group is convinced that satisfied and committed employees are more productive and efficient. Therefore, it is important for the company to ensure that employees feel comfortable in their workplace. Aspects such as work-life balance, attractive working conditions, a wide range of career development opportunities and a lived management culture are fundamental prerequisites for the employees' willingness and ability to perform and influence employee loyalty. Within the Group, the average length of service among employees is 7.8 years (2022: 8.4 years)<sup>2</sup> and the staff turnover rate is 14.2 percent (2022: 14.7 percent)<sup>3</sup>.



**As a result of the dedication of the motivated employees the Wacker Neuson Group can look back on a successful year 2023.**

## SUCCESSFULLY SHAPING THE FUTURE TOGETHER WITH OUR EMPLOYEES

The new HR strategy developed in 2023 is one of the ten strategic levers of the “Strategy 2030”. Under the motto “Best Company to work for”, the HR strategy defines the strategic fields of action and objectives of HR work and sets out Group-wide initiatives and priorities to support the group’s long-term growth. First initiatives have already been launched, such as revising the employer branding, expanding the range of benefits and intensifying succession planning. The Wacker Neuson Group is also placing a stronger focus on diversity. In October 2023, the company signed the “Diversity Charter”, a declaration by the Germany-wide initiative Charta der Vielfalt e.V., which aims to promote diversity and inclusion in the workplace.

The Wacker Neuson Group aims to foster a corporate culture characterised by mutual respect and appreciation. Since fiscal year 2020, five management principles have served as guidelines for all employees to work together. They form a common basis for the Wacker Neuson Group’s understanding of values and were reaffirmed in 2023 with their inclusion in the “Strategy 2030”.

## ATTRACTIVE AND SECURE WORKING CONDITIONS

Throughout the Group, the company pays attention to attractive, competitive and comparable salary levels, particularly in view of the shortage of skilled labour and competition on the employer market. The company strives to identify and implement optimisation potential in the areas of workplace conditions, health and well-being at an early stage so that employees feel able to cope with technological, methodological or organisational changes in working life and see change as an opportunity.

Salaries are supplemented by additional benefits such as anniversary benefits, meal expenses, pension schemes and health management, etc. Many of the Group’s companies worldwide are bound by collective agreements, including the company in Serbia since 1 January 2023. In addition, a new company collective agreement was concluded with the IG Metall in 2023 for around 2,000 employees in Germany, which is valid indefinitely

<sup>1</sup> 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.

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

<sup>3</sup> 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 numbers 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**

and can be terminated for the first time on 31 December 2030. It includes new elements such as a life-phase-oriented full-time working time option, which allows employees to choose between the collectively agreed full-time working hours or 40 hours per week each year.

In the Declaration of Principles on Global Human Resources published in June 2023, the company commits to the goal of providing its employees worldwide with excellent working conditions based on the United Nations Universal Declaration of Human Rights, the United Nations Global Compact and the fundamental conventions of the International Labour Organization (ILO). Occupational health and safety and accident prevention regulations comply with international industry standards and are regularly reviewed and updated. Responsibility for the important topic of occupational health and safety lies with the individual companies of the Wacker Neuson Group.

#### WORK-LIFE BALANCE

Being a family-friendly employer and supporting employees in achieving a good work-life balance is a basic concern of the Wacker Neuson Group. This includes the option of mobile working, new support services for childcare such as a preschool allowance or summer holiday childcare, flexible working time models and a wide range of part-time options. Even after the end of the coronavirus pandemic, employees are still free to decide, in consultation with their manager, how much mobile working they wish to do, provided their contractual duties allow it. However, measures have also been taken to make working on site attractive again, for example through new room concepts or new formats for personal dialogue. This forms the framework for ensuring that all employees can perform their work as well and as flexibly as possible.

# 6,579

**Employees 2023**  
(2022: 6,301)<sup>1</sup>

# 7.8

**years of service**  
**in 2023**  
(2022: 8.4 years)<sup>2</sup>

# 14.2%

**Staff turnover in 2023**  
(2022: 14.7%)<sup>3</sup>

<sup>1</sup> 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.

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

<sup>3</sup> 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 numbers of employees as of Dec. 31.



## **2.4 TRAINING AND TALENT DEVELOPMENT**



### **TRAINING AND INDIVIDUAL SUPPORT**

In order to remain competitive in the future, the Wacker Neuson Group relies on committed and qualified employees. Lifelong learning is essential in keeping with the times and meeting the demands of the working world professionally. The Wacker Neuson Group facilitates continuous learning for its employees through various training programmes: Webinars, team and individual coaching, external and internal training, e-learning and on-the-job training concepts. Employees should not only be able to realise their full potential in their work, but also continue to develop – both professionally and personally. This aims to secure and expand motivation and skills in the long term.

This starts with in-company training. In fiscal year 2023, the Wacker Neuson Group trained 226 young people in Germany, Austria, Switzerland and the UK (2022: 208). Training is provided in industrial, technical and commercial professions on the one hand and in practice-oriented degree programmes at dual universities on the other. The takeover rate after training was 89.8 percent in the 2023 financial year (2022: 94.6 percent).

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

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

In German-speaking countries, employees can select site-specific and national training programmes via the HR training portal on the global intranet. In the 2023 financial year, more face-to-face training courses were once again added to the training programme, supplementing the existing e-learning offering. New seminars and training programmes in the areas of labour law, leadership, resilience and communication expanded the range of courses on offer. These were designed specifically for the Wacker Neuson Group and therefore tailored to the needs of employees.

### **WIDE RANGE OF CAREER DEVELOPMENT PROGRAMMES**

In a working environment that is becoming increasingly dynamic due to the digital transformation, among other things, the demands on management 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. The Group is already responding to these new requirements with a targeted HR strategy and development programmes.

The Wacker Neuson Group continued to invest in training on agile working methods in 2023 in order to provide employees with the necessary knowledge of modern working methods. In both the commercial and technical areas, there were training programmes for agile enablers/coaches, product owners and agile project management, which are designed to empower the employees. Traditional project management, project management systems and sophisticated communication in projects are also being taught in regular training sessions.

# 89.8%

**Takeover rate 2023**  
(2022: 94.6%)



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



# 226

**apprentices in Germany, Austria, Switzerland and the United Kingdom in 2023**  
(2022: 208)

The “PersPACTIVE” leadership programme for prospective managers has been running in German-speaking countries since 2012. PerspACTIVE is a multi-stage, modular programme for developing leadership skills. The participant groups are put together across divisions and locations; as a result, the programme not only promotes specialist knowledge, but also contributes to a shared leadership culture. In 2023, four groups were trained in different modules. In addition, another international, English-speaking group started the programme in November. It is offered in hybrid form for this specific target group.

Since 2018, “ReflACTION” has offered a development platform for middle managers from Germany and Austria; in 2022, the programme was expanded to include the target group of project managers. Managers are shown their personal strengths and areas for development, from which qualification recommendations are derived and their implementation is supported over the long term. The programme focuses on self-reflection, with participants getting to know themselves and their own values better and being able to draw conclusions about their own actions as leaders. To this end, they go through various tasks in order to receive dedicated feedback from a team of observers to compare their self-image with that of others. In 2023, six rounds of this Development Centre took place.

