



RESPECT

TRUST AND PERSONAL  
RESPONSIBILITY

TEAM SPIRIT AND  
PASSION

RELIABILITY

SOCIAL RESPONSIBILITY

**SCHEIDT&BACHMANN** 

**SUSTAINABILITY REPORT 2025**



## 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 and take long-term responsibility for our partners, our employees and our environment.*

In this second sustainability report, we would like once again to present a transparent overview of where we stand today and the direction in which we wish to move. 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. With the publication of this report, we invite all 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.

## Contents

Introduction .....	5
Sustainability rating from EcoVadis.....	7
ESRS 2 General disclosures .....	8
BP-1 General basis for preparation of sustainability statements .....	8
SBM-1 Strategy, business model and value chain .....	8
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.....	11
IRO-2 Process for the materiality analysis.....	17
SBM-3 Results of the materiality analysis and their interaction with strategy and business model.....	19
Environment.....	26
<i>E1 – Climate change</i> .....	27
E1-2: Policies related to climate change mitigation and adaptation.....	27
E1-3: Actions and resources in relation to climate change policies.....	29
E1-4: Targets related to climate change mitigation and adaptation.....	30
E1-5: Energy consumption and mix .....	31
E1-6: Gross scopes 1, 2, 3 and total GHG emissions .....	33
<i>E5 Resource use and circular economy</i> .....	37
E5-1: Policies related to resource use and circular economy .....	37
E5-2: Actions and resources related to resource use and circular economy.....	38
E5-3: Targets related to resource use and circular economy.....	39
E5-4: Resource inflows (materials used).....	40
E5-5: Resource outflows (products and waste) .....	41
Social matters.....	45
<i>S1 Own workforce</i> .....	46
S1-SBM-3: Material impacts, risks and opportunities related to the company's own workforce and their interaction with strategy and business model.....	46
S1-1: Policies related to own workforce.....	47
S1-2: Processes for engaging with own workers and workers' representatives about impacts .....	51
S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns .....	53
S1-4: Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches.....	54
S1-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities related to own workforce.....	58
S1-6: Characteristics of the undertaking's employees.....	59
S1-9: Diversity metrics.....	61

- S1-10: Adequate wages .....61
- S1-14: Health and safety metrics .....62
- S1-17: Human rights metrics .....62
- S4 Consumers and end users*..... 64
- S4-SBM-3: Material impacts, risks and opportunities related to consumers and end users and their interaction with strategy and business model .....65
- S4-1: Policies related to consumers and end users .....67
- S4-2: Processes for engaging with consumers and end users about impacts.....70
- S4-3: Processes to remediate negative impacts and channels for consumers and end users to raise concerns.....70
- S4-4: Taking action 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 .....71
- S4-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities .....72
- Governance..... 74
- G1 Business conduct*..... 75
- G1-1: Corporate culture and corporate governance policies .....75
- G1-2: Management of relationships with suppliers.....78
- G1-6: Metrics related to payment practices .....80

## 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:

#### Parking Solutions



#### Fare Collection Systems



#### Signalling Systems



#### Energy Retail Solutions



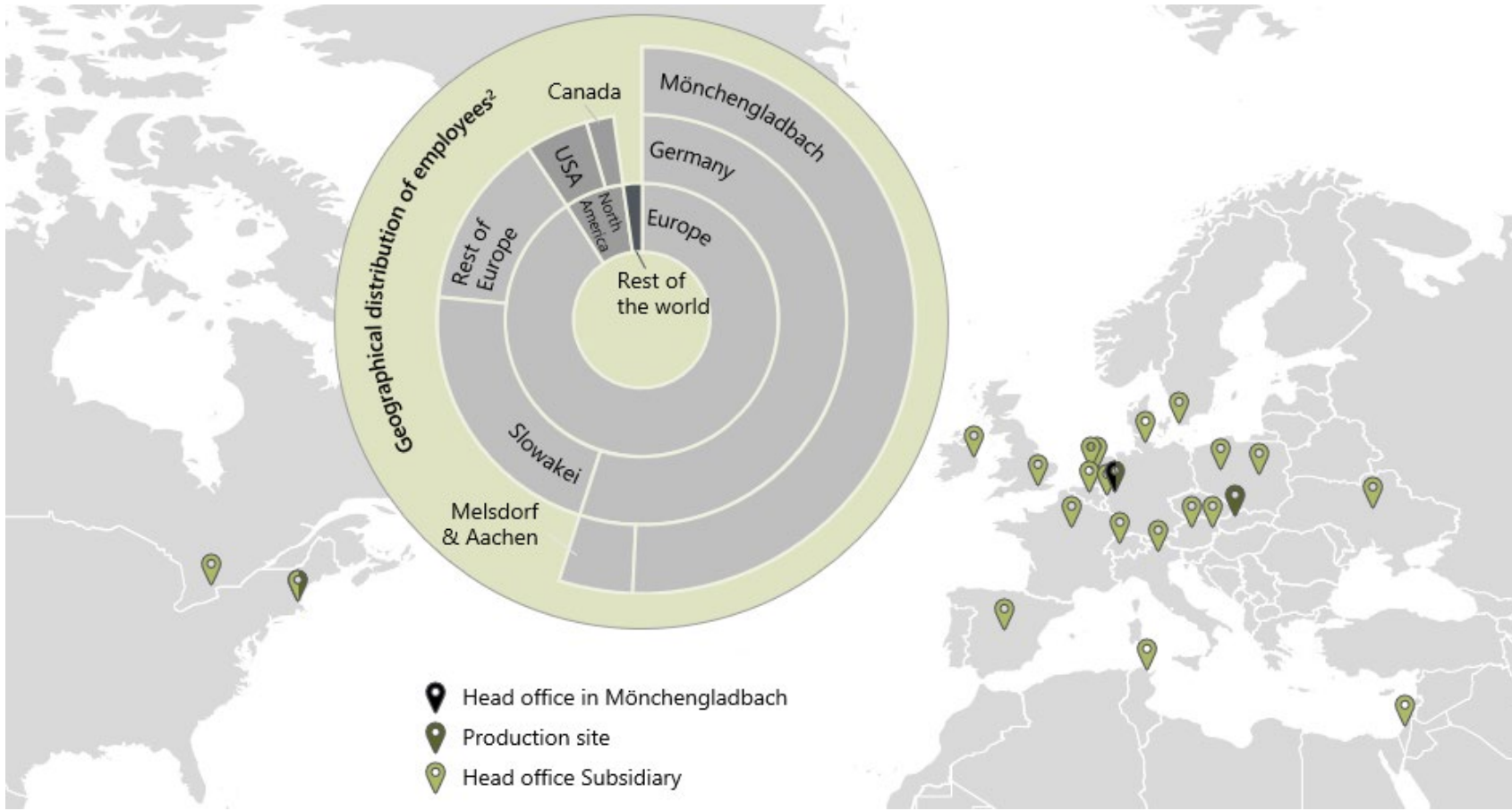
### Our values:

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 the 2025 financial year, the group comprised a total of 37 companies<sup>1</sup> 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 roughly 50% of the workforce. Production takes place at the locations in Mönchengladbach (DE), Bytča (SK) and Lowell (USA).



<sup>1</sup> Scope of consolidation in the 2025 annual report  
<sup>2</sup> Breakdown by head office of the employer company

## Sustainability rating from EcoVadis

In the 2025 financial year, five business units successfully completed the EcoVadis sustainability assessment and were awarded medals by this leading ESG ratings organisation as a result. Scheidt & Bachmann GmbH has been upgraded from Bronze to Silver.

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<sup>3</sup>-1 General basis for preparation of sustainability statements

The sustainability statement has been prepared on a consolidated basis. It refers to the same scope of consolidation as is used in the consolidated financial statements. In addition to the company's own business activities, the materiality analysis also considered the upstream and downstream value chain. 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<sup>4</sup>-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.

---

<sup>3</sup> BP: basis for preparation

<sup>4</sup> SBM: strategy and business model

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

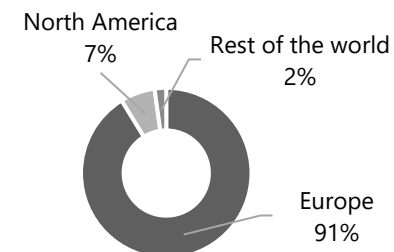
The main product range of the Signalling Systems business division is based on three pillars that cover the entire field of activity in the area of control and signalling technology. The system portfolio includes systems and subsystems for level crossing technology, interlocking technology, operations 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.

