



RESPECT

TRUST AND PERSONAL RE-
SPONSIBILITY

TEAM SPIRIT AND
PASSION

RELIABILITY

SOCIAL RESPONSIBILITY

SCHEIDT&BACHMANN 

SUSTAINABILITY REPORT 2024

Disclaimer: This report has been translated from German.



Foreword

“As a family business that thinks long-term, sustainability is part of our DNA. This report illustrates the importance of this topic in our business activities, documents what we have already achieved and highlights further potential for improvement, which we will consistently pursue. We hope you enjoy reading it!”

Martin Kammler - CEO of Scheidt & Bachmann GmbH

For Scheidt & Bachmann, a global medium-sized family business with a company history dating back over 150 years, sustainable action is not a trend - it is deeply rooted in our values. On our path to sustainable business operations, we are guided by our sustainability vision and mission.

Sustainability vision

Future generations can travel a liveable planet using integrated and accessible mobility.

Sustainability mission

We build the foundation for attractive mobility that moves people. Our actions are driven by innovation, reliability and sustainability. We think in generations, not quarters, and take long-term responsibility for our partners, our employees and our environment.

In this first sustainability report of the Scheidt & Bachmann group of companies, we present a transparent overview of where we stand in 2024 and what development goals we are aiming for. Our reporting is based on the European Sustainability Reporting Standards (ESRS), which are expected to be mandatory for Scheidt & Bachmann from the 2027 financial year onwards. The content and structure of the report are already based on this framework. Thanks to our early voluntary application of these standards, we are gaining relevant experience in future complex reporting obligations. This approach is already ensuring a high degree of transparency and enhancing our understanding of which sustainability issues are of key importance for the company. The aim is to consistently improve our sustainable actions in the coming years.

For Scheidt & Bachmann, sustainability means continuous development – based on learning and systematic action, not perfection. The publication of this report marks the start of a new chapter in our company’s sustainability management and we invite all of our employees and our partners to join us on this journey. We would like to encourage everyone to help shape sustainability with open eyes, creative ideas and responsible behaviour in their personal and professional sphere of activity. Because every contribution counts – and together we can achieve more.

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Introduction

Since it was founded in 1872, Scheidt & Bachmann has developed from a mechanical engineering company into a global system provider operating four business divisions in the mobility sector. With our unique portfolio, we support a wide range of transport systems, keeping millions of people and goods on the move worldwide. In collaboration with mobility providers around the world, we are committed to making mobility as pleasant and as sustainable as possible.

Our business divisions:



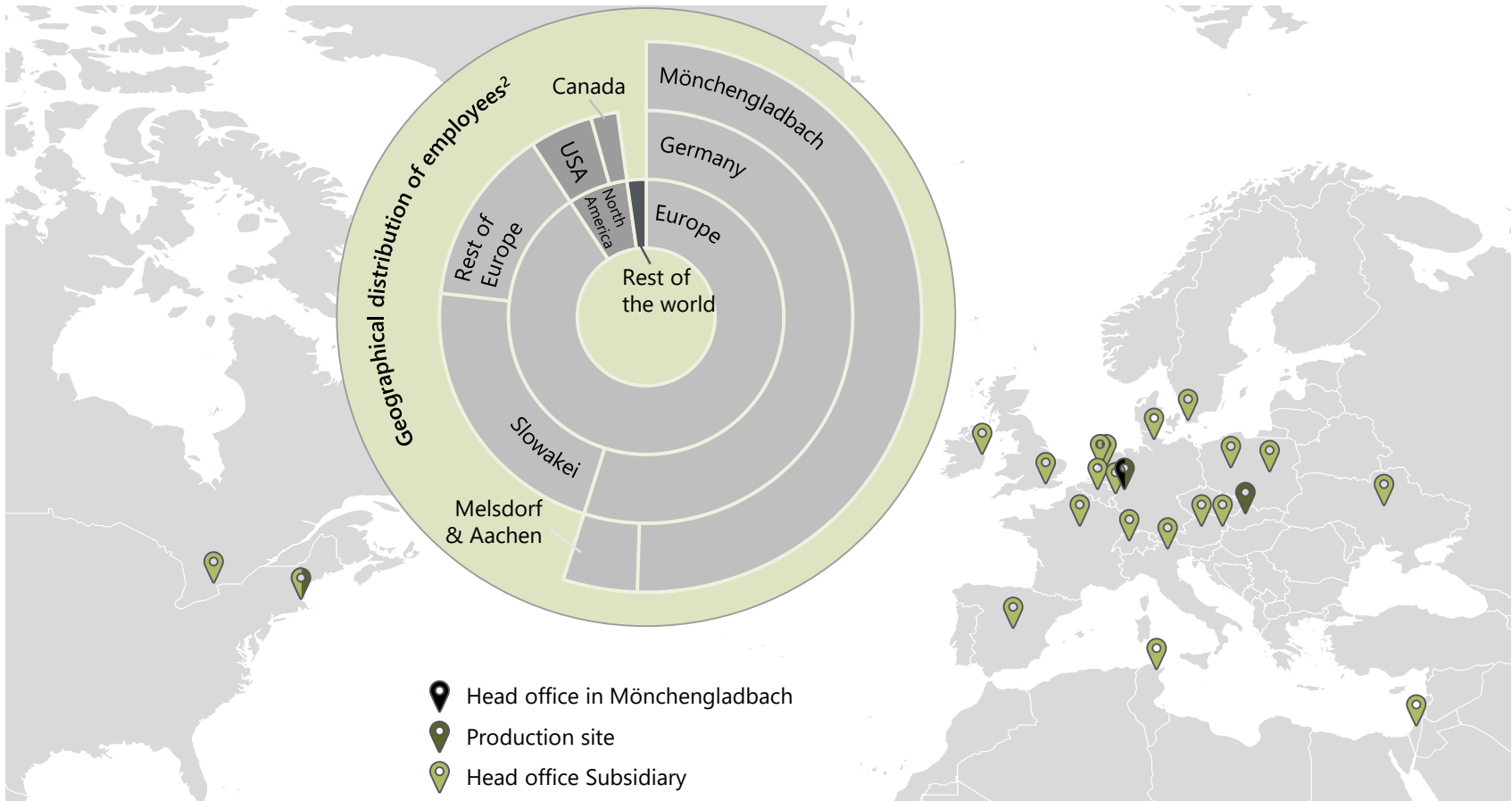
Our values:

We see ourselves as a group of companies characterised by values that are shared throughout all our national and international companies and that are embraced in practice on a common basis. Whatever we do, we always keep our company values in mind. They are an essential guide for our day-to-day work and how we interact with our employees, customers, suppliers and business partners.

Respect / Trust and personal responsibility / Team spirit and passion / Reliability / Social responsibility

The group of companies:

In 2024, the group comprised a total of 37 companies¹ with locations in 19 different countries. The group’s headquarters are in Mönchengladbach. Several of the group’s companies are also based there, together employing more than 50% of the workforce. Production takes place at the locations in Mönchengladbach (DE), Bytča (SK) and Lowell (USA).













¹ Scope of consolidation in the 2024 annual report

² Breakdown by head office of the employer company

Sustainability rating from EcoVadis

In the 2024 financial year, five business units successfully completed the EcoVadis sustainability assessment and were awarded medals by this leading ESG ratings organisation as a result.

Business unit assessed	Scheidt & Bachmann Signalling Systems GmbH Mönchengladbach	Scheidt & Bachmann System Technik GmbH	Scheidt & Bachmann Slovensko s.r.o.	Scheidt & Bachmann GmbH Mönchengladbach	Scheidt & Bachmann (UK) LTD
EcoVadis Medal					
Most important functions covered	Development, sales and service of the Signalling Systems business division	Development, sales and service of the Signalling Systems business division	Hardware production for the Parking Solutions, Fare Collection Systems and Energy Retail Solutions business divisions Software development for all business divisions	Hardware production for all business divisions Central functions for all business divisions (including central purchasing, HR management, IT)	Sales and service for the Parking Solutions, Fare Collection Systems and Energy Retail Solutions business divisions
					

ESRS 2 General disclosures

General conditions

BP-1: General basis for preparation

The sustainability statement has been prepared on a consolidated basis. It refers to the same scope of consolidation as is used in the annual financial statements. In addition to the company's own business activities, the materiality analysis also considered the upstream and downstream value chain when it was performed. It focused here on the parts of the value chain over which the Scheidt & Bachmann group of companies exerts or can exert a direct influence. No information on intellectual property, expertise or the results of innovations has been omitted from the sustainability declaration. The Scheidt & Bachmann group of companies has not excluded from its disclosures any upcoming developments or matters that are currently under negotiation.

Strategy and business model

SBM-1: Strategy, business model and value chain

Most important groups of products and/or services

Scheidt & Bachmann operates in four business divisions.

Fare Collection Systems

The Fare Collection Systems business division provides pioneering fare management systems and a comprehensive service portfolio that enables transport companies to concentrate on their core business. Hardware, software and service products are offered in complete, integrated systems. The portfolio includes devices for ticket sales and validation as well as solution software for account-based ticketing. In addition, cloud-based data management and a wide range of services ensure that the systems run securely, feature a high level of availability and are cost-efficient.

Energy Retail Solutions

The Energy Retail Solutions business division offers its customers an end-to-end solution portfolio comprising software solutions, hardware products and services for planning, managing and implementing all sales, management and information processes at energy retail sites (primarily petrol stations). This includes both the management of the sale of all types of fuels for private transport and the convenience store business at the energy retail sites.

Parking Solutions

The Parking Solutions business division offers a high-performance product family for ticket-based and ticketless parking. It includes car park management software to enable more flexible and scalable car park analysis and management. There are also various field devices, such as camera-based access control systems, payment systems and display screens as well as digital B2B and B2B2C solutions.

Signalling Systems

The main product range of the Signalling Systems business division is based on three pillars that cover the entire field of activity in the area of control and signalling technology. The system portfolio includes systems and subsystems for level crossing technology, interlocking technology, operations and control centres. It also provides services (including the design and development of systems, planning and project management, construction logistics, construction scheduling and assembly).

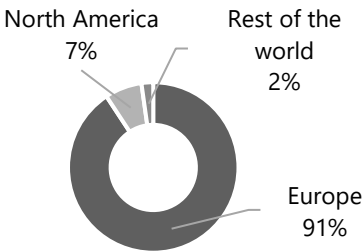
Key markets and/or customer groups (and, where applicable, bans in certain markets)

The most important markets for Scheidt & Bachmann are Europe and North America (US and Canada). The products fulfil the international and local regulations and standards for all markets in which they are sold. These include CE, NRTL and UL certifications. All products also comply with relevant environmental standards such as RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment). There are no bans on Scheidt & Bachmann products in certain markets.

Our customers are public and private transport companies and transport infrastructure operators.

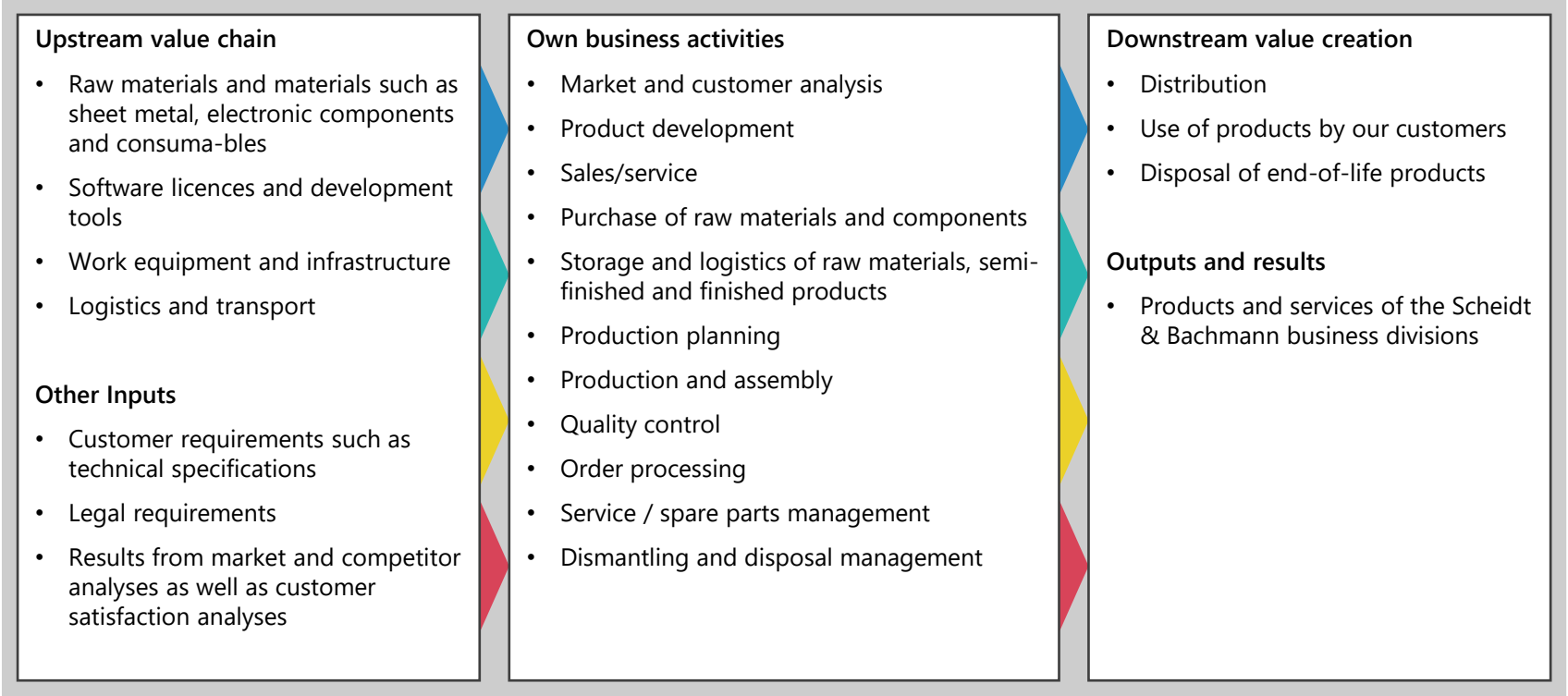
Headcount of employees by geographical area

Geographical area	Number of employees
Europe	3,301.5
North America	256
Others	81
Total	3,638.5



Description of the business model and value chain

The Scheidt & Bachmann group of companies develops, produces and sells products for the mobility industry within the four business divisions described above. The company's own business operations are characterised by a high degree of vertical integration, which contributes significantly to the company's success.



Materiality analysis

IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

Methodologies and assumptions applied in the process

The Scheidt & Bachmann group conducted a materiality analysis in accordance with the European Sustainability Reporting Standards (ESRS) in 2024. A suitable procedure was developed and the impacts, risks and opportunities were identified and assessed. A variety of methodologies were used: The relevant stakeholders were identified in a stakeholder analysis and a methodology was defined to take their perspective into account. Desk research was conducted to build up knowledge about the sustainability matters, but also to take the perspective of some external stakeholders into account. To assess individual impacts, risks and opportunities, existing data (e.g. lists of hazardous substances, energy consumption) was analysed and conclusions were drawn. Workshops were held to define the assessment logic and determine materiality thresholds. Internal interviews were used to consult internal experts and stakeholders.

Process to identify, assess, prioritise and monitor potential and actual impacts

Based on the topics, sub-topics and sub-sub-topics listed in the ESRS, the GRI standards and the matters looked at by EcoVadis, 28 company-specific sustainability matters were defined, which then formed the basis of the materiality analysis. Impacts and aspects were formulated for each topic. Impacts are activities through which companies can have a (potential) influence – positive or negative – on the particular sustainability matter in question. An aspect, in turn, describes the specific occurrence or effectiveness of an impact specifically within the value chain on one or more stakeholder groups. Aspects thus describe impacts in greater detail so that a more precise assessment of the impact can be produced. Accordingly, the level of detail of an aspect is greater than that of an impact.

