

B.5 Non-financial Group declaration

B.5.1 Non-financial Group declaration pursuant to Sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB)

B.5.1.1 About this declaration

This non-financial Group declaration from Bilfinger SE relates to financial year 2021. In terms of structure and content, the declaration follows the provisions of the German Commercial Code (HGB) and the corresponding formulation of the German Accounting Standards (DRS 20). It fulfils the content requirements pursuant to Sections 315c in conjunction with 289c to 289e HGB and of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation"). For this declaration, we focus on the interests of our stakeholders. In view of the multitude and heterogeneity of frameworks, none of the currently existing frameworks appear to be suitable and therefore, in the interest of focused reporting, we have refrained from using a specific framework.

In a number of places in the non-financial Group declaration, we refer to additional information, for example in the Annual Report or on our Internet site. References to the combined management report are attributable to the content of the non-financial Group declaration. All references to outside the combined management report serve to deepen the information presented here, but is not part of the non-financial Group declaration and are therefore not audited.

B.5.1.2 Business model of Bilfinger SE

Bilfinger is an internationally active industrial services provider. Our services help to enhance the efficiency of plants in the processing industry, to secure high availability and to reduce maintenance costs. In this context, the organization of customers' sustainable production processes is becoming increasingly important. The portfolio covers the entire value chain from consulting, engineering, manufacturing, construction, maintenance, and plant expansion to turnarounds and also includes construction and digital networking of components.

Bilfinger delivers its services in the segments Engineering & Maintenance Europe, Engineering & Maintenance International as well as Technologies. Bilfinger is active in the core regions Europe, North America and the Middle East. Process industry customers primarily come from the sectors chemicals & petrochem, energy & utilities, oil & gas, pharma & biopharma, metallurgy and cement. At the end of financial year 2021, Bilfinger employed about 30,000 people and generated revenue of approximately €3.7 billion.

More detailed explanations on the organization, strategy and goals as well as the management system of the company can be found in Chapter [B.5.1 The Bilfinger Group](#).

B.5.1.3 Sustainability at Bilfinger

Sustainability is a key component of our corporate strategy. With our services, we make a significant contribution to helping our customers achieve their sustainability goals. We enhance efficiency, reduce emissions and increase the performance of plants in the process industry.

We have firmly anchored the concept of sustainability in our corporate structures. It is defined as a goal in our Mission Statement and is an integral part of our Code of Conduct as well as a

number of internal Group Policies. We have been reporting on our sustainability activities annually in sustainability reports since 2011, in particular in the areas of HSEQ, Compliance, Procurement and Human Resources.

Bilfinger has published an externally audited non-financial Group declaration since 2018, the company is a member of the *UN Global Compact initiative*, supports the *UN Sustainable Development Goals* and issues an annual declaration of conformity with the German Sustainability Code.

With regard to sustainability, Bilfinger is evaluated by several external institutions; we are in regular active contact with MSCI-ESG, ISS-ESG, Sustainalytics, CDP and Ecovadis, among others.

B.5.1.4 Sustainability management

The Executive Board is responsible for sustainability. Sustainability management at Group level is coordinated and aligned within the *SustaiNet* sustainability network, which is coordinated by Corporate Treasury & Investor Relations under the responsibility of Executive Board member Christina Johansson (Chief Financial Officer and interim Chief Executive Officer).

Members of *SustaiNet* are heads of selected corporate departments whose areas of responsibility relate to sustainability issues (including Strategy, Compliance, Human Resources, Procurement, Communications, Accounting & Controlling), heads of other functional units with a Group-wide governance function (HSEQ, Business Development) as well as managing directors of operational regional and divisional management teams.

SustaiNet meets at least twice a year as scheduled; in addition, meetings are convened on an ad-hoc and project-related basis. In addition to the formal exchange in the sustainability network, the members as well as employees in their functional areas are in regular contact on individual sustainability topics.

B.5.1.5 Determination of materiality

To determine the main areas of action for our own conduct, we have for years regularly conducted materiality analyses in dialog with our Group's stakeholders. The resulting materiality matrix defines our Group's sustainability topics.

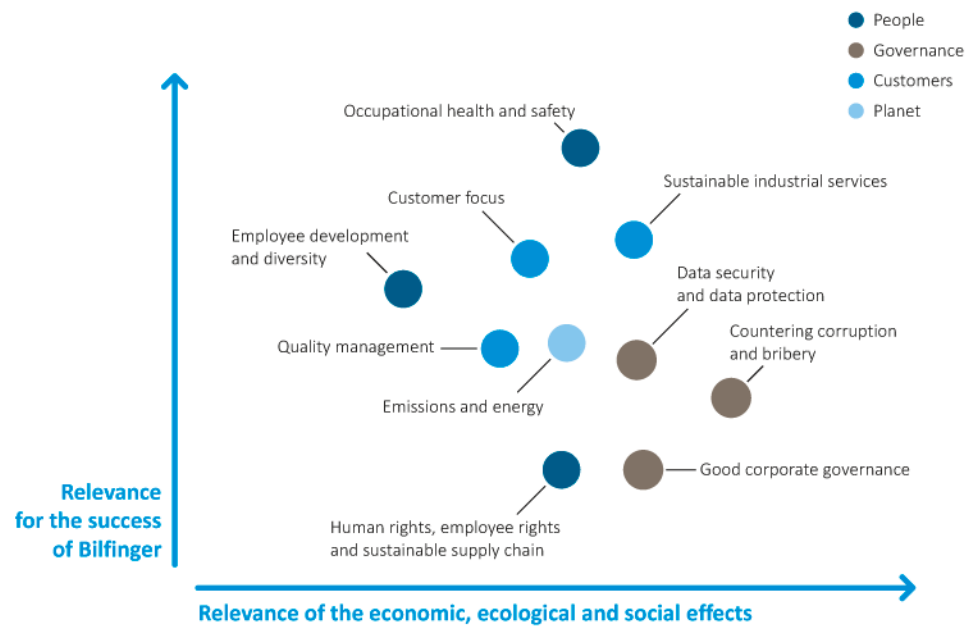
In 2020, Bilfinger *SustaiNet* conducted a new materiality analysis with the involvement of the Group's stakeholders. The results of the survey were reviewed again by *SustaiNet* and the Board of Directors in the 2021 reporting year. To review the content of our Non-Financial Group Declaration, we looked at these areas of activity both in terms of their business relevance and in terms of their impact on the materiality of the economic, environmental and social consequences listed in the HGB. In particular, we looked at the costs and risks associated with the topics, the extent to which they affect our business and our environment, and the degree to which we are able to influence each aspect.

The principal sustainability topics were confirmed. The dialog with the Group's stakeholders – employees, customers, suppliers and capital market representatives as well as social institutions – did not result in any new topic clusters.

The relationship of the topics to each other and the absolute positioning in the matrix were updated for selected points as compared to the previous year.

The result of the 2021 materiality analysis is presented in our current materiality matrix.

BILFINGER SE MATERIALITY MATRIX



To structure the content and structure of this year's non-financial Group declaration, individual topics have been grouped into obvious topic areas and divided into the four main chapters *People*, *Planet*, *Customers* and *Governance*. These topics establish a direct link to the Bilfinger Group's Mission Statement.

BILFINGER SUSTAINABILITY TOPICS



B.5.1.6 Sustainability goals of the Bilfinger Group

In its commitment to sustainability, Bilfinger acknowledges defined targets for each of its sustainability topics.

THE BILFINGER SUSTAINABILITY COMMITMENT



People

Occupational safety:
Zero is possible

Supply Chain:
Broaden scope of code of conduct and its Enforcement



Planet

Energy & emissions:
Become “net zero” in GHG Scopes 1 and 2 by 2030 at the latest



Customers

Sustainable industrial services:
Target revenue of €1 bn by 2024



Governance

Compliance:
Never compromise on integrity

People

- The physical well-being of all our employees is our top priority, which is why occupational safety is such a crucial factor in all our activities. It is our goal to be a leader in occupational safety in our industrial sector. Our 'Zero is possible' objective serves as a guideline for continuously improving occupational safety in all areas and preventing as many occupational accidents as possible.
- We firmly believe that suppliers play a vital role in achieving sustainability goals. This also applies to us as part of our customers' supply chain. We therefore want to further strengthen the issues of human rights and the environment in our Code of Conduct. With our established compliance system, we have an effective tool to meet growing supply-chain-related requirements.

Planet

- In the course of our daily work, we pay close attention to the careful use of valuable resources and address the urgent task of limiting climate change to the greatest extent possible. The focus in this regard is on efforts to reduce our own energy consumption, gradually substitute the use of fossil fuels with renewable energy sources and thus sustainably limit atmospheric pollution with harmful greenhouse gases. In terms of GHG emissions caused by our activities, our target is to achieve 'net zero' for Scopes 1 and 2 by 2030 at the latest.

Customers

- We want to deliver services that help our customers achieve their sustainability goals. We will therefore further expand our product range in high-growth markets. This includes measures to enhance energy efficiency and reduce CO₂ emissions at our customers' existing production sites, plants for the use of hydroelectric power and district heating as well as nuclear energy. New technologies such as the production and transport of hydrogen, carbon capture and storage as well as the construction and maintenance of production facilities for electric battery components are also generating growth potential for us.