In 2015, the Group-wide T.A.G. (train and grow) trainee programme was introduced as part of our efforts to secure the next generation of employees. The programme is aimed at master’s graduates in technical and commercial fields and is designed for a maximum of 24 months. The duration of the individual departmental assignments varies between two and four months. At least one of the assignments must be completed in a foreign subsidiary, and project work must also be completed in the trainee group. The diversity of the assignment departments enables programme participants to get to know the Group quickly and from different perspectives. Similar to the “INTRAMove”, “PerspActive” and “ReflACTION” employee programmes, the trainee programme also promotes networking between the Group’s various companies. Demand for trainees remains high, meaning that trainee positions could be offered in 2023 at the same level as the previous year.

## 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. The Wacker Neuson Group 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. By certifying its largest locations in accordance with DIN EN ISO 14001 (environment) and 50001 (energy), the Wacker Neuson Group can evaluate the effects of its value creation processes on the environment – within its own system boundaries – and derive appropriate improvement measures. All production and sales locations in Germany and Austria as well as the Group headquarters in Munich are certified (hereinafter referred to as “certified companies”).

### TARGETS

In the 2021 fiscal year, the framework for a sustainability strategy was defined on the basis of the United Nations Sustainable Development Goals (SDGs). In the 2022 and 2023 fiscal years, this strategy was further developed and presented as part of the new corporate strategy. With regard to the base year 2019, a CO<sub>2</sub><sup>eq</sup> reduction target was set, which states that emissions for Scope 1 and 2 of the companies considered must be reduced by around 50 percent from 38,104 tonnes to 19,550 tonnes by 2025. This corresponds to a reduction in CO<sub>2</sub><sup>eq</sup> emissions intensity from EUR 20 tonnes/million to EUR 6.5 tonnes/million (around -68 percent).

# 57%

**of Wacker Neuson Group production sites are certified according to DIN EN ISO 14001 and DIN EN ISO 50001 (2022: 57%)**

The reporting horizon was extended in 2023 to include additional locations, meaning that it now includes the companies responsible for around 90 percent of the Wacker Neuson Group’s total revenue (2022: around 75 percent). They can therefore not be compared with the figures of previous years. The environmental key figures have been supplemented by the companies listed below:

#### Production sites:

- China
- Serbia
- Spain (ENAR)

#### Sales companies:

- Switzerland
- France
- Poland
- England
- Canada



**Photovoltaic system in Korbach**





## MEASURES

Annual management assessments 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 reviewed and enforced. In addition, periodic coordination meetings are held between the central energy and environmental management of the "Corporate Real Estate" company function and the local contacts from the energy and environment departments. This overarching dialogue ensures that the potential savings identified can also be examined at other locations and implemented if necessary. Centralised data management additionally promotes this.

In the 2023 fiscal year, several projects to improve energy efficiency and conserve resources were again completed or initiated.

### Measures – locations in Germany and Austria:

In the 2023 fiscal year, electricity procurement for all locations in Germany and Austria was again covered by 100 percent green electricity, which is reflected accordingly in the CO<sub>2</sub><sup>eq</sup> balance. In addition, projects to replace natural gas-powered processes / plants with alternative energy supplies were initiated and some have already been completed.

For example, the following measures were implemented at the sites:

### Measures – Munich headquarters:

A charging infrastructure with 15 charging points was implemented in the underground car park and a feasibility study for a PV system was initiated. In addition, the existing wildflower meadow (around 40 sqm) was extended by around 500 sqm.

### Measures – Hörsching site:

Implementation of a measuring point concept for thermal energy to identify potential savings. A switch to reusable containers in logistics leads to a reduction in waste. The production expansions were equipped with low-energy heating systems. In addition, projects have been launched to extend the PV system to the entire roof area and to utilise groundwater (heat pumps).

### Measures – Reichertshofen site:

Due to its size, the PV system is still being realised, in addition, installation also began immediately on the newly constructed logistics building because of a rescheduling. Commissioning is scheduled for the second quarter of 2024. In addition to renewing the heating control system for halls 1 to 6, the company also switched to a more energy-efficient boiler for hot water preparation. The control system for the academy's heating and cooling system was also modernised. In addition, the exterior lighting was

replaced with energy-saving LED lamps. The thermal refurbishment of Halls 4 and 5 was initiated and is due to be finalised in 2024. The installation of new coating technology has also resulted in a reduction in energy consumption.

### Measures – Korbach site:

The photovoltaic system is still being realised. Commissioning is scheduled for Q1 2024. In addition, a booster system (electric preheating) was installed this year to reduce the oven temperature of the paint shop from 205°C to 160°C, resulting in a reduction in natural gas consumption. In addition to the changeover to waste compactors, which will lead to a reduction in collection intervals, the logistics department switched to reusable racks and containers on a large scale, resulting in a reduction in waste volume. The heating control system was also modernised and replaced with more energy-efficient pumps. Rainwater cisterns were installed at the newly built test site and dispatch area in order to reduce water consumption.

### Measures – Pfullendorf site:

In addition to the PV system (3 MWp) currently being implemented, the lighting in the administration building was converted to LED in 2023. Due to supply problems, the water heat pump for heating the office building will only be commissioned at the beginning of 2024. A 1,000 kW liquid gas boiler was installed to ensure security of supply.

### Measures – USA site:

In April 2023, the production site in Milwaukee switched completely to green electricity and carried out a feasibility study and profitability analysis for a photovoltaic system.

## NON-FINANCIAL KEY FIGURES

Energy consumption and the resulting CO<sub>2</sub><sup>eq</sup> emissions as well as water consumption and waste generated were recorded in 2023 for sites that generate 90 percent of the Wacker Neuson Group's total revenue.

In the 2023 financial year, sales, production output and the scope of accompanying operational processes as well as logistics services increased again despite the tense economic situation, bottlenecks in global supply chains and the war in the Middle East. This was accompanied by an increase in absolute energy consumption and the associated emissions. Energy consumption in 2023 amounted to 105,759 MWh, a change of 14.08 percent compared to the previous year (2022: 92,703 MWh).

The resulting CO<sub>2</sub><sup>eq</sup> emissions were calculated using emission factors and energy consumption. In 2023, the locations under consideration emitted a total of 19,589 tonnes of CO<sub>2</sub><sup>eq</sup> (2022: 18,740 tonnes), which corresponds to a change of +4.53 percent compared to the previous year.

Indirect emissions (Scope 2) amounted to 4,120 tonnes of CO<sub>2</sub><sup>eq</sup> (2022: 3,533 tonnes) and direct emissions (Scope 1) to 15,469 tonnes of CO<sub>2</sub><sup>eq</sup> (2022: 15,208 tonnes).

As energy requirements and the resulting greenhouse gas emissions (GHG emissions) are largely influenced by the production capacity utilisation of the plants, it makes sense to look at the energy intensity (energy consumption in relation to revenue and CO<sub>2</sub><sup>eq</sup> emissions intensity (CO<sub>2</sub><sup>eq</sup> emissions in relation to turnover) rather than absolute energy consumption.

In 2023, energy intensity was 39.84 MWh/sales in EUR million (2022: 41.16 MWh/sales in EUR million). Compared to the previous year, this represents a reduction of around 3.21 percent.