Step 1 – Understanding the topic and identifying the related impacts

In a first step, research was conducted to obtain a comprehensive understanding of the topic in order to derive the impacts arising from it. Relevant literature, online sources and, most notably, the requirements of the ESRS and other sustainability reporting standards, where applicable, were consulted for this purpose. The results of this step were documented.

Step 2 – Status quo analysis to identify aspects of the impact on the topics

The second step involved examining whether and to what extent aspects of the impacts can or could be found in the individual links of the value chain. To this end, an initial list of possible relevant aspects was drawn up by the sustainability management team on the basis of research into the topic in question and the knowledge already available. Aspects were included in the initial list if the sustainability management team was aware, based on the latest knowledge it has, that they currently occur or could occur. The initial list was subsequently verified in dialogue with internal experts (e.g. management, human resources, purchasing, environmental and energy officers) and expanded where necessary. Aspects

that did not apply were deleted. The involvement of experts ensures that the interests of the various stakeholders are taken into account. If no aspects were found relating to a particular impact, the impact was already categorised as not relevant at this point.

Step 3 – Categorising the relevant aspects into impact categories

In this step, the aspects of an impact identified as relevant were assigned to the various impact categories (potential/actual, positive/negative). The stakeholder groups affected by the relevant aspects were also identified.

Step 4 – Impact assessment

The impacts were evaluated using the assessments of the experts and the sustainability management team (on the basis of the background knowledge generated in step 1 and any further research). Depending on the impact category, the following evaluation criteria were assessed using defined scales: Scale (5-point scale), scope (5-point scale), irremediable character (3-point scale) and likelihood (4-point scale). Reasons were documented for all assessments.

Step 5 – Calculating materiality values for the impacts

In order to obtain a value for each impact, numerical values were assigned to the individual assessment levels of the various scales. The value for the individual impacts and the overall value of a sustainability matter can range between 0 and 5 using the selected calculation. Impacts and topics with a value > 3.00 were defined as material.

Process for identifying, assessing, prioritising and monitoring risks and opportunities

Step 1 – Understanding the topic

Research was already conducted into general information, background information and drivers of the topics when the materiality assessment of the impacts was performed. This research was supplemented using the following key questions:

- What are the general impacts of the topic on the environment and society?
- What might relevant consequences and risks and opportunities be for the Scheidt & Bachmann group of companies?
- What financial impacts could the risks and opportunities have on the Scheidt & Bachmann group of companies?
- How are various stakeholder groups (e.g. politicians) already addressing the topic?

Step 2 Defining risks and opportunities

Specific risks and opportunities that (could) have a financial impact on the Scheidt & Bachmann group of companies as a result of the relevant sustainability matter were defined and described. At the same time, they were categorised into physical risks/opportunities, regulatory risks/opportunities, market risks/opportunities and operational risks/opportunities. In addition, the time horizon within which the risk/opportunity is expected to materialise was defined (short-term: up to 1 year, medium term: 1-5 years, long-term: 6-10 years). To the extent that the risk or

opportunity could potentially materialise at any time, a short-term time horizon was assumed. The identified risks and opportunities were evaluated in dialogue with internal experts, reviewed and, if necessary, supplemented or deleted. This evaluation produced a final list of relevant risks and opportunities for each sustainability matter.

Step 3 – Assessing risks and opportunities

The opportunities and risks were evaluated using the assessments of the experts and the sustainability management team (on the basis of the background knowledge generated in step 1 and any further research). The following assessment criteria were assessed using defined scales: Financial scale (5-point scale) and likelihood (5-point scale). Reasons were documented for all assessments.

Step 4 – Calculating materiality values for the risks and opportunities

In order to obtain a value for each risk and opportunity, numerical values were assigned to the individual assessment levels of the various scales. The value for the individual impacts and the overall value of a sustainability matter can range between 0 and 5 using the selected calculation. Impacts and topics with a value > 2.00 were defined as material.

Decision-making process

Key decisions, such as the collection and subsequent assessment of impacts, risks and opportunities, were made together with internal experts. A stakeholder analysis preceding the materiality analysis ensured that the perspectives of all stakeholders were taken into account by the experts or, in individual cases, by desk research. All assessments were carried out jointly by several people in line with the four-eyes principle and the reasons were documented. The decision on which topics are material for Scheidt & Bachmann is directly linked to the assessment of the impacts, risks and opportunities of the topic in question. The process and the results of the materiality analysis were also presented to the chief executive officer.

Integrating the process into the general risk management procedure

The Scheidt & Bachmann group of companies has a decentralised risk management system. Existing management systems in the company, such as the information security management system and the integrated management system, which combines quality, environmental and energy management, each include risk management. Internal experts who are risk owners in the context of decentralised risk management were involved in identifying and assessing risks and opportunities in the course of the materiality analysis. Risks that have already been identified were consequently also taken into account in the materiality analysis. By involving the experts, the assessments of the materiality analysis are also fed back into decentralised risk management.

Explanations of the input used

With the aim of basing the materiality analysis on reliable information, publicly available sources were initially consulted and information was collected on a topic-specific basis. The intention here was to achieve a common understanding that correctly reflects the current situation and, above all, paints a realistic picture of possible impacts, risks and opportunities. In addition to sources available online, teaching contents from relevant degree programmes and other specialist literature were also consulted.

Following the knowledge building process, internal experts from relevant higher-level management bodies were involved in order to record their experience and insights into the related company-wide processes. For example, environmental and energy management, product development in the various business divisions, human resources, purchasing and production management were asked about their views on various sustainability topics for Scheidt & Bachmann.

Despite extensive research and the inclusion of numerous different perspectives, empirical assumptions had to be made in some cases due to a lack of available data. To ensure that the result at these points nevertheless match the reality as accurately as possible, these assumptions were based on reliable, publicly available information, such as risk indices, and validated by the internal experts.

Description of the specific processes used to determine the impacts, risks and opportunities related to:

ESRS E1 - Climate change

In line with the approach described above, comprehensive research was carried out on the topic of climate change and the information that was collected was documented in a structured form in order to establish a common understanding of the causes of climate change, the consequences for society and for companies and possible mitigation and adaptation measures. The assessments of Scheidt & Bachmann's impact on climate change were based on publicly available sources on the one hand and, on the other, on surveys from the Scheidt & Bachmann environmental and energy management system, which is certified in accordance with ISO 14001 and ISO 50001.

Building on the findings from the initial research, the question of what challenges climate change may pose for society and in particular for companies was also examined. The first step here involved identifying climate risks that could arise for the Scheidt & Bachmann locations sites in the next 1-10 years. These findings are based on publications by the Federal Environment Agency and the United Nations, among others, as well as past incidents. This was followed by a dialogue with internal experts to assess which of these climate threats could result in risks for Scheidt & Bachmann and its upstream and downstream value chain, how high the damage could be in each case and how likely the risks are to occur. These assessments were purely qualitative.

To analyse the transition risks and opportunities, a scenario with high regulatory intervention and social change with the aim of mitigating climate change was assumed. This made it possible to assess whether and to what extent opportunities or risks could arise in this context. These were divided into three categories: regulatory, market and reputational risks and opportunities. The probability of occurrence and the extent of the potential damage or benefit were also determined and assessed together with the internal experts.

The various climate scenarios were implicitly taken into account when identifying and assessing the various climate threats and when analysing transition risks and opportunities. Scheidt & Bachmann has not yet carried out an ESRS-compliant climate-related scenario analysis for periods > 10 years, however.

ESRS E2 - Pollution

The ESRS content on the topic of environmental pollution was addressed in relation to several sustainability topics during the materiality analysis:

- Air pollution
- Hazardous substances
- Microplastics
- Deforestation
- Land use changes
- Freshwater resources
- Seawater and marine resources

In the preliminary research, a common understanding of various (air) pollutants and their origins and effects was first developed. Building on this, it was possible to examine the extent to which the sources of the pollutants occur within Scheidt & Bachmann's business activities and value chain. The company was viewed as a whole in order to include as many locations and business activities as possible in the considerations.

ESRS E3 - Water and marine resources

The ESRS content on the topic of water and marine resources was addressed in relation to several sustainability topics during the materiality analysis:

- Freshwater resources
- Seawater and marine resources

The first step was to analyse at which point in the value chain water is consumed. The localisation of water as a resource in Scheidt & Bachmann's business activities revealed that water resources are primarily required for production processes, sanitary facilities and, within the upstream value chain, for steel production and the production of concrete.

ESRS E4 - Biodiversity and ecosystems

The ESRS content on the topic of biodiversity was addressed in relation to several sustainability topics during the materiality analysis:

- Biodiversity
- Ecosystem services.

Biodiversity was also considered indirectly in other topics:

- Air pollution
- Hazardous substances
- Microplastics
- Deforestation
- Land use changes
- Freshwater resources
- Seawater and marine resources

The initial research and documentation of the relevant information was carried out in view of the background and consequences of the biodiversity crisis. An analysis of the actual and potential impacts of the company's own business activities on biodiversity was then carried out. The next step involved analysing any dependencies on ecosystem services, particularly in the form of raw materials, in order to identify risks for Scheidt & Bachmann.

Transition risks were also identified. These include, for example, increased internal costs due to government regulations and requirements to curb biodiversity loss. Systemic risks were not considered.

Some of the Scheidt & Bachmann group's sites are located close to key biodiversity areas. Of these, the production site in Bytča (Slovakia), which borders the Strážovské hills, is particularly relevant. This area is home to a variety of bird species, some of which are endangered. Threats to these bird species are mainly caused by intensive forestry and agriculture, deforestation or tourism.³ An inspection by an external company has shown that our activities there do not have a negative impact on the area.

Scheidt & Bachmann has come to the conclusion that no measures need to be taken to protect biodiversity.

ESRS E5 - Circular economy

The ESRS content on the topic of resource use and circular economy was addressed in relation to the sustainability topic of the circular economy during the materiality analysis. The causes driving the need for a circular economy were researched to begin with, followed by options for implementation. Based on this, it was possible to analyse the extent to which the company's activities contribute to or (can) impair a transformation to a circular economy in view of the company's internal business activities and its immediate value chain. The financial impact was analysed primarily on the basis of the following questions:

- What opportunities and risks arise for Scheidt & Bachmann as a result of implementing the principles of the circular economy?
- Which of the key resources and which parts of the value chain are affected by a transformation to a fully circular economy?
- What risks result from remaining in the "business-as-usual" scenario?

³ <https://www.keybiodiversityareas.org/site/factsheet/24040>

ESRS G1 - Business conduct

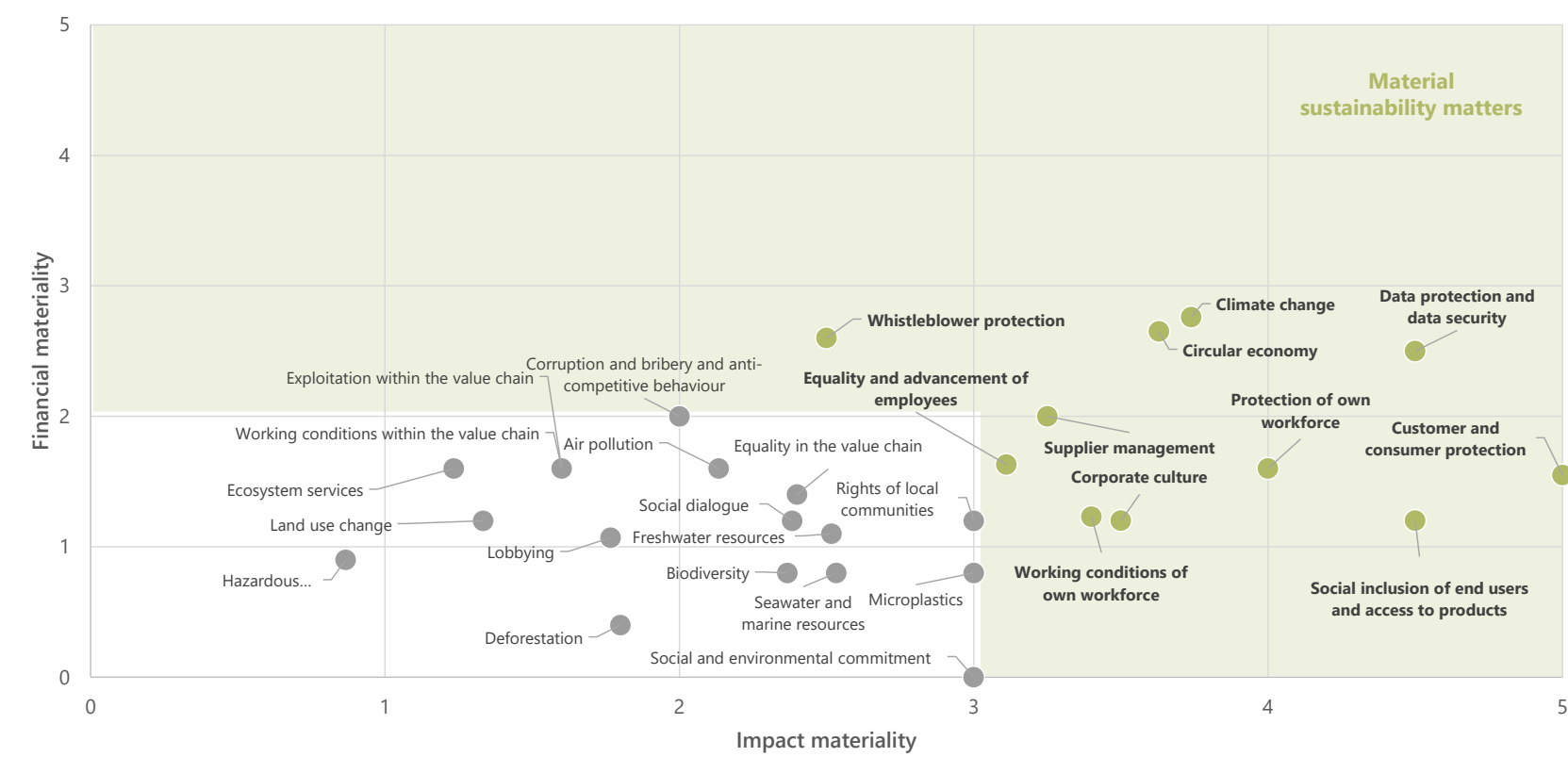
The countries in which Scheidt & Bachmann has a company location were examined when determining the impacts, risks and opportunities in connection with business conduct. For example, country indices such as the TRACE Bribery Risk Matrix and the Corruption Perceptions Index were consulted to assess the risks associated with corruption and bribery. The sector risk was also analysed. To this end, empirical values from the company's long history and the Bribe Payers Index were examined and existing anti-corruption mechanisms inside and outside the company were taken into account.

IRO-2: Process for the materiality analysis

The disclosure requirements of the ESRS, which define the report's content, were derived from the material sustainability matters identified in the materiality analysis.

Whether a sustainability matter is material is determined by the materiality values of the impacts, risks and opportunities (see IRO-1) assigned to this matter. The values of all impacts of a sustainability matter were aggregated for this purpose. The values of all opportunities and risks of a sustainability matter were also aggregated. If at least one of these two aggregated values is higher than the defined threshold, the sustainability matter is material. The thresholds are identical to the values described under IRO-1. All 28 sustainability matters that were derived from the topics, sub-topics and sub-sub-topics of the ESRS at the beginning of the materiality analysis process were assigned to the various disclosure requirements by content.