Geographical area	Number of employees
Europe	3,390.5
North America	244
Others	82
Total	3,716.5



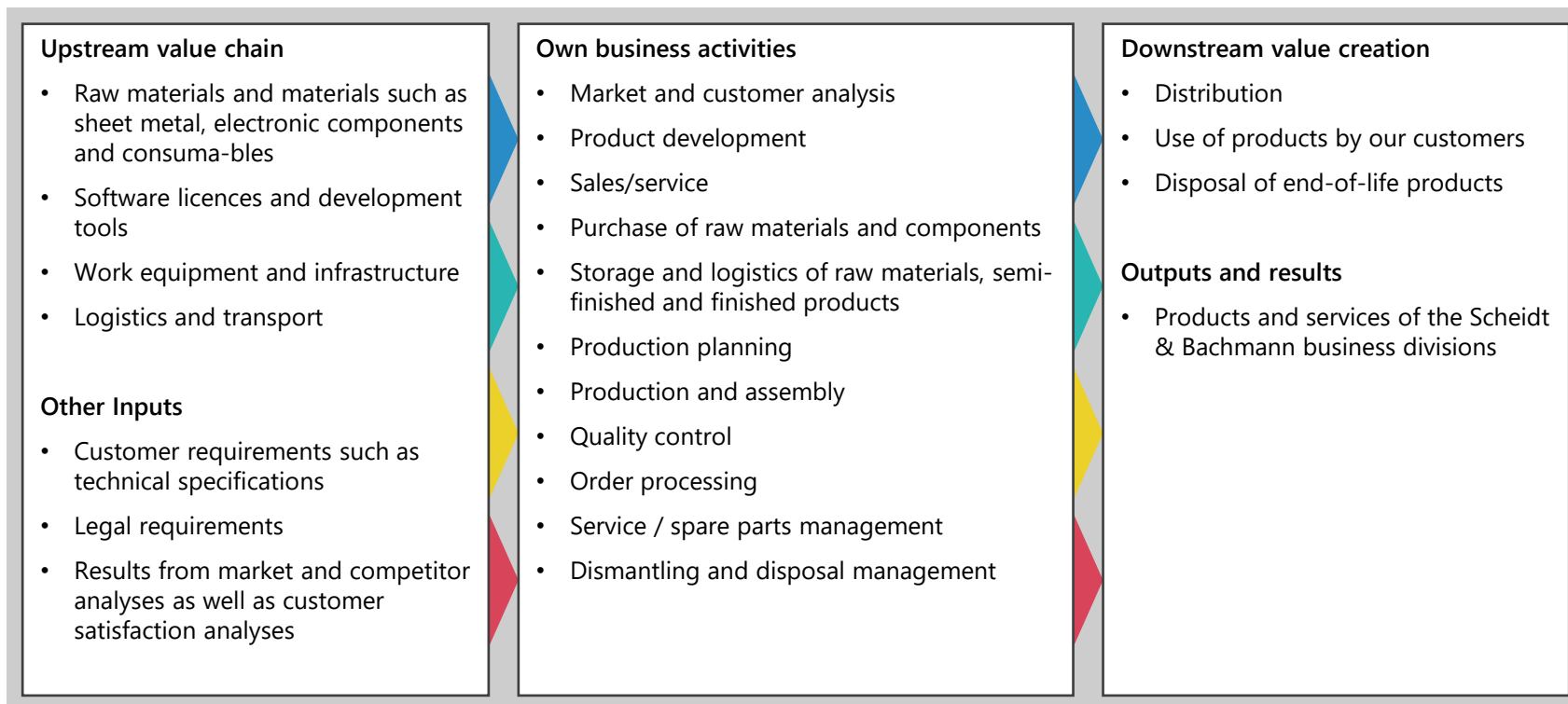
**Relationship between sustainability goals and products, services, customer categories, geographical areas, stakeholder relationships and corporate strategy**

With the adoption of various policies in the 2025 financial year, Scheidt & Bachmann has set itself a number of sustainability goals. These do not refer explicitly to groups of products and services, customer categories, geographical areas or stakeholder relationships. Instead, they address the material sustainability issues. The goals are set out in the details of the relevant subject standards. It is therefore not possible to assess the most important products and services, as well as major markets and customer groups, in relation to the sustainability goals.

At the time of writing this report in 2025, the 2035 corporate strategy is in the process of being drawn up. It is therefore not yet possible to comment on elements of the strategy that relate to or have an impact on sustainability aspects.

**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<sup>5</sup>-1 Description of the processes to identify and assess material impacts, risks and opportunities

#### Methodologies and assumptions applied in the process

The Scheidt & Bachmann group has conducted a materiality analysis in accordance with the ESRS. Several methods were used to identify and assess impacts, risks and opportunities, including a stakeholder analysis to identify relevant stakeholders; secondary research to gain a deeper understanding of the subject matter and incorporate external perspectives; the evaluation of internal data such as lists of hazardous substances

<sup>5</sup> IRO: impacts, risks and opportunities

and energy consumption figures; and workshops to define the assessment methodology and materiality thresholds. In addition, internal experts were consulted by means of interviews. The analysis was carried out for the first time in the 2024 financial year and was reviewed and updated in the 2025 financial year. Internal experts were once again consulted for this purpose.

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

Based on the ESRS requirements, the GRI Standards and EcoVadis, 28 sustainability topics were defined, with impacts and specific aspects along the value chain identified for each. Impacts describe activities through which a company has a positive or negative influence on a sustainability issue. An aspect refines these impacts by describing how they manifest themselves or take effect along the value chain for specific stakeholder groups. Aspects allow for a more precise assessment and are therefore more detailed than impacts.

#### *Step 1 – Understanding the topic:*

Through extensive research (including literature and internet searches, and the definitions provided by the ESRS), relevant impacts were identified and documented for each topic.

#### *Step 2 – Identifying aspects:*

Based on the results from Step 1, an initial list of aspects was drawn up, which was then reviewed, supplemented or refined in consultation with internal experts; where no aspects were identified for a particular impact, that impact was classified as irrelevant.

#### *Step 3 – Categorising:*

Relevant aspects were assigned to impact categories (potential/actual, positive/negative) and the affected stakeholder groups were identified.

#### *Step 4 – Assessing impact:*

The impacts were evaluated and justified using defined scales (scale, scope, irremediable character, likelihood).

#### *Step 5 – Calculating materiality:*

In order to obtain a value for each impact, numerical values were assigned to the assessment levels of the scales. This resulted in a score between 0 and 5 for each impact. Impacts and topics with a score above 3.00 were classified as material. This threshold identifies sustainability issues that have significant actual or potential impacts on the environment or society. A value above this threshold indicates that the scale, scope or irremediable character of the impacts exceeds a moderate level, and that there is therefore an increased need for action and reporting.

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

#### *Step 1 – Understanding the topic:*

Building on existing research into the impacts, further questions were examined regarding the environmental and social impacts, potential financial consequences and the views of relevant stakeholders.

#### *Step 2 – Defining risks and opportunities:*

For each topic, specific financial risks and opportunities were identified and classified into the categories of physical, regulatory, market and operational. In addition, a time horizon was defined (short-term: < 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 list was reviewed and finalised in consultation with internal experts.

#### *Step 3 – Assessing:*

Risks and opportunities were assessed on the basis of two criteria: financial impact and likelihood (each on a five-point scale). The reasons for the assessments were documented.

#### *Step 4 – Calculating materiality:*

In order to obtain a value for each impact, numerical values were assigned to the assessment levels of the scales. This resulted in a score between 0 and 5 for each risk/opportunity. Issues with a threshold above 2.00 were considered material. These include sustainability issues for which relevant financial risks that could have a short-term, medium-term or long-term impact on the group's financial position, financial performance or competitive position have been identified. The lower threshold takes account of the principle of prudence, as well as the uncertainty associated with financial effects in terms of likelihood and time horizon.

### Decision-making process

Key decisions, such as the collection and assessment of impacts, risks and opportunities, were made together with internal experts. The stakeholder analysis carried out beforehand ensured that all relevant perspectives were taken into account – either by internal experts or through supplementary secondary research. All assessments underwent multiple levels of checks by different people and were documented with supporting reasons. The materiality of an issue arises directly from an assessment of its impacts, risks and opportunities. The process and the results 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 that is integrated into existing management systems such as information security and quality, environmental and energy management. The relevant internal experts were involved as risk owners in

assessing risks and opportunities in the course of the materiality analysis so that risks already identified could be taken into account. At the same time, the results of the materiality analysis were fed back into the decentralised risk management system via these experts.

### **Explanations of the input used**

For the materiality analysis, publicly available sources, specialist literature and course content from relevant degree programmes were first consulted in order to gain a sound understanding of the topics and their potential impacts, risks and opportunities. Internal experts from key departments such as environmental and energy management, product development, human resources, purchasing and production were then brought in to provide practical insight. Where limited data meant that it was necessary to make empirical assumptions, these were underpinned by reliable external information, such as risk indices, and validated by internal experts.

### **Description of the specific processes used to determine the impacts, risks and opportunities related to: E1 – Climate change**

In line with the approach described above, comprehensive research was carried out on the topic of climate change and the process was documented in a structured form in order to establish a common understanding of the causes of climate change as well as its impacts on society and business and possible mitigation and adaptation measures. The analysis of Scheidt & Bachmann's impact on climate change was based on publicly available sources and data from the environmental and energy management system in accordance with ISO 14001 and ISO 50001.

Building on the initial research, potential challenges to society and business posed by climate change were examined. This involved identifying relevant climate risks that could arise at Scheidt & Bachmann's sites in the next 1–10 years, based on recognised sources (including Germany's Federal Environment Agency and the United Nations) as well as past events. In a subsequent discussion with internal experts, a qualitative assessment was carried out to determine the risks this posed to Scheidt & Bachmann and its value chain, including the extent of potential damage and how likely they were to occur.