Our objective is to double our revenue from these sustainable industrial services from the current level of around €500 million to around €1 billion by 2024.

Governance

- Responsible conduct is essential for us in our dealings with all of the company's stakeholders. We never compromise when it comes to integrity and compliant behavior. We will vigorously maintain and further develop our first-class Compliance System.

With our sustainability approach, we support ten of the United Nation's seventeen Sustainable Development Goals.

Based on the sustainability topics of the Group, this non-financial declaration is divided into the following chapters, which are assigned to the aspects defined in the German Commercial Code (HGB) as follows:

CHAPTERS OF THE NON-FINANCIAL REPORT

	Significant topics	HGB/CSR-RUG*
Governance	Good corporate governance	<i>Additional reported aspect</i>
	Countering bribery & corruption	Countering bribery & corruption
	Data security & data protection	<i>Additional reported aspect</i>
People	Occupational health and safety	Employee matters
	Employee development and diversity	Employee matters
	Human rights, employee rights and sustainable supply chain	Observing human rights and employee matters
Planet	Emissions and energy	Environmental matters
Customers	Customer focus	<i>Additional reported aspect</i>
	Quality management	<i>Additional reported aspect</i>
	Sustainable industrial services	Social matters

* CSR Guidelines Implementation Law

B.5.1.7 Risk reporting

The identification and evaluation of risks that arise from the company's business operations and that affect the reportable aspects are the responsibility of risk management. The focus is on the question of which risks arise from our business activities and relationships or from our products and services that have an impact on these aspects. Significant risks that are likely to have or will have serious negative impacts on them must be reported.

Our Group-wide risk management system is described in Chapter [B.3.1 Risk management](#) in the management report of the Annual Report. Corporate Accounting, Controlling & Tax, is responsible for Bilfinger's Group-wide risk management system and conducted a survey of the Group's sustainability risks at the end of the 2021 financial year. In order to identify and assess these risks, the operating units and the heads of the corporate departments concerned were surveyed about them and they were assessed at the regular meeting of the Bilfinger Risk Committee (see Chapter [B.3.1 Risk management](#) in the management report of the Annual Report). The assessment of risks was based on the probability of occurrence and the possible extent of damage.

We have not identified any reportable risks related to the relevant topics.

B.5.2 Governance

B.5.2.1 Good corporate governance

Within the scope of our activities, we observe the generally recognized principles of responsible corporate governance. For Bilfinger, good corporate governance most importantly means responsible behavior toward shareholders, employees, business partners, society and the environment. It also determines the actions of executives and the management and supervisory bodies of Bilfinger SE in particular and, in line with general understanding, encompasses the entire system of management and supervision of a company, including its organization, its business principles and guidelines as well as the internal and external control and monitoring mechanisms. A comprehensive and transparent corporate governance ensures the responsible, value-oriented and sustainable management and control of the company. It forms the foundation for sustainable business success and fosters trust among our shareholders, employees, customers and other business partners as well as the financial markets. We view good corporate governance as an all-encompassing topic, one that is inseparable from non-financial topics.

The executive bodies and the management of the Group, the basic structure of the Bilfinger Group and the framework and rules for governance in the Group are described in greater detail below.

Management committees and leadership

Bilfinger SE, a European stock corporation headquartered in Germany, has a dual management and control structure consisting of the executive bodies Executive Board and Supervisory Board. While the Executive Board is responsible for managing the business of the Company and the Group, the Supervisory Board supervises it and has personnel authority over the members of the Executive Board. The two committees work in close cooperation for the benefit and in the interest of the company. The third corporate body is the Annual General Meeting, which, in accordance with the law, is primarily responsible for fundamental decisions.

In the course of implementing corporate governance, Bilfinger follows the recognized standards of the German *Corporate Governance Code (GCGC)*. The Executive and Supervisory Boards of Bilfinger issue an annual declaration of compliance with regard to the application of the recommendations of the GCGC.

The declaration of compliance with the GCGC and further details on the duties and responsibilities of the boards of the company are provided in Chapter [A.4.1 Declaration of corporate governance and corporate governance report](#) of the Annual Report.

Executive Board

The Executive Board has established specific committees to implement and ensure corporate governance in the company and the Group. In particular, this includes the *Bilfinger Risk Committee*, the *Safety Council*, the *Compliance Review Board* and the *Independent Allegation Management Committee*.

Bilfinger Risk Committee

The Bilfinger Risk Committee (BRC) meets at the behest of the Executive Board and advises it on issues related to risk assessment. It consists of the Chief Financial Officer (CFO), the Financial Directors of the individual regions / divisions, and selected Heads of Corporate Departments. The BRC supports the organization of an effective and pragmatic risk management system and the monitoring of general risk developments. The assessment of non-financial risks to society and the

environment that could arise from Bilfinger's activities is also carried out as part of the BRC processes. The BRC thus contributes to general process quality as well as to the identification, treatment and reporting of significant Group risks.

Safety Council

The Safety Council is the responsibility of the Chief Operating Officer (COO) as a member of the Executive Board and is the exploratory and decision-making body for HSEQ-related issues at Bilfinger. Members of the Safety Council include the COO, the Executive Presidents of the individual regions / divisions and the Head of Corporate HSEQ. The Safety Council is responsible, for example, for the Group-wide, topic-specific minimum HSEQ requirements and determines the annual HSEQ targets for the Group. The Safety Council thus makes a significant contribution to the implementation of the HSEQ objectives in the Group.

Compliance Review Board

The Compliance Review Board (CRB) manages and monitors the organization and implementation of our compliance management system. It is comprised of the full Executive Board as well as selected heads of the corporate departments and meets quarterly under the chairmanship of the Chief Compliance Officer. The CRB has a central role in ensuring the ongoing effectiveness of our compliance management system.

Independent Allegation Management Committee

The Independent Allegation Management Committee (IAMC) is comprised of the heads and the representatives of the corporate departments of Legal, Compliance, Internal Audit, Tax and Human Resources. Under the chairmanship of the Chief Compliance Officer, the committee controls and monitors the conduct of internal investigations into possible serious violations of our Code of Conduct. The IAMC also advises on necessary responses to identified violations, including process changes, control activities and disciplinary measures.

Disciplinary Committee

The Disciplinary Committee consists of the Heads of Corporate Compliance and Corporate Human Resources. The committee is chaired by the Head of Corporate Human Resources and evaluates the severity of any proven misconduct. In the event of a serious violation of the Bilfinger Code of Conduct, the Disciplinary Committee defines disciplinary measures to be taken with respect to the relevant Bilfinger employee.

Supervisory Board

In accordance with Article 11 of the Articles of Incorporation, the Supervisory Board of Bilfinger SE consists of 12 members, including equal representation of the shareholders and the employees. The Supervisory Board advises and monitors the Executive Board and is responsible for the appointment and dismissal of Executive Board members, their employment contracts and remuneration. Monitoring also includes the topics of sustainability and Environmental, Social & Governance (ESG) as well as the corresponding reporting.

In addition to legal provisions and the Articles of Association, the Supervisory Board has adopted Rules of Procedure which set out, among other things, the tasks, items that require approval as well as other requirements for Supervisory Board members, together with the formalities for preparing, convening and holding meetings and adopting resolutions. This is reviewed on a

regular basis and updated when necessary. It is available on the Bilfinger SE website. The Supervisory Board has established various committees in order to ensure more efficient operations. Information about the committees can be found in Chapter [A.4.1 Declaration of corporate governance and corporate governance report](#) of the Annual Report. Among other things, the Supervisory Board has transferred supervision and preparation of the topics of sustainability and Environmental, Social & Governance (ESG) to the Audit Committee, whereas the overall and final responsibility for this remains with the Supervisory Board.

Basic structure of the Bilfinger Group

The Bilfinger Group is organized decentrally and hierarchically. It is managed by Bilfinger SE as parent company and headquarters. Headquarters is responsible for the fundamental structural and functional management and administration of the Bilfinger Group. It is divided into corporate departments, in part with corporate functions as sub-units with each assigned to the area of responsibility of a member of the Executive Board. Operationally, the Group is divided into two service lines (Engineering & Maintenance and Technologies) and within these into eight regions and two divisions, to which in turn the individual Group companies are allocated. Within the framework of the decentralized structure, the regions and divisions are granted a high degree of entrepreneurial autonomy.

Responsibility in each of the regions and divisions lies with an Executive President who is responsible for operating business and who reports to the Chief Operating Officer (COO) on the Executive Board, and a Financial Director, who is responsible for commercial matters and reports to the Chief Financial Officer (CFO). There are three Global Excellence Teams (HSEQ, Global Development and Operational Excellence) established in the form of corporate departments to provide targeted support to the regions, divisions and Group companies to develop new areas of business, increase efficiency and, moreover, ensure our HSEQ standards.

This organizational form facilitates short decision-making paths and lean administration. Governance at Bilfinger is organized in line with this structure.

Frameworks and regulations

Our frameworks and regulations for the implementation of governance in the Group go beyond statutory requirements for the management of German listed companies. We provide both guidelines and binding regulations for the actions of each individual, oriented on the needs of our business.