Materiality matrix for identifying material matters



*SBM-3: Results of the materiality analysis and their interaction with strategy and business model***Overview of the material impacts, risks and opportunities**

ESRS	[Material matter]	Material impacts	pos./neg.	Time horizon ⁴	Value chain ⁵
E1	Climate change	GHG emissions Energy sources used	pos. + neg. pos. + neg.	short-medium short-medium	entire own
E5	Circular economy	Purchase of non-renewable raw materials and resources Recovery of raw materials and resources End-of-life management	neg. pos. + neg. pos.	short short short	upstream own own
S1	Working conditions of own workforce	Human rights Fair pay Work-life balance	pos. pos. pos.	short short short	own own own
	Protection of own workforce	Health and safety Violence and harassment in the workplace	pos. pos.	short short	own own
	Equality and advancement of employees	Non-discrimination of employees	pos.	short	own
S4	Data protection and data security	Protection of personal data Protection of company-specific data	pos. pos.	short short	entire entire
	Customer and consumer protection	Customer and consumer safety	pos.	short	downstream
	Social inclusion of end users and access to products	Equality of end users when using products	pos.	short	downstream
G1	Supplier management	Supplier selection criteria	pos.	short	upstream
	Corporate culture	Maintaining and practising the corporate culture	pos.	short	own

⁴ Time intervals according to ESRS 1 77 (a)-(c): short-term < 1 year, medium-term 1-5 years; long-term > 5 years

⁵ Consideration of the value chain in accordance with ESRS 1 63: own business activities, upstream and downstream value chain

ESRS	[Material matter]	Material risks	Risk type	Time horizon	Value chain
E1	Climate change	Constraints on supply chains resulting from extreme weather events	physical	medium	upstream
		Damage to commercial property caused by storms and heavy rain	physical	short	own
		Supply shortfalls due to the scarcity of raw materials and resources	market	medium	upstream
		Price increases in purchasing as a result of carbon pricing	market	short	upstream
E5	Circular economy	Increased waste disposal costs	regulatory	medium	own
		Adaptation of products to the requirements of the circular economy	regulatory	long	own
		Costs for extended take-back obligation for old appliances	regulatory	long	own
S4	Data protection and data security	Breach of data security and data protection	physical/operational	short	own
		Incidents relating to data security and data protection within the upstream and downstream value chain	operational	short	upstream and downstream
G1	Supplier management	Internal additional expenses in supplier management for implementing government regulations and requirements	operational	medium	own

ESRS	[Material matter]	Material opportunity	Type	Time horizon	Value chain
E1	Climate change	Establishment of new products and business models to reduce CO ₂ emissions in the transport sector	market	medium	own
		Decreasing operating costs thanks to the use of renewable energy sources	operational	medium	own
S1	Working conditions of own workforce	High productivity and increased revenue thanks to satisfied employees	operational	short	own
	Equality and advancement of employees	Boosting employee productivity thanks to increased expertise	operational	short	own
S4	Customer and consumer protection	Reduction in competition due to high barriers to market entry as a result of strict regulatory requirements for customer and consumer protection	regulatory	short	own

G1	Whistleblower protection	Possibility to intervene in the event of grievances within the value chain	operational	short	own
-	Air pollution	Increase in business activities thanks to political support of public transport and/or electromobility	operational	long	own

Description of material impacts

E1 – Climate change

Greenhouse gas emissions (positive & negative, short to medium term, entire value chain): Greenhouse gas emissions are the main driver of man-made climate change. This is therefore an actual negative aspect. The emissions measured by the Scheidt & Bachmann group of companies amount so far only to scope 1 and 2 for part of the group. A CO₂ roadmap for reducing greenhouse gas emissions has the potentially positive impact of significantly reducing emissions.

Energy sources used (positive & negative, short to medium term, own activities): The use of renewable energy sources means that no greenhouse gases are emitted (apart from minimal emissions during purchase and maintenance). The use of fossil fuels, by contrast, is a major driver of greenhouse gas emissions, which are responsible for man-made climate change. Because of the current mixed situation involving energy sources, positive and negative aspects were considered here.

E5 - Resource use and circular economy

Purchase of non-renewable raw materials and resources (negative, short-term, upstream and own activities): Actual and potentially negative aspects were identified here. The consumption of non-renewable resources in large quantities leads to the exploitation of ecosystems, which can be permanently damaged as a result. The non-renewable resources that are purchased (metals, cement, rare earths, plastic products) are important components of Scheidt & Bachmann products. They are installed in products that have a long service life. In addition, purchased non-renewable resources are kept in operation for longer as a result of services provided by the Scheidt & Bachmann group of companies.

Recovery of raw materials and resources (positive & negative, short-term, own activities): Actual positive and actual negative aspects were identified. The design of products is a key factor for their service life, reparability and recyclability. This area is consequently crucial for the recyclability of Scheidt & Bachmann products. Scheidt & Bachmann also offers services that are also an essential element of a circular economy. Significant waste is generated in particular at the production sites. Optimisation measures can help reduce this quantity.

End-of-life management (positive, short-term, own activities): Positive aspects were identified here in particular. The companies of the Scheidt & Bachmann group are legally obliged to take back their products in several countries. In addition, customers actively utilise maintenance services from the Scheidt & Bachmann group of companies, whereby individual parts are replaced, repaired and taken back. Defective individual parts are also checked to see whether individual components can be recycled or are disposed of.

S1 - Working conditions of own workforce

Human rights (positive, short-term, own activities): Human rights form the basis of coexistence and serve above all to ensure that people can lead fair and dignified lives together. Respect for human rights is also required by law in most countries in which Scheidt & Bachmann is based. Scheidt & Bachmann has defined its own company values and promotes compliance with them through a variety of measures. Scheidt & Bachmann has a positive impact on its own workforce here.

Fair pay (positive, short-term, own activities): The pay they receive determines the financial situation of our employees and, where applicable, their families and thus also their quality of life. This is where Scheidt & Bachmann can have a positive impact.

Work-life balance (positive, short-term, own activities): A good work-life balance can reduce mental stress and also contribute to a harmonious family life, if applicable. For example, the overall well-being of employees and a company can be strengthened, which can in turn be transferred in to other aspects of day-to-day business/cooperation within the company as well as aspects of social life. Scheidt & Bachmann has a direct positive impact here by implementing a variety of measures.

Health and safety (positive, short-term, own activities): In the worst-case scenario, disregarding occupational health and safety can lead to life-threatening injuries. The Scheidt & Bachmann group of companies has implemented numerous safeguards to prevent this and can generate a positive impact as a result.

Violence and harassment in the workplace (positive, short-term, own activities): Violence and harassment in the workplace can lead to individuals experiencing significant restrictions in their quality of life or being physically injured, which can in the worst case then also lead to their quality of life being impaired. The Scheidt & Bachmann group of companies has implemented safeguards to prevent this and can generate a positive impact as a result.

Non-discrimination of employees (positive, short-term, own activities): Discrimination can result in serious consequences, such as mental illness. Protecting our own workforce from discrimination – by establishing strong company values and ensuring compliance with them through established complaint procedures – is therefore important for the health of our employees. Scheidt & Bachmann can generate a positive impact for its employees here.

S4 - Consumers and end users

Protection of personal data (positive, short-term, total value creation): The amount of personal data relating to employees, suppliers, customers and end users that the Scheidt & Bachmann group of companies processes and stores is very high. Scheidt & Bachmann has to ensure that personal data is handled carefully and in compliance with the law. To this end, the Scheidt & Bachmann group of companies has established various safeguards as part of an ISO 27001-certified information security management system, which have a positive impact.

Protection of company-specific data (positive, short-term, total added value): The Scheidt & Bachmann group of companies processes and stores a very large amount of company data relating to its own business activities and confidential customer data. The Scheidt & Bachmann

group of companies has to ensure that this data is handled carefully and in compliance with the law. To this end, the Scheidt & Bachmann group of companies has established various safeguards as part of an ISO 27001-certified information security management system, which have a positive impact.

Customer and consumer safety (positive, short-term, downstream): Many millions of people use the systems supplied by the Scheidt & Bachmann group of companies every day. The protection of the health of these people as well as protection against economic damage is very far-reaching. Given this context, laws and standards governing customer and consumer safety are also relevant in the various business divisions. Implementing these laws and standards and, where necessary, other aspects has a positive impact on customer and consumer safety.

Equality of end users when using products (positive, short-term, downstream): A positive impact can be achieved here. Accessible design is very important for individuals with disabilities for them to be able to participate in daily life and not to be excluded from society. Other stakeholder groups (e.g. people without electronic means of payment) are also taken into account in the development of Scheidt & Bachmann products.

G1 - Business conduct

Supplier selection criteria (positive, short-term, upstream): Defined criteria for selecting suppliers ensure that the Scheidt & Bachmann group of companies can manufacture high-quality products. Social and environmental criteria also play a major role alongside quality criteria. Scheidt & Bachmann can generate a positive impact by taking various criteria into account when selecting suppliers.

Maintaining and practising the corporate culture (positive, short-term, own activities): Scheidt & Bachmann's corporate culture is characterised by team spirit and working together on an equal footing. This positively strengthens cooperation and the sense of belonging to the company and creates a pleasant working atmosphere. Employees spend a large proportion of their time at work, which has a major impact on their well-being and quality of life.

Description of the material risks:

E1 - Climate change

Price increases in purchasing as a result of carbon pricing: Several suppliers announced price increases in the year under review, some of which can be attributed to carbon pricing. No transparent information on the proportion of the price increase accounted for by CO₂ pricing is available, however.

S4 - Consumers and end users

Breach of data security and data protection resulting from physical damage: Physical damage can be triggered by external and internal causes (e.g. fire, flooding) and lead to significant data loss and business interruptions. These jeopardise the security and availability of sensitive data.

Despite preventive and safety measures, incidents of this kind cannot be completely ruled out. Reconstruction work and the consequences resulting from these incidents can extend over a longer period of time and have significant financial and operational impacts.

G1 - Business conduct

Internal additional expenses in supplier management for implementing government regulations and requirements: New legal requirements have led to an increase in the internal expenditure required in supplier management to implement government regulations. This is the result of, among other things, the requirements of the German Supply Chain Due Diligence Act (LkSG), which regulates the performance of risk analyses and the implementation of due diligence obligations in the supply chain. In addition, Scheidt & Bachmann expects to be affected by the new EU Deforestation Regulation (EU-DR) from 2026 onwards. Here, too, additional internal expenditure is needed to fulfil all the legal requirements.

Description of the main opportunities:

E1 - Climate change

Establishment of new products and business models to reduce CO₂ emissions in the transport sector: In the wake of climate change, mobility has to be rethought and constantly refined. Scheidt & Bachmann sees potential here for utilising its expertise within the mobility sector to bring new products and business ideas to the market.

S1 - Working conditions of own workforce

High productivity and increased revenue thanks to satisfied employees: The Scheidt & Bachmann group of companies invests on a regular and targeted basis in measures to increase employee satisfaction. This can be seen, among other things, in the long length of service as evidenced by anniversaries of employees who have worked for Scheidt & Bachmann for 25, 40 or even 50 years. The exact effects of the measures are difficult to measure, however, as satisfaction is a very individual construct that is influenced by a large number of different factors. Moreover, the effects generally develop over a longer period of time.

Boosting employee productivity thanks to increased expertise (operational opportunity, short-term, own activities): The employees of the Scheidt & Bachmann group of companies regularly undergo targeted training to strengthen their expertise. Although the company-wide effects are difficult to quantify, it can be assumed that productivity is increased as a result of targeted training.

S4 - Consumers and end users

Reduction in competition due to high barriers to market entry as a result of strict regulatory requirements for customer and consumer protection: The Signalling Systems business division in particular is subject to strict regulatory requirements relating to customer and consumer protection. The lengthy authorisation processes make it difficult for companies looking to establish themselves to enter the market.

Increase in business activities thanks to political support of public transport and/or electromobility Several railway lines in Germany are set to be completely redeveloped and modernised by 2030. This project requires multi-billion-euro investments. The Signalling Systems business division therefore anticipates an increased order volume for the coming years and has built up corresponding capacity.

Expected impact of material impacts, risks and opportunities on business model, value chain, strategy and decision-making

The transformation of the economy and society to greater sustainability and climate protection opens up significant market opportunities through new technologies, innovative ideas and modern forms of work organisation. We expect sustainable mobility and public transport to continue to grow in importance.

The Scheidt & Bachmann group of companies is one of the leading providers of innovative system solutions for a mobile life. With our unique portfolio, we support a wide range of transport systems, keeping millions of people and goods on the move worldwide. In collaboration with mobility providers around the world, we are committed to making mobility as pleasant and as sustainable as possible. With products and services that make a positive contribution to sustainable mobility, we can expand our existing business areas and tap new business opportunities.

Good supplier relationships also continue to be very important for the stability of our value chain. The forward-looking review of product availability and obsolescence cycles is an essential part of our purchasing activities, so that we can fulfil our obligations to supply spare parts to our customers and ensure the durability of our products. Moreover, regulatory requirements (including those arising from the Act on Corporate Due Diligence Obligations in Supply Chains) are also placing new demands on our supply chain management.

Resilience of the company's strategy and business model in relation to material impacts, risks and opportunities

Since it was founded in 1872, Scheidt & Bachmann has developed from a mechanical engineering company into a global system provider. Throughout our company's history, we have repeatedly demonstrated our ability to innovate and adapt. Nevertheless, we are and will remain a value-oriented family business that operates with a view to sustainability and the long term. We place a special focus here on working in a spirit of trust with our customers and partners.

We are convinced that our products and services serve future-oriented markets and thus contribute to the sustainable design of our transport systems. The strategy and business model are reviewed annually as part of a five-year plan and adjusted if necessary. Overall, the resilience of our strategy and business model is rated as high.



ESRS E1 Climate change

Climate change describes the long-term changes in the global climate that are primarily driven by human activities (such as the burning of fossil fuels). These changes are leading to extreme weather events, rising sea levels and threats to biodiversity. The consequences are also having an impact on the economy, with companies increasingly confronted with risks arising from natural disasters, resource scarcity and regulatory requirements.

With regard to climate change, the following material impacts, risks and opportunities described under SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
Climate change	GHG emissions Energy sources used	Constraints on supply chains resulting from extreme weather events Damage to commercial property caused by storms and heavy rain Supply shortfalls due to the scarcity of raw materials and resources Price increases in purchasing as a result of carbon pricing	Establishment of new products and business models to reduce CO ₂ emissions in the transport sector Decreasing operating costs thanks to the use of renewable energy sources

Policies and actions for managing impacts, risks and opportunities

E1-2: Policies related to climate change mitigation and adaptation

Our aim is to develop innovative products that promote global mobility through outstanding safety, reliability and durability. In the context of our business activities, we identified here the impacts on people and the environment that are listed above and described in more detail under disclosure requirement SBM-3. Scheidt & Bachmann is constantly endeavouring to reduce greenhouse gas emissions in order to make a contribution to global climate and environmental protection.

The impacts, risks and opportunities in the area of climate change are addressed using various internal management systems and policies that interface with this topic and contribute to reducing the company's environmental impact.

General policies

Environmental and energy management system and policy

The environmental and energy management system, which is certified in accordance with DIN EN ISO 14001 and DIN EN ISO 50001, was established back in 2016 and, among other things, lays down guidelines for the energy-efficient and environmentally friendly handling of internal processes. The management system and its continuous development allow us to monitor our energy consumption and identify potential for improvement in terms of energy efficiency as well as the energy sources used. This enables us to reduce our scope 1 and 2 emissions, which has a positive effect on the material impact "greenhouse gas emissions". The environmental and energy management unit has also developed internal guidelines for the responsible use of resources. These are taken into account, for example, when developing products and product packaging. The resulting material savings offer the potential to reduce scope 3 emissions.