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. Based on this, potential regulatory, market and reputational risks and opportunities were identified and assessed qualitatively in terms of their likelihood and potential damage or benefit, in collaboration with 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 a climate-related scenario analysis for periods > 10 years, however.

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

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

#### **Description of the specific processes used to determine the impacts, risks and opportunities related to: 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.<sup>6</sup> 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.

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

The impact on the company's own assets was assessed on a purely qualitative basis.

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

---

<sup>6</sup> <https://www.keybiodiversityareas.org/site/factsheet/24040>

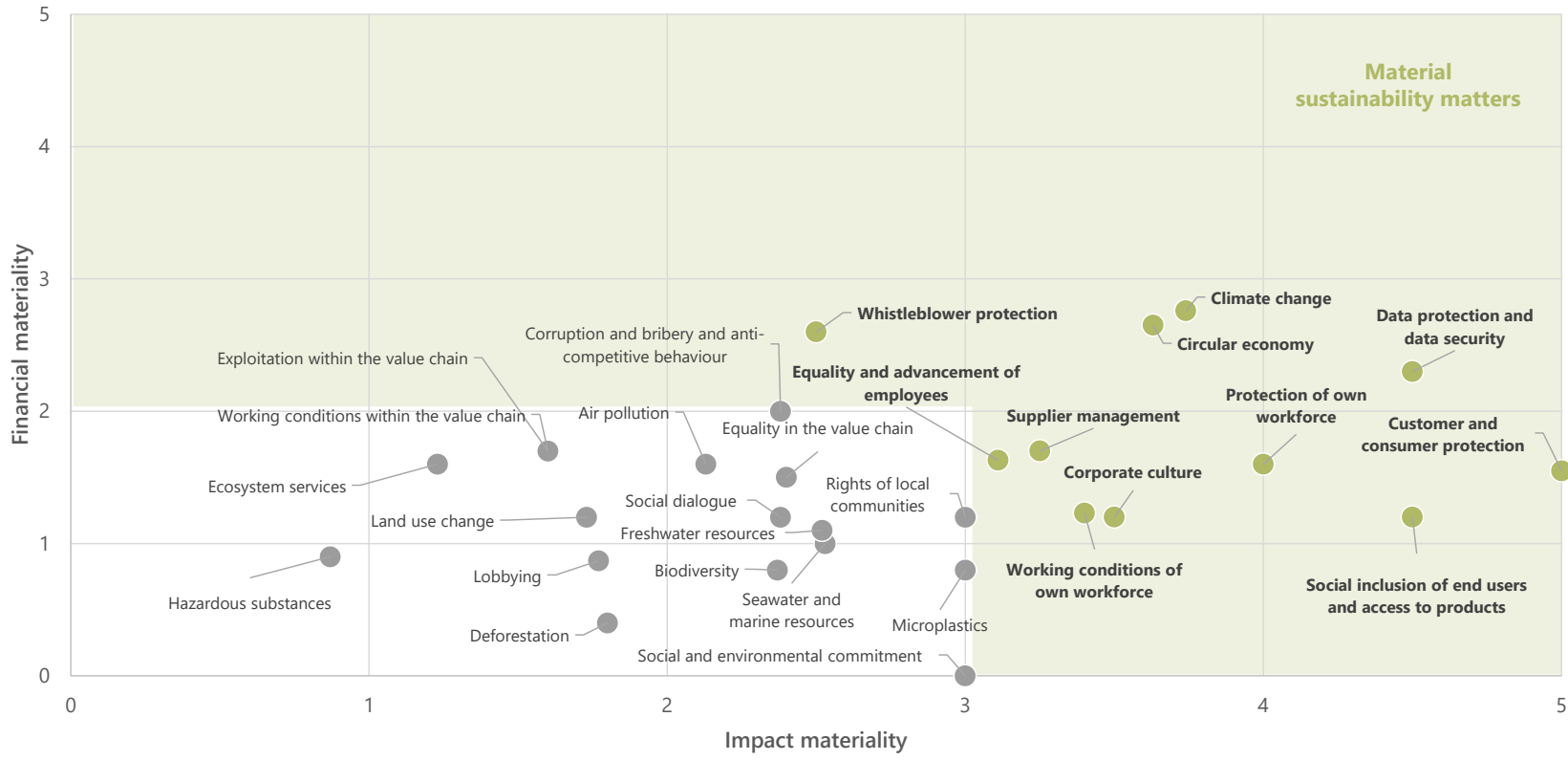
## IRO-2 Process for the materiality analysis

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 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. If at least one sustainability matter identified as material is subject to a disclosure requirement, that disclosure requirement, together with all its data points, forms part of the report's content. One exception is the G1 standard, where differentiation has been carried out at the data point level to some extent. In addition, there are certain mandatory disclosure requirements. For the purposes of this report, several disclosure requirements have been omitted for the time being (see Appendix 1).

Materiality matrix for identifying material matters



**SBM-3 Results of the materiality analysis and their interaction with strategy and business model**

ESRS	Material matter	Material impacts	pos./neg.	Time horizon <sup>7</sup>	Value chain <sup>8</sup>
E1	Climate change	GHG emissions	pos. + neg.	short - medium	entire
		Energy sources used	pos. + neg.	short - medium	own
E5	Circular economy	Purchase of non-renewable raw materials and resources	neg.	short	upstream
		Recovery of raw materials and resources	pos. + neg.	short	own
		End-of-life management	pos.	short	own
S1	Working conditions of own workforce	Human rights	pos.	short	own
		Fair pay	pos.	short	own
		Work-life balance	pos.	short	own
	Protection of own workforce	Health and safety	pos.	short	own
		Violence and harassment in the workplace	pos.	short	own
	Equality and advancement of employees	Non-discrimination of employees	pos.	short	own
S4	Data protection and data security	Protection of personal data	pos.	short	entire
		Protection of company-specific data	pos.	short	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

<sup>7</sup> Time intervals according to ESRS 1 77 a-c: short-term < 1 year; medium-term 1-5 years; long-term > 5 years

<sup>8</sup> 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/op- erational	short	own
		Incidents relating to data security and data protection within the upstream and downstream value chain	operational	short	upstream and downstream

ESRS	Material matter	Material opportunity	Type	Time horizon	Value chain
E1	Climate change	Establishment of new products and business models to reduce CO <sub>2</sub> 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 and negative, short- to medium-term, entire value chain):** Greenhouse gas emissions are the main driver of anthropogenic climate change. This is therefore an actual negative aspect. The emissions measured by the Scheidt & Bachmann group of companies currently cover only to scope 1 and 2 for part of the group. A CO<sub>2</sub> 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 anthropogenic 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):** In particular, actual positive aspects were identified here. 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 into 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 grievance mechanisms – 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, entire value chain):** 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, entire value chain):** 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 in this respect. 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 CO<sub>2</sub> 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.

**Description of the material opportunities:**E1 - Climate change

**Establishment of new products and business models to reduce CO<sub>2</sub> emissions in the transport sector:** In the face of climate change, it is necessary for transport to undergo a fundamental rethink and refinement. 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 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 upgraded 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 German Supply Chain Duty of Care Act) 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.



# ENVIRONMENT

## 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 ESRS 2 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 <sub>2</sub> 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 have identified the impacts on people and the environment that are listed above and described in more detail under disclosure requirement ESRS 2 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

---

### Global Sustainability Policy (version dated 7 July 2025)

We regard sustainability as a core guiding principle that shapes all our business activities and processes. The aim is to meet the needs of the present generation without jeopardising opportunities for future generations. The policy applies to the entire group of companies and is based on the principles of social, economic and environmental responsibility (summarised as corporate social responsibility, or CSR). It addresses our material impacts, risks and opportunities indirectly by referring to topic-specific policies in which these are addressed.

Commitments and objectives:

- We are committed to playing an active role in achieving the 17 Sustainable Development Goals (SDGs) by 2030 and to continuously improving our sustainability performance.
- Quantitative and qualitative commitments on sustainability-related issues are set out in separate policies.
- The focus is on minimising negative environmental impacts and promoting a sustainable value chain.

The central sustainability management team coordinates activities across the organisation, sets targets, defines actions to be taken and reviews their effectiveness. The management team and senior executives are responsible for incorporating the content of the policy into management decisions and for providing the necessary resources. The policy is reviewed regularly and updated wherever necessary. The current version of the policy is published in German and English via company-wide electronic communication channels and is accessible to all employees. External parties can find it on the Scheidt & Bachmann website.

### Global Environmental and Energy Policy (version dated 7 July 2025)

Scheidt & Bachmann regards sustainable business practices as an integral part of its corporate values and its responsibility towards the environment, its employees, its customers and society. The Global Environmental and Energy Policy, last updated on 7 July 2025, serves as a binding guideline for responsible, environmentally focused and energy-conscious conduct within the group of companies. The aim is to reduce environmental impact and energy consumption in the long term and to continuously improve energy efficiency and environmental performance.