Bilfinger governance is essentially defined and implemented by its various elements, including the governance documents and the regulations they contain as well as their relationship to each other. This governance structure was further enhanced in the reporting year and a new Governance Portal was implemented. The Governance Portal makes all key governance documents available to Bilfinger employees in a bundled and transparent form. This is designed to effectively help employees use and implement Bilfinger governance in their daily work.

There is a clear and transparent structuring of Bilfinger governance (as summarized in the illustration below).

IMPLEMENTATION OF GOVERNANCE IN THE GROUP



Mission Statement, Group Principles, Code of Conduct

Our Mission Statement, our Group Principles and our Code of Conduct, together with the basic structure of the Group, form the framework for governance, with priority given to more general guidelines.

Our corporate values are specified in the Mission Statement and Group Principles. Integrity and security serve as the foundation and are of the utmost priority. The Mission Statement also describes our passion, values and competences and illustrates the cornerstones of our corporate culture. On this basis, our Group Principles set out behavioral guidelines in abstract form for all employees, in particular for the areas of HSEQ and risk-conscious behavior.

The principles laid out in the Code of Conduct serve as a further benchmark for our actions. The Bilfinger Code of Conduct applies to activities throughout the world and has been translated into a total of 18 languages. It provides specific guidance for responsible, compliant and integrity-oriented behavior in everyday business and is mandatory for all managers and employees – regardless of where they work and what job they do. It is valid throughout the Group and relates to how we deal with each other and how we deal with customers and business partners. In addition to the general principles of behavior in the area of compliance, the Code of Conduct includes, among other things, rules related to integrity as well as the handling of conflicts of interest, and prohibits corruption and discrimination of any kind. The individual topics are substantiated by corresponding Group Policies. The Code of Conduct and the substantiated Group Policies are regularly reviewed and adjusted for current needs and developments.

The elements of Bilfinger governance also lay out specific guidelines for the management and organization of the Group. These can be divided into three pillars – content and process specifications (Group Policies and Standard Operating Procedures), specifications for the framework and

limits for actions and measures (rules of procedure as well as approval and signature requirements) and further specifications for responsibility and organization (reporting lines and schedules of responsibility).

Group Policies and SOPs

In addition to the Group's specific guidelines on the Code of Conduct, all other specialized issues and processes classified as requiring regulation throughout the Group are also set out in Group policies. Specific processes are, in turn, regulated in Standard Operating Procedures (SOPs), which are binding for all employees. In each case, local requirements must be taken into account. In individual cases, these permit more specific implementation regulations and, in exceptional cases, deviations. Responsibility for the Group Policies and SOPs lies with the corporate and specialist departments and Group functions at Group headquarters. The review of Group Policies and SOPs begun in the course of the realignment of the Group structure in 2020 was largely completed in the reporting year. In this context, the fundamental Group Policies on governance at Bilfinger were also updated. The Group Policies and SOPs are regularly reviewed to ensure they are up-to-date and adjusted as necessary.

Rules of Procedure as well as approval and signature requirements

In addition to the content of the Group Policies and SOPs, the actions of individual Bilfinger employees and managers in the Group are guided by rules of procedure and approval requirements. The regional or division head as well as the managing director or other executive representative of a Bilfinger company each has Rules of Procedure which define, among other things, the reporting line, internal approval requirements for certain actions and measures. Approval requirements exist for each unit and level of the Group, whereby the approval requirements in the regions and divisions are determined by the respective management in its framework for action. In addition, binding requirements and limits exist for each Group unit for the signing or other drafting or issuing of business-relevant documents and declarations by Bilfinger employees. These elements ensure a clear framework for action for each individual Bilfinger employee and manager. Approval and signature requirements are regularly reviewed to determine whether they are up-to-date, most recently in the reporting year. They are also adjusted if necessary.

Schedules of responsibility and reporting lines

The Rules of Procedure also contain the respective reporting lines as well as procedural regulations, for example the possible allocation of responsibilities and requirements for joint decisions in the relevant body of the Group company or the regional or divisional management. Reporting lines also exist for each Bilfinger employee. In principle, the reporting line corresponds to the disciplinary responsibility, but it can also be divided if the employee is assigned to a different function.

The regulations in the Rules of Procedure are supplemented by a mandatory schedule of responsibility, in which the responsibilities for each member of the executive body of a Group company or a regional / divisional head are clearly assigned. This ensures that there is clear accountability and organization for each respective manager.

The described implementation of governance at Bilfinger serves as a structural guide in the design of the respective key factors that are organized by the corresponding specialist departments. The concepts are described in greater detail in the following chapters.

B.5.2.2 Counteracting corruption and bribery

Bilfinger is committed to the fight against corruption and bribery. Corrupt behavior is contrary to our values. We are also convinced that corruption undermines business relationships, distorts competition and exposes companies and individuals to unnecessary risks.

Concept

Counteracting corruption and bribery is a central component of our compliance management system. For this reason, *Corporate Compliance* is responsible for the framework to counteract corruption and bribery at Bilfinger.

Bilfinger's compliance management system covers all areas of the business and pursues the objective of preventing compliance violations through preventive measures, recognizing early any type of misconduct and, in the case of confirmed violations, reacting quickly and consistently punishing misconduct.

The Bilfinger compliance management system is illustrated in, among other places, the Code of Conduct, which is binding for all employees worldwide. In the Code of Conduct, we prohibit bribery and corruption among our employees. They may not hold out the prospect of or grant to our customers, suppliers or other business partners money or anything of value, either directly or indirectly, to influence their decisions or to gain any improper advantage. This principle also applies in reverse: No one acting for or on behalf of Bilfinger can allow him- or herself to be corrupted or bribed through the acceptance of unfair economic advantages from business partners. Accepting small payments to secure or accelerate routine official acts (*acceleration payments*) is also prohibited for our employees.

In our Code of Conduct, we also describe constellations that are often associated with a risk of corruption in business life. These include donations, sponsoring activities, gifts, hospitality and entertainment, dealing with public officials and accounting.

Corporate Compliance is headed by the *Chief Compliance Officer*. He reports directly to the Chairman of the Executive Board or, on an interim basis during the reporting period, to the COO and has an additional reporting line to the Supervisory Board and its Audit Committee. Managers have a special role to play in the implementation of our Code of Conduct and the compliance management system: they must act as role models. The annual performance evaluation of managers therefore includes an individual integrity assessment that then forms part of the annual dialogue on career development. In addition, variable remuneration for managers at management levels 1 and 2 includes an individual integrity factor. This factor is determined and taken into consideration annually with regard to the extent a manager implements the topics of integrity and compliance into his daily actions and how much he actively supports and promotes them in his environment.

To manage and monitor the design and implementation of our compliance management system, the Executive Board has established a Compliance Review Board (CRB), whose tasks and composition are described in Chapter [B.5.2.1 Good corporate governance](#).

Our subsidiaries are supported by compliance managers and compliance officers at both the regional and divisional levels. In addition, each regional and divisional management, each executive management and each department head at Bilfinger assumes responsibility for the effectiveness of the compliance management system including the Internal Control System (ICS) in their respective area of responsibility.

The international network of Compliance Representatives ensures that employees in the business units have an additional local compliance contact person. The *Compliance Representatives* are specially trained employees who, in addition to their primary functions in the company, support their colleagues with compliance and integrity questions and thus strengthen the presence

and visibility of the topic of compliance at their locations. The Compliance Representatives maintain a regular exchange of information with Corporate Compliance and contribute experience and challenges of the individual locations to the further development of the respective Compliance program.

Performance indicators

To prevent future misconduct, we employ, among other things, practical compliance advice from Compliance Managers and Officers as well as the Compliance Help Desk, guidelines, supporting compliance IT tools as well as training and communication measures.

Our compliance training modules include both on-site training and e-learning programs in which knowledge is conveyed and case studies are discussed. The total number of people in the target group of the individual trainings sometimes varies greatly from year to year as a result of a multi-year training concept.

NUMBER OF PERSONS TRAINED IN COMPLIANCE-RELATED QUESTIONS	Total number of persons in target group		Number of trained persons (absolute)		Share of trained employees (relative)	
	2021	2020	2021	2020	2021	2020
E-learning module 'Anti-corruption & bribery' ¹	4,220	12,048	4,123	11,660	98%	97%
E-learning module 'Code of Conduct' ²	8,662	4,204	8,427	4,036	97%	96%
On-site training module 'General Compliance Training' ³	2,944	273	2,937	262	100%	96%

1 2020: For all employees with a PC workstation and access to the Bilfinger network

2021: For all new employees with a PC workstation and access to the Bilfinger network as well as for existing employees with a PC workstation and access to the Bilfinger network whose job requires increased compliance awareness. An abbreviated training is used for existing employees.

2 2020: For all new hires with a PC workstation and access to the Bilfinger network, as well as for current employees whose job requires increased compliance awareness

2021: For all new employees with a PC workstation and access to the Bilfinger network as well as for existing employees with a PC workstation and access to the Bilfinger network whose work does not require increased compliance awareness. An abbreviated training course is used for existing employees

3 2020: for all employees who as new hires or as a result of a change in positions have taken up a job at Bilfinger that requires increased compliance awareness

2021: For all employees whose work requires increased compliance awareness

All employees also have access to a central Compliance Help Desk that offers support in all compliance-related questions.