Environmental and energy management covers the companies Scheidt & Bachmann GmbH, Scheidt & Bachmann Fare Collection Systems GmbH, Scheidt & Bachmann Energy Retail Solutions GmbH, Scheidt & Bachmann Signalling Systems GmbH and Scheidt & Bachmann Parking Solutions GmbH as well as several other companies. The requirements are therefore taken into account and implemented at these companies.

The companies of the Scheidt & Bachmann group covered by the environmental and energy management system are audited at regular intervals by external auditors.

Responsibility for the management system lies with the executive management, while coordination is carried out centrally in Mönchengladbach by the environmental and energy officers in cooperation with the environmental and energy management team.

Sustainability policy

In addition, a sustainability policy was adopted in 2023 in the interests of the group of companies and in view of our sense of responsibility for social, economic and ecological sustainability (Corporate Social Responsibility – CSR). It contains the company's voluntary commitment to playing its part in achieving the 17 Sustainable Development Goals (SDGs), which includes, among other things, the commitment to limit global warming. One aim here is to promote sustainable behaviour among the employees through training, information and the function of managers as individual role models. In order to realise this, a comprehensive sustainability management system was established to develop targets for material matters, define and implement actions and review their effectiveness. The necessary resources are made available throughout the group of companies.

In this way, a significant contribution can be made to minimising the impacts in the area of climate change ("greenhouse gas emissions" and "energy sources used") over the long term. In addition, the targeted management of the risks "constraints on supply chains resulting from extreme weather events", "damage to commercial property caused by storms and heavy rainfall" and "supply shortfalls due to the scarcity of raw materials and resources" can increase the resilience of our value chain.

As the parent company, Scheidt & Bachmann GmbH assumes the responsibility for implementing sustainability management and monitoring its effectiveness throughout the group of companies.

In the policies, climate protection is achieved by consistently monitoring our energy consumption and instituting measures to improve it. Adaptation to climate change is not yet taken into explicit consideration, although some of the products of the business divisions are already designed for extreme temperatures. Energy efficiency is achieved by consistently monitoring our energy consumption and implementing various measures to improve it. The use of renewable energies is primarily considered in the context of reducing our scope 2 emissions. No other areas are considered beyond this.

E1-3: Actions and resources in relation to climate change policies

General actions

Several measures were initiated in 2024 in the context of climate protection:

- We switched to 100% green electricity at selected locations (including our company headquarters and production site in Mönchengladbach) on 1 January 2024. This has resulted in a significant reduction in our scope 2 emissions.
- Photovoltaic systems have been installed and put into operation at the Mönchengladbach and Bytča (Slovakia) sites. These supply around 200,000 kWh per year. In addition, several roofs were renovated and pre-equipped for the installation of PV systems during this work.
- Extensive roof insulation and renovations on several parts of the building at the Mönchengladbach site and a switch to LED lighting have reduced gas consumption and significantly increased energy efficiency overall. Further roof renovations are planned. These actions have contributed to the goal of "reducing gas consumption at the Mönchengladbach site by 671,000 kWh/a" (cf. E1-4).

The actions that have been instituted are primarily aimed at increasing energy efficiency and at the more sustainable procurement of the energy required. We will thus be able to reduce our scope 1 and 2 emissions. No nature-based solutions have been planned.

Fare Collection Systems

A variety of product-related approaches for using energy efficiently, which can help reduce greenhouse gas emissions, and for adapting to climate change have been adopted in the Fare Collection Systems business division.

- Adaptation of products to changes in ambient temperature: For example, climate control panels are used in stationary ticket vending machines to meet climate requirements. Furthermore, the basic design of the stationary ticket vending machines is geared towards higher ambient temperatures, so that the potential use of air conditioning systems can be reduced. This reduces the impact on the climate by minimising the use of coolants and, at the same time, cuts down the amount of energy required.

Parking Solutions

A variety of product-related approaches, e.g. in relation to energy efficiency, have been adopted in the Parking Solutions business division:

- Adaptation of products to changes in ambient temperature: Climate panels are also used in the pay stations of the Parking Solutions business division to reduce the use of heating and air conditioning systems and lower energy requirements.
- Energy saving: Devices can also be set to standby mode to minimise additional energy consumption.
- Material savings: We have been offering our customers the option of receiving electronic receipts since 2024. This e-receipt function offers numerous advantages: Customers can easily manage and store their receipts while minimising the environmental impact by reducing paper production and disposal at the same time.

Signalling Systems

The products of the Signalling Systems business division are critical infrastructure and safety components, which is why it must be ensured that the electronics installed in them run smoothly even in extreme temperatures. This is what customers demand from control and safety technology manufacturers. The following action was taken to fulfil this requirement:

- Climate test: All printed circuit boards and assemblies are fully tested in climate chambers, where the components undergo a repeated temperature cycle between -25 °C and +70 °C to prevent failure under extreme conditions. Although this requirement has not arisen solely as a result of the impacts of climate change, our products are nevertheless designed to cope with the resulting large temperature fluctuations.

GHG emission reductions achieved by the actions and expected in the future

The reduction in greenhouse gas emissions achieved by the actions amounts to around 2,379,000 kg CO₂e per year. No further reduction in greenhouse gas emissions is expected as a result of the actions taken.

Targets and key performance indicators

E1-4: Targets related to climate change mitigation and adaptation

Climate-related targets

With the overarching goal of reducing our energy consumption, the following short-term targets have been defined for 2024 by the environmental and energy management team:

- Reduction of the electricity consumption at the Mönchengladbach site by 21,500 kWh/a
- Reduction of the gas consumption at the Mönchengladbach site by 671,000 kWh/a.

Scheidt & Bachmann has not yet set any targets for reducing greenhouse gas emissions. The current focus is on expanding the CO2 balance to include relevant scope 3 categories and companies of the Scheidt & Bachmann group. In our view, targets can only be meaningfully defined once the carbon footprint has achieved sufficient coverage.

Based on the results of the carbon footprint to date, it has been determined that a key decarbonisation lever lies in the choice of the energy sources used. For this reason, some locations have already switched to 100% green electricity. Expanding our carbon footprint allows us to identify further decarbonisation levers and to initiate appropriate actions.

Environmental objectives

- Reductions in internal fuel consumption
- Savings on materials and waste
- Reduction in internal energy consumption.

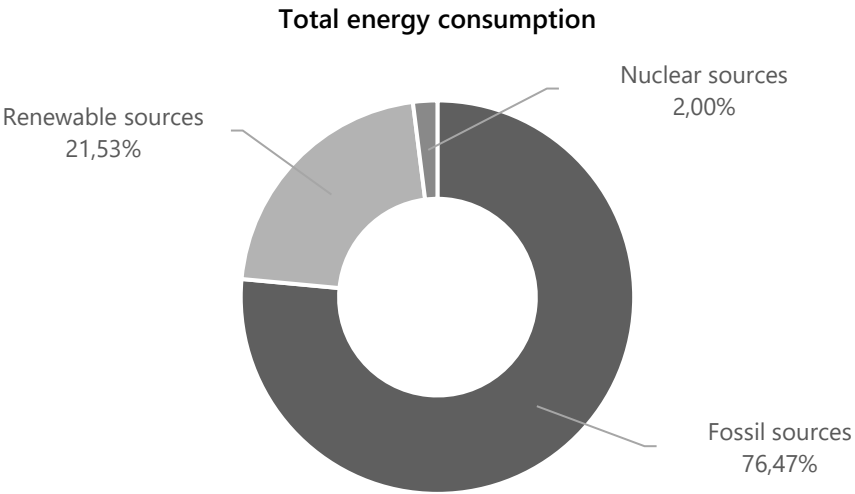
Processes for tracking the effectiveness of policies and actions

The effectiveness of the policies and actions in relation to the material environmental impacts, risks and opportunities are tracked in the environmental and energy management system. We continuously monitor the extent to which the actions we have instituted help us achieve our targets and whether we need to make adjustments. We do this by, among other things,

- collecting and analysing relevant key performance indicators and internal reporting,
- conducting regular internal and external audits and risk assessments in the areas of environment and energy within the framework of the DIN EN ISO 14001 and DIN EN ISO 50001 certified management system,
- consistently applying the PDCA cycle (Plan-Do-Check-Act) for continuous improvement.

E1-5: Energy consumption and mix

Energy consumption and mix	Reporting year	Reference year
(1) Fuel consumption from coal and coal products (MWh)	0	n.a.
(2) Fuel consumption from crude oil and petroleum products (MWh)	13,473.90	n.a.
(3) Fuel consumption from natural gas (MWh)	9,982.34	n.a.
(4) Fuel consumption from other fossil sources (MWh)	0	n.a.
(5) Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	1,648.84	n.a.
Total energy consumption from fossil sources (MWh) (sum of 1-5)	25,105.08	n.a.
Share of fossil fuels in total energy consumption (%)	≈ 76.47	n.a.
Total energy consumption from nuclear sources (MWh)	655.36	n.a.
Share of consumption from nuclear sources in total energy consumption (%)	≈ 2.00	n.a.
(6) Fuel consumption for renewable sources (MWh)	0.22	n.a.
(7) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	6,864.28	n.a.
(8) Consumption of self-generated non-fuel renewable energy (MWh)	204.42	n.a.
Total energy consumption from renewable sources (MWh) (sum of 6-8)	7,068.92	n.a.
Share of renewable sources in total energy consumption (%)	≈ 21.53	n.a.
TOTAL ENERGY CONSUMPTION (MWh)	32,829.36	n.a.



Explanations of the key energy performance indicators

The key performance indicators stated here correspond to the energy consumption considered in scope 1 and 2. They therefore include purchased electricity, fuels for heating and fuel consumption for vehicles. Energy consumption that is outside our direct control is excluded in accordance with the requirements of the reporting standard.

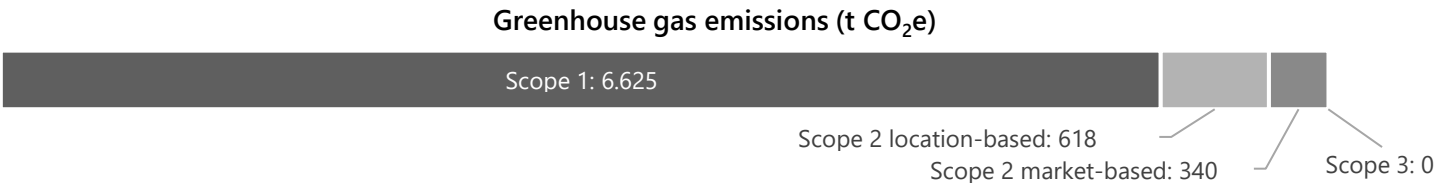
Disclosures on self-generated energy

KPI	Value
Self-generated renewable energy	219.08 MWh
Of which fed into the grid	14.66 MWh
Of which consumed by the company	204.42 MWh
Self-generated non-renewable energy	0 MWh

E1-6: Gross scopes 1, 2, 3 and total GHG emissions

	Retrospectively				Milestones and target years			
	Base year	Previous year	Reporting year	% reporting year/previous year	2025	2030	2050	Annually % of target / base year
Scope 1 greenhouse gas emissions								
Gross scope 1 GHG emissions (tCO ₂ e)	Not collected	Not collected	6,625	n.a.	None set	None set	None set	n.a.
Percentage of scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	Not collected	Not collected	0%	n.a.	None set	None set	None set	n.a.
Scope 2 greenhouse gas emissions								
Gross location-based scope 2 GHG emissions (tCO ₂ e)	Not collected	Not collected	618	n.a.	None set	None set	None set	n.a.
Gross market-based scope 2 GHG emissions (tCO ₂ e)	Not collected	Not collected	340	n.a.	None set	None set	None set	n.a.
Significant scope 3 greenhouse gas emissions								
Total gross indirect (scope 3) GHG emissions (tCO ₂ e)	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
1 Purchased goods and services	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
[Optional subcategory: Cloud computing and data centre services]	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
2 Capital goods	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
4 Upstream transportation and distribution	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
5 Waste generated in operations	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
6 Business travel	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.

7 Employee commuting	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
8 Upstream leased assets	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
9 Downstream transportation	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
10 Processing of sold products	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
11 Use of sold products	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
12 End-of-life treatment of sold products	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
13 Downstream leased assets	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
14 Franchises	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
15 Investments	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ e) ⁶	Not collected	Not collected	7,243	n.a.	None set	None set	None set	n.a.
Total GHG emissions (market-based) (tCO ₂ e) ⁷	Not collected	Not collected	6,965	n.a.	None set	None set	None set	n.a.
Total GHG emissions (tCO₂e)	Not collected	Not collected	7,583	n.a.	None set	None set	None set	n.a.



⁶ Underlying formula in accordance with ESRS E1-6 AR 47: gross scope 1 emissions + gross scope 2 emissions location-based + gross scope 3 total
⁷ Underlying formula in accordance with ESRS E1-6 AR 47: gross scope 1 emissions + gross scope 2 emissions market-based + gross scope 3 total

Further disclosures on scope 1

The plants operated by Scheidt & Bachmann are not subject to the EU Emissions Trading System (EU ETS), any national emissions trading system or any non-EU emissions trading system.

KPI	Value
Share of scope 1 emissions from regulated emissions trading systems	0%
Amount of biogenic emissions of CO ₂ (scope 1) from the combustion or biodegradation of biomass	0 kg
The amount of CO ₂ emissions that are subject to an emissions trading system	0 kg

Further disclosures on scope 2

Green electricity certificates or electricity invoices with detailed guarantees of origin for the electricity were submitted by all Scheidt & Bachmann companies where emissions were calculated using this method in order to compile the market-based Scope 2 emissions. In all cases, these are bundled certificates or guarantees of origin, i.e. they were provided by the electricity supplier together with the purchased electricity.

The percentage of biomass or biogenic CO₂ is not separated from the emission factors and is also not shown separately in the electricity bills used as a basis.

KPI	Value
Share of market-based scope 2 emissions from contractual instruments used for the purchase of energy	100%

Further disclosures on total emissions

Greenhouse gas emissions were calculated on the basis of the Greenhouse Gas Protocol. The relevant data (fuel and energy consumption) of the entire group of companies was collected and multiplied by an emission factor to calculate the scope 1 and 2 emissions. Some of the emission factors used as a basis were taken from existing calculations; if this was not the case, emission factors from reputable sources, such as the European Environmental Agency (EEA) or the Environmental Protection Agency (EPA), were used. The fuel and energy consumption was taken from the relevant invoices in most cases. If no reliable data could be collected, estimates and assumptions were made.

ESRS E5 Resource use and circular economy

Resource use and the circular economy are key issues for the future of our economy and the environment. In a world with limited natural resources and growing consumption, it is important to extend the life cycle of products and materials and minimise waste. The transition from a linear "take-make-dispose" economy to a circular economy, in which resources are constantly fed back into the production cycle, is crucial for reducing environmental impacts and maximising resource efficiency. Scheidt & Bachmann depends on the availability of important raw materials for its products, including electronic components. By reducing the consumption of resources and promoting recycling and reuse, we can secure our long-term competitiveness and at the same time make a positive contribution to protecting the environment.