The policy addresses material impacts ('greenhouse gas emissions' and 'energy sources used') and one opportunity ('decreasing operating costs thanks to the use of renewable energy sources').

The implementation and effectiveness of the policy are monitored for selected parts of the company using an environmental and energy management system that is certified to ISO 14001 and ISO 50001 and is subject to regular internal and external audits. The policy is reviewed regularly and amended wherever necessary.

The Environmental and Energy Policy applies worldwide to the entire Scheidt & Bachmann group of companies, regardless of whether formal management systems are in place at individual sites. It relates to the company's own business activities and processes, ranging from energy

purchasing and building operations to product design and production, as well as emissions and waste management. It is implemented in accordance with local legal and organisational frameworks.

The management team and senior executives are responsible for incorporating the content of the policy into management decisions and for providing the necessary resources. Operational responsibility for achieving the targets lies with the relevant departments, supported by the central environmental, energy and sustainability management team and the appointed environmental and energy management officers.

The policy is based on recognised international norms and standards, particularly the management systems set out in ISO 14001 and ISO 50001.

The current version of the policy is published in German and English via company-wide electronic communication channels and is accessible to all employees. External parties can find it on the Scheidt & Bachmann website.

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

**If the implementation of a policy requires actions or an action plan, and if actions relating to climate change mitigation and adaptation are carried out without a specific policy, the company provides the following disclosures:**

#### General actions

Several actions in the context of climate change mitigation were initiated in the 2025 financial year:

- A photovoltaic system was installed and put into operation at the Berlin site. This supplies around 11,300 kWh per year. In addition, parts of the office building have been fitted with LED lighting, resulting in annual savings of 1,500 kWh.
- In September, an automatic reactive power compensation system was installed at the Žilina site in Slovakia. This system improves the power factor, reduces the amount of reactive power drawn from the electricity grid and leads to lower grid losses and reduced electricity consumption. The precise effect will be assessed after a full period of operation.
- In addition, the lighting at the Žilina site has been converted to LED technology. This involved replacing around 63 fluorescent lamps with 22 LED lights. This action is expected to result in a reduction in electricity consumption of approximately 6 MWh per year.

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 2 emissions. No nature-based solutions have been planned.

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

The reduction amounts to around 5 tonnes of CO<sub>2</sub>e<sup>9</sup> per year. No further reduction in greenhouse gas emissions is expected.

## 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 the 2025 financial year by the environmental and energy management team:

- Coverage of 11,300 kWh of electricity consumption at the Berlin site through on-site PV generation
- Reduction in electricity consumption at the Berlin site by 1,500 kWh/a

Furthermore, the following medium-term objectives were set out in the Global Environmental and Energy Policy dated 7 July 2025:

- By the 2027 financial year at the latest, we will source at least 80% of our electricity from renewable sources for all sites where we procure our own electricity.
- By the 2029 financial year at the latest, we will be tracking relevant scope 3 greenhouse gas emissions for 75% of the group of companies (measured by number of employees).

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

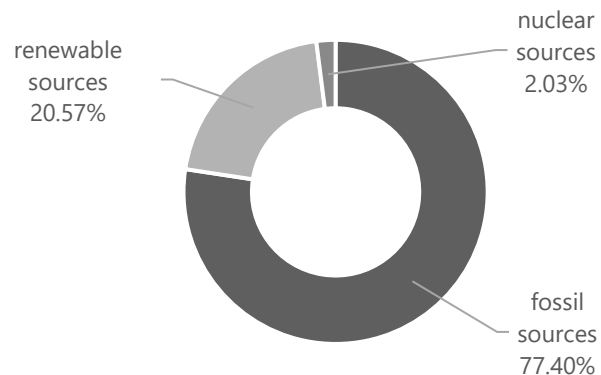
---

<sup>9</sup> CO<sub>2</sub>e: CO<sub>2</sub> equivalents

## E1-5: Energy consumption and mix

Energy consumption and mix	Reporting year 2025	Reference year 2024
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	15,326.57	13,473.90
(3) Fuel consumption from natural gas (MWh)	10,440.44	9,982.34
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption of purchased or acquired electricity, heat, steam or cooling from fossil sources (MWh)	1,894.96	1,648.84
<b>(6) Total energy consumption from fossil sources (MWh) (sum of 1–5)</b>	<b>27,661.97</b>	<b>25,105.08</b>
Share of fossil fuels in total energy consumption (%)	≈ 77.40	≈ 76.47
<b>(7) Total energy consumption from nuclear sources (MWh)</b>	<b>726.19</b>	<b>655.36</b>
Share of consumption from nuclear sources in total energy consumption (%)	≈ 2.03	≈ 2.00
(8) Fuel consumption for renewable sources (MWh)	250.19	0.22
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	6,839.16	6,864.28
(10) Consumption of self-generated non-fuel renewable energy (MWh)	262.78	204.42
<b>(11) Total energy consumption from renewable sources (MWh) (sum of 8–10)</b>	<b>7,352.13</b>	<b>7,068.92</b>
Share of renewable sources in total energy consumption (%)	≈ 20.57	≈ 21.53
<b>TOTAL ENERGY CONSUMPTION (MWh)</b>	<b>35,740.29</b>	<b>32,829.36</b>

**Total energy consumption**



**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. These include, for example, energy consumption for which there is no direct contract in place between Scheidt & Bachmann and an energy supplier. This applies to a number of smaller subsidiaries with a combined total of around 120 employees, where heating costs are included as a flat-rate component of service charges. Data from 2024 was used for Scheidt & Bachmann France.

**Disclosures on self-generated energy**

KPI	Value
Self-generated renewable energy	302.90 MWh
Of which fed into the grid	40.12 MWh
Of which consumed by the company	262.78 MWh
Self-generated non-renewable energy	2.39 MWh

The self-generated non-renewable energy consists of electricity produced at Scheidt & Bachmann Ukraine LLC using a diesel-powered generator in order to maintain business operations. The generator was used solely in response to the temporary disruption to the public power supply caused by damage to the energy infrastructure.

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

	Retrospectively				Milestones and target years			
	Base year	Previous year 2024	Reporting year 2025	% reporting year/previous year	2025	2030	2050	Annually % of target / base year
<b>Scope 1 greenhouse gas emissions</b>								
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	Not collected	6,625	6,270	94.64%	None set	None set	None set	n.a.
Percentage of scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	Not collected	0%	0%	n.a.	None set	None set	None set	n.a.
<b>Scope 2 greenhouse gas emissions</b>								
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	Not collected	958	940	98.12%	None set	None set	None set	n.a.
<b>Significant scope 3 greenhouse gas emissions</b>								
Total gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	Not collected	Not collected	38,409	n.a.	None set	None set	None set	n.a.
1 Purchased goods and services	Not collected	Not collected	36,566	n.a.	None set	None set	None set	n.a.
[Optional subcategory: Cloud computing and data centre services]	Not collected	Not collected	Not collected	Not collected	None set	None set	None set	n.a.
2 Capital goods	Not collected	Not collected	Not collected	Not collected	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	1,419	Not collected	None set	None set	None set	n.a.
4 Upstream transportation and distribution	Not collected	Not collected	Not collected	Not collected	None set	None set	None set	n.a.
5 Waste generated in operations	Not collected	Not collected	424	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.
<b>Total GHG emissions</b>								
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	Not collected	Not collected	Not collected	n.a.	None set	None set	None set	n.a.
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	Not collected	7,583	45,619	n.a.	None set	None set	None set	n.a.

**Greenhouse gas emissions (tCO<sub>2</sub>e)**



**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 <sub>2</sub> (scope 1) from the combustion or biodegradation of biomass	0 kg
The amount of CO <sub>2</sub> emissions that are subject to an emissions trading system	0 kg

**Further disclosures on scope 2**

Market-based emission factors were used for market-based scope 2 accounting where green electricity certificates or electricity invoices with detailed guarantees of origin for the electricity were submitted. 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. Residual factors were used for the remaining electricity generated by these Scheidt & Bachmann companies. Emissions from all other companies were initially calculated using local emission factors. Electricity consumption for electric vehicles was calculated for all Scheidt & Bachmann companies using a local emission factor, as charging took place at various locations. Complete site-specific scope 2 accounting for all companies was not carried out for the 2024 and 2025 financial years.

The percentage of biomass or biogenic CO<sub>2</sub> 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	39.15%

**Further disclosures on scope 3**

For the first time, scope 3 emissions for selected categories and companies were accounted for in 2025. The accounting framework is to be gradually expanded to cover all relevant categories and companies over the coming years.

SAP purchasing data from all companies based at the Mönchengladbach production site<sup>10</sup>, as well as from Scheidt & Bachmann Slovensko s.r.o. and Scheidt & Bachmann USA, Inc., was used to calculate scope 3.1 emissions ('Purchased goods and services'). A combination of weight-based and spend-based methods was used, with the spend-based method predominating.

Energy data from all companies based at the Mönchengladbach production site<sup>18</sup>, as well as from Scheidt & Bachmann Slovensko s.r.o. and Scheidt & Bachmann USA, Inc., was used to calculate scope 3.3 emissions ('Fuel and energy-related activities').