NUMBER OF INQUIRIES TO THE COMPLIANCE HELP DESK	Number		Share	
	2021	2020	2021	2020
Tool – gifts, entertainment and hospitality (e.g. reporting on gifts, entertainment and hospitality, tool administration)	84	161	28%	41%
Tool – third-party due diligence (e.g. integrity hits, re-opening scope check and risk assessment, tool administration)	76	148	26%	37%
Group policies and internal standards (e.g. Code of Conduct, compliance review in hiring and promotion process, delegation trips, third-party due diligence, gifts, entertainment and hospitality, conflicts of interest, donations for charitable purposes and sponsoring)	27	17	9%	4%
Tool - Sponsorship and Donations	24	0	8%	0%
Indications of potential violations of the Code of Conduct (e.g. bullying, discrimination, harassment, conflicts of interest, fraud, breach of trust, theft, embezzlement, money laundering, illegal employment, personnel issues)	6	12	2%	3%
Compliance trainings	2	9	1%	2%
Inquiries related to other compliance topics	77	50	26%	13%
Total	296	397	100%	100%

In order to deliver our services as a company, we are dependent on cooperation with numerous business partners. Because the compliant behavior of our business partners is an indispensable prerequisite for us, we use a risk-based, IT-supported process to review our potential business partners before entering into a business relationship (so-called third-party due diligence). When carrying out such integrity audits, the business units of Bilfinger are supported by the compliance department in the risk evaluation.

In addition to prevention, the rapid identification of any misconduct and an appropriate response to such misconduct are essential components of our compliance management system. There is a whistleblower system in place for the receipt, documentation and processing of suspicious cases in connection with possible violations of our Code of Conduct: Our employees and external parties can, on a confidential basis and if desired also anonymously, provide information on potential misconduct on the part of Bilfinger employees.

NUMBER OF NOTICES OF COMPLIANCE VIOLATIONS	2021	2020
Indications of compliance violations ¹	70	80
thereof: indications of corruption and bribery	1	1
Investigations initiated	20	24
Disciplinary measures as a result of investigations	7	4

¹ Reports classified as relevant in the period from January 1 to December 31 of any given year.

A department within Corporate Internal Audit & Investigations specialized in internal investigations deals with all notifications related to suspicious cases from internal and external sources and, in cooperation with the compliance organization, conducts a preliminary review of the notifications received. If the suspicions of a violation are confirmed, an internal investigation is initiated.

Particularly serious allegations are forwarded to the Independent Allegation Management Committee for assessment and for a decision on further action. The composition and duties of this body, which is appointed by the Executive Board, are described in Chapter [B.5.2.1 Good corporate governance](#).

In the extremely rare event that an employee is found to have engaged in serious misconduct, the Disciplinary Committee, chaired by Corporate Human Resources, decides on disciplinary action and sanctions to be taken. These range from informal warnings through to immediate termination including negative financial consequences. If misconduct on the part of a business partner is identified, the Independent Allegation Management Committee decides on necessary measures. These measures can include, among other things, termination of the business relationship, assertion of civil claims or the filing of an official complaint.

B.5.2.3 Data security and data protection

To be able to provide our services, we collect, store and process a range of data. On the one hand, this relates to personal data of our employees, but also data about plants, processes and people at our customers' sites, because we are providing an increasing number of services for the digitalization of plants. Information is therefore an integral part of our business processes and thus represents an important corporate asset that must be protected in an appropriate manner against unauthorized access. In the context of an ever-increasing global networking of computer systems, protection against abuse, manipulation, espionage or theft requires increasingly complex procedures.

Data leaks or issues related to accessing data can have a serious impact on the relationship with our employees or business partners. For this reason, our processes and activities for data security and data protection are important prerequisites for the acceptance of our business model by our stakeholders.

Concept

Data security

Employees, customers and other stakeholders must be able to rely on the fact that the data entrusted to Bilfinger is protected against abuse and loss. Bilfinger has therefore adopted targeted regulations with regard to information security and data protection and has taken appropriate organizational measures.

The fundamental regulations for the secure and legally compliant handling and processing of data are summarized in our Group Policy on Information Security. It is binding for all Group employees and for all those working on behalf of Bilfinger. It describes the components of information security, principles for handling and processing data and the obligations of managers, IT specialists, employees and external parties. Violations of the provisions of this Group Policy and its annexes or of existing laws may result in disciplinary, contractual or criminal consequences.

In addition to the Group Policy on Information Security, various Standard Operating Procedures (SOPs) have been defined with the goal of implementing the Group Policy on Information Security in all Group companies. These include, for example, SOPs on the topics of information management standard, physical protection of data, emergency security and IT audit.

Technical responsibility for information security lies with the manager responsible for information security at Bilfinger Global IT GmbH, who is supported by the dedicated, central competence center for the topic of information security. The Information Security team checks to ensure that IT services that are planned or in operation are compliant with the Group Policy on Infor-

mation Security as well as regulatory requirements. In addition, each organizational unit must appoint a person responsible for data protection who works together with the manager responsible for information security as a coordinator.

We counter the risks in the *cyber security* environment with a broad package of measures, such as increased monitoring of incoming and outgoing e-mail traffic to prevent malicious e-mails with a cloud-based e-mail gateway. In the event of specific threats, we work together closely with the relevant authorities. The central data centers were migrated to *Microsoft Azure* in the *cloud* and will continue to be subject to ISO 27001 certification. In addition, measures to make network access more stringent are checked by means of regular vulnerability analyses, e.g., through so-called *friendly hacking*. To monitor security-relevant incidents, Bilfinger uses a *Security Information and Event Management System (SIEM)* which collects all central logs and evaluates them for anomalies. Another focus of our efforts is the swift closure of newly reported weaknesses from software manufacturers, such as the hafnium vulnerability in Microsoft's Exchange software. In this case, the security vulnerability was closed within a few days and there were no longer any visible indications of a potential breach. In addition, training requirements have been defined for all employees with computer workstations to raise awareness of the increasing risk.

Every employee or person working on behalf of the Bilfinger Group is obligated to report any possible or actual threat to the information available in the Group as a security incident in a timely manner. In addition, each business unit is obligated to establish and maintain a comprehensive and effective emergency management system in accordance with its business area and area of responsibility. Should there be a security incident, the *Independent Allegation Management Committee (IAMC)* is, when necessary, commissioned with an investigation into the violation.

Data protection

In order to create a uniform standard for handling personal data in accordance with the European General Data Protection Regulation, a standardized Group Privacy Policy applies in our Group. It is based on the provisions of the European General Data Protection Regulation and on globally accepted basic data protection principles for the processing of the personal data of employees, customers, suppliers and other business partners. The policy describes the tasks and responsibilities of the external Data Privacy Officer, the internal Data Privacy Officer as well as the Data Privacy Coordinator. It also outlines the data protection principles, specifications for data transmission and commissioned data processing, the rights of data subjects and the responsibilities of Group companies.

The policy is binding for all Group companies and is intended to ensure that the data protection standards described in the policy are not undercut. It also applies to Group companies in countries that do not have their own statutory data protection regulations.

If data protection violations occur or are suspected, the Group Privacy Policy lays out a procedure for the reporting of data protection violations. A reporting form is available for employees as a guideline for this purpose. For further processing and for the purposes of evaluation, the reports are fed into a database in which the (suspected) data protection violation is described.

The Executive Board is informed about data security and the structure of data protection at least once a year. The Executive Board is informed of any incidents of particular significance.

Performance indicators

NUMBER OF DATA PROTECTION VIOLATIONS			
	2021	2020	Δ in %
Data protection incidents	4	7	-43
thereof reportable data protection violations	1	0	n/a

B.5.3 People

B.5.3.1 Occupational health and safety

Concept

The health of our employees is the number one priority for Bilfinger. No employee's health shall be adversely affected by his or her work. There are different management approaches for the topics of occupational health and safety. While there are uniform Group-wide standards and centrally coordinated occupational safety campaigns, health protection is not managed centrally.

Programs to maintain or review employee health, such as ergonomics programs, psychological demands and burdens as well as preventive medical check-ups are the responsibility of the units and are therefore organized on a decentralized basis. When incidents of particular relevance occur, Corporate HSEQ assumes a coordinating role, as has been the case with the COVID-19 pandemic, which also had a significant impact on our business in 2021.