The CO<sub>2</sub><sup>eq</sup> emission intensity in 2023 was 7.38 to CO<sub>2</sub><sup>eq</sup> /sales in EUR million (2022: 8.32 to CO<sub>2</sub><sup>eq</sup> /sales in EUR million), which corresponds to a reduction of around 11.32 percent compared to the previous year.

As with energy demand, water extraction and waste generation are also heavily production-dependent.

Water withdrawal at the locations under review for the period 1 October 2022 to 30 September 2023 amounts to 90,377 m<sup>3</sup> (2022: 68,312 m<sup>3</sup>). Consumption is mainly due to the cleaning of machines after production as well as of testing and trial machines. In addition, water is consumed in the sanitary facilities at the sites, such as toilet facilities or showers for employees. The small quantities of process water required are recirculated for reuse via vaporiser systems or other water treatment systems. Furthermore, projects to reduce water withdrawal, such as the use of rainwater with the help of cisterns or changes to process steps, are being examined for their feasibility.

Semi-finished products, that are delivered to the respective locations in the form of required preliminary products, and individual process steps in production generate a certain amount of waste. However, due to the high disposal requirements that apply at each site, for example maximum purity or recyclability of materials, this only amounted to 14,825 tonnes (2022: 10,076 tonnes) of non-hazardous waste and 2,698 tonnes (2022: 2,053 tonnes) of hazardous waste in the period mentioned above. The review of measures such as substitution or reusable containers should lead to a further reduction in volumes.

	2023 <sup>1</sup>	2022	Change
<b>Energy consumption</b> in MWh			
Electricity	35,289	29,219	20.77%
District heating	2,087	1,788	16.70%
Natural gas	37,784	37,901	-0.31%
Heating oil	1,014	779	30.21%
Diesel	23,620	19,062	23.91%
Gasoline	5,965	3,954	50.85%
<b>Total consumption</b>	<b>105,759</b>	<b>92,703</b>	<b>14.08%</b>
<b>Energy intensity</b> in MWh/revenue in EUR million			
Energy intensity	39.84	41.16	-3.21%
<b>CO<sub>2</sub><sup>eq</sup> emissions</b> in tonnes <sup>2</sup>			
Electricity (Scope2)	3,748	3,078	21.77%
District heating (Scope2)	371	454	-18.30%
Natural gas (Scope1)	8,290	8,506	-2.54%
Heating oil (Scope1)	293	233	25.75%
Diesel (Scope1)	5,573	5,392	3.36%
Gasoline (Scope1)	1,314	1,078	21.89%
<b>Total emissions</b>	<b>19,589</b>	<b>18,740</b>	<b>4.53%</b>
<b>CO<sub>2</sub><sup>eq</sup> emission intensity</b> in tonnes CO <sub>2</sub> /revenue in EUR million			
CO <sub>2</sub> <sup>eq</sup> emission intensity	7.38	8.32	-11.32%
<b>Water withdrawal</b> in m <sup>3</sup>			
Water withdrawal	90,377	68,312	32.30%
<b>Waste quantities</b> in tonnes			
Non-hazardous waste	14,825	10,076	47.13%
Hazardous waste	2,698	2,053	31.43%
<b>Total waste</b>	<b>17,523</b>	<b>12,129</b>	<b>44.47%</b>
<b>Water intensity</b> in m <sup>3</sup> /revenue in EUR million			
Water intensity	34.04	30.33	12.24%
<b>Waste intensity</b> in tonnes/revenue in EUR million			
Waste intensity	6.60	5.38	22.57%

<sup>1</sup> Figures for 2023 also include emissions from other production and sales locations. Therefore only limited comparability of the figures for 2022 and 2023.

<sup>2</sup> Emission factors for 2022 from GEMIS database, version 5.0 [www.gemis.de](http://www.gemis.de); Time reference 2015; for 2023 from DEFRA database, version 1.1; time reference 2023 and local factors (USA, China, Serbia, Spain, Switzerland, France, England, Canada, Poland).



## **2.6 COMPLIANCE, DATA PRIVACY AND INFORMATION SECURITY**

The international orientation and growth of the Group make an effective compliance management system necessary with regard to the prevention of corruption and bribery. The system includes the structural and procedural organisation, i.e. also the processes with which bribery and corruption are to be prevented and combated within the company. An important component of this is the corporate culture practised by company management and employees, which aims to prevent irregularities and violations of the law.

### **COMPLIANCE MANAGEMENT SYSTEM WITH GLOBAL REACH**

The compliance organisation, which is responsible for the core compliance issues of anti-corruption, antitrust law and other financial offences within the Group, is set up centrally. Group headquarters issues standardised Group-wide and therefore global guidelines as required. The regional, local or functional compliance managers (regional presidents and/or local managing directors) promote the topic of compliance locally and in their area of responsibility. These regional or functional compliance managers support the various compliance measures and, for example, organise training courses for employees as required. No training was conducted by regional compliance managers in 2023. 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 the head of the Corporate Legal & Compliance department, reports directly to the CEO.

Compliance reporting is carried out every six months 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's 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 controls the respective procedure on the basis of its rules of procedure. The Chief Compliance Officer reports to the Executive Board both regularly and on an ad hoc basis and, if requested, usually annually to the Supervisory Board.

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



**ACTIVE PREVENTION OF CORRUPTION IN THE ORGANISATION**

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 avoided.

Employee training and information events on compliance, corruption prevention, avoiding conflicts of interest and anti-trust violations are being expanded worldwide in order to achieve a deeper sensitisation. The Group is focussing on e-learning due to its international nature. Corresponding multilingual training content from a renowned provider has been offered via the online learning management system since the 2021 fiscal year and completed by various target groups. In addition to basic training (offered in seven languages) for every manager and every employee with access to e-learning, target group-specific compliance training with more detailed content will be introduced in the medium term in order to strengthen responsible behaviour and systematically promote lawful conduct. A total of 678 employees completed the basic training programme, which has been offered since 2021, in the 2023 fiscal year; a total of 2,532 employees have completed this training since its introduction. The proportion of employees receiving basic compliance training as a percentage of the total workforce is set to increase continuously with the help of e-learning, while at the same time increasing the international reach. The selection of employees and managers who should primarily take part in compliance training is based on the corresponding risk potential; these are primarily employees from sales, marketing, purchasing and administrative areas.

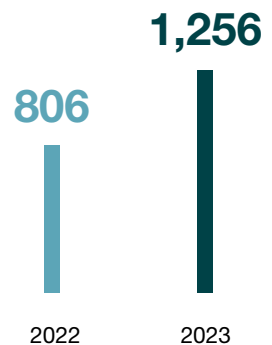
The Wacker Neuson Code of Conduct for employees, which contains principles of corporate ethics and behavioural guidelines for everyday working life, but also addresses the issue of anti-corruption, is available in fifteen languages. Every new employee receives this Code of Conduct, which is also available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



# Tell-it

**AROUND THE CLOCK, WORLD-WIDE AND CONFIDENTIALLY, ALSO AVAILABLE ANONYMOUSLY ON REQUEST.**

**With the Tell-it whistleblowing system, the Group has had an internet-based communication channel for several years to identify possible violations of laws and policies.**



**informational accesses to the Tell-it whistleblower system**

## MEASURES TO ANCHOR COMPLIANCE PRINCIPLES BEYOND COMPANY BOUNDARIES

Corruption should also be prevented in the supply chain. The Group therefore expects its suppliers to adhere to compliance principles. These are described in the Code of Conduct of the Wacker Neuson Group 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 verified in the form of on-site supplier audits, so-called "Supplier Potential Assessments" (see [🔗 Respect for human rights in the organisation and supply chain](#)).