Data from existing waste accounting for the Mönchengladbach production site, including all companies based there<sup>18</sup>, as well as Scheidt & Bachmann Slovensko s.r.o. and Scheidt & Bachmann USA, Inc., was used to calculate scope 3.5 emissions ('Waste generated in operations'). The emissions were calculated on the basis of the waste codes and using the weight-based method.

<sup>10</sup> 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, Scheidt & Bachmann Parking Solutions Germany GmbH, Scheidt & Bachmann System Service GmbH, Scheidt & Bachmann Service GmbH, Scheidt & Bachmann IoT Solutions GmbH

Emission factors from recognised databases were used for all three categories. These include databases from the UK Department for Business, Energy & Industrial Strategy (BEIS), the German Federal Environment Agency (UBA), SimaPro B.V. (EXIOBASE), the UK Centre for Environmental Data Analysis (CEDA) and the US Environmental Protection Agency (EPA).

#### **Further disclosures on total emissions**

Compared with the previous sustainability report, there have been no changes relating to the reporting company and its upstream and downstream value chain.

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 UBA, the European Environmental Agency (EEA) or the 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.

We are not aware of any significant events or changes in circumstances (relevant to our greenhouse gas emissions) that may have occurred between the reporting dates of the companies in our value chain and the date of our general financial statements.

## 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 ESRS 2 SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
<b>Circular economy</b>	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 have identified the impacts on people and the environment that are listed above and described in more detail under disclosure requirement ESRS 2 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.

#### Global Environmental and Energy Policy (version dated 7 July 2025)

Scheidt & Bachmann regards sustainable business practices as an integral part of its corporate values and its responsibility towards the environment, its employees, its customers and society. The Global Environmental and Energy Policy, last updated on 7 July 2025, serves as a binding

guideline for responsible, environmentally focused and energy-conscious conduct within the group of companies. The aim is to reduce environmental impact and energy consumption in the long term and to continuously improve energy efficiency and environmental performance. To this end, various priorities have been set, including promoting the recyclability of products and services through the sustainable use of resources, waste prevention, reuse and recycling, as well as the responsible handling of chemicals and hazardous substances.

The policy addresses the material risks of 'increased waste disposal costs', 'adaptation of products to the requirements of the circular economy' and 'costs for extended take-back obligation for old appliances'.

Further details on the Environmental and Energy Policy can be found under E1-2.

### **Description of policies related to resource use and circular economy**

The promotion of the circular economy is regarded as a key priority in the company's Global Environmental and Energy Policy. The aim is to progressively extend the life cycles of products and materials by improving the recyclability of our products and services, making efficient use of resources that are as sustainable as possible and minimising our waste ratio. Although an explicit move away from the use of primary raw materials has not been a priority to date, the consistent focus on the sustainable use of resources and the exploration of alternatives to non-renewable raw materials are making significant contributions to environmental protection. The aim is to ensure that resources are used responsibly in order to avoid waste and reduce impact on the environment in the long term.

### **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 to promote the circular economy were implemented or initiated as part of Scheidt & Bachmann GmbH's environmental and energy programme in the 2025 reporting year:

- Replacing the previous chipboard support frames used to transport a customer display with cardboard packaging made it possible to reduce the amount of material required for the transport packaging. This resulted in an annual saving of approximately 3.8 t of packaging material and a reduction of approximately 1.6 t in carbon emissions. In addition, the cost and the weight of the frame were reduced. This action is helping to conserve resources and reduce waste generation and supporting the implementation of circular economy principles throughout the value chain. The project was carried out at the Mönchengladbach site and was completed on 31 December 2025.
- In addition, a series of workshops on the circular economy was held to promote skills development and embed circular economy principles in business processes. The aim was to train at least two key individuals, or people who could pass the training on to others, from

the relevant specialist and business divisions. Opportunities for further actions to promote the circular economy were identified during the workshops. The action was implemented at the Mönchengladbach site and was completed by 31 December 2025.

These actions specifically address the aspects of 'application of circular economy designs', 'application of circular economy practices' and 'waste prevention' in accordance with the requirements set out in E5-2 and MDR-A, and are geared towards the material impacts, opportunities and risks relating to the circular economy.

Further actions 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.
- Optimising the product energy footprint: a number of targeted actions 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.
- Component repair: under certain clearly defined conditions, defective components are repaired at our own repair centre and put back on the market at a discounted price.
- Take-back and disposal service: customers are offered professional and free-of-charge disposal of equipment in accordance with section 17 of the German Electrical and Electronic Equipment Act (ElektroG).

## Targets and key performance indicators

### E5-3: Targets related to resource use and circular economy

With the overarching goal of improving our resource efficiency and circular economy, the following short-term targets have been defined for the 2025 financial year by the environmental and energy management team:

- Build knowledge to embed circular economy principles in business processes
- Optimise transport packaging for the KD40 customer display

Furthermore, the following medium-term objectives were set out in the Global Environmental and Energy Policy dated 7 July 2025:

- Assess the recyclability of all relevant products by 2027
- Reduce the waste ratio (kg of waste per kg of product) in production by five percentage points compared with 2024 by 2029

Targeted knowledge-building relating to circular economy creates the skills base needed to systematically integrate circular economy principles into development, procurement and decision-making processes. In the long term, this supports the expansion of circular-economy-focused product design and lays the foundations for sustainable procurement and material decisions, including the use of renewable and resource-efficient materials.

The switch from chipboard to cardboard-based materials for KD40 transport packaging increases the circular-economy-focused material utilisation rate by means of improved reusability, reconditioning and, in particular, recyclability. At the same time, the use of primary raw materials is reduced (approximately 3.8 t per year), thereby helping to minimise consumption of resources. This target also helps to prevent waste and improve waste management.

The systematic analysis of the recyclability of all relevant products by 2027 forms the basis for the gradual expansion of circular-economy-focused product designs. At the same time, it enables the identification of opportunities to increase material recycling and to replace materials with resource-efficient or renewable alternatives. Furthermore, additional opportunities are becoming apparent throughout the entire product life cycle.

The target of reducing the waste ratio in production by five percentage points compared with 2024 by 2029 directly addresses improved waste management, including waste prevention and appropriate treatment.

**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	87,429.11 t	100%
Of which biological materials (and biofuels used for non-energy purposes)	890.47 t	1.02%
Of which secondary reused or recycled components, products and materials	5,186.68 t	5.93%

### Information on the methodologies used to calculate the key weight indicators

Data from the Scheidt & Bachmann companies connected to SAP was used as a representative sample for the calculation of the key performance indicators. This covers around 90% of all company-wide expenditure. The data stored in SAP is derived either from weight measurements taken on goods receipt or from invoices or information provided by suppliers.

## E5-5: Resource outflows (products and waste)

### Products and materials

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 25 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	90%
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 2025 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**

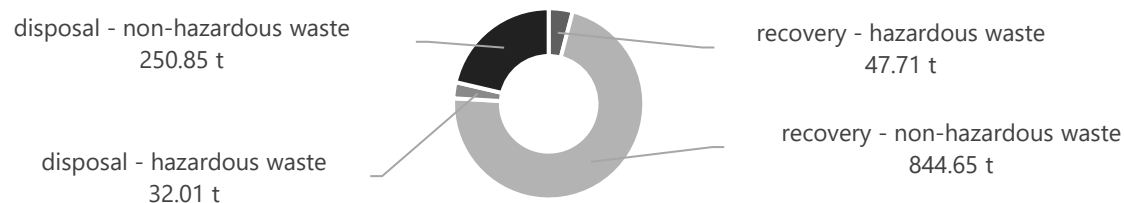
KPI	Value	Percentage
Total amount of waste generated	1,175.23 t	100%
Non-recycled waste	282.87 t	24.07%
Hazardous waste	79.73 t	6.78%
Radioactive waste	0.00 t	0%

**Breakdown of waste directed to recovery**

Waste: recovery operations	Hazardous waste (t)	Non-hazardous waste (t)	Total (t)
Preparation for reuse	0.00	0.00	0.00
Recycling	41.92	676.90	718.82
Other recovery operations	5.79	167.75	173.54
<b>Total</b>	<b>47.71</b>	<b>844.65</b>	<b>892.36</b>

**Breakdown of waste directed to disposal**

Waste: type of waste treatment	Hazardous waste (t)	Non-hazardous waste (t)	Total (t)
Incineration	11.58	161.85	173.43
Landfill	5.87	74.92	80.79
Other disposal operations	14.56	14.08	28.64
<b>Total</b>	<b>32.01</b>	<b>250.85</b>	<b>282.87</b>



**Information on the methodologies used to calculate the waste indicators**

The waste data is taken from waste accounting for our three production sites in Mönchengladbach, Bytča (Slovakia) and Lowell (USA). The underlying waste volumes are based on weighings or estimates. Assumptions had to be made at times with regard to the disposal and recycling methods used for the waste as in some cases, the waste management companies provided insufficient information, or no information at all.

### 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.

In addition to the waste included in these key performance indicators, which is generated in the course of normal business operations, 386 tonnes of contaminated excavated soil were generated during the 2025 financial year as part of construction works. This material was disposed of correctly.