Occupational safety

Aspects of occupational safety are of key importance to whatever activities we pursue. In addition, safe work processes, reporting of key figures on occupational safety as well as the execution of occupational safety campaigns are important criteria that, with increasing frequency, are being surveyed by our customers prior to the awarding of orders. Through its central governance function, Corporate HSEQ establishes the conditions for Group-wide HSEQ management and coordinates occupational safety in the Group together with regional and local HSEQ specialists. Group companies are thus supported in their efforts to comply with occupational safety standards and in implementing and further developing programs and measures. The occupational health and safety standards drawn up by Corporate HSEQ are reflected in uniform Group-wide guidelines. Responsibility for compliance with these policies lies with local unit managers who must also take local laws and working conditions into consideration. Occupational safety committees are established in the independent companies in accordance with the legal provisions. To be able to record, process and communicate HSEQ incidents worldwide in accordance with uniform standards, we use a management software (Synergi Life, referred to at Bilfinger as *ACTIVE*). All types of HSEQ incidents can be captured by executives and employees using an app, allowing them to be promptly recorded on site. Event analysis is key to ongoing improvement. An IT-based workflow helps employees and supervisors analyze root causes and facilitates the development of corrective actions to avoid similar situations in the future. Workplace safety is the subject of the HSEQ quarterly report that is submitted to the Executive Board. Particularly serious accidents are reported immediately to the Executive Board. It is informed on an ongoing basis regarding their analysis as well

as necessary corrective measures. The objective pursued by all the measures we take is to continually improve occupational safety. Our objective, '*Zero is possible*,' helps us to consistently reduce the number of accidents.

To achieve this objective, we pursue a twofold approach: we take the technical and organizational measures this requires, and we address occupational safety again and again in a variety of communications channels in order to raise awareness for HSEQ issues. We draw the attention of all employees to general occupational safety issues and current accident statistics in the form of monthly Safety Moments memos, for example. In addition, monthly contributions are published in Bilfinger's employee newsletter, Bilfinger Update, addressing a variety of topics. The commitment of executives all the way up to the members of the Executive Board is a key building block of success. For example, it is the responsibility of managers throughout the Group to regularly carry out a number of safety walks, depending on their area of responsibility, to address risks and hazards, to make employees aware of occupational safety issues and to document their inspections. The results of these safety walks may be recorded on the go, as the walks are progressing, and will then be directly input into our central HSEQ software. An important measure for raising awareness regarding topics of occupational safety is our safety program Safety Works! including the information campaigns that were developed in this context. In 2021, we carried out a safety campaign based on the revised Life Saving Rules and titled 'Line of Fire'. The goal of the campaign is to familiarize our employees with the six most important hazards covered by the Life Saving Rules. For the first time, QR codes will also be used to show short videos on the respective topics. Our annual Safety Award recognizes both outstanding safety initiatives and innovative ideas for the continuous improvement of safety performance. The Group-wide award is intended to commend all employees and managers who have contributed to this result while also encouraging them to work toward safe working conditions and the protection of all employees' health.

As part of Bilfinger Matrix certification, 39 companies with 144 locations have been certified pursuant to the occupational health and safety standard DIN EN ISO 45001 and nine companies with 42 locations have been certified pursuant to the *Safety Certificate Contractors Petrochemical (SCCP)* standard.

We conduct regular internal audits in all our subsidiaries, which took place only to a limited extent in 2021 due to the COVID-19 pandemic. In addition to these internal audits, there are further external audits, including by certifiers, authorities or customers, that were conducted partially also remotely due to the pandemic.

Performance indicators

For the topic of *occupational safety*, we use the indicators *LTIF* and *fatalities*. The LTIF indicator increased slightly compared to the previous year, but at a figure of 0.21, it is still below the industry average*.

Regrettably, we had one fatality in 2021 and have lost 15 (2020/2 and 2021/13) employees globally so far due to the pandemic.

* as of 2020.

OCCUPATIONAL SAFETY INDICATORS			
	2021	2020	Δ in %
LTIF ¹	0.21	0.16	31
Fatalities ²	1	1	0

1 The indicator used by Bilfinger "LTIF" (Lost Time Injury Frequency – accidents per 1,000,000 working hours performed) includes all accidents Group-wide with at least one lost day from employees and temporary workers.

2 Work-related accidents of employees and temporary workers resulting in death.

Health protection

In the year under review, health protection focused on dealing with the COVID-19 pandemic, which had a significant impact on our company's business development. This is explained in detail in Chapter [B Combined management report](#). In line with our decentralized organization, responsibility for the specific measures related to the respective local COVID-19 situation lay with our units. To help guide the response, the Corona Intervention Team was established at headquarters immediately after the outbreak of the pandemic in Europe. Dealing with the COVID-19 pandemic was also a major focus of internal corporate communications in financial year 2021. For this purpose, Corporate HSEQ created an informative dashboard in the ACTIVE management software to provide an up-to-date status of all COVID-19 cases in the entire Group at any time. For the Group as a whole, we record the number of employees who have contracted COVID-19, the severity of the disease, quarantine status as well as the number of employees who have recovered and returned to work. Selection and implementation of measures to deal with the pandemic are managed at the local level. A specific reaction to local developments was and is possible in a timely and effective manner. Depending on the type of job and the intensity of contact among employees, a measured approach is taken with the objective of minimizing the impact on the health of our employees and their families.

B.5.3.2 Employee development and diversity

As an industrial services provider, our business model is shaped by the availability, skills and value orientation of our employees. Continuous training and qualification of our employees are key in this regard.

Concept

Group-wide human resources governance is based on minimum standards that are firmly anchored in our Group Policies and therefore apply to all employees. They cover areas such as reporting, remuneration and talent management. The so-called Business Partners in the Group companies are responsible for the implementation of minimum requirements. They serve as contact persons for management and for employees of the individual companies. Regional personnel managers appointed for the individual regions act as links between Corporate Human Resources and the Group companies.

Among the most important longer-term personnel initiatives was implementation of the *SAP SuccessFactors* human resources management software (known internally as *HRcules*), which was completed in 2020. This system provides us with a company-wide and integrated process and system landscape on the basis of which reporting and control functions can be further developed. In 2021, for example, the first central human resources performance indicators were defined as part of the *Basic KPIs* initiative to enable valid measurement in the years ahead. The reporting functions

in *SAP SuccessFactors* will be further developed in 2022 so that a simplified visualization of the collected data will be possible in the future.

With a view to the issue of employee satisfaction at Bilfinger, the Executive Board launched the *Meet the Board* initiative in 2021. In 14 cross-regional and cross-hierarchical roundtable discussions in financial year 2021, the Executive Board outlined key messages relating to Bilfinger's strategic orientation, gathering opinions and sentiment in the process. Based on the findings, initiatives will now be derived to address the focus topics that were identified.

Employee development

Central human resources management processes are outlined in our *HR Calendar*. They relate, for example, to the annual performance assessment, development planning and salary review in the course of the financial year. *HRcules* helps us track our annual performance and development cycle also in digital form. Corporate HR provides discussion guides for the annual employee appraisals, which employees, industrial workers and their supervisors use to reflect on what has been achieved and to define resulting development measures in a structured manner. Salaried employees also set individual goals for the year ahead.

To develop and retain internal talent at Group level, we have established various programs for high-potential employees and management levels 2 to 4.*

As part of the annual Talent Review, the potential of employees is evaluated and calibrated. Structured interviews are used to identify potential successors for key positions, thus supporting long-term succession planning. The Talent Review process is carried out in cooperation among supervisors and local HR departments together with Corporate Human Resources and the Executive Board. The Talent Review's identification of potential is followed by a nomination to the global management development programs, which serve to promote the development of management and specialist competences as well as networking. An overhaul of these global leadership development programs was conducted in 2021, in particular to accommodate hybrid learning formats.

In addition to the management development programs, the *Bilfinger Academy* bundles the internal further training programs for all employees. A Group-wide *Digital Learning Week* is held twice annually and employees, in consultation with their supervisors, can register online for workshops, seminars and training. In 2021, the topics covered included IT applications, project management, communication and intercultural competence, for example. In addition, as part of the learning week, we have included internal facilitators of expertise in the series of events in addition to externally sourced trainers. We thus promote the exchange of knowledge and professional networking among employees across regional and functional boundaries.

For the special fostering of project management skills which, in Bilfinger's business model, are applied in many areas, we have introduced a qualification series together with external trainers that offers training in accordance with the internationally recognized standard of the Project Management Institute (PMI).

At the regional and local levels, Bilfinger's operating units offer additional development and training opportunities depending on local requirements.

* Management levels at Bilfinger are structured on the basis of budget responsibility, size of executive scope or strategic importance in the position held. The level below the Executive Board is management level 1.

Diversity

Employee diversity is of fundamental value for the Bilfinger Group. An international outlook and cultural diversity are part of everyday life in our internationally active company. We are an internationally oriented Group with a range of regions, languages and nationalities. We understand diversity as differences in origin, age, gender, religion, marital status, skills as well as personality and education. We are firmly convinced that it is precisely this level of diversity in talents, attitudes, perspectives, strengths, skills and characteristics among our employees that makes Bilfinger unique and contributes to creativity, innovation and long-term business success.

In the interest of promoting innovation and employee development, we want to create a non-discriminatory working environment characterized by openness and inclusion.

We have anchored the prohibition of discrimination in our Code of Conduct. In this context, we pay particular attention to the provisions of the German General Equal Treatment Act (AGG). More information on how to deal with violations of the Code of Conduct, including discrimination, is provided in Chapter [B.5.2 Governance](#). Bilfinger has reaffirmed this attitude toward cultural diversity and equal opportunity – combined with the obligation to promote their implementation in the company – by joining the "Diversity Charter" association in the 2021 financial year.