With regard to resource use and the circular economy, the following material impacts, risks and opportunities described under SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
Circular economy	Purchase of non-renewable raw materials and resources Recovery of raw materials and resources End-of-life management	Increased waste disposal costs Adaptation of products to the requirements of the circular economy Costs for extended take-back obligation for old appliances	None

Policies and actions for managing impacts, risks and opportunities

E5-1: Policies related to resource use and circular economy

In the context of our business activities, we identified the impacts on people and the environment listed above and described in more detail under disclosure requirement SBM-3. In order to strengthen positive and minimise negative impacts, Scheidt & Bachmann is investing efforts in establishing an efficient and responsible use of raw materials and reducing waste. At the same time, Scheidt & Bachmann is aiming to make the most of the opportunities and minimise as far as possible the risks that arise for the company from these matters. This applies both to product development and to all other economic activities. For example, product development has a major influence on the recyclability of products through their design.

Environmental and energy management system

Environmental and energy management certified in accordance with DIN EN ISO 14001 and DIN EN ISO 50001 is a key component of the internal management of the impacts on the circular economy. Among other things, it provides guidelines for the energy-efficient and environmentally friendly implementation of internal processes. For example, the "Environmentally friendly product development" guidelines are an aid in product

design. The early alignment of our product development with the requirements of the circular economy prevents the need for a costly redesign of our products if stricter regulatory requirements for the “Adaptation of products to the requirements of the circular economy” are imposed on companies in the future. The environmental and energy management system also monitors internal energy consumption and can therefore initiate actions to improve energy-intensive processes. This leads to more efficient use of energy resources. The companies covered by the environmental and energy management system are audited at regular intervals by external auditors. Responsibility for the management system lies with the management; it is coordinated on a centralised basis in Mönchengladbach by the environmental and energy officers.

E5-2: Actions and resources related to resource use and circular economy

Scheidt & Bachmann has initiated various actions to improve resource use that represent the first steps towards a circular economy. General actions relate in particular to reducing the use of resources within company processes, while product-specific measures are taken by the business divisions for their respective products. Many of the actions include detailed optimisations that bring about targeted improvements in specific areas.

General actions

The following actions were initiated in 2024 in the context of resource use and the circular economy:

- As part of the efforts to save resources, the focus is on continuously increasing the digitalisation of processes. One example from 2024 is the introduction of digital payroll accounting in HR.
- An example of waste avoidance in production is the reduction of offcuts when printing serial number plates. Format changes were taken into consideration when new printers were purchased, while waste was reduced through changeover processes.
- All measures in the context of energy management and optimisation, which therefore also contribute to the optimised use of resources, have already been described in E1-3.

Product-specific measures

A variety of measures help to improve resource use and the circular economy in relation to our products. Not all measures relate to all products:

- Continuous improvement process (CIP): Product improvements as well as material and process optimisations are documented in CIP rounds, evaluated and, if appropriate, implemented as controlled improvement measures. They include actions to save resources, improve ease of assembly and increase durability.
- Optimisation of the product energy footprint: A number of targeted measures to reduce energy consumption are used in the different products. These include measuring energy consumption for diagnosis and optimisation and the use of LEDs for lighting. In addition, many of our products can be operated in large temperature ranges without air conditioning thanks to a suitable design.
- Use of environmentally friendly materials: One example of this is the use of biodegradable hydraulic oil.

- Modular design: The modular design of our equipment enables a high degree of reusability of the components and can prevent unnecessary scrapping.
- Repair of components: Under certain, clearly defined conditions, defective components are repaired in our own repair centre.
- Take-back and disposal offer: Customers are offered professional and cost-neutral disposal of the equipment.

KPIs

E5-4: Resource inflows (materials used)

Description of the material resource inflows

The material resource inflows include raw materials (e.g. steel, concrete, plastics), machinery, electronic components, semi-finished parts, packaging materials, tools and consumables, IT equipment, software including licences, textiles and health and safety equipment.

Key weight indicators or products and materials purchased for the manufacture of our products and the provision of our services

KPI	Weight	Percentage
Total weight	111,200 t	100%
Of which biological materials (and biofuels used for non-energy purposes)	270 t	0.24%
Of which secondary reused or recycled components, products and materials	215 t	0.19%

Information on the methodologies used to calculate the key weight indicators

Either data from weight measurements on goods receipt (if available) or invoices or information from manufacturers were used to calculate the above key performance indicators. If no reliable data could be collected, estimates and assumptions were made. This was particularly the case with more complex purchased components and assemblies, where manufacturer’s information on their composition was not available in many instances.

E5-5: Resource outflows (products and waste)

Circular approaches have been taken into consideration in the development of various products in our business divisions described under SBM-1, which are summarised below.

Scheidt & Bachmann **hardware products** are designed to be robust and utilise industry-standard electrical components. Products and additional purchased systems and components are modular and interchangeable. The use of modular components reduces material consumption and makes the products easier to repair. The products can also be maintained, and we offer our customers services for this purpose. This ensures a long service life. Technical upgrades to products already in the field extend their service life.

Many of our **software products** are cloud-based. This allows resources to be optimally utilised and hardware requirements to be reduced.

Disclosures on the expected durability of the products

The products of all Scheidt & Bachmann business divisions are designed for a long service life. Depending on the product, this ranges roughly between 12 and 20 years. Experience with the products in the field confirms the estimated service life. Replacing and upgrading individual components can significantly increase the service life. How long the products are actually in use for depends largely on the customer using them.

Disclosures on the reparability of the products

All Scheidt & Bachmann products can be repaired in principle. Our products are characterised by a modular design that facilitates the easy maintenance, repair and replacement of individual components. Defective assemblies such as power supply units, memory, hard drives, displays or computer parts can be replaced or repaired directly in the field or in certified environments. LEDs support troubleshooting, and a comprehensive service manual provides help to identify and rectify faults. Thanks to this modular structure, multiple repairs are possible, which significantly extends the service life of the products. Returns are analysed and repaired in our plant.

Key performance indicators on recyclability

Recyclability of the	Percentage
products	88%
product packaging	100%

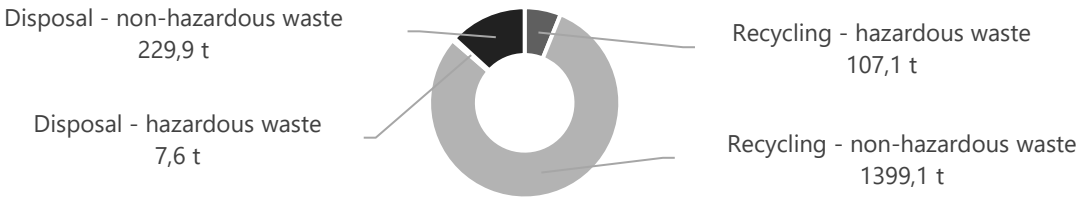
Information on the methodologies used to calculate recyclability

The recyclable content in products was calculated on the basis of annual overviews of the main products marketed in the 2024 financial year. In addition to the production quantity of the individual components, the data source also includes the weight of the individual components and of the relevant materials used in kg. The weights of the materials installed were worked out using SAP data here. A rate of recyclable content was assumed for each material used. The necessary data on the recyclability of the products could be generated from this.

The recyclable content in product packaging was estimated using a list of all materials used in shipping. Each material was reviewed for its recyclability. The result shows that all the materials we use are basically recyclable, which is why a proportion of 100% was assumed.

Waste indicators

KPI	Value	Percentage
Total amount of waste generated	1,743.7 t	100%
Recycled waste	774.3 t	44.41%
Radioactive waste	0 t	0%
Hazardous waste	114.7 t	6.58%



Breakdown of waste directed to recovery

Recovery operation	Hazardous waste (t)	Non-hazardous waste (t)	Total (t)
Preparation for reuse	0.9	9.4	10.3
Recycling	74.5	894.9	969.4
Other recovery operations	31.7	494.8	526.5
Total	107.1	1,399.1	1,506.2

Breakdown of waste directed to disposal

Waste treatment type	Hazardous waste (t)	Non-hazardous waste (t)	Total (t)
Incineration	6.5	112.6	119.1
Landfill	0.7	109.9	110.6
Other disposal operations	0.4	7.4	7.8
Total	7.6	229.9	237.5

Information on the methodologies used to calculate the waste indicators

The waste data was generated in different ways. Where available, data from existing waste balances based on weighing were used. If no reliable data could be collected, estimates and assumptions were made. This was particularly the case for Scheidt & Bachmann companies that work in rented buildings or that do not operate their own waste management system. Assumptions had to be made in particular with regard to the disposal and recycling methods used for the waste, as in many cases no or only insufficient information could be provided by the waste management companies.

Composition of the waste

The relevant waste streams include municipal, electronic and industrial waste.

The waste contains the following materials, among others:

- Paper, cardboard and wood
- Plastic packaging
- Glass
- Biodegradable waste (e.g. food waste)
- Metals (including copper, bronze, brass, iron, aluminium)
- Electronic devices (e.g. printers, scanners), batteries and accumulators, cables, circuit boards
- Printer cartridges
- Slurries, emulsions, solvents, washing liquids, (lubricating) oils
- Textiles.



ESRS S1 Own workforce

Our company’s success is based on the great commitment and expertise of our employees. As a family business, we are characterised by a strong community with core values. We are delighted that many employees have been with the company for several decades.

With regard to the workforce, the following material impacts, risks and opportunities described under SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
Working conditions of own workforce	Human rights Fair pay Work-life balance	None	High productivity and increased revenue thanks to satisfied employees
Protection of own workforce	Health and safety Violence and harassment in the workplace	None	None
Equality and advancement of employees	Non-discrimination of employees	None	Boosting employee productivity thanks to increased expertise

S1-SBM-3: Material impacts, risks and opportunities related to the company’s own workforce and their interaction with strategy and business model

Description of employees and non-employees

The majority of Scheidt & Bachmann employees are trained specialists in technical and commercial fields. There are also trainees in Mönchengladbach and Slovakia. In addition, Scheidt & Bachmann employs semi-skilled labour, particularly in production, and a small number of external workers (temporary workers and self-employed people). All Scheidt & Bachmann employees are affected by the material impacts. Depending on the topic, policies and actions can also have an effect on the external employees in the company.

Disclosures on positive impacts

The positive impacts that are identified are mainly due to the company’s human resources management and the cultivation of the corporate culture. These have a significant influence on working conditions and the protection and advancement of employees. Through specific policies

and actions, which are described below, these positive impacts are realised for people who fall within the scope of a policy or action. In general, HR management covers all employees.

Analysis of the risk of forced or child labour

No activities have been identified in the company's own business area where there is a significant risk of forced labour or child labour.

Policies and actions for managing impacts, risks and opportunities

S1-1: Policies adopted to manage impacts, risks and opportunities

Scheidt & Bachmann values

The Scheidt & Bachmann family business sees itself as a corporate community that is characterised by shared values throughout all its national and international companies and that embraces these values in practice together. The cooperation of all employees is based on the values model implemented throughout the company and the commitment of all managers to live these values. They also form the basis for collaboration with external parties such as partners, customers, suppliers and applicants. The values are present in corporate communications and anchored in the company's processes. For example, the discussion guidelines for employee appraisals always include a point for reflecting on cooperation in line with values.

Practised values address all impacts, risks and opportunities by creating positive cooperation, reducing risks of conflict and generating opportunities.

The Scheidt & Bachmann values apply to all employees worldwide without exception. Each and every individual is responsible for living the values. Their effectiveness is reflected in the cooperation between the employees and the company management.

Code of Conduct (version: October 2018)

Scheidt & Bachmann stands worldwide not only for outstanding quality, performance and future expertise, but also for values such as responsibility and commitment. This expectation that we have set ourselves is anchored in a generally applicable Code of Conduct. It is an invitation to all employees of the group of companies to comply with the applicable legal provisions and also to observe high ethical standards. It serves as a binding guideline for all employees in their day-to-day work. It is communicated to all employees through the internal company channels and can be accessed at all times.

Among other things, the Code of Conduct explicitly addresses the material impacts related to "human rights", "violence and harassment in the workplace" and "non-discrimination of employees".

The Code of Conduct applies to all Scheidt & Bachmann companies. It focuses on the company's own business activities and its relationships with customers, suppliers and other partners. It covers all employees of the Scheidt & Bachmann group of companies.

The Code of Conduct has been signed by the chief executive officer. All Scheidt & Bachmann employees are responsible for implementing the defined guidelines.

Works agreements

Scheidt & Bachmann GmbH, Scheidt & Bachmann Signalling Systems GmbH, Scheidt & Bachmann Fare Collection Systems GmbH, Scheidt & Bachmann Parking Solutions GmbH, Scheidt & Bachmann Energy Retail Solutions GmbH in Mönchengladbach and Scheidt & Bachmann System Technik GmbH in Melsdorf are bound by collective agreements. The relevant framework agreements on employment conditions and their annexes comprehensively regulate the terms and conditions of employment for employees. The core contents include

- Start and termination of the employment relationship
- Working time models
- Schedule of working hours, flexibility instruments
- Holiday, continued remuneration, bonuses
- Protection in the event of termination
- Representation of interests by works councils.

In addition, company regulations (in the form of works agreements or other company regulations) have been agreed at the various Scheidt & Bachmann companies, including on the following topics:

- Working hours, time in lieu, mobile working
- Overtime and holiday pay
- Occupational safety and health promotion.

Some foreign Scheidt & Bachmann subsidiaries also have collective agreements and/or works councils or staff representatives in accordance with country-specific laws and regulations. Co-determination rights and responsibilities may differ accordingly.

The overarching aim of the collective agreements is to create fair, flexible and transparent working conditions that secure employment while taking operational requirements into account. In addition, the company regulations and works agreements create binding regulations on the relevant topics for all employees covered by the scope of the agreements.

Company regulations and collective agreements relate to the material impacts relating to "fair pay", "work-life balance" and "health and safety".

Monitoring processes are regulated in the works agreements and are carried out as part of regular processes. The works council also monitors compliance with the provisions of the collective agreements. An arbitration board under the collective agreements can be called upon in the event of disputes.

Company agreements apply to all employees of the companies that fall within the scope of a company agreement. The scope of application of company regulations is defined in the relevant regulation. Collective agreements apply to all employees and trainees of Scheidt & Bachmann companies that are bound by collective agreements. There are specific regulations for certain groups, namely older employees, assembly workers and shift workers, caregivers and parents with regard to days off.

Responsibility for implementation lies with the management of the specific company that enters into the collective agreement. Works councils have a joint responsibility as a result of their co-determination rights.

The interests of employees and their representatives (works councils or staff representatives) are taken into account to a significant extent. Collective agreements are entered into between the employer and the employee representatives. Works councils have extensive participation and co-determination rights. When works agreements are entered into, the employees' interests are represented by the works council. The works agreements can be accessed on the intranet by all employees. Collective agreements can be viewed at the works council.

Human resources strategy

The human resources strategy (version 2024) is updated annually in the form of a 5-year plan. Key strategic HR topics are derived and described.

- Company values / culture
- International human resources work
- Recruitment / employer brand
- Organisational and human resources development
- Remuneration concept / working conditions.

The HR strategy actively supports the business divisions and cross-divisional functions in achieving their global business goals. It builds on the corporate strategy. The primary objective of the HR strategy is to recruit the "right" employees for the company in an international context, retain them and develop them within the company through targeted personnel development measures.

Among other things, the HR strategy addresses the material impacts relating to "fair remuneration", "health and safety" and the material opportunities relating to "high productivity and increased revenue thanks to satisfied employees" and "boosting employee productivity thanks to expertise".

The strategic orientation is reviewed at least once a year as part of the revision of the HR strategy. Individual measures resulting from the HR strategy are monitored on a case-by-case basis. The HR strategy is submitted to the Supervisory Board.

The HR strategy applies to all Scheidt & Bachmann employees worldwide.

Responsibility for implementation lies with the head of the human resources department. The head of human resources is responsible for issuing guidelines for the HR work worldwide. This also includes the functional reporting line of the HR staff working on site.