# SOCIAL

## 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 ESRS 2 SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
<b>Working conditions of own workforce</b>	Human rights Fair pay Work-life balance	None	High productivity and increased revenue thanks to satisfied employees
<b>Protection of own workforce</b>	Health and safety Violence and harassment in the workplace	None	None
<b>Equality and advancement of employees</b>	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 negative impacts

No material negative impacts in relation to the matter of own workforce were identified in the course of the materiality analysis.

### 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.

### Disclosures on risks and opportunities

Two material opportunities in connection with the company's own workforce were identified: 'high productivity and increased revenue thanks to satisfied employees' and 'boosting employee productivity thanks to increased expertise'. No material risks were identified.

The opportunity of 'high productivity and increased revenue thanks to satisfied employees' relates to all staff (both employees and non-employees), as all these groups contribute to the company's productivity. The opportunity of 'boosting employee productivity thanks to increased expertise' relates primarily to employees.

### Analysis of the risk of forced or child labour

No activities involving a significant risk of forced labour have been identified.

## Policies and actions for managing impacts, risks and opportunities

### S1-1: Policies related to own workforce

#### Global Human Resources Policy (version dated 7 July 2025)

Scheidt & Bachmann's Global Human Resources Policy sets out principles, responsibilities and standards of conduct for professional, respectful and goal-focused employee management. The aim is to create a motivating working environment in which employees can realise their full potential. The policy covers the areas of responsible leadership, recruitment, staff development, remuneration and work-life balance. Among other things, it addresses the material impacts relating to 'fair pay', 'work-life balance' and 'non-discrimination of employees', as well as the material opportunities relating to 'high productivity and increased revenue thanks to satisfied employees' and 'boosting employee productivity thanks to increased expertise'.

Implementation is monitored through regular feedback meetings, training sessions and constructive cooperation with employee representatives. The policy is reviewed regularly and amended wherever necessary.

The Human Resources Policy applies to the entire Scheidt & Bachmann group of companies and therefore to all managers and employees worldwide, regardless of company, role, position or geographical location. The fundamental principles apply globally, but their implementation is adapted to local legal and cultural circumstances. Local additions are permitted, provided they meet the global requirements.

The management team and senior executives are responsible for ensuring compliance with the fundamental principles and for achieving the objectives in the context of their management decisions. The head of the central HR department is the policy-making authority for the entire group of companies.

The policy requires compliance with the applicable minimum wages. It respects the rights to freedom of assembly and association, as well as the right to co-determination.

The current version of the policy is published in German and English via company-wide electronic communication channels and is accessible to all employees. External parties can find it on the Scheidt & Bachmann website.

### **Human resources strategy**

The Human resources strategy (version 2025) 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, it addresses the material impacts relating to ‘fair pay’, ‘health and safety’ and the material opportunities relating to ‘high productivity and increased revenue thanks to satisfied employees’ and ‘boosting employee productivity thanks to increased 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.

### 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 Scheidt & Bachmann subsidiaries outside Germany 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.

#### **Global Code of Conduct (version dated 7 July 2025)**

The principles of human resources management are also enshrined in the Global Code of Conduct, which was updated in the 2025 financial year. It is described in more detail under G1-1. As a policy, it addresses all material impacts and covers all employees.

#### **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.

In addition to enshrining human rights in the updated Global Code of Conduct of 7 July 2025, the management has created a guiding framework to ensure respect for human rights – including in relation to its own workforce – by adopting the Global Human Rights Policy of 7 July 2025 and the Declaration of Principles on Human Rights and Environmental Rights (updated 7 July 2025). This policy statement describes the risk management process at suppliers and the in-house business divisions and references the company's complaints procedure. The Global Code of Conduct, the Global Human Rights Policy and the Declaration of Principles on Human Rights and Environmental Rights are published in German and English on the company's website. The fundamental principles apply globally, but their implementation is adapted to local legal and cultural circumstances. Local additions are permitted, provided they meet the global requirements.

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.

Regarding respect for human rights, Scheidt & Bachmann follows internationally recognised guidelines and standards. These include the Universal Declaration of Human Rights of the United Nations, the United Nations Guiding Principles on Business and Human Rights, Germany's National Action Plan on Business and Human Rights, the principles of the United Nations Global Compact and the ILO's International Labour Standards. We believe that the documents specified above (Global Code of Conduct, Global Human Rights Policy and Declaration) 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 Global Code of Conduct (version dated 7 July 2025) and the Global Human Resources Policy (version dated 7 July 2025). A policy to promote diversity has also been developed and is gradually being implemented.

The Global Code of Conduct explicitly mentions: age, disability, ethnic origin, gender, religion, belief, sexual identity or orientation, and other characteristics.

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: Processes for engaging with own workers and workers' representatives 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)

- Events at which management and employees can discuss issues (e.g. online dialogues ('town halls') several times a year, equal opportunities initiative meetings 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 financial year and the outlook for the coming financial 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 discussion events or 'dialogue formats' mentioned under 27b) 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 perspectives of employees who may be particularly vulnerable to impacts and/or marginalised are sought in various ways.

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. Scheidt & Bachmann has been a member of Inklusives Unternehmensnetzwerk e.V., an inclusive business network, since 2025.

There is also regular communication 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 own workers to raise concerns

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

The reporting channels (reporting office, information on the trustees, works council contact) are published internally both on the intranet and in the 'swap' employee 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 online portal will also be implemented in 2026, which will make it possible to submit completely anonymous reports to the reporting office.

## S1-4: Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

### 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 Urban Sports Club throughout Germany.
- Employee discount at Hansefit for staff at Scheidt & Bachmann System Technik GmbH.
- 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.
- Taking part in the 2025 Stadtradeln city cycling campaign in Germany and Cycle to Work in Slovakia every June.
- 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 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.
- Reserved places at the company-affiliated nursery in Mönchengladbach, for which employees can apply.
- S&B Family Network: this network offers lively discussions 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.
- A 'day off in lieu' rule was again implemented for employees in Germany and Slovakia in 2025, allowing them to work a few minutes longer each day in order to have time off on 'bridge days' (in other words, forming four-day weekends) 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. 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 the 2023 financial year, 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 five years. The programme is available in multiple countries and languages.
- 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 part in the annual "Girls' Day" for several years, enabling girls to gain an insight into the technical professions at Scheidt & Bachmann.
- Since 2023, we have awarded several places on the MentorMe mentoring programme to female colleagues every year. 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. Follow-up workshops had already taken place for the first groups by 2025.
- S&B has been a member of Inklusives Unternehmensnetzwerk e.V., an inclusive business network, since 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). Registration figures can be recorded and analysed for some of these actions and measures. 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.

### **Targets and key performance indicators**

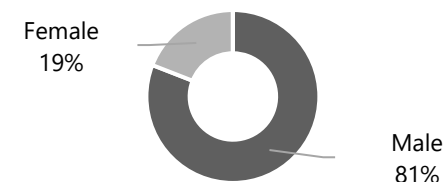
#### **S1-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities related to own workforce**

In the Global Human Resources Policy dated 7 July 2025, we set ourselves various objectives. The objectives set out have been classified as internal and will therefore not be disclosed externally. The objectives were proposed by the Human Resources department and approved by the management upon adoption of the Global Human Resources Policy.

Progress is measured by the HR department using appropriate key performance indicators or metrics. Deviations from the objectives set can be identified in various ways; for example, through failure to achieve key performance indicators, analysis of reports received by the complaints office, breaches of values reported to the trustees, feedback from values surveys or reports submitted to the works council. If this is the case, the causes are identified, solutions are devised and appropriate actions are implemented. The nature of the actions varies depending on the deviation. Examples include process changes, training and amendments to policies. The works council will be involved if necessary.

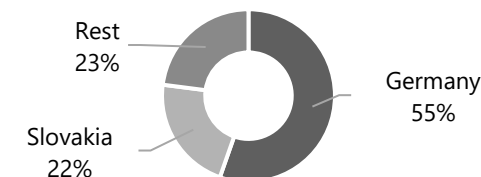
**S1-6: Characteristics of the undertaking's employees**

Gender	Number of employees
Male	3,007.5
Female	709
Other	0
Not specified	0
<b>Total</b>	<b>3,716.5</b>



The registration of another gender in official documents is not provided for by law in all countries where Scheidt & Bachmann subsidiaries are located. It is possible to enter another gender in the personnel master data in SAP.

Country	Number of employees
Germany	2,058
Slovakia	805
Rest	853.5
<b>Total</b>	<b>3,716.5</b>

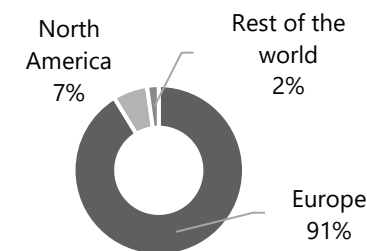


**Employees by contract type, broken down by gender**

Contract type	Male	Female	Other	Not specified	Total
Number of employees	3,007.5	709	0	0	3,716.5
Number of permanent employees	2,743.5	649	0	0	3,392.5
Number of employees on fixed-term contracts	264	60	0	0	324
Number of employees without guaranteed working hours	23	8	0	0	31

**Employees by contract type, broken down by region**

Contract type	Europe	North America	Rest of the world	Total
Number of employees	3,390.5	244	82	3,716.5
Number of permanent employees	3,073.5	237	82	3,392.5
Number of employees on fixed-term contracts	317	7	0	324
Number of employees without guaranteed working hours	31	0	0	31



**Employee turnover**

Employee turnover<sup>11</sup> = 8.4%

**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 of the financial year.

The 31 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. In line with internal reporting on employee figures, the figures stated in the report encompass the following groups: 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’ (workers in marginal employment), long-term temporary staff), employees released from work, trainees. The following groups 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).