A Code of Conduct for sales partners was also adopted in fiscal year 2023. As with its suppliers, Wacker Neuson expects its sales partners to adhere to the compliance principles set out in the new Code of Conduct. This will be rolled out successively in the sales organisation.

With the Tell-it whistleblower system, the Group has an internet-based communication channel for receiving reports on possible violations of laws and policies, human rights violations and environmental offences that affect Wacker Neuson Group companies or their supply chain. This whistleblower system is available to employees as well as business partners, customers and other third parties and also fulfils the requirements of the German Whistleblower Protection Act. Tell-it can be accessed around the clock, worldwide and confidentially, anonymously if required, via the company website. The system is monitored by the Corporate Compliance Office. Even though no confirmed cases of corruption were reported in the year under review, the 1,256 (informational) hits (2022: 806) on the homepage of the Tell-it whistleblower system underline the high level of awareness of the online platform from the Wacker Neuson Group's perspective.

In previous years, Group companies were already categorised by country risk according to Transparency International's Corruption Perceptions Index. From 2019, a concept for a more differentiated risk analysis of such compliance risks was established by the Corporate 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 minimisation measures, in particular e-learning, are to be implemented in the coming years.

No cases of confirmed corruption from within the organisation were reported to the Compliance Committee in the 2023 financial year (2022: none). Similarly, no confirmed cases of corruption in the supply chain were reported.

## DATA PROTECTION AND INFORMATION SECURITY

The threat situation in information technology areas is constantly intensifying worldwide. The increasing number and professionalisation of attacks 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, the Wacker Neuson Group continued projects in fiscal 2023 that include both technical and organisational packages of measures. This includes the expansion of the management system for information security in accordance with ISO/IEC 27001, including aspects of a comprehensive life cycle for information risks. This extends from assessment or detection (risk analysis), through treatment (risk management), to mitigation, shifting or acceptance of the risk by means of pending measures. The

company also operates a business continuity management system and a data protection management system, which leads to 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. In addition, technical safeguards were introduced in further projects in 2023, ranging from technical anomaly detection measures and identity protection to the complete renovation of backup and recovery routines. All projects are bundled into so-called “strategic themes” and are to be managed using these to enable a dynamic and timely response to new developments.

The area of information security is currently embedded as a staff unit within Group IT, but is to be separated from Group IT as an independent department in order to align the organisation with the established “Lines of Defence” model and reflect this in the governance of information security. Furthermore, the staff unit provides standardised Group-wide and therefore global guidelines and reports to the Group IT management and departmental management (CFO). The organisation has been strengthened in terms of personnel over the course of several years and is to be expanded further. The aim is to achieve a stronger horizontal alignment of the subject areas across brands and divisions. A stronger vertical focus is also to be achieved, i.e. the integration of “security by design” principles across the entire product, project and data life cycle. This means that security requirements should be systematically identified and taken into account as early as the idea generation or project initiation phase. General and specific security measures should also be observed and implemented until the end of the life cycle. Regular, global awareness campaigns and simulations of common attack patterns accompany the reorganisation.

With regard to data protection, data protection officers have been appointed for all Group companies that fulfil the requirements for mandatory appointment. Data protection coordinators have been appointed for all European companies in the Group that do not fulfil these requirements or for which there is no obligation to appoint a data protection officer, who support the respective controller in complying with legal obligations and company guidelines. The data protection 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 protection issues beyond Europe, is an independent observer of the local officers and coordinators and, if necessary, serves as an escalation point between the CFO as the overall data privacy officer and the local organisational units.

The GDPO is simultaneously the Chairman of the Data Privacy Advisory Board, which is made up of the GDPO and the appointed Data Protection Officer of the Wacker Neuson Group. The Board adopts uniform guidelines and processes across the organisation and promotes their implementation in the local organisational units. It deals with improvement opportunities and suggestions as well as any incidents, their reporting, handling and prevention of their potential reoccurrence. At the same time, it ensures an exchange of knowledge between the officers and coordinators and informs them of changes or additions to data protection regulations as a result of new laws, court rulings or decisions 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 very important 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 selecting suppliers than was the case just a few years ago. The aim is to protect human rights, both within the organisation and in the supply chain.

With the aim of preventing human rights violations within the organisation, the Wacker Neuson Group has established a code of conduct for employees (see [☞ Compliance](#)). Furthermore, the Group's human rights strategy (as defined by the LkSG) is summarised in the "Declaration of Principles on Respect for Human Rights". It can be viewed on the company website. In addition, the Group should be able to uncover human rights violations. The online whistleblowing system Tell-it is available to employees and third parties, such as customers and suppliers (see [☞ Compliance](#)). Suspected cases of human rights violations can also be reported here.

In the 2023 fiscal year, no complaints or suspected cases of human rights violations within the organisation were reported to the Corporate Compliance Office (2022: no complaints or suspected cases). Respect for and protection of human rights also play an important role within the supply chain. Child or forced labour is not tolerated as a matter of principle – neither at our own sites nor in the context of business relationships with third parties. The Group also expects its suppliers in particular to actively address this issue.

This is also reflected in the Wacker Neuson Group's "Strategy 2030", which focuses on the topic of sustainability via the strategic lever "Sustainability Actions". Consequently, the Wacker Neuson Group attaches great importance to selecting suitable suppliers that meet its compliance requirements. As part of this selection process, the focus of supplier audits for direct production materials is placed on potential new suppliers. The Supplier Management department, which is part of Quality Management, is responsible for this task. It operates separately in the individual plants and uses globally harmonised methods and tools to carry out audits in risk countries.

The supplier audits for direct production materials (so-called "Supplier Potential Assessments") are carried out in accordance with uniform Group-wide assessment standards. The review of compliance with Group-wide requirements on ESG standards and human rights forms part of these audits. The only exception here is the North American production company, which has included the topic of human rights in a separate supplier quality process audit. The basis for the qualification of potential suppliers is an internal guideline with standardised assessment criteria. These include, for example, the granting of freedom of assembly and the exclusion of child labour. If significant weaknesses are identified with 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 assessed according to internally defined criteria. This is intended to reduce the risk of human rights violations in the supply chain. Supplier

relationships that already existed before the standards were defined are reviewed for compliance with these standards if there is a significant expansion of the business relationship or if specific risks in connection with human rights are identified that require an on-site review. Decisions in favour of 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 management, technology, logistics, operational and strategic purchasing and corporate aftermarket of the respective locations.

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 requires compliance with human rights and the rejection of child and forced labour. It can also be viewed on the Group's website. As part of framework contract negotiations with suppliers, the Code of Conduct for suppliers is a mandatory component of the contract. In the course of onboarding via Supplier Relationship Management software (SRM), compliance with the Code of Conduct must be confirmed by the supplier when new creditors are created (confirmation of compliance). In accordance with the Code of Conduct, existing supplier relationships are also reviewed for compliance with these standards if there is either a significant expansion of the business relationship or if specific risks in connection with human rights are identified that require an on-site review. In this way, the proportion of audited business relationships is continuously increasing, even among existing supplier relationships. The review and approval of supplier relationships is carried out by the purchasing managers at the locations.