The preparation of a concept was initiated in financial year 2021, the development phase of which will be continued in the coming financial year. With regard to the sustainable integration of diversity at Bilfinger, the concept focuses on the following three areas: Recruiting & Succession Planning, Training & Development as well as Communication. In accordance with the model of the seven diversity dimensions of the Diversity Charter, Bilfinger pursues a comprehensive approach with a broad range of measures to promote diversity. This does not focus exclusively on individual, selected diversity factors, but also includes experience, knowledge and skills in addition to individual personal characteristics.

We promote diversity in order to take full advantage of employee potential and encourage the conscious development of personal diversity in the sense of an appreciative and productive approach to differences in the Group.

Within the framework of the focus areas mentioned above, it was possible to expand existing individual measures in a bundled framework in the 2021 financial year. At the same time, additional measures were initiated. The measures in the focus area "Recruiting & Succession Planning" target a more intensive consideration of diversity in recruiting and promotion processes. The latter was supported in particular by the establishment of a new global role, "Talent Partner", and global, internal marketplaces.

The focus of the global Bilfinger Mentoring Program, relaunched in financial year 2021, fosters the exchange of experience between less experienced and professionally experienced employees from different business segments and countries in order to support the transfer of knowledge as well as perspective changes in a sustainable manner within the Bilfinger Group. We believe that the Bilfinger Mentoring Program is a perfect addition to the existing mentoring program to promote women in management positions.

An international outlook and cultural diversity are part of everyday life at a globally active company like Bilfinger, with employees from a total of 115 nations. In order to strengthen intercultural cooperation and reduce unconscious bias, employees are offered a wide range of further education and training opportunities. In addition, the Group supports temporary assignments to international locations or special job rotation programs that promote the transfer of knowledge between different locations while at the same time facilitating cultural openness.

In order to make diversity at Bilfinger visible and tangible for current and future employees, the "People@Bilfinger" and "TeamBilfinger" portrait series introduces employees from different

regions or backgrounds through various internal and external communication channels, thus providing a model approach to strengthening diversity at Bilfinger.

In the future, collaboration with the individual managers responsible for HR processes will be intensified to review our HR processes, identify further measures, and ensure that these processes reflect the diverse skills and talents of all employees as well as our own performance objectives.

Performance indicators

The proportion of women in management positions is established as an indicator at Bilfinger. At the end of November 2020, the Executive Board resolved to achieve a target of 10 percent women in each of the management levels 1 and 2 at Bilfinger below the Executive Board by December 31, 2023, in accordance with Section 76 Paragraph 4 of the German Stock Corporation Act (AktG).

On November 26, 2020, the reporting date for the definition of the target figure, this proportion was 8 percent in management level 1 and nearly 5 percent in management level 2. As of December 31, 2021, the proportion of women at management level 1 was 6 percent, while the figure for management level 2 was 8 percent.

The Supervisory Board has set a target of 30 percent women and men on the Executive Board by December 31, 2023, which means with an Executive Board of three members, at least one woman and one man.

Further information can be found in Chapter *A.4.1 Declaration of corporate governance and corporate governance report*, which is also available on the website www.bilfinger.com under *Company / Corporate Governance*.

PROPORTION OF WOMEN IN MANAGEMENT POSITIONS			
	2021	2020	Target 2023
in %			
Executive Board	50%	33%	33%
Management level 1	6%	8%	10%
Management level 2	8%	5%	10%

B.5.3.3 Human rights, labor rights and sustainable supply chain

We are committed to the United Nations Universal Declaration of Human Rights and the UN Global Compact initiative. We want to be fully committed to respect for observing human rights wherever we operate. This applies with a view to

- our own employees;
- the employees of our direct and indirect suppliers as well as those of our business partners;
- our customers, and
- other regional stakeholders.

The measures in relation to our supply chain are described in the section *Observing human rights in our supply chain*.

Concept

Observing human rights within the Group

The basis of all our activities with regard to observing human rights is our Code of Conduct. This also represents our fundamental declaration on observing human rights. The Code of Conduct was approved by company management and is publicly available on our website in both German and English. 18 different language versions are available for internal Group-wide use. The Code of Conduct defines the principles of acting with integrity toward both other employees as well as toward external persons and organizations and is aimed throughout the Group at all of our managers and employees – regardless of where they work and what job they do. In the section *Responsibility to society and the environment*, observing human rights is firmly anchored in our Code of Conduct.

Our managers and employees are obligated to adhere to the principles formulated in the Code of Conduct and to confirm in writing that they have received and familiarized themselves with it. In addition, the contents of the Code of Conduct are refreshed and expanded within the scope of e-learning and through various other activities (see also Chapter [B.5.2.2 Counteracting corruption and bribery](#)). We do not tolerate violations of our Code of Conduct.

In addition to direct reporting to Corporate Compliance, a proprietary whistleblower system is used to receive suspected cases of possible violations of our Code of Conduct, including the principle of respect for human rights principles that it contains: Both our employees and external parties can, on a confidential basis and, if desired, also anonymously provide information on potential misconduct in the environment of our business activities. The whistleblower system can be accessed through our website and is available in 26 languages. Information can also be given by mail, telephone or directly. Availability of the whistleblower system is ensured through an external service provider. Our objective is to process suspected cases confidentially, objectively and independently. In the case of a confirmed violation, disciplinary and corrective measures are initiated, ranging from informal warnings through to termination without notice.

Observing employees' rights

We consider observing employee rights an important aspect of human rights. This is based in particular on our commitment to Principles 3 to 6 of the UN Global Compact initiative, which applies throughout the Group. They relate to employees' rights to freedom of association and collective bargaining, the elimination of all forms of forced labor and child labor, and the elimination of discrimination in respect of employment and occupation. The rights of employees to freedom of association and collective bargaining find expression in particular in the – depending on local law –

company or trade union employee representative bodies, which work to safeguard employee rights, including through the conclusion of collective agreements, and with which management maintains a regular and constructive dialog.

In the reporting year, we generated the vast majority of our revenue in regions where employee rights are guaranteed by law: more than 80 percent of our revenue was generated in the EU as well as the United Kingdom, Switzerland and Norway. Here, at the end of the year around 80 percent of our people were employed.

Observing human rights in our supply chain

We depend on suppliers and subcontractors for the delivery of our services. In our Supplier Code of Conduct, available to the public from our website, we formulate the clear expectations that we have of them to respect human rights. Our guidelines require that this Code of Conduct is a fundamental component of our supplier contracts. Through this Code of Conduct, we also require our suppliers to demand that their suppliers and subcontractors also comply with internationally accepted principles and standards on human rights.

Bilfinger follows national legal requirements for the protection of human rights. These include the UK Modern Slavery Act, which requires us to report on how we manage relevant risks in our business activities and, in particular, in our supply chain.

We pursue a Group-wide supplier management system – *HANDLE Procurement Suppliers* – with Corporate Procurement maintaining responsibility for its definition, organization, development and monitoring. This is described in detail in our Procurement Policies and Standard Operating Procedures (SOPs) and is binding for all our subsidiaries. One of the objectives of this Group-wide regulation is to ensure that compliance rules – including observing human rights – are observed.

In addition to the standardized assessment as part of our supplier management system, we review the integrity, which also includes observing human rights, of our business partners who exceed a defined value limit and all sales intermediaries using a risk-based and IT-supported due diligence tool (see also Chapter [B.5.2.2 Counteracting corruption and bribery](#)).

We have also commissioned an independent agency to obtain a self-disclosure from selected suppliers, among other things as relates to respect for human rights. The selection of these suppliers is carried out on the basis of a risk-based approach. In 2021, Bilfinger commissioned the agency with about 260 self-assessments from suppliers.

The sanctions list check we conduct on all contractual partners is also designed to ensure that we do not enter into any business relationships with third parties that have been listed on the basis of human rights violations.

If a violation of the Bilfinger Code of Conduct for Suppliers or a negative result is found in an integrity check, the supplier is blocked on a Group-wide basis. If such an incident should occur or become known, our employees are obligated to report it. A Group policy defines the process of barring suppliers and thus ensures a uniform Group-wide policy. Corporate Procurement informs all companies of the Bilfinger Group ad hoc regarding new blocks and also provides a list of all current blocks at least once a month.

Performance indicators

NUMBER OF INDICATIONS OF VIOLATIONS OF HUMAN RIGHTS¹

	2021	2020	Δ in %
Indications of violations ²	14	14	0
Investigations initiated	5	4	25
Disciplinary measures as a result of investigations	5	3	67

¹ The number of indications of human rights compliance violations is a partial quantity to the number of indications of compliance violations presented in Chapter B.5.2.2 *Counteracting corruption and bribery*.

² Reports classified as relevant in the period from January 1 to December 31 of a respective year. The references in 2021 relate to bullying, discrimination and sexual harassment.

B.5.4 Planet

With our Mission Statement and our Code of Conduct, we clearly commit to responsibility for society and the environment. Our business model consists predominantly of services provided by our employees or subcontractors at customers' sites. We also have a number of workshops for on-site repair work, as well as smaller production facilities that manufacture special plant components, depending on customer requirements.

Bilfinger attaches particular importance to climate protection. Although we use significantly less energy than manufacturing companies, we want to contribute to a reduction in greenhouse gases.