Human rights obligations

Scheidt & Bachmann respects the internationally recognised human and labour rights. We comply with all the relevant requirements from this area that have been transposed into national law and take them into account in our business processes. In addition to complying with all legal requirements regarding respect for human rights, Scheidt & Bachmann bases its actions on internationally recognised guidelines and standards. These include the Universal Declaration of Human Rights of the United Nations (UN), the United Nations Guiding Principles on Business and Human Rights (UNGPR), Germany's National Action Plan on Business and Human Rights, the principles of the United Nations Global Compact (UNGC) and the 17 international Sustainable Development Goals (SDGs). The issues of human trafficking, forced labour and child labour are explicitly covered in the Code of Conduct.

In addition to anchoring human rights in the Code of Conduct, the management has created a guiding framework to ensure respect for human rights – also in relation to its own employees – by adopting the “Declaration of Principles on Human Rights and Environmental Rights”, version 1.0 of 1 January 2024. This policy statement describes the risk management process at suppliers and in our own business area and references the company's complaints procedure. The policy statement on human rights and environmental rights is published on the company's website. The processes outlined in ESRS S1-2 for engaging the company's own workforce and workers' representatives about impacts can also be used by employees to address human rights issues. The processes outlined in ESRS S1-3 to remediate negative impacts and channels for the company's own workforce to raise concerns can also be used, if necessary, to remedy impacts on employees' human rights. We believe that our Human Rights Policy Statement and our approach to human rights are in line with the United Nations Guiding Principles on Business and Human Rights.

Disclosures on occupational safety

Scheidt & Bachmann has a policy related to the prevention of work-related accidents.

Disclosures on non-discrimination and inclusion

Scheidt & Bachmann rejects all forms of discrimination, especially those that are subject to applicable protection by law. This is also set out in writing in the Code of Conduct. A policy to promote diversity has also been developed and is gradually being implemented.

The Scheidt & Bachmann companies in Germany are subject to the General Equal Treatment Act (AGG), which requires us to protect vulnerable groups of people. In addition, they are required in accordance with section 154 of volume IX of the German Social Code (SGB) to employ a minimum quota of 5% of people with disabilities or to pay a levy if this quota cannot be met. In accordance with section 164(4) SGB IX and section 3a(2) of the Workplace Regulation (ArbStättV), the Scheidt & Bachmann companies in Germany are also required to set up and operate the workplace in such a way that it is adapted to people with disabilities, if the employment of people with disabilities requires this. This enables employees with disabilities to participate in working life largely independently. Information on the obligations of the international subsidiaries was not collected for 2025 and is therefore not provided.

An important way of preventing discrimination and promoting diversity is to raise the awareness of and train managers and employees. For example, the management forum (training programme for all managers worldwide) has included the "Diversity @ S&B" module since 2024 to promote the change towards more diversity in the teams. The content includes diversity as a success factor, dealing with one's own "unconscious bias" and methods for actively countering it.

S1-2: Process for engaging with the employees about impacts

Processes for engaging with the company's own workforce and workers' representatives

As described under S1-1, several Scheidt & Bachmann companies have a works council with which the management and HR work together, discuss problems, seek joint solutions and derive actions from them.

Through various dialogue formats, the perspectives of employees are incorporated both directly and through the engagement with employee representatives in the company's decisions and activities relating to employee matters.

- Regular dialogue between employees and their managers (e.g. annual target agreement and target achievement meetings as well as performance reviews)
- Formats for exchanging views between management and employees (e.g. online dialogues ("town halls") several times a year, meetings of the equal opportunities initiative with management representatives, HR and the Scheidt & Bachmann Women's Network several times a year)
- Works meetings: One item on the agenda of the works meeting is the management's report on the past year and the outlook for the coming year. Employees are released from work to attend the works meetings.
- Regular exchanges, consultations and negotiations between the chair of the works council in Mönchengladbach and their deputy, the managing director and HR management or on an ad hoc basis (e.g. for entering into works agreements).
- Employee surveys: Employee surveys are conducted regularly in various areas of the company. These are based on the Scheidt & Bachmann values. By giving employees the opportunity to make open statements in the surveys, we also encourage them to provide specific suggestions for improvements, from which we derive actions to optimise our performance as an employer. The results of the employee surveys also serve as a basis for the regular dialogue between managers and employees in the individual business divisions and units of our company.

The chief executive officer of Scheidt & Bachmann GmbH is responsible for the operational engagement of the employees and their representatives.

Disclosures on global framework agreements

Country-specific regulations apply at the various national companies of the Scheidt & Bachmann group. Works agreements are negotiated and entered into between individual Scheidt & Bachmann companies as the employer and the respective works council as the employee representative body, so that the perspectives and interests of the employees are taken into account in these agreements. There are no global agreements with employee representatives.

Assessment of the effectiveness of the cooperation

In our opinion and experience, the dialogue formats mentioned above are effective tools for incorporating the perspectives of employees into decisions and activities. Participation in the dialogue formats, such as employee surveys, and the content of the dialogue are a good indicator of the effectiveness of the cooperation.

Processes to gain insight into the perspectives of employees who may be particularly vulnerable to impacts and/or marginalised

The Mönchengladbach site has its own youth and trainee representative body to represent the interests of young people and trainees. It consists of a total of five representatives and is there exclusively to represent the interests of young people and trainees.

The participation of people with disabilities is important to the company. The works council's representative body for severely disabled employees at the Mönchengladbach site consists of one representative and at least one deputy. The representative body for severely disabled employees has the task of promoting the integration of people with severe disabilities, representing their interests and providing them with advice and support. It also provides support in applying for further training and health measures for people with disabilities and receives their suggestions and complaints. Access to the representative body for severely disabled employees is open to all employees. A regular exchange takes place between the company and the representative body for severely disabled employees, for example as part of company integration management.

There is also a regular dialogue between representatives of the management, HR and the Scheidt & Bachmann Women's Network as part of the equal opportunities initiative.

S1-3: Processes to remediate negative impacts and channels for the employees

No material negative impacts were identified in the course of the materiality analysis. Should negative impacts occur, suitable measures are identified on a case-specific and context-dependent basis and implemented with the involvement of the necessary persons and their effectiveness is then reviewed. There is no general remedy process.

Reporting channels for employees

Employees of the company can express their concerns or needs through various channels. For many issues, the line manager is the relevant contact person, and we expect our managers to address their employees' concerns appropriately.

If Scheidt & Bachmann values are violated or if the behaviour of another person is perceived as a violation of the values, employees also have access to "trustees" as neutral, trustworthy contacts. They provide support in addressing and clarifying the concern or conflict and, if necessary, report a breach of values to Human Resources. If necessary, the incident can be escalated to the management. The trustee always agrees the procedure with the person concerned.

Another channel is the works council, to which employees can present their concerns and which then places these with the company management through the established channels.

In addition, reports can be submitted to the complaints office of the Scheidt & Bachmann group of companies in person, by telephone, by e-mail or in writing. If complaints relating to employee matters are reported to the complaints office, they are addressed in accordance with the complaints procedure. Please refer to G1-1 for a detailed description of the complaints procedure. The Compliance department follows up on complaints in close coordination with the HR department and the management.

The reporting channels (complaints office, information on the trustees, works council contact) are published internally both on the intranet and in the employee "swap" app and can thus be accessed by all employees.

Assessment of the effectiveness and awareness of the reporting channels

Conclusions can be drawn from the use of the channels as to whether employees are familiar with the channels. It can also be assumed that communication via the intranet, the employee "swap" app and information events for new employees, etc., will produce the desired level of awareness.

Protection of persons reporting a concern

If concerns are brought to the attention of superiors, trustees or the works council, they can be asked to treat them confidentially. The staff of the complaints office are obliged to maintain confidentiality in the course of their work and ensure this when concerns are submitted to the complaints office. An external whistleblower protection system will also be implemented in 2025, which will make it possible to submit completely anonymous reports to the complaints office. (cf. G1-1)

S1-4: Action on material impacts and approaches to managing material risks and pursuing material opportunities related to the company's own workforce, and effectiveness of those actions

Actions for promoting health

The topic of health is anchored in Scheidt & Bachmann's human resources strategy as a cross-cutting task. There are numerous measures and programmes that promote employee health. The following list is not exhaustive and not every measure is available at all company locations:

- Company doctor (consultations, check-ups, vaccinations, etc.).
- Compliance with statutory and collectively agreed occupational health and safety and accident prevention regulations (monitoring by the company doctor and the occupational safety specialist, among others, including through regular workplace inspections, risk assessments) and compliance with internal standards.
- High number of first aiders thanks to regular first aider training.
- Employee discount at JustFit with over 20 fitness clubs in the greater Cologne area, Mönchengladbach and the Rhein-Erft district.
- Employee discount at the MOZOLANI fitness centre network and the ACTIV CLUB fitness centre in Slovakia.
- MultiSport card for access to over 230 sports providers in Slovakia.
- Sports zone in the new IT centre in Žilina (Slovakia) with climbing wall, workout set, etc.
- Bike leasing for employees of German companies.
- Works agreements, for example, on the health-related topics of working hours, holiday arrangements, mobile working, health promotion for smokers and non-smokers and regulations on alcohol and drugs in the company.
- Severely disabled employees and employees who are at risk of becoming disabled due to illness can seek advice on all matters from the representative body for severely disabled employees.
- Subsidisation of prevention courses and workplace glasses.
- Participation in the "City Cycling" campaign from 4 to 25 May 2024 in Germany and "Cycling to work" every June in Slovakia.
- Psychological first aid training for employees in Ukraine.
- Recreational allowance for employees in Slovakia for holidays in Slovakia.

We expect these measures to improve the general well-being of employees and thus reduce absenteeism. We believe that our health management measures contribute to promoting the health of our employees and to Scheidt & Bachmann's attractiveness as an employer. The measures are aimed at the company's employees. Health promotion is, by its very nature, a continuous process. The measures to promote employee health are designed for the long term and are in some cases legally binding. Changes may occur as a result of changes to legislation and in the environment. In addition, the use of the measures is monitored and changes are implemented if necessary. Suggestions for measures can be made by employees at any time.

Actions to promote work-life balance

As a family business, we are aware of the challenges that working parents and family caregivers face in balancing their family and career. Work-life balance is of great importance for the family-owned company Scheidt & Bachmann. Various measures are in place to achieve this. The following list is not exhaustive and not every measure is available to employees of all the companies in the group of companies:

- Flexible working time arrangements, part-time work and trust-based working hours enable our employees to organise their working hours flexibly based on their individual family needs, taking into account operational requirements and in consultation with their manager.
- In accordance with the works agreement on mobile working, up to 40 per cent of monthly working hours can be spent working remotely, provided that the employee's work duties permit this.
- We also enable near full-time part-time work in management positions.
- For each child an employee has, we pay a tax-free subsidy for daycare centres, kindergartens or childminders for up to two years.
- S&B Family Network: This network is home to a lively exchange on family-related topics such as childcare.
- In accordance with the provisions of the Caregiver Leave Act and the Family Caregiver Leave Act, we enable all employees to take unpaid leave to care for close relatives when necessary.
- For employees in Germany and Slovakia, a day off in lieu rule was again implemented in 2024, allowing them to work a few minutes longer each day in order to have time off on bridge days and between Christmas and New Year's Eve.

We believe, the measures help employees to reconcile the different demands of work and family life. The actions to promote work-life balance are intended to promote the company's attractiveness as an employer, employee satisfaction and, employee diversity as well as to increase the proportion of women in management positions. The measures are aimed at the company's employees. It should be noted that different measures are offered at different locations of the company. Promoting a work-life balance is an ongoing task. The measures are therefore designed for a longer period of time. They are adapted to requirements.

Training and continuous professional development measures

The training and development of our employees is an important element in improving the company's performance. The quality of our training is a high priority. As in previous years, two of our trainees were honoured as the best in the state in 2024. Scheidt & Bachmann has already won more than 10 awards as the best Chamber of Industry and Commerce (IHK) training company in the Middle Lower Rhine region.

We offer the following training programmes in Mönchengladbach:

- Electronics engineer in devices and systems
- IT specialist in system integration
- Industrial clerk
- Industrial mechanic specialising in precision engineering

- Industrial electrician specialising in devices and systems

In Slovakia, we offer a dual training programme:

- Mechanic – Mechatronics
- Mechanic – Electrical engineer

In Mönchengladbach, we offer the following dual study programmes in cooperation with the Niederrhein University of Applied Sciences:

- Electrical engineering – specialising in automation technology including training as an electronics technician for devices and systems
- Business administration - including training as an industrial clerk

We also offer school and university students work placements and opportunities to complete their dissertations.

Various training programmes are available to all employees of the company, some of which are listed below:

- The training catalogue of the open training programme contains various specialist and non-specialist training courses.
- Launched in 2023, the 18-month Junior Management Programme (#JUMP) is an effective mix of personality analysis, classroom seminars and online training and is aimed at motivated junior managers who have been with the company for a maximum of 5 years.
- The Scheidt & Bachmann Academy is the training programme for lower management and specialists. Each year, participants choose the focus of the training courses themselves from the catalogue of subjects provided.
- The “Licence to Lead” programme is an extension of the Scheidt & Bachmann Academy for people embarking on a management career.
- All managers at senior executive level worldwide take part in the management forum, which serves as a platform for international exchange (of experience) between managers. In addition, management principles for the entire group of companies are communicated and discussed in detail in the forum.
- Language courses are offered to improve communication in Scheidt & Bachmann, which is an international company.

The various measures are designed to continuously improve the qualification level and knowledge of employees. They make it possible to bring important new skills into the company so that we can develop innovative products and increase productivity. Training and continuous professional development measures contribute to the company's attractiveness as an employer and to the recruitment, development and retention of employees. Personnel development is part of the HR strategy. Training and continuous professional development programmes are open to all Scheidt & Bachmann employees. Specific training measures are agreed between employees and their managers. Different measures can be offered depending on the company. The measures are implemented on an ongoing basis, where the content, scope and frequency are determined by the individual needs of the employees and on the basis of regulatory requirements and personnel development objectives.

Actions to promote diversity

Diversity and equal opportunities are an integral part of our culture and a fundamental prerequisite for our daily activities. We firmly believe that diversity makes us stronger, because it helps us to achieve our goals. We attach great importance to creating a working environment in which we ensure equal opportunities and treat each other with mutual respect. This applies to all dimensions of diversity. Our strategic focus is

particularly on the two dimensions of international character and women. Various measures are in place to promote diversity. The following list is not exhaustive and not every measure is available at all locations of the group of companies:

- The Scheidt & Bachmann Women's Network was launched in 2023 as an official company network in which employees can network and exchange ideas in various formats. The network is coordinated by female employees of the company.
- Scheidt & Bachmann has taken in the annual "Girls' Day" for several years, enabling girls to gain an insight into the technical professions at Scheidt & Bachmann.
- We awarded several places in the "MentorMe" mentoring programme to female colleagues in 2023 and also in 2024. Organised by an NGO, the programme brings mentees together with mentors and includes events and training sessions.
- There are offers in the open training programme under the category "Among female colleagues" that are specifically addressed to women.
- The new "Diversity @ S&B" module was launched in the management forum, the continuous professional development programme for all managers worldwide, at the end of 2024. More groups will undertake the module in 2025.

We expect greater diversity to give us a more global perspective, a better ability to tap new markets and greater proximity to our customers. A more diverse team allows us to gain new skills and profiles, improve our teamwork and promote innovation. The majority of the measures are aimed at the company's employees. It should be noted that different measures are offered at different locations of the company. Individual measures such as "Girls' Day", on the other hand, are aimed at people outside the company and thus play a part in social change. Promoting diversity is a long-term task. The measures are therefore designed for a longer period of time. They are adapted to requirements.