In preparation for the entry into force of the German Supply Chain Due Diligence Act, which has affected the Wacker Neuson Group since 2023, an interdisciplinary project team took a detailed look at the protected legal positions and the anchored due diligence obligations in fiscal years 2022 and 2023. This involved redefining and expanding activities in the area of human rights with regard to the risk aspects of child labour, forced labour and slavery, forced eviction and land confiscation, occupational health and safety, freedom of association, discrimination, fair pay, torture and degrading treatment by security forces.

As part of this process, both the Declaration of Principles on Respect for Human Rights (previously "Declaration of

**No complaints about human rights violations in the organisation or within the supply chain were reported in fiscal year 2023.**



**In fiscal year 2023, the Wacker Neuson Group updated both the Declaration of Principles on Respect for Human Rights and the Code of Conduct for suppliers.**

Principles on the Prevention of Human Rights Violations") and the Code of Conduct for suppliers were updated. In addition, non-financial risk management in the areas of human rights and labour rights was expanded and extended to the supply chain. The preventive and mitigating measures for human rights-related risks were updated for the supply chain, with the Supplier Self Assessment and the Supplier Potential Assessment also being revised with regard to human rights. The issue of human rights was also given greater importance in procurement decisions. Furthermore, a new category was added to the existing whistleblower system Tell-it in order to be able to submit information on human rights in an even more targeted manner in future. The legal positions affected by the Supply Chain Due Diligence Act and the new processes were trained for the relevant employees and largely rolled out in the 2023 financial year.

Since September 2023, the project activities have been transferred to day-to-day business and thus the full roll-out and implementation of the human rights and environmental due diligence processes as well as the start of their continuous development and improvement. To this end, processes and responsibilities have been implemented that are based on the existing processes, both in the central divisions and in the local companies.

The processes and responsibilities described above are regularly reviewed for appropriateness and effectiveness on an ad hoc basis and continuously adapted to changing legal requirements and our own strategy.

In the 2023 financial year, 28 supplier audits (2022: 20) were conducted at potential suppliers in Europe and China. In the 2023 financial year, 7 audits (2022: 5) were also carried out at existing suppliers in Europe and China. The audits are generally determined according to industry- or country-specific risk criteria or on an ad hoc basis. In addition to quality and delivery requirements, we are increasingly focussing on compliance with human rights, particularly with regard to working conditions. The reviews of both supplier groups revealed that there were no indications of violations of human rights in the 2023 financial year (2022: none). Furthermore, no complaints or suspected cases of violations of human rights aspects within the supply chain were reported to the Group in the 2023 financial year (2022: 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**

With the Paris Climate Agreement in 2015, the global community set itself the objective 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 objectives, 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 reduce greenhouse gas emissions by at least 55 percent by 2030 compared to 1990. With the new Climate Protection Act, which came into force in August 2021, the German government has further tightened the climate targets for Germany: by 2030, greenhouse gas emissions in Germany are to be reduced by at least 65 percent compared to 1990. The objective of greenhouse gas neutrality is to be achieved by 2045.

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

A key instrument is the increasing transparency with regard to "environmentally sustainable" economic activities through the EU taxonomy. In particular, the classification of which economic activities are considered "environmentally sustainable" is intended to create certainty for investors and avoid greenwashing. This is based on Regulation (EU) 2020/852 of the European Parliament and of the Council of June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter referred to as the Taxonomy Regulation), which defines requirements for sustainable investments and amends the Disclosure Regulation. The Taxonomy Regulation entered into force on 12 July 2020.

Article 9 of the Taxonomy Regulation lists the following six environmental objectives:

- a) Climate change mitigation;
- b) Climate change adaptation;
- c) Sustainable use and protection of water and marine resources;
- d) Transition to a circular economy;
- e) Pollution prevention and control;
- f) Protection and restoration of biodiversity and ecosystems.

The EU Commission is instructed by the regulation to issue delegated acts to define technical screening criteria. The final delegated acts on the environmental objectives of climate change mitigation and adaptation were adopted on 9 December 2021. On 27 June 2023, the Commission adopted a delegated act on the environmental taxonomy, which contains a new set of EU taxonomy criteria for economic activities that make a significant contribution to one or more of the non-climate-related environmental objectives, namely: "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" as well as "protection and restoration of biodiversity and ecosystems". At the same time, the Commission has also adopted amendments to the Climate Taxonomy Delegated Act, which covers the environmental objectives of climate change mitigation and adaptation, and to the Disclosure Taxonomy Delegated Act.

The EU taxonomy distinguishes between taxonomy-eligible and taxonomy-aligned economic activities. Taxonomy-eligible economic activities are economic activities for which specific criteria have been defined in delegated acts for each environmental objective. Precise criteria have already been defined in the EU taxonomy for the environmental objectives "climate change mitigation" and climate change adaptation".

The EU taxonomy currently only includes criteria for economic sectors and economic activities that have the potential to make a significant contribution to climate and environmental protection or adaptation to climate change. Sectors responsible for 93.5 percent of direct greenhouse gas emissions in the EU were selected for the “climate protection” environmental objective. 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-aligned, i.e. “ecologically sustainable” within the sense of the Taxonomy Regulation, if they fulfil the following criteria cumulatively:

- They make a substantial contribution to the respective environmental objective – currently “Climate change mitigation” and “Climate change adaptation” (Substantial Contribution), proven by compliance with the criteria defined by the EU (Technical Screening Criteria),
- They do not significantly harm the achievement of the five other EU environmental objectives (DNSH: Do No Significant Harm) and
- They comply with Minimum Safeguards criteria (Minimum Safeguards).