In addition, we intend to make a contribution with our product portfolio and support our customers in their energy transition efforts. This is presented in the section *Customer* in Chapter B.5.5.3 Sustainable industrial services.

The emissions generated by Bilfinger and the associated energy use are presented below.

B.5.4.1 Emissions and energy

Concept

In the Bilfinger Group, energy consumption data is collected at the level of the operating units. 39 Group companies with 131 locations are certified in accordance with the international environmental management standard DIN EN ISO 14001. That is how operational units have been meeting the requirements of their regional and local customers for many years.

To calculate the associated GHG emissions, we have established a structured data collection process and enabled internal reporting of energy consumption and greenhouse gas (GHG) emissions in accordance with the *Greenhouse Gas (GHG) Protocol*.

We have thus implemented the concept developed in the 2020 financial year for reporting in 2021. We work with *WeSustain's Enterprise Sustainability Management (ESM)* software.

Energy requirements have the greatest direct impact on our greenhouse gas emissions. The most significant share of energy requirements comes from our properties as well as the Bilfinger vehicle fleet.

We distinguish between the energy that we primarily generate for business processes and that which we purchase from utilities. Primary energy sources include, for example, natural gas, which is used to generate heat in properties, or diesel, which is burned as fuel for vehicles. As secondary energy, we procure electricity, steam and cooling at our Group-wide sites from local suppliers.

ENERGY CONSUMPTION AND SHARE PER ENERGY SOURCE

	2021	2020
Total energy consumption GWh ¹	217	200
Of which: Fuel consumption in the vehicle fleet (in %)	40	41
Fuel consumption for machines (in %)	11	11
Heating energy (in %) ²	28	26
Electricity consumption (in %) ³	21	22

¹ Based on direct and indirect energy consumption classified as relevant for Scope 1 and Scope 2 of GHG emissions in accordance with the GHG Protocol.

² Includes directly generated heating energy predominantly from natural gas as well as indirect heating energy purchased from utilities in the form of district heating.

³ Includes the volume of purchased electricity used in the properties. In the case of electric heating or cooling and the charging of machines and equipment, for the relevant sites this is also included.

Compared with the previous year (2020), the Group's total energy consumption increased by 9 percent to 217 GWh (2021). The lower level in 2020 is predominantly due to the effects of the COVID-19 pandemic. This situation led to a reduction in activities at some sites in 2020, with these activities resuming again in 2021.

Primary and secondary energy consumption is reported here, which, in accordance with the *Greenhouse Gas Protocol*, has been classified as relevant for Scope 1 and Scope 2 of GHG emissions. In the case of non-calendar billing, for example if the annual billing was not yet available, the data was completed for the 2021 values based on the 2020 values. For fixed-rate leases, the average consumption value per square meter was calculated in the same way as for similar sites.

For GHG reporting, we established *organizational boundaries* in accordance with the *Greenhouse Gas Protocol* methodology. We have adopted the *financial control approach*. This means that reporting is based on the financial organization and takes into account all fully consolidated companies with the exception of those that are in the process of being sold (Other Operations).

Direct greenhouse gas emissions originate from sources that are owned or financially controlled by Bilfinger, including purchased in leases relevant to IFRS 16.

For Scope 1, this refers to:

- Combustion of natural gas, oil and other materials for heating the properties
- Emissions of hydrofluorocarbons (HFCs) from the use of air-conditioning systems in the properties
- Combustion in owned or leased vehicles and machinery

Scope 2 includes greenhouse gas emissions from the generation of electricity, steam, heating and cooling purchased by the company from utilities (indirect emissions). This includes:

- Electricity consumption in properties, fleet and machinery
- Purchased district heating, steam and cooling

In reporting on indirect emissions (Scope 2), we distinguish between *market-based* and *site-based* methods, following the *GHG Protocol Scope 2 Guidance*. For financial years 2020 and 2021, we have reported Scope 2 emissions using the *site-based* method. This method uses emission factors as an average country value for the relevant sites. We use a database from the provider *Ecoinvent* for this purpose. The basis for the calculation is the value from the methodology developed by the *Intergovernmental Panel on Climate Change (IPCC) 2013-climate change-GWP 100a-(kg CO₂-Eq) per 1 unit of reference product*. Emissions are reported in CO₂ equivalents.

The additional determination in accordance with the market-based method, in which the actual electricity mix is taken into account by the respective supplier, will be added gradually beginning in 2022.

GHG EMISSIONS IN ACCORDANCE WITH SCOPE 1 AND SCOPE 2

	2021	2020
GHG Scope 1 (tCO ₂ e) ^{1, 3}	35,608	34,844
GHG Scope 2 (tCO ₂ e) ^{1, 2, 3}	23,765	21,292

¹ The calculation method is based on the GHG Protocol using the financial control approach. Scope 1 and Scope 2 include direct and indirect emissions from all fully consolidated companies. Companies that are in the process of being sold are excluded. This applies to the entire Other Operations.

² Scope 2 is calculated according to the site-specific method of the Guideline for Scope 2 measurement of the GHG Protocol.

³ The CO₂ conversion factors for a substantial part of the calculations come from specialized database provider Ecoinvent. In individual cases, the emission factors for 2020 published by the UK Department for Environment, Food & Rural Affairs (DEFRA) were used.

Compared to 2020, Bilfinger's Scope 1 and Scope 2 relevant greenhouse gas emissions (CO₂ equivalents) in 2021 increased 5 percent to 59,373 metric tons of CO₂ equivalents (previous year 56,136 tCO₂e).

Within the scope of our sustainability strategy, we have set the goal of gradually reducing our GHG emissions and achieving net-zero emissions by the end of 2030 at the latest. In terms of unavoidable emissions, this includes the offsetting mechanism of investing in additional CO₂-reducing projects as well as *carbon credits*. In the coming financial year, we intend to conduct a detailed analysis of the data that was collected for the first time in 2021 in order to derive appropriate measures and sub-targets and to manage the development of our GHG emissions.

Internally, we rely on a participatory approach. It is important to us to involve the entire workforce in the implementation process at all levels. This also enables us to take account of regional differences in regulations and legislation. Various instruments will be used to ensure the goals are

firmly anchored, for example by defining personal goals accordingly or positioning the sustainability strategy as a focus topic at management events and executive development programs.

From today's perspective, the main levers for achieving the net zero target are the electrification of the fleet - especially passenger cars - and a change in the purchased electricity mix toward more renewable energies.

In addition, we want to further develop the collection of our GHG emissions. We plan to design the setup of Scope 3 data collection and then implement it step by step in our system. However, due to the significantly greater complexity compared to Scope 1 and Scope 2, this is not expected to be completed in 2022. This applies equally to the definition of differentiated sub-targets. In this context, we also want to address the requirements of the *science-based targets* initiative and evaluate the possible implications for Bilfinger.

B.5.5 Customers

For Bilfinger as a service provider, customers are the focus of its business activities. The relationship with our customers and their satisfaction with the work that we do is of utmost importance for our business development. Bilfinger is integrated into their value-added processes as a strategic partner. The quality of our customer relationships is decisive when it comes to continuing or intensifying cooperation and thus influences our order situation and our economic success.

We have a broad customer base with customers that have been placing their trust in us for many years. Customer proximity encompasses our industry expertise combined with trusting, cooperative interaction with our clients. We pay particular attention to the quality of our services and to delivering a range of products and services that is consistently aligned with the needs of our customers. Through our services we want to support the sustainable value creation of our customers and thus contribute to both their long-term competitiveness as well as our own.

B.5.5.1 Customer focus

Concept

The governance function for supporting cross-regional customers, so-called key accounts, is the responsibility of Corporate Global Development. For the coordinated management of our customer relationships and our business opportunities, we use the customer relationship management (CRM) software *Salesforce*. We also use this software to conduct system-based customer satisfaction surveys. As part of the questionnaire-based measurement, satisfaction is surveyed within various categories and documented in the system during an ongoing maintenance contract or project. The key account managers responsible for the contract integrate the survey feature into their regular customer dialog at least once a year.

The use of the Salesforce system to measure customer satisfaction will be gradually rolled out to other customers, thereby establishing a basis for comprehensive evaluations.

In line with our decentralized business model, the satisfaction survey for customers with whom we work at regional level is the responsibility of the respective regional operating unit. Here we pursue our approach of consistently putting responsibility for local business in the hands of our local units. Customer satisfaction is also a component of our quality management system.

B.5.5.2 Quality management

For us, the satisfaction of our customers is directly related to the quality of our services. This connection is also part of the DIN EN ISO 9001 standard. This standard is applied centrally as a benchmark for our quality management system (QMS). The expectation in the Group is that operating

units will meet the criteria defined in DIN EN ISO 9001, even if they do not pursue external certification.

Concept

In order to be able to provide the quality required by our customers, we have established an extensive quality and process management system. It starts with the operating units, which are responsible for the quality of their products and services and for their monitoring. They are supported by the quality management of the regions and / or divisions as well as by Corporate HSEQ. System requirements, internal audits as well as training and education measures for quality assurance are intended to ensure that our standards of quality are maintained at all times and continuously developed.