Assessment of the effectiveness of the measures

The effectiveness of the measures is assessed by Human Resources. The type of assessment may vary depending on the measure. For example, some measures are assessed using evaluation forms or employee feedback (cf. S1-2 and S1-3). It is not possible to determine the exact effect of all measures, as their impact is long-term.

Processes for avoiding negative impacts from the actions

Scheidt & Bachmann attaches great importance to its own employees. Employee satisfaction is one of our five corporate goals. The company wants to avoid negative impacts on employees wherever possible. The aim is to recognise imminent or existing negative impacts by engaging the works council and employees (cf. S1-2, S1-3) and to find a suitable solution.

KPIs

S1-6: Characteristics of the employees

Total number of employees by gender

Gender	Number of employees
Male	2,957.5
Female	681
Other	0
Not specified	0
Total	3,638.5



The registration of another gender or “Other” in official documents is not provided for by law in all countries where a Scheidt & Bachmann subsidiary is located. It is possible to enter another gender in the personnel master data in SAP.

Total number of employees per country for countries in which the company has 50 or more employees representing at least 10% of its total number of employees

Country	Number of employees
Germany	1,996
Slovakia	799
Rest	843.5
Total	3,638.5

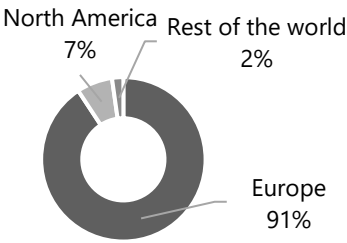


Employees by contract type, broken down by gender

Contract type	Male	Female	Other	Not specified	Total
Number of employees	2,957.5	681	0	0	3638.5
Number of permanent employees	2,671.5	615	0	0	3286.5
Number of employees on fixed-term contracts	286	66	0	0	352
Number of employees without guaranteed working hours	26	6	0	0	32

Employees by contract type, broken down by region

Contract type	Europe	North America	Rest of the world	Total
Number of employees	3,301.5	256	81	3,638.5
Number of permanent employees	2,961.5	247	78	3,286.5
Number of employees on fixed-term contracts	340	9	3	352
Number of employees without guaranteed working hours	32	0	0	32



Employee turnover

Employee turnover⁸ = 10.9%

⁸ Employee turnover = (total number of employees who have left the undertaking voluntarily or due to dismissal, retirement, or death in service during the reporting period) / (number of employees as at 31 December of the reporting period)

Background information, methodologies and assumptions used

The disclosures on the company’s own workforce are given in numbers of people. Non-whole figures result from the proportionate consolidation of Parktech Oy at 50%. The employee figures are stated as at 31 December.

In line with the internal reporting of employee numbers, the figures stated in the report include the following groups of people: Active employees, employees in active semi-retirement, employees on maternity leave, employees on parental leave < 2 months, employees on long-term sick leave, temporary staff (working students / “mini-jobbers” (marginal employment), long-term temporary staff), employees released from work, trainees. The following groups of people are not included: Employees in passive semi-retirement, employees on parental leave > 2 months, employees on care leave, employees who no longer qualify to receive unemployment benefits, temporary staff (working on bachelor’s/master’s theses, on work placements).

The 32 employees without guaranteed working hours are student employees of Scheidt & Bachmann Slovensko s.r.o. who are working at the company as part of their studies.

S1-9: Diversity metrics

Gender distribution at top management level

Gender	Number	Percentage
Male	54.5	96.33%
Female	2	3.67%
Others	0	0%



The top management level⁹ includes all people who meet at least one of the following criteria:

- Management level FE 1 in the Scheidt & Bachmann career model
- Management level FE 2 in the Scheidt & Bachmann career model
- Managing director of a subsidiary

⁹ In accordance with ESRS S1 AR 71: Definition of the top management level as one or two levels below the administrative and supervisory bodies.

Age distribution among employees

Age group	Number	Percentage
Under 30 years old	581.5	15.98%
30-50 years old	1,860	51.12%
Over 50 years old	1,197	32.90%



S1-10: Remuneration key performance indicators

Disclosures on adequate wages

All employees¹⁰ in the Scheidt & Bachmann group of companies receive adequate wages. The Scheidt & Bachmann companies have used various references to determine adequate wages, depending on the availability of the references in the country in question. These were primarily, where available, applicable minimum wages at national and sub-national level as well as collective agreements. In individual cases where neither of these parameters could be used, plausible references from neighbouring regions or industry-specific benchmarks were used.

S1-14: Key health protection performance indicators

Employees

KPI	Value
Percentage of the company's employees covered by the health and safety management system	99.95%
Fatalities as a result of work-related injuries and work-related ill health	0
Recordable work-related accidents	48
Rate of recordable work-related accidents ¹¹	8.175

¹⁰ In accordance with ESRS S1 AR 72, interns and trainees have been excluded from the review.

¹¹ Rate of recordable work-related accidents = (number of recordable work-related accidents / total number of hours worked) * 1,000,000

To calculate the working hours performed, data was taken from time recording systems, where possible, and estimates were made based on contract working hours and absences where no exact data was available.

Workers in the value chain employed at the company’s locations

KPI	Value
Fatalities as a result of work-related injuries and work-related ill health	0

S1-17: Key human rights performance indicators

Information on work-related incidents of discrimination

KPI	Value
Total number of incidents of discrimination, including harassment, reported	0
Number of complaints filed through channels for people in the company’s own work-force to raise concerns	0

Information on identified severe human rights incidents (e.g. forced labour, human trafficking, child labour)

KPI	Value
Number of severe human rights incidents connected to the company’s workforce	0
Number of severe human rights incidents that violate the guiding principles ¹²	0

¹² United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises

ESRS S4 Consumers and end-users

Several million people use Scheidt & Bachmann systems every day. With our unique portfolio, we support a wide range of transport systems, keeping millions of people and goods on the move worldwide. You can encounter our smart solutions every day and almost everywhere: when parking, refuelling or charging your car or when using the train or local public transport.

With regard to consumers and end users, the following material impacts, risks and opportunities described under SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
Data protection and data security	Protection of personal data Protection of company-specific data	Breach of data security and data protection Incidents relating to data security and data protection within the up-stream and downstream value chain	None
Customer and consumer protection	Customer and consumer safety	None	Reduction in competition due to high barriers to market entry as a result of strict regulatory requirements for customer and consumer protection
Social inclusion of end users and access to products	Equality of end users when using products	None	None

S4-SBM-3: Material impacts, risks and opportunities related to consumers and end-users and their interaction with strategy and business model

Description of the types of consumers and/or end users

The Scheidt & Bachmann business divisions have various consumers and end users, which are described below. Each business division consequently develops an individual understanding of its relevant consumers and end users.

Fare Collection Systems

The Fare Collection Systems business division distinguishes between two types of consumers and end users of the systems: Passengers, who use the products to gain access to public transport options, and employees (of customers, Scheidt & Bachmann or third-party companies), who interact with the systems during operations.

Passengers – whether individuals or groups – are both consumers and end users. They buy a ticket giving them the right to travel on public transport, using sales devices or digital sales channels to do this. They interact with the validation devices during the ticket inspection process.

The employees of the operational teams (e.g. service staff for hardware and software maintenance, employees from the administration of the transport companies or the cashier service for maintaining the devices) are purely end users of our products. They use the devices and the central software systems to ensure operations and also to maintain and administer the fare management system.

Energy Retail Solutions

Consumers of the systems supplied by the Energy Retail Solutions business division are customers of petrol stations, electric charging stations and convenience stores integrated in petrol stations.

The end users of the systems of the Energy Retail Solutions business division are primarily employees who work at petrol stations or company headquarters and who work with the systems. Consumers can also be end users of our systems if they use petrol pumps or self-checkout terminals.

Parking Solutions

The end users of the products provided by the Parking Solutions business division are our customers and their employees who manage car parks with the help of our systems. People parking their cars at customers' car parks are both consumers and end users in this context.

Signalling Systems

The products of the Signalling Systems business division do not have a consumer, as they are not intended for personal use but for the operation of rail infrastructure. The end users of the products differ depending on the type of product:

In the context of interlocking systems, the end user is the railway operator, as they use our products to secure their infrastructure and control their routes. In many cases, the operator is also directly our customer.

The same is true for railway crossings. These are, however, also actively used by road users, which also makes them our end users. The barrier and lighting systems protect road users from approaching trains and safeguard the railway operators' routes.

The business division also offers operating systems for setting and controlling routes. Here, too, the railway operator/customer is the end user in the broader sense. The system is, however, directly operated and actively used by dispatchers, who are employed in turn by the railway operator.

Analysing consumers and end users in relation to certain aspects

The use of our systems is not harmful to the health of consumers. This is also true for end users, provided that the relevant occupational health and safety measures are complied with.

Mechanisms with a negative impact on rights to privacy, the protection of personal data or freedom of expression are not installed in our products and services.

Manuals and detailed documentation are available for each of our products. We also offer our customers training programmes. No harmful uses are possible for products that are used by consumers. In the case of products used by end users, this cannot be ruled out in the event of gross improper operation. However, role and authorisation concepts restrict access to these kinds of functions, so that only end users designated and trained by the company can work with them.

Scheidt & Bachmann does not use marketing and sales strategies that are aimed at particularly vulnerable or susceptible persons (such as children).

Developing an understanding of consumers and/or end users with particular characteristics or at greater risk of harm

We have developed a fundamental understanding of the usability of our products for consumers and end users with particular characteristics. We were not able to identify any potential damage for these groups of people during this process.

In order not to expose consumers and end users to an increased risk of harm, groups with particular characteristics are taken into account in the development phase. Their requirements are often defined by relevant specifications, e.g. TSI-PRM (Technical Specification for Persons with Reduced Mobility) and their compliance is assessed (certified) by independent institutions. We also work closely with trade associations to gain an understanding of specific requirements and risks and to develop suitable solutions. These findings are also incorporated in product development and user guidance to ensure that we minimise risks for and guarantee the safety of particularly vulnerable user groups.

Disclosures on positive impacts

The material positive impacts “protection of personal data” and “protection of company-specific data” are influenced by Scheidt & Bachmann’s technical product design and IT infrastructure. This has a positive impact particularly on consumers and end users whose data is processed in a Scheidt & Bachmann system.

The positive impact of “customer and consumer safety” is mainly influenced by product design, but also by services such as installation, maintenance and repair, provided that Scheidt & Bachmann is commissioned by customers to carry out these activities. All consumers and end users who interact with Scheidt & Bachmann systems are affected.

The positive impact “Equality of end users when using products” is also influenced by the product design and addresses the consumers and end users with disabilities who must be able to use the products in their particular area of application.

Disclosures on risks and opportunities

The material potential risks that have been identified are “breach of data security and data protection” and “incidents relating to data security and data protection within the upstream and downstream value chain”. Despite extensive information security management measures, it can never be completely ruled out that an incident will occur.

The “reduction in competition due to high barriers to market entry as a result of strict regulatory requirements for customer and consumer protection” was identified as a material opportunity.

All identified material risks and opportunities related to consumers and end users have an effect on all consumers/end users.

Policies and actions for managing impacts, risks and opportunities***S4-1: Policies adopted to manage impacts, risks and opportunities***

The Scheidt & Bachmann group of companies has various concepts and policies related to consumers and end users. While some concepts are in effect across all companies, others are specific to the Scheidt & Bachmann business divisions and result from industry and product-specific requirements. The general policies are described below.

General policies

Information security management system (ISMS)

The business activities of the individual Scheidt & Bachmann companies depend on information technology and related data and systems. As a global group of companies, we have a responsibility to ensure the confidentiality, integrity and availability of the data processed in the Scheidt & Bachmann group of companies and the information security systems that are operated, and also to exclude risks to the rights and freedoms of natural persons resulting from the processing of personal data. The business activities of the companies are based on IT applications, systems and components, meaning that a high level of information security and data protection is essential. The functionality and performance of the necessary business processes depend on information technology and the related data and systems.

The information processing systems and the data that is processed must be protected in such a way that

- they and the business processes that rely on them are available in accordance with the requirements,
- the integrity of the data and systems is ensured and
- the confidentiality of the processed information is protected in an appropriate manner.

We consider it an important task to identify information security risks and to control them through appropriate action, i.e. to reduce them to an acceptable level or avoid them altogether. The minimum criteria here are the general legal and regulatory conditions. Our aim is not only to guarantee information and data security at a risk-based level, but also to continuously improve it. To achieve this goal, we operate an information security management system (ISMS) in accordance with DIN EN ISO 27001, supplemented by a data protection information management system (PIMS) in accordance with DIN ISO 27701, as amended.

In principle, impacts, risks and opportunities are considered and dealt with within the framework of ISMS risk management. We take advantage of material opportunities by taking the requirements of the General Data Protection Regulation into account during product development and proactively addressing and efficiently implementing the requirements of upcoming laws and/or regulations. We are also constantly evaluating new technologies. Information security risks, which include breaches of data security and data protection, are dealt with inherently and continuously within the framework of the ISMS. Monitoring is conducted in the form of independent internal and external audits. The audits are carried out annually. A complete re-certification process is conducted every three years. An integral part of the concept is also to consistently implement the PDCA cycle (Plan-Do-Check-Act), i.e. to apply constant self-examination with the aim of self-optimisation.

The scope of application is determined on a company-specific basis. The existing ISO 27001 certifications mainly relate to Germany, although the companies within the scope of application are gradually being expanded internationally. The scope of the ISMS is global. If necessary, external subcontractors and suppliers must prove that they also comply with the same or a comparable information security standard; as far as possible, this is verified by means of certificates and, if necessary, random checks.

The executive management is responsible for implementation. This is laid down in the information security policy.

Stakeholder requirements are taken into account on an ongoing basis. These are discussed in the course of the annual management review. If necessary, measures are derived from this and implemented.

The ISO standard itself is an open access publication. For security reasons, the information on the ISMS is classified as "internal", while some parts are classified as "confidential". Access is only granted to external auditors for review purposes and, if necessary, to auditors from customers and the employees who have to work on it (need-to-know). A declaration of applicability is generally provided for customers. This gives a general idea of the measures that have been instituted, but does not provide specific information and thus does not jeopardise the integrity of the system.

As the ISMS applies to all processes and information in the company, it also covers the affected end users and, where applicable, consumers.

The aspects of information security and data protection that are particularly relevant to the individual business areas are detailed again below at the appropriate points.

Quality management system (QMS)

The Scheidt & Bachmann quality management system (QMS) defines the processes and responsibilities for systematically ensuring and continuously improving the quality of the products and thus also the safety of customers, consumers and end users. It is based on DIN EN ISO 9001 and aims to enhance customer satisfaction, reduce error rates and increase the company's efficiency.

The QMS thus addresses the material impact related to "customer and consumer safety".

The effectiveness of the QMS is monitored by means of external and internal audits and the management review.

The scope of application of the QMS is Scheidt & Bachmann GmbH, including all locations certified in accordance with DIN EN ISO 9001. These include the manufacturing companies Scheidt & Bachmann GmbH, Scheidt & Bachmann USA, Inc., Scheidt & Bachmann Slovensko s.r.o., the companies of the business divisions: Scheidt & Bachmann Parking Solutions GmbH, Scheidt & Bachmann Signalling Systems GmbH, Scheidt & Bachmann Fare Collections Systems GmbH and Scheidt & Bachmann Energy Retail Solutions GmbH as well as other companies of the Scheidt & Bachmann group.

In accordance with the quality policy, the top management, i.e. the management of Scheidt & Bachmann GmbH as the parent company, assumes responsibility for the QMS. The head of Quality Assurance is responsible for operational implementation.

The QMS complies with DIN EN ISO 9001 and is certified in accordance with this standard.