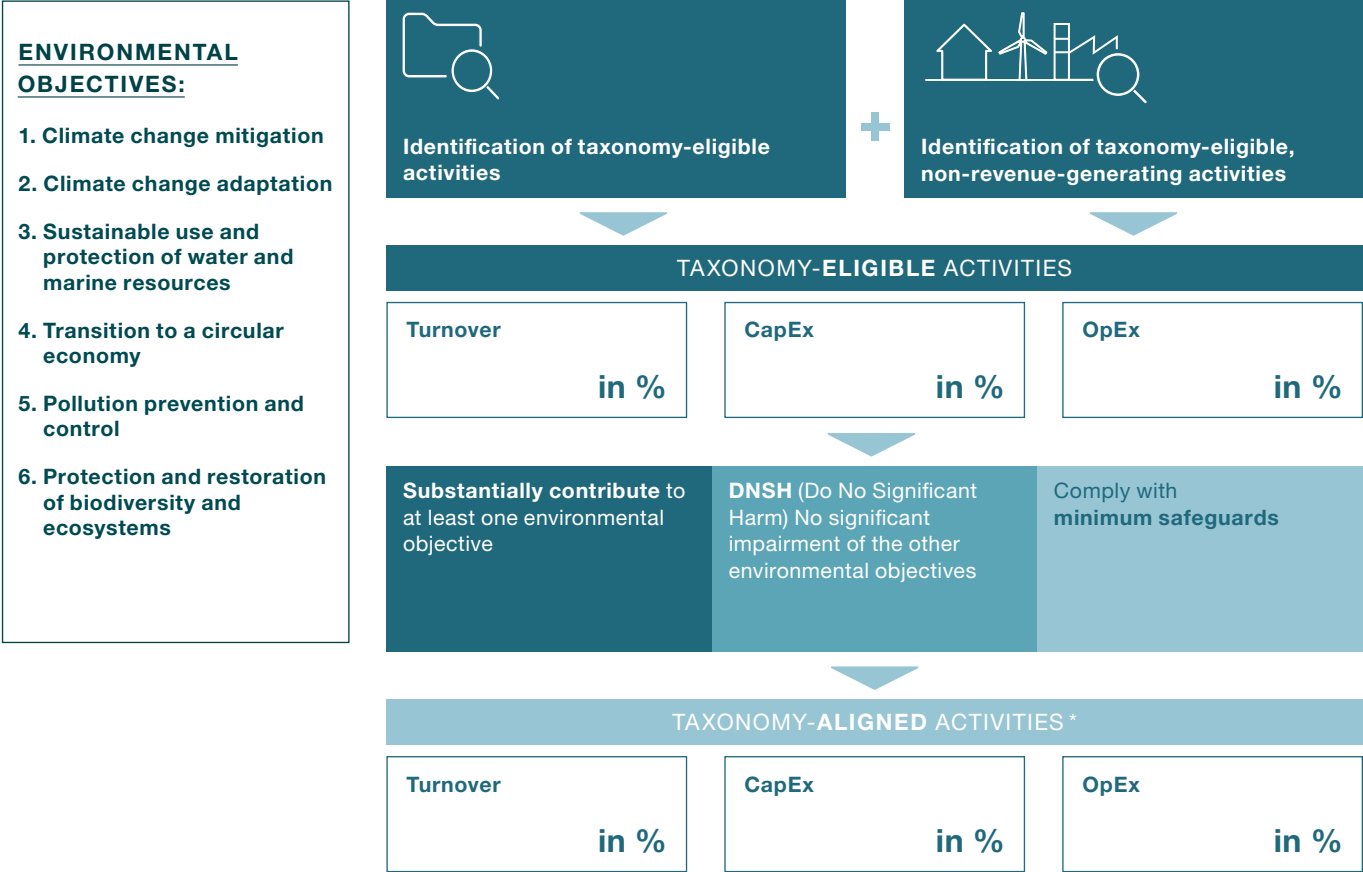
Article 8 of the Taxonomy Regulation in conjunction with Article 10 of the Delegated Act (EU) 2021/4987 of 6 July 2021 regulates the disclosure requirements for financial years from 2022 onwards. Reporting requirements for the 2023 financial year include the taxonomy-aligned economic activities in relation to the first two environmental objectives and the share of the Group’s total value attributable to these economic activities in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx). For the 2023 financial year, as in the previous year, taxonomy alignment for the first two environmental objectives must be reported in addition to taxonomy eligibility. In addition, taxonomy alignment must also be reported for the 2023 financial year with regard to the four other environmental objectives, i.e. all environmental objectives defined by the EU.

#### **DETERMINATION OF TAXONOMY ELIGIBILITY AND TAXONOMY ALIGNMENT**

Based on the results of the reporting from 2022, the taxonomy-eligible and taxonomy-aligned economic activities were determined in 2023. The initial implementation of the determination of key figures for taxonomy alignment with regard to environmental objectives 3-6 was also carried out as part of a cross-divisional project team.

All relevant business activities of Wacker Neuson SE were analysed to determine the taxonomy-eligible economic activities. This was initially based on the economic activities already identified from the previous year and built on these. In addition, qualitative materiality considerations were applied when reviewing the activity catalogues of the six environmental objectives to exclude obvious immaterial issues. When determining the taxonomy-eligible economic activities, the segments compact equipment and light equipment including service, research and development, vehicle fleet and investment activities in the area of real estate and energy efficiency measures were identified as relevant. The allocation of business activities in the area of battery-powered light and compact equipment (zero emission product portfolio) could be assigned to the economic activities “3.6 Manufacture of other low-carbon technologies” (environmental objective “Climate change mitigation”), “5.1 Repair, refurbishment and remanufacturing”, “5.2 Sale of spare parts”, “5.4 Sale of second-hand goods” and “5.5 Product-as-a-service and other circular use- and result-orientated service models” (environmental objective “Transition to a circular economy”). In the area of investment activities, it was possible to allocate corporate activities to “9.1 Close to market research, development and innovation” and in the area of vehicle fleets to “6.5 Transport by motorbikes, passenger cars and light commercial vehicles” (environmental objective “Climate change mitigation”). In the area of real estate, an allocation was made to “7.7 Acquisition and ownership of buildings” (environmental objective “Climate change mitigation”). In addition, further economic activities in the area of energy efficiency measures were identified under the environmental objective 1 “Climate change mitigation” compared to

**REPORTING REQUIREMENT FROM FISCAL YEAR 2023:**



\* Does not apply to environmental objectives 3 to 6.

the previous year. These are as follows: “7.3 Installation, maintenance and repair of energy-efficiency equipment”, “7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)” and “7.6 Installation, maintenance and repair of renewable energy technologies”.

The identification of taxonomy-aligned activities relating to the first two environmental objectives is based on the activities identified in the previous financial year. The substantial contribution for the respective economic activities was reviewed by conducting interviews with the experts from the respective specialist department, evaluating the existing certifications and implementing the specified verification requirements by the project team. With regard to the proof of the “Do not significant harm criteria”, the requirements of the delegated act were also reviewed and documented for each relevant economic activity by the project team in cooperation with the specialist departments. Compliance with the “Minimum Safeguards” was reviewed and documented at a higher level with reference to the individual economic activities.

Based on the assessment of taxonomy eligibility and alignment, the economic activities identified as taxonomy-eligible and taxonomy-aligned were converted into key figures with the internal data collection of the key financial figures required by the taxonomy: turnover capital expenditure (CapEx) and operating expenses (OpEx). If possible, the financial indicators were assigned directly to a corresponding economic activity based on the population, taking into account materiality principles. This avoids double counting in the allocation. The key financial indicators were determined on the basis of the IFRS consolidated financial statements for the 2023 financial year.

In the 2023 financial year, 18.47 percent of Group turnover were taxonomy-eligible and 1.86 percent taxonomy-aligned. The taxonomy-eligible portion includes the zero emission product portfolio except for products manufactured for the Group by external partners, as well as services associated with construction machinery, such as repair, rental and the sale of spare parts and used machinery. The taxonomy-aligned portion, on the other hand, includes the zero emission product portfolio except for products manufactured for the Group by external partners. As the services fall under the environmental objective “Transition to a circular economy” and therefore only the taxonomy capability must be reported in this regard, these were excluded from the taxonomy-aligned portion. In the allocation of turnover, the share of zero emission products in total turnover was allocated. These turnovers of zero emission products form the numerator of the taxonomy-aligned financial indicator “Turnover”. The total turnover (denominator of the financial indicator) represent the “Turnover” line of the consolidated income statement for the 2023 financial year. The increase in taxonomy alignment compared to the 2022 financial year is mainly because the portion of zero emission products in total turnovers was higher in the 2023 financial year than in the 2022 financial year and turnover of zero emission products increased further.