<sup>11</sup> 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)

**S1-9: Diversity metrics**

**Gender distribution at top management level**

Gender	Number	Percentage
Male	59.5	96.75%
Female	2	3.25%
Others	0	0.00%

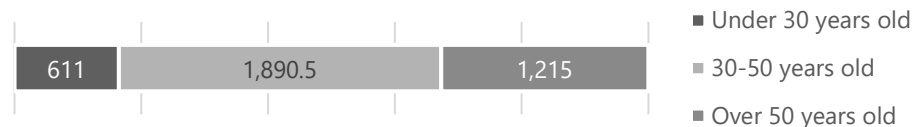


The top management level<sup>12</sup> includes all people who meet at least one of the following criteria:

- 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

**Age distribution of employees**

Age group	Number	Percentage
Under 30 years old	611	16.44%
30-50 years old	1,890.5	50.87%
Over 50 years old	1,215	32.69%



**S1-10: Adequate wages**

All employees<sup>13</sup> 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.

<sup>12</sup> In accordance with ESRS S1 AR 71: Definition of the top management level as one or two levels below the administrative and supervisory bodies.

<sup>13</sup> In accordance with ESRS S1 AR 72, interns and trainees have been excluded from the review.

**S1-14: Health and safety metrics**

**Employees**

KPI	Value
Percentage of the company's employees covered by the health and safety management system	100%
Fatalities as a result of work-related injuries and work-related ill health	0
Recordable work-related accidents	50
Rate of recordable work-related accidents <sup>14</sup>	8.218

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: Human rights metrics**

**Information on work-related incidents of discrimination**

KPI	Value
Total number of incidents of discrimination, including harassment, reported	1
Number of complaints filed through channels for people in the company's own work-force to raise concerns	1

<sup>14</sup> Rate of recordable work-related accidents = (number of recordable work-related accidents / total number of hours worked) \* 1,000,000

**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 <sup>15</sup>	0

---

<sup>15</sup> 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

## S4 Consumers and end users<sup>16</sup>

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 ESRS 2 SBM-3 were identified during the materiality analysis.

Material matters	Material impacts	Material risks	Material opportunities
<b>Data protection and data security</b>	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 upstream and downstream value chain	None
<b>Customer and consumer protection</b>	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
<b>Social inclusion of end users and access to products</b>	Equality of end users when using products	None	None

<sup>16</sup> Definitions in accordance with ESRS Annex II:

Consumer: Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.

End users: Individuals who ultimately use or are intended to ultimately use a particular product or service.

As "consumer" and "end user" are terms from the ESRS, the generic masculine is used for them.

## 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 division distinguishes between two types of consumers and end users of its 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 negative impacts**

No material negative impacts were identified regarding the relevant sustainability issues in relation to consumers and end users.

**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 related to consumers and end users****Global Information Security and Data Protection Policy (version dated 7 July 2025)**

The business activities of the individual Scheidt & Bachmann companies depend on information technology and related data and systems. The Scheidt & Bachmann group’s Information Security and Data Protection Policy aims to ensure the confidentiality, integrity and availability of all

data processed and systems operated. It also addresses the risks to the rights and freedoms of natural persons arising from the processing of personal data and establishes a commitment to minimise these risks.

The policy requires information security and data protection performance to be subject to regular review, assessment and improvement. Monitoring is carried out by means of internal and external audits, regular management reviews and the recording and analysis of quantitative metrics such as the annual employee training rate and the expansion of ISO certifications.

This policy applies to the entire Scheidt & Bachmann group of companies worldwide, particularly to all companies with an established information security management system (ISMS). The policy extends to all information-processing systems, data and business processes. Suppliers and business partners are encouraged to uphold the principles of the policy themselves and to report on the actions they have taken when asked to do so. Exceptions apply only where necessary as a result of statutory or regulatory requirements.

Ultimate responsibility for implementing the policy lies with the management of Scheidt & Bachmann GmbH. They are supported by the Chief Information Security Officer (CISO), the data protection officer and the information security officers and ISMS teams at the respective business divisions and subsidiaries. All employees are required to comply with the policy and are made aware of it through regular training sessions.

The policy is implemented in accordance with the international ISO/IEC 27001 (information security management) and ISO/IEC 27701 (privacy information management) standards. Furthermore, business continuity management is based on the BSI 200-4 standard.

The requirements and interests of stakeholders – particularly customers, partners, employees and regulatory authorities – are taken into account through management reviews, audits and ongoing dialogue. The policy is reviewed regularly and updated wherever necessary to reflect new legal, regulatory or technological developments.

The current version of the policy is published in German and English via company-wide electronic communication channels and is accessible to all employees. External parties can find it on the Scheidt & Bachmann website.

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

#### **Global Quality Policy (version dated 7 July 2025)**

The Scheidt & Bachmann group's Quality Policy sets out the fundamental principles and expectations to which the company is committed in order to ensure and continuously improve the quality of its products and services. It establishes a commitment to comply with all relevant legal and regulatory requirements, as well as internal guidelines and technical standards. For this purpose, the quality management system (QMS) defines the processes and responsibilities for ensuring and continuously improving the quality of products and services. The aim is to ensure customer satisfaction through reliable and innovative solutions, reduce error rates and improve the company's efficiency. The Quality Policy and the QMS thus address the material impact related to 'customer and consumer safety'. Effectiveness is monitored by means of regular internal and external audits, annual management reviews and the centralised documentation and review of all processes and work instructions.

The Quality Policy applies to all employees of the Scheidt & Bachmann group of companies worldwide, as well as to external partners involved in quality-related processes. The geographical scope covers all locations and countries in which the company operates. In practical terms, the

policy covers all quality-related processes, particularly development, procurement, production, sales and service. Exceptions apply only where necessary as a result of statutory or regulatory requirements.

The management is responsible for the content and implementation of the Quality Policy. Operational responsibility for the quality management system in accordance with ISO 9001:2015 lies with the head of Quality Management, who oversees the establishment, maintenance, continuous monitoring and optimisation of the system. The QMS is certified to ISO 9001:2015 and is based on the requirements and standards set out in that standard.

The interests of the key stakeholders – particularly customers, consumers, end users and employees – are taken into account in the annual management review by means of a stakeholder analysis. Any material changes within the company, in legislation or in customer requirements require the policy to be reviewed and amended as necessary on an ad hoc basis.

The current version of the Quality Policy is communicated and documented transparently in German and English via internal communication channels. External parties can find it on the Scheidt & Bachmann website.

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

#### **Global Code of Conduct (version dated 7 July 2025)**

Scheidt & Bachmann stands worldwide not only for outstanding quality, performance and expertise in meeting the challenges of the future, but also for values such as reliability and social responsibility. This expectation that we have set ourselves is enshrined in a globally applicable Code of Conduct, which is described in more detail under G1-1. 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 “customer and consumer safety”, “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.

#### **Human rights obligations relevant to consumers and/or end users**

The Scheidt & Bachmann group’s human rights obligations towards consumers and end users are set out in the Global Human Rights Policy and the Declaration of Principles on Human Rights and Environmental Rights (both dated 7 July 2025). The Human Rights Policy applies worldwide and explicitly includes consumers and end users. The aim is to prevent any risks to their rights. A publicly accessible complaints mechanism is also available to consumers and end users and can be accessed via the website. Both documents describe a multi-stage risk management process for identifying and assessing human rights risks throughout the value chain. Preventative and corrective measures are implemented in accordance with legal requirements and are subject to regular review. Reports of infringements can be submitted via the complaints procedure.

In both documents, Scheidt & Bachmann undertakes to respect internationally recognised human rights, particularly in accordance with the UN Guiding Principles, the ILO’s International Labour Standards and the OECD Guidelines.

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: Processes for engaging with consumers and end users about impacts**

The Scheidt & Bachmann business divisions have various consumers and end users, which are described under S4-SBM-3. Accordingly, there are various ways of involving 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. Within the business divisions, responsibility for integration lies with the heads of product management or operations.

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.

Groups with specific needs are taken into account in the product design process. This may need to be carried out to a limited extent in cases where technical safety regulations impose conflicting requirements. This is also often requested by our customers in tender processes. To meet the relevant requirements, we refer to standards or collaborate with stakeholders, such as organisations representing people with disabilities, to ensure our products are designed to be accessible.

#### **S4-3: Processes to remediate negative impacts and channels for consumers and end users to raise concerns**

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. Reports 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 to the reporting office set up for this purpose. In addition, all business divisions have their own service hotlines, which can be used to report not only technical problems but also other concerns.