The interests of the most important stakeholders are taken into account in the course of the annual management review in the form of a stakeholder analysis.

The QMS applies to all Scheidt & Bachmann products and therefore also to all consumers and end users of the products.

Code of Conduct

Scheidt & Bachmann stands worldwide not only for outstanding quality, performance and future expertise, but also for values such as responsibility and commitment. This expectation that we have set ourselves is anchored in a generally applicable Code of Conduct. It is an invitation to all employees of the group of companies to comply with the applicable legal provisions and also to observe high ethical standards. It serves as a binding guideline for all employees in their day-to-day work. It is communicated to all employees through the internal company channels and can be accessed at all times.

With regard to consumers and end users, the Code of Conduct most importantly includes the issues of data protection, protection of trade secrets and the high safety and quality requirements placed on our products. It thus addresses the impacts related to "security of customers and consumers", "protection of personal data" and "protection of company-specific data".

As a policy related to consumers and end users, it covers all consumer and end user groups.

The Code of Conduct applies to all Scheidt & Bachmann companies. It focuses on the company's own business activities and its relationships with customers, suppliers and other partners.

The Code of Conduct has been signed by the chief executive officer. All Scheidt & Bachmann employees are responsible for implementing the defined guidelines.

The effectiveness of the Code of Conduct is monitored on the basis of any breaches of the defined standards that are identified.

Declaration of Principles on Human Rights and Environmental Rights

Scheidt & Bachmann's policy statement on human rights and environmental rights describes the company's responsibility along the global value chain and our commitment to strengthening and protecting these rights. The statement is based on international standards such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the Sustainable Development Goals (SDGs). A central element is risk management, which identifies and assesses potential human rights and environmental risks in our own business activities and the supply chain and minimises them through targeted measures. A grievance mechanism has also been set up to enable employees and external stakeholders to report violations while ensuring the protection of whistleblowers. The company ensures transparency through regular monitoring, documentation and reporting and also requires its business partners to comply with these values.

With regard to consumers and end users, the policy statement primarily refers to the "safety of customers and consumers" and "equality of end users when using products".

As a policy related to consumers and end users, it covers all consumer and end user groups.

The policy statement on human rights and environmental rights applies to all Scheidt & Bachmann companies. It focuses on the company's own business activities and suppliers.

The policy statement has been signed by the management.

The processes are monitored by the human rights officer(s) of Scheidt & Bachmann GmbH.

When anchoring human rights and environmental rights within its own business activities and global supply chains, Scheidt & Bachmann follows the principles of the following internationally recognised standards and guidelines:

- Universal Declaration of Human Rights of the United Nations (UN)
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- National Action Plan on Business and Human Rights of the Federal Republic of Germany
- Principles of the United Nations Global Compact (UNGC)
- The 17 international Sustainable Development Goals (SDGs)

The policy statement is available on the Scheidt & Bachmann website.

Human rights obligations relevant to consumers and/or end users

The human rights policy commitments that are relevant to consumers and/or end-users can be found in the concept description of the Declaration of Principles on Human Rights and Environmental Rights provided above.

The internationally recognised instruments with which the policy statement is consistent are also listed there. These include the United Nations Guiding Principles on Business and Human Rights.

No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving consumers and/or end users in the downstream value chain were reported.

S4-2: Approach to engaging with consumers and end users in managing impacts, risks and opportunities

The Scheidt & Bachmann business divisions have various consumers and end users, which are described under S4-SBM-3. The business divisions consequently adopt different approaches to engaging with their consumers and end users. The early involvement of B2B customers in the product development process and regular usage surveys are at the forefront of this. This is done on a contextual basis and in different ways in the various phases of the product life cycle, for example by means of surveys, usability tests or workshops. If necessary, external experts or interest groups are consulted.

The effectiveness is assessed on the basis of the ongoing feedback we receive on our products from their use in the field and from discussions with our B2B customers. The business divisions regularly conduct customer satisfaction analyses, for example. Recording customer satisfaction

provides valuable feedback on products, services and processes and serves as a basis for making targeted improvements. This ensures that the selected actions fulfil their purpose and that the needs of consumers/end users are met in the best possible way.

S4-3: Processes to remediate negative impacts and reporting channels for consumers and end users

Only positive material impacts were identified in relation to consumers and end users in the course of the materiality analysis. There is no general approach or procedure for implementing remedial measures. Instead, case-specific measures are identified and implemented should any negative impacts occur.

Reporting channels for consumers and/or end users

Both general, overarching channels and specific channels for the business divisions are available that can be used to bring the concerns of consumers and end users to the company's attention. The overarching process is described below.

Overarching process

Information from consumers and end users regarding misconduct or human rights and environmental risks as well as violations of human rights or environmental obligations by a supplier or business division of the Scheidt & Bachmann group of companies can be submitted by telephone, by e-mail or in writing to the reporting office set up for this purpose. The option to express a concern in person is also available.

Once a report has been received, its receipt is documented and, if possible, the person making the report receives confirmation of receipt within one week (7 days).

The complaints office reviews the information provided to see whether it is sufficient for investigating the facts of the case. If the information is insufficient, the office tries to contact the person reporting the incident to ask for further details. If this is not possible and the information is still insufficient, the case is closed. If the available information is sufficient, the complaints office also examines whether the reported matter constitutes a human rights or environmental risk or a breach of human rights or environmental obligations. During this process, an examination is carried out to determine which Scheidt & Bachmann company or which supplier is affected by the matter. If necessary, the responsible office, e.g. a technical expert within a Scheidt & Bachmann company, will be involved; confidentiality and data protection are maintained here. After thorough examination and investigation, the complaints office closes the case if it is convincingly established that there are no human rights or environmental risks or violations either in the company's own business area or at suppliers. If there is a human rights or environmental risk or a breach of human rights or environmental obligations, the matter will be investigated as quickly as possible. Immediate remedial measures are instituted and their implementation is monitored. For other matters, a proposal for further action (preventive measures in particular) is developed on the basis of the findings.

The processing time varies greatly depending on the case and can range from a few days to several months. We do endeavour, however, to complete the investigation quickly. The whistleblower will be informed of the conclusion of the complaints procedure, if they can be contacted. For further information on the complaints procedure, please refer to G1-1.

S4-4: Actions on material impacts on consumers and end users and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Scheidt & Bachmann group of companies has implemented various measures relating to consumers and end users. While some measures are effective across the company, others are implemented specifically for the Scheidt & Bachmann business divisions. The most important measure taken to address the impacts and risks to data protection and data security mentioned above is as follows:

Information security: Expansion of the scope of the ISO 27001 certifications of several Scheidt & Bachmann companies

Several companies in the Scheidt & Bachmann group extended the scope of their ISO 27001 certification to other business divisions and locations in the year under review.

By expanding the scope of certification, the business divisions are strengthening their information security management, increasing compliance and minimising security risks for Scheidt & Bachmann, our customers and our suppliers. This ensures a consistently high standard of security and helps to build long-term trust with customers and partners. The effectiveness of the measure can be evaluated based on the results of the ISO 27001 audit.

Targets

S4-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities in relation to consumers and end-users

In connection with the material impacts, risks and opportunities related to consumer and end user protection – in particular the protection of personal and company-specific data, the security of our customers and the equal use of our products – Scheidt & Bachmann continuously pursues the goal of ensuring the highest possible standards. This includes preventive protection against data protection and data security incidents as well as consistent compliance with legal and regulatory customer protection requirements. We endeavour to respond to new requirements (e.g. regulations) and developments (e.g. technological innovations) so that we are continually refining our products in the sense of continuous improvement.

As these are permanent target conditions (e.g. no data breaches, no security incidents, no discrimination or security risks when using our products), these objectives cannot be translated into traditional, measurable and scheduled performance targets. Rather, there is an ongoing

commitment to avoid negative incidents – which can be compared with a permanent target achievement and cannot be meaningfully linked to a future target date.

The objective in all areas is to minimise risks, avoid incidents and fully comply with all relevant requirements – and ideally to avoid any incidents at all.

We use qualitative and quantitative indicators to assess progress, including:

- the number of reported data protection or data security incidents;
- the results of vulnerability analyses and security checks;
- feedback from customers regarding product accessibility and equal treatment.

Processes for tracking the effectiveness of policies and actions

We systematically monitor the effectiveness of our policies and actions. This involves, among other things,

- internal monitoring of relevant incidents (e.g. data breaches, security reports, complaints about equal treatment),
- regular internal and external audits and risk assessments in the area of information security and data protection within the framework of the DIN EN ISO 27001-certified and DIN EN ISO 27701-certified management system,
- consistent application of the PDCA cycle (Plan-Do-Check-Act) for continuous improvement,
- obtaining customer feedback.



GOVERNANCE

ESRS G1 Business conduct

For Scheidt & Bachmann, business conduct means promoting a corporate culture that is based on respectful cooperation and has the potential to ensure our resilience and our company’s success. Together, we create values that go beyond economic success and have a positive impact on society and the environment. A strong corporate culture promotes innovation and commitment, while partnerships with suppliers that are based on trust ensure sustainability and quality throughout our value chain. We rely on strong business relationships as well as constructive and reliable cooperation.

With regard to business conduct, the following material impacts, risks and opportunities described under SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
Whistleblower protection	None	None	Possibility to intervene in the event of grievances within the value chain
Supplier management	Supplier selection criteria	Internal additional expenses in supplier management for implementing government regulations and requirements	None
Corporate culture	Maintaining and practising the corporate culture	None	None

Policies and actions for managing impacts, risks and opportunities

G1-1: Business conduct policies and corporate culture

Corporate culture

Scheidt & Bachmann benefits from a strong, values-based corporate culture that has been developed over many decades. Behind this is a set of values (cf. S1-1) that the employees identify with and that are embraced in practice on a common basis. This corporate culture characterised by values is reflected in various activities and actions that are part of the company’s everyday business routines. Some examples of this are:

- Long-serving employees are honoured on the day of their 25th, 40th and 50th anniversary and at the annual jubilee celebration.

- The employee “swap” app is used for internal communications in addition to the intranet. All employees can publish articles there. This gives employees an insight into other business areas and the activities of national companies. The exchange and sense of community are strengthened.
- The works choir Scheidt & Bachmann Voices was established back in 1913. It rehearses every week during working hours to provide a particularly festive backdrop for events such as the jubilee celebrations or the works meeting.
- Opened in 2022, the sub’s staff restaurant at the main site in Mönchengladbach forms the focal point of the lunch break at the site and is also used as an event room, e.g. for concerts by the Scheidt & Bachmann Voices works choir.
- Various international team events are also organised. Probably the biggest is the annual employee bowling event in autumn, which attracted over 600 participants in 2024.
- In the Buddy Programme, new employees are assigned a colleague from outside their own department as an additional contact in the company.

Promoting a values-based corporate culture addresses, among other things, the opportunity of “high productivity and increased revenue thanks to satisfied employees”.

The effectiveness of the activities to promote our corporate culture is reflected in the cooperation between the employees and the management.

The scope of application is the entire company.

Promoting company values and culture is part of the HR strategy. Responsibility for implementation therefore lies with the head of Human Resources. Implementation can only be achieved, however, if employees also implement and live the values in their day-to-day work.

Code of Conduct

Another foundation of the corporate culture and corporate governance is the Code of Conduct, which has been described above under S1-1.

Information on the complaints procedure

Concerns are addressed as part of the complaints procedure. One of the aims of the complaints procedure is to introduce an early warning system that can be used to identify and resolve problems before people or the environment are actually harmed. On the other hand, an effective complaints procedure provides access to appropriate remedies in the event of an (imminent) breach of duty and the opportunity to take preventive measures to prevent further violations of the same kind.

The complaints procedure enables individuals to report human rights and/or environmental risks as well as breaches of human rights or environmental obligations that have arisen in connection with the business activities of Scheidt & Bachmann GmbH or a company of the Scheidt & Bachmann group of companies in its own business area or in the supply chain. The policy offers the opportunity to intervene in the event of grievances within the value chain.

Monitoring is carried out by the selected and specially trained employees of the Corporate Compliance department and the human rights officer (reporting office). If there is a human rights or environmental risk or a breach of human rights or environmental obligations, the matter will be investigated as quickly as possible. Immediate remedial measures are instituted and their implementation is monitored.

Regardless of where something has happened (in Germany or abroad), anyone can submit a report or complaint. This means that consumers and end users can also use the complaints procedure described on the public website.

The complaints office is responsible for implementation.

Disclosures on whistleblower protection

The reporting office of the Scheidt & Bachmann group of companies maintains the confidentiality of the identity of the whistleblower, the people who are the subject of a report and the other persons named in the report. Based on the need-to-know principle, identities and information are only disclosed to the people responsible for receiving reports or for taking any follow-up measures. Everyone involved in the process is subject to non-disclosure obligations. The implementation of an electronic whistleblower protection system will follow in 2025, which will make it possible to submit anonymous reports.

G1-2: Disclosures on the management of relationships with suppliers

Scheidt & Bachmann maintains long-standing, fair and reliable relationships with suppliers that are based on shared ethical principles and social responsibility. We are aware that ethical and socially responsible business activity already starts in our collaboration with suppliers. We therefore endeavour to maintain and constantly improve these cooperative relationships with trust, transparency and shared values.

Consideration of social and environmental in the selection of suppliers

When selecting new suppliers, Scheidt & Bachmann subjects them to an assessment of the risks of human rights and environmental violations, among other things. Based on a supplier self-assessment, Scheidt & Bachmann obtains the greatest possible overview of the supplier's status in the areas of quality, but also human rights, labour rights and environmental rights. Scheidt & Bachmann pursues a strategy of only entering into business activities with suppliers whose assessment indicates a low risk of such infringements. In this regard, a new supplier questionnaire was developed in 2024, which now contains more detailed questions relating to sustainability. This allows the sustainability performance of current and future suppliers to be assessed. These sustainability criteria play just as important a role as cost, quality and reliability when new suppliers are selected. In 2024, this additional assessment was initially carried out at 35 active suppliers.

The General Terms and Conditions of Purchase, which form part of every enquiry, order and collaboration, address potential risks relating to labour practices, human rights, health and safety, the environment and bribery and corruption in the supply chain. We expect our suppliers to

fulfil these requirements. Our main suppliers additionally sign individual supply contracts with us, which also include the principles of sustainability. These contracts require suppliers to demand compliance with these principles from their subcontractors or other business partners involved in the provision of goods and services to the Scheidt & Bachmann group of companies. It is thus consistently ensured from the outset that a supplier fulfils our sustainability requirements.

This is also reflected in the fact that, in addition to conventional purchasing criteria such as price, quality and delivery capability, energy and environmental management and other sustainability criteria are also taken into account in purchasing decisions. Employees in purchasing are gradually being trained in this area.

Disclosures on the policy to prevent late payments, specifically to SMEs

Scheidt & Bachmann attaches great importance to paying its suppliers promptly, especially small and medium-sized enterprises (SMEs). For this reason, standard payment terms of up to 30 days net have been defined to avoid late payment. The exact payment deadlines vary depending on the contractual agreement and location, with discounts sometimes applying for early payment.

KPIs

G1-6: Key performance indicators for payment practices

KPI	Value
Standard payment terms in days	30 days
Percentage of payments aligned with these standard terms	92%
Average time we take to pay an invoice from the date when the contractual or statutory term of payment starts	19 days
The number of legal proceedings currently outstanding for late payments	0

Background information on the key performance indicators

The above-mentioned key performance indicators include Scheidt & Bachmann GmbH and the other companies based in Mönchengladbach (with the exception of evopark GmbH). The data for the other subsidiaries was not included as a result of challenges in collecting decentralised information for 2024.