In the 2023 financial year, this resulted in a taxonomy-eligible CapEx ratio of 27.16 percent and a taxonomy-aligned CapEx ratio of 4.67 percent. Based on the project description of the additions, an analysis is carried out regarding taxonomy eligibility and taxonomy alignment as well as a comparison with Annex I (Substantial contribution to climate change mitigation) and Annex II (Substantial contribution to climate change adaptation) of the Delegated Act (EU) 2021/2800. The activities for the four later published environmental objectives from the delegated act (EU) 2023/3851 were also included in this annex. The sum of the additions reflecting taxonomy-eligible investment forms the numerator of the taxonomy-eligible CapEx figure of EUR 62.21 million from investments in connection with the acquisition



of taxonomy-eligible services and products in the areas of real estate, research and development, repair and overhaul and rental of construction equipment as well as the sale of second-hand goods and spare parts. Analogue to this, the investments that are also taxonomy-aligned are summarised into a further total (EUR 10.69 million). The difference between the taxonomy-eligible and aligned figures results from the fact that the taxonomy-eligible figure also includes companies from non-EU countries, while only EU member states were included in the taxonomy-aligned figure, as only these were able to fulfil the criteria for the substantial contribution and the DNSH criteria and comply with the regulatory requirements of the EU taxonomy. In addition, only the taxonomy alignment for the first two environmental objectives must be carried out for the 2023 financial year. However, as the taxonomy-eligible share also includes the economic activities of environmental objectives 3-6, it is higher. The decrease in taxonomy alignment compared to the 2022 financial year is mainly caused by fewer taxonomy-eligible research and development costs occurred in the 2023 financial year.

The population (denominator of the financial ratio) of capital expenditure comprises the Group's investments in "Property, plant and equipment" (including right-of-use assets 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 the 2023 financial year.

In the 2023 financial year, 39.27 percent of operating expenses (OpEx) were taxonomy-eligible and 6.35 percent taxonomy-aligned. The total (denominator of the financial ratio) of operating expenses includes expenses for the maintenance and repair of machines and buildings as well as research and development expenses excluding amortisation, impairments and lease payments made. The numerator, on the other hand, is essentially made up of the taxonomy-aligned shares from "Maintenance & Repair", "Short-term Lease", "Building Renovation Measure", "Other" and "R&D". The difference between the taxonomy-aligned and taxonomy-eligible key figures results from the fact that the taxonomy-eligible key figure also includes companies from non-EU countries, while only EU member states were included in the taxonomy-aligned key figure, as only these could fulfil the criteria for the substantial contribution and the DNSH criteria and comply with the regulatory requirements of the EU taxonomy. In addition, only the taxonomy alignment for the first two environmental objectives must initially be carried out for the 2023 financial year. However, as the taxonomy-eligible portion also includes the economic activities of environmental objectives 3-6, this is higher. The decline in taxonomy alignment compared to the 2022 financial year is mainly because, as with the CapEx KPI, fewer taxonomy-eligible research and development costs were generated in the 2023 financial year.

Share of revenue from goods or services related to taxonomy-aligned economic activities – disclosure for the 2023 financial year:

## REVENUE

Economic Activities	Code(s)	Absolute Turnover m EUR	Proportion of Turnover %	Substantial Contribution Criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum Safeguards Taxonomy aligned (A.1) or Taxonomy eligible (A.2) proportion of total Turnover, year 2022 %	Category (enabling activity) E	Category (transitional activity) T	
				Climate Change Mitigation Y:N; N:EL	Climate Change Adaptation Y:N; N:EL	Water Y:N; N:EL	Pollution Y:N; N:EL	Circular Economy Y:N; N:EL	Biodiversity and ecosystems Y:N; N:EL	Climate Change Mitigation Y/N	Climate Change Adaptation Y/N	Water Y/N	Pollution Y/N	Circular Economy Y/N	Biodiversity Y/N				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	49.38	1.86	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	1.35	E	
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)</b>		<b>49.38</b>	<b>1.86</b>	<b>1.86%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>1.35</b>		
<b>Of which enabling</b>		<b>49.38</b>	<b>1.86</b>	<b>1.86%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>		<b>E</b>	
<b>Of which transitional</b>		<b>0</b>	<b>0</b>																<b>T</b>
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	0.42	0.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	26.57	1.00	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sale of spare parts	CE 5.2	204.00	7.68	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sale of second-hand goods	CE 5.4	79.59	3.00	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	130.45	4.91	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)</b>		<b>441.03</b>	<b>16.61</b>	<b>0.02%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>16.60%</b>	<b>0%</b>								<b>0</b>		
<b>Turnover of Taxonomy-eligible activities (A.1. + A.2.)</b>		<b>490.41</b>	<b>18.47</b>	<b>1.88%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>16.60%</b>	<b>0%</b>								<b>1.35</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>2,164.55</b>	<b>81.53</b>																
<b>Total (A+B)</b>		<b>2,654.97</b>	<b>100.00</b>																

		Proportion of turnover/Total turnover	
		aligned per objective	eligible per objective
<b>CCM</b>	Climate Change Mitigation	1.86%	1.88%
<b>CCA</b>	Climate Change Adaption	0%	0%
<b>WTR</b>	Water and Marine Ressources	0%	0%
<b>CE</b>	Circular Economy	0%	16.60%
<b>PPC</b>	Pollution Prevention and Control	0%	0%
<b>BIO</b>	Biodiversity & Ecosystems	0%	0%

CapEx share from goods or services related to taxonomy-aligned economic activities – disclosure for the 2023 financial year:

**CAPEX**

Economic Activities	Code(s)	Absolute CapEx m EUR	Proportion of CapEx %	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										Minimum Safeguards Taxonomy aligned (A.1) or Taxonomy eligible (A.2) proportion of total CapEx, year 2022 %	Category (enabling activity) E	Category (transitional activity) T
				Climate Change Mitigation Y;N; N/EL	Climate Change Adaptation Y;N; N/EL	Water Y;N; N/EL	Pollution Y;N; N/EL	Circular Economy Y;N; N/EL	Biodiversity and ecosystems Y;N; N/EL	Climate Change Mitigation Y/N	Climate Change Adaptation Y/N	Water Y/N	Pollution Y/N	Circular Economy Y/N	Biodiversity Y/N							
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																						
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																						
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	3.81	1.66	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.81	E				
Close to market research, development and innovation	CCM 9.1/ CCA 9.2	2.17	0.95	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	10.94	E				
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4/ CCA 7.4	0.13	0.06	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E				
Installation, maintenance and repair of renewable energy technologies	CCM 7.6/ CCA 7.6	4.59	2.00	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y		E				
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)</b>		<b>10.69</b>	<b>4.67</b>	<b>4.67%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>11.75</b>					
<b>Of which enabling</b>		<b>10.69</b>	<b>4.67</b>	<b>4.67%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>		<b>E</b>				
<b>Of which transitional</b>																			<b>T</b>			
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																						
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	4.04	1.77	EL	EL	N/EL	N/EL	N/EL	N/EL													
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	0.04	0.02	EL	EL	N/EL	N/EL	N/EL	N/EL								0.32					
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3/ CCA 7.3	0.69	0.30	EL	EL	N/EL	N/EL	N/EL	N/EL													
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5/ CCA 6.5	12.79	5.58	EL	EL	N/EL	N/EL	N/EL	N/EL								5.23					
Repair, refurbishment and remanufacturing	CE 5.1	2.05	0.89	N/EL	N/EL	N/EL	N/EL	EL	N/EL													
Sale of spare parts	CE 5.2	15.72	6.86	N/EL	N/EL	N/EL	N/EL	EL	N/EL													
Sale of second-hand goods	CE 5.4	6.14	2.68	N/EL	N/EL	N/EL	N/EL	EL	N/EL													
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	10.05	4.39	N/EL	N/EL	N/EL	N/EL	EL	N/EL													
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)</b>		<b>51.51</b>	<b>22.49</b>	<b>7.67%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>14.82%</b>	<b>0%</b>								<b>5.55</b>					
<b>CapEx of Taxonomy-eligible activities (A.1. + A.2.)</b>		<b>62.21</b>	<b>27.16</b>	<b>12.34%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>14.82%</b>	<b>0%</b>								<b>17.30</b>					
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																						
<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>166.85</b>	<b>72.84</b>																			
<b>Total (A+B)</b>		<b>229.06</b>	<b>100</b>																			

		Proportion of CapEx/Total CapEx	
		aligned per objective	eligible per objective
<b>CCM</b>	Climate Change Mitigation	4.67%	7.67%
<b>CCA</b>	Climate Change Adaption	0%	0%
<b>WTR</b>	Water and Marine Ressources	0%	0%
<b>CE</b>	Circular Economy	0%	14.82%
<b>PPC</b>	Pollution Prevention and Control	0%	0%
<b>BIO</b>	Biodiversity & Ecosystems	0%	0%

OpEx share from goods or services related to taxonomy-aligned economic activities – disclosure for the 2023 financial year:

## OPEX

Economic Activities	Code(s)	Absolute OpEx m EUR	Proportion of OpEx %	Substantial Contribution Criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum Safeguards Taxonomy aligned (A.1) or Taxonomy eligible (A.2) proportion of total OpEx, year 2022 %	Category (enabling activity) E	Category (transitional activity) T
				Climate Change Mitigation Y:N; N:EL	Climate Change Adaptation Y:N; N:EL	Water Y:N; N:EL	Pollution Y:N; N:EL	Circular Economy Y:N; N:EL	Biodiversity and ecosystems Y:N; N:EL	Climate Change Mitigation Y/N	Climate Change Adaptation Y/N	Water Y/N	Pollution Y/N	Circular Economy Y/N	Biodiversity Y/N			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																		
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	0.34	0.49	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.37	E
Close to market research, development and innovation	CCM 9.1/ CCA 9.2	4.13	5.86	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	9.94	E
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)</b>		<b>4.47</b>	<b>6.35</b>	<b>6.35%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>10.31</b>	
<b>Of which enabling</b>		<b>4.47</b>	<b>6.35</b>	<b>6.35%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>N/A</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>		<b>E</b>
<b>Of which transitional</b>		<b>0</b>	<b>0</b>															<b>T</b>
<b>A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																		
Manufacture of other low carbon technologies	CCM 3.6/ CCA 3.6	0.10	0.14	EL	EL	N/EL	N/EL	N/EL	N/EL								0.10	
Repair, refurbishment and remanufacturing	CE 5.1	23.07	32.78	N/EL	N/EL	N/EL	N/EL	EL	N/EL									
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)</b>		<b>23.17</b>	<b>32.92</b>	<b>0.14%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>0.10</b>	
<b>OpEx of Taxonomy-eligible activities (A.1. + A.2.)</b>		<b>27.64</b>	<b>39.27</b>	<b>6.49%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>10.41</b>	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
<b>OpEx of Taxonomy-non-eligible activities (B)</b>		<b>42.76</b>	<b>60.73</b>															
<b>Total (A+B)</b>		<b>70.40</b>	<b>100.00</b>															

		Proportion of OpEx/Total OpEx	
		aligned per objective	eligible per objective
<b>CCM</b>	Climate Change Mitigation	6.35%	6.35%
<b>CCA</b>	Climate Change Adaption	0%	0%
<b>WTR</b>	Water and Marine Ressources	0%	0%
<b>CE</b>	Circular Economy	0%	32.92%
<b>PPC</b>	Pollution Prevention and Control	0%	0%
<b>BIO</b>	Biodiversity & Ecosystems	0%	0%



## Template 1: Nuclear and fossil gas related activities

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

No information is provided on further nuclear power and gas reporting forms in accordance with Regulation (EU) 2022/1214, as Wacker Neuson does not carry out any of these activities.

For Wacker Neuson SE, the preparation of the required disclosures was fundamentally associated with uncertainties, as questions related to the definition of taxonomy-eligible economic activities, the interpretation of the technical assessment criteria and Minimum safeguards criteria have not yet been conclusively clarified by the EU Commission.

Munich, March 21 2024

**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**

Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft has performed a limited assurance engagement on the German version of the separate non-financial group report and issued an independent practitioner's report in German language, which is authoritative. The following text is a non-binding translation of the original German independent practitioner's report.

To Wacker Neuson SE, München

### **ASSURANCE CONCLUSION**

We have performed a limited assurance engagement on the separate non-financial report of Wacker Neuson SE, München (hereinafter referred to as "Company"), for the purpose of complying with section 315c in conjunction with sections 289c to 289e of the HGB ["Handelsgesetzbuch": German Commercial Code] and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder for the period from 1 January 2023 to 31 December 2023 (hereinafter referred to as the "non-financial group report").

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial group report of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with section 315c in conjunction with sections 289c to 289e of the HGB and Article 8 of EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the legal representatives as disclosed in section "EU Taxonomy".

### **BASIS FOR THE CONCLUSION**

We conducted our 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 by the IDW Standard on Quality Management in the Audit Firm (IDW QS 1) and accordingly 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.

## **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 HGB and Article 8 of 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 of the legal representatives 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 given 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. Due to the immanent risk that 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:

- Evaluation of the suitability of the criteria disclosed by the legal representatives in the non-financial group report,
- Inquiries of personnel responsible for the materiality analysis to gain an understanding of the Company's approach to identifying material issues and corresponding reporting boundaries,
- Inquiries of personnel involved on group level to gain an understanding of the preparation process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the combined separate non-financial group report,
- Inquiries of personnel involved in the preparation of the non-financial group report about the preparation process, internal controls relevant to that process and the disclosures in the non-financial group report,
- Identifying and assessing the risk of material misstatement of the non-financial group report,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating the data from the relevant functions in the reporting period,
- Performing analytical 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 disclosures and
- Evaluation of the overall presentation of 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 OF USE**

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

#### **GENERAL ENGAGEMENT TERMS AND LIABILITY**

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



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

Munich, March 21, 2024

Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Christian Schönhofer  
Wirtschaftsprüfer  
(German Public Auditor)

Philipp Killius  
Partner



**Wacker Neuson**  
Group

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