Some of the business divisions' service hotlines are stipulated in contracts with customers. Scheidt & Bachmann requires some suppliers of critical production equipment to provide service hotlines in order to ensure rapid response times in the event of faults. No specific reporting channels are required beyond this.

The reporting office and complaints procedure are described in G1-1 and also apply to consumers and end users.

It is difficult to gauge how well-known the channels are amongst consumers and end users, as Scheidt & Bachmann operates exclusively in the B2B sector. It can be assumed that concerns raised by consumers/end users are directed primarily at our customers who use Scheidt & Bachmann systems. We maintain close business relationships with our customers and are in regular contact with them. We expect our customers to raise with us any concerns that they may have or that have been reported to them. One indicator of the visibility of the channels – both the reporting office and the service hotlines – is the number of reports received via each channel.

#### **S4-4: Taking action 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 Global 24x7 Managed Detection & Response Service (MDR Service), which was implemented during the reporting year, serves as a key pillar for ensuring the company's long-term cyber resilience. Through the continuous recording, correlation and analysis of security-related events, threats and their impact on risks are detected at an early stage and resolved immediately. This proactive security monitoring significantly reduces the time between an incident occurring, being detected and being resolved, and thus makes a material contribution to the stability and availability of critical business processes.

This measure supports the objectives of the Global Information Security and Data Protection Policy and applies worldwide throughout the value chain, from the internal data centre to parts of the cloud services used. It addresses the material impacts relating to 'protection of personal data' and 'protection of company-specific data'. This action serves to prevent or minimise any potentially adverse impacts on consumers, end users, customers and other stakeholders. Regular KPI-based analyses enable transparent monitoring of effectiveness. Although the global roll-out has been completed, the MDR Service is being continuously refined and extended to new systems.

The effectiveness of this action can be assessed on the basis of the number of incidents detected by the system and successfully prevented, as well as the time taken to resolve them. This is subject to continuous monitoring. In addition, simulated attacks can be used to test the system's effectiveness.

During the reporting year, the Fare Collection Systems division incorporated the following core functions into its product applications; these can be utilised in every client project and adapted to meet clients' requirements:

- Playing/pausing audio output
- Greyscale and monochrome display (for people with visual impairments)
- User timeout warnings

These integrated measures help to improve user safety and ensure that the product application is designed to be accessible and inclusive.

## Targets

### S4-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

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 information 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) to ensure that we are continually refining our products in the context 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.

With a view to continuously improving the protection of personal and company-specific data, the following quantitative targets have been set out in the Global Information Security and Data Protection Policy (version dated 7 July 2025):

- Extension of the scope of ISO/IEC 27001: our target is to have all relevant international and national Scheidt & Bachmann companies certified to this standard by 2030.
- Training on internal ISMS policies: our target is for at least 90% of employees to attend compulsory training sessions on relevant ISMS topics (e.g. data protection, information classification or AI risks) every year. Such training courses help to raise awareness and improve understanding of internal ISMS policies

The targets of the Global Quality Policy (version dated 7 July 2025) are to promote the safety of consumers and end users by ensuring the quality of our products:

- Continuous adherence to the zero-defect strategy
- Weekly CIP meetings to ensure the continuous improvement of products and processes
- Annual renewal of existing certifications and comprehensive internal audits of all certified areas within a certification cycle
- All processes and work instructions are to be documented centrally, with the latest versions available to all employees at all times

### 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), as well as reports received by the complaints office (e.g. via the whistleblower programme)
- regular internal and external audits and risk assessments in the area of information security and data protection within the framework of the ISO 27001-certified and ISO 27701-certified management system
- regular internal and external audits within the framework of the ISO 9001-certified management system
- consistent application of the PDCA cycle (Plan-Do-Check-Act) for continuous improvement
- obtaining customer feedback.

### Targets and qualitative or quantitative indicators for assessing progress

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.



# GOVERNANCE

## 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
<b>Whistleblower protection</b>	None	None	Possibility to intervene in the event of grievances within the value chain
<b>Supplier management</b>	Supplier selection criteria	None	None
<b>Corporate culture</b>	Maintaining and practising the corporate culture	None	None

### Policies and actions for managing impacts, risks and opportunities

#### G1-1: Corporate culture and corporate governance policies

##### Values-based corporate culture

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. These values are respect; trust and personal responsibility; team spirit and passion; reliability; and social responsibility.

The cooperation of all employees is based on the values model implemented throughout the company and the commitment of all managers to uphold 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. This corporate culture characterised by values is also 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 'swap' employee 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, sub's, the staff restaurant at the main site in Mönchengladbach, forms the focal point of lunch breaks 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 the 2025 financial year.
- 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.

Each and every individual is responsible for putting the values into practice. 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 practise the values in their day-to-day work.

### **Global Code of Conduct (version dated 7 July 2025)**

Scheidt & Bachmann stands worldwide not only for outstanding quality, performance and expertise in meeting the challenges of the future, but also for values such as trust, team spirit and social responsibility. This expectation that we have set ourselves is enshrined in a global Code of Conduct. It calls upon all employees of the group of companies to act with integrity, comply with the applicable legal provisions and 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 worldwide to all business activities of the Scheidt & Bachmann group of companies and is binding for all employees, the management and other bodies. It covers the organisation's own activities and extends to the immediate supply chain by requiring suppliers and business partners to comply with the principles.

The management and senior executives bear a special responsibility for actively implementing the Code of Conduct and are expected to lead by example. They are responsible for incorporating the content of the policy into management decisions and for providing the necessary resources. All employees are required to comply with these rules.

The Code of Conduct is published in German and English via company-wide electronic communication channels and is available for all employees to access at any time. It is also published on the company's website.

### **Disclosures on the reporting office and the complaints procedure**

Reports relating to the business activities of Scheidt & Bachmann GmbH or any company within the Scheidt & Bachmann group of companies, whether within its own business operations or in the supply chain, can be submitted to the central reporting office. Reports can be submitted by telephone, by e-mail or in writing to the dedicated reporting office. The option to express a concern in person is also available.

Reports are dealt with in accordance with the complaints procedure. The aim of the complaints procedure is partly to act as an early warning system that can be used to identify and resolve problems before people or the environment are actually harmed. In addition, an effective complaints procedure provides access to appropriate remedies in the event of an (imminent) breach of duty and the opportunity to take preventative measures to prevent further violations of the same kind.

The receipt of a report is documented and an acknowledgement of receipt is sent to the whistleblower.

The reporting office reviews the information provided to see whether it is sufficient for investigating the matter. If the information is insufficient, the office attempts to obtain further details. If this is not possible, the case is closed.

If the information provided is sufficient, the reporting office also examines whether the reported matter constitutes unlawful conduct. 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 office or person responsible, e.g. a technical expert within a Scheidt & Bachmann company, will be involved, with confidentiality and data protection maintained in the process.

After thorough examination and investigation, the reporting office closes the case if it is convincingly established that no infringement has taken place.

If there is a risk or a breach of the law, the matter is investigated as soon as possible. In the event of infringements, 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 time taken to handle the matter may vary depending on the case. The aim is to bring the investigation to a swift conclusion. The whistleblower will be informed of the conclusion of the complaints procedure, if they can be contacted.

Regardless of where something has happened (in Germany or abroad), anyone can submit a report or complaint. Information on the reporting channels can be found on the company's public website. This means that external parties, such as consumers and end users, can also use the complaints procedure.

#### **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.

#### **Disclosures on in-house training in corporate governance**

Scheidt & Bachmann's approach to in-house corporate governance training is based on the annual training plan, which is drawn up in close consultation with senior management, HR and Compliance, as well as on defined information campaigns. In the context of corporate governance, the training plan provides for training courses particularly in the areas of compliance, information security and data protection. The intended training content is to be based largely on binding internal regulations, such as the Code of Conduct, the Anti-Corruption Policy and the Information Security and Data Protection Policy, or the Information Security Guidelines. Furthermore, information campaigns are planned on the basic Code of Conduct and on the various policies, such as the Human Rights, Quality, Sustainability, and Environmental and Energy Policies, as well as on whistleblower protection. The scope, frequency and target audience of individual actions are determined on the basis of specific needs and topics. Within the context of the internal organisational structure and internal processes, the actions envisaged are intended to enable Scheidt & Bachmann's employees to act responsibly, with integrity and in accordance with high ethical standards. To promote a consistent understanding of management, there is a range of additional programmes available for managers, subject matter experts and those starting their careers. The scope and target audiences of the various programmes are described in S1-4, 38c.

### **G1-2: 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 criteria 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 the 2024 financial year, 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 the 2025 financial year, this additional assessment was initially carried out at 172 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: Metrics related to payment practices**

<b>KPI</b>	<b>Value</b>
Standard payment terms in days	30 days
Percentage of payments aligned with these standard terms	93.29%
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 key performance indicators referred to above constitute a representative sample including Scheidt & Bachmann GmbH and the other companies based in Mönchengladbach (with the exception of Scheidt & Bachmann IoT Solutions GmbH and evopark GmbH). This covers around 77% of internal company expenditure.