For the project business, we have established a Group-wide process that is oriented toward different risk classes. The so-called *stage-gate process* is used to standardize and ensure the quality of business processes in the operating companies when it comes to offers and orders. This process begins in the business development phase and ends with the expiration of the warranty period. The stage gates are predefined points (decisions and reviews) in the lifecycle of an offer or order, the successful completion of which is determined by a stage-gate certificate.

Performance indicators

In addition, Bilfinger has had a cross-regional matrix certificate since 2015 which helps ensure uniform quality standards in the Group and which, by the end of 2021, included 149 locations in 43 Bilfinger companies. The process of further extending the matrix certificate to all relevant Bilfinger companies in Europe and the Middle East has now been completed. Our HSEQ processes and operating units are audited and certified by external companies.

NUMBER OF OPERATING COMPANIES WITHIN THE MATRIX WITH CERTIFIED QMS IN ACCORDANCE WITH DIN EN ISO 9001	Number	
	2021	2020
Operating companies with certified QMS	43	47

B.5.5.3 Sustainable industrial services

Concept

Increasing awareness of climate change and the need for accelerated initiation of worldwide initiatives for the energy transition are opening up new attractive market opportunities for Bilfinger as a leading industrial services provider. This is all the more true given that a major share of our customers are active in energy-intensive industries. They face the immediate task of securing their future energy supply and significantly reducing their carbon footprint in the process. On this basis, it is a key component of Bilfinger's growth strategy, which envisages a higher share of sales from energy transition projects and carbon reduction.

Markets and industries

Bilfinger's largest customer groups are the industrial sectors of chemicals and petrochemicals, energy and utilities as well as oil and gas. As a result of socially and politically mandated energy transition and climate protection measures in all key stages of the value chain, these industries are all facing fundamental innovative leaps. Bilfinger has set the goal of accompanying and actively shaping these essential changes.

The *chemical and petrochemical industry* is undergoing a transformation of its production in many areas. Traditional source materials such as oil, naphtha, gas and coal are increasingly being supplemented by recycled materials such as plastics, other consumer waste and biomass. Basic chemicals are produced in traditional steam crackers and, in the future, in e-crackers and through chemical recycling. The energy required for production is increasingly coming from renewable sources. Innovative hydrogen and carbon capture technologies are needed to use these efficiently. It is not only production that will shift to a lower-carbon environment, but also the transport and distribution of products. Pipelines, low-carbon transport and sustainable fuels will play an important role in the transition to a low carbon economy for Bilfinger and our clients in the future.

Energy companies and utilities have a central role to play in the energy transition. The share of renewable energy in Europe's energy mix will likely increase from 27 percent in 2019 to 38 percent in 2030. This will require the creation of 2,400 gigawatts of new renewable capacity – an increase of more than 90 percent compared to 2019. The largest share will be provided by solar energy with 1,400 gigawatts followed by wind energy with 700 gigawatts. In a number of countries, there is also an ongoing or renewed trend toward nuclear energy as a low-carbon form of energy generation.

Oil and gas will play an important role in the energy mix in both the short and medium term despite the energy transition. Even in the most sustainable scenario in the International Energy Agency's World Energy Outlook, almost half of the world's total energy demand will continue to be met by oil and gas in 2040. The focus of oil and gas companies, however, is shifting fundamentally. There will be a major shift from oil to gas, while production, processing and distribution will have to meet much stricter environmental requirements.

Portfolio of sustainable industrial services along the customer value chain

With a view to the energy transition, Bilfinger provides sustainable industrial services along the value chain of its customers: On the one hand, the company focuses on areas of activity in which it is already established, including nuclear power, hydropower and district heating networks. There are also areas of growing strategic importance, such as the production, transport and storage of hydrogen, carbon capture and storage and battery production. With its portfolio of services, the Group is addressing the imminent decarbonization of energy-intensive production, transport and

processing operations and increasing energy efficiency at all stages of the customer value chain. Low-carbon energy production and the reduction of energy consumption and emissions are the central tasks here.

Hydrogen:

Bilfinger's objective is to contribute to the increased use of hydrogen as part of a climate-friendly energy value chain. Here, the Group can apply the expertise it has established over many years in the field of gas treatment for the use and transportation of hydrogen across the entire value chain.

In hydrogen production projects, Bilfinger acts as an independent system integrator. Its engineering, prefabrication and installation expertise has been put to the test in a wide range of projects, including the construction of new electrolysis plants in Germany and Austria and as a partner in the Energy North Sea Program for the design of hydrogen plants on planned North Sea energy islands. The goal is to produce and store green hydrogen, i.e. hydrogen produced on the basis of renewable energies.

In the transport and storage of hydrogen, Bilfinger mainly supports the expansion or conversion of existing gas infrastructure. Bilfinger's experience and capabilities in the field of gas treatment – for example in gas drying – position it as a competent partner for technology companies. Bilfinger works with the pioneering company Hydrogenious LOHC, for example. As part of a cooperation agreement, solutions will be developed to enable the storage and transport of hydrogen in liquid form using liquid organic hydrogen carriers (LOHC). This process reduces energy consumption compared to conventional solutions, as hydrogen no longer needs to be cooled for transport.

Carbon capture and storage:

Carbon capture and storage (CCS) is a technology that will play a key role in achieving the goal of climate-neutral industrial production in the years ahead. By capturing CO₂ emissions as they are generated and then processing or storing them, the volume of environmentally harmful greenhouse gas emissions can be significantly reduced.

With its expertise, Bilfinger delivers development and support for all aspects of CCS-related technology. This includes the separation of CO₂ emissions, their purification, compression and liquefaction as well as their storage and transport. Bilfinger prepares feasibility and environmental impact studies as well as safety concepts while also managing approval processes. The company supports the construction of plants through project management and the procurement, manufacture and assembly of the required components.

Nuclear power:

In a growing number of countries – currently mainly the United Kingdom, France and Finland in Europe – nuclear power is considered part of the national climate protection strategy. These countries are counting on modern nuclear power plants to achieve their targets for reducing CO₂ emissions with a high degree of energy availability. Bilfinger is successfully positioned in the markets there.

The focus is currently on the United Kingdom, where Bilfinger is involved in the construction of the new Hinkley Point C nuclear power plant. As a 'Tier 1' supplier to operator Electricité de France (EDF), the Group is well equipped to also participate in the construction of the country's nuclear power plants that are planned for the future.

France is the world's largest exporter of electricity, with 70 percent of its electricity generated from nuclear plants. Bilfinger is involved in several nuclear power plant projects through the export of its know-how. These include the construction of the new power plant unit 3 in Flamanville,

participation in the “*Grand Carénage*” program for the modernization of operator EDF’s current nuclear power plants and six new pressurized water reactors which are still in the early planning stage.

Finland also sees nuclear power as a bridging technology and plans to further expand existing capacity. In Germany, on the other hand, the focus is on the dismantling of nuclear power plants and the safe handling of residues. In connection with the planned clearing of the Asse mine in Lower Saxony, Bilfinger, together with other participants, is developing innovative specialist tools that can be operated remotely. These will be used to retrieve drums containing radioactive waste from the mine, thus facilitating safe final disposal.

Bilfinger is well positioned in the growing nuclear market as a partner for the entire lifecycle of nuclear power plants.

Hydroelectric power:

Of regional importance, particularly in the Alpine countries, are Bilfinger’s activities in the generation and storage of energy generated by hydroelectric power. In addition to projects in hydraulic steel engineering for river power plants, Bilfinger also focuses on the assembly of turbines and valves as well as the design and construction of pressure piping systems for pumped-storage power plants. Here the company can offer its customers a complete package from a single source including engineering and manufacturing, assembly and commissioning.

Battery production:

The majority of batteries required in Europe for electric vehicles are currently produced in Asia. This will change in the near future, however, because major investments to expand capacities are currently being made in Germany, Poland, Hungary and Scandinavia. Initiatives are also expected in other European countries. This dynamic growth market is being driven by the trend toward a sustainable reduction of CO₂ emissions. The business opportunities for Bilfinger can be found in the engineering and construction of plants for the processing of essential raw materials as well as facilities for the sophisticated chemical production of battery components. Bilfinger is already successfully represented in this market; in Northern Europe, the Group is involved in the construction of a production plant for a major European chemicals group. A basic product for batteries for electric vehicles will be produced there in the future. In addition, Bilfinger is involved in the construction of new battery production plants in Scandinavia and Poland on behalf of another well-known battery manufacturer.

District heating networks:

Optimizing municipal supply networks is a key component when it comes to more efficient energy use. District heating networks in particular offer the possibility of taking waste heat – from industrial processes, for example – and transferring it to different locations for use. The company has many years of experience in this area, particularly in German-speaking regions. The *ScaleGrid* approach, which Bilfinger helped develop, combines a site-specific potential analysis of diverse heat sources with the development of options for demand-oriented use as a source of energy.

Energy efficiency:

Despite major investments in new projects, CO₂ emissions in the decade ahead will be largely dominated by existing industrial plants. These must be optimized and modernized to reduce energy consumption and emissions with the same level of utilization.

Measures that can be executed within the framework of the existing infrastructure include, for example, improved thermal insulation. A certified analysis procedure *Thermal Insulation Performance (TIP) Check* illustrates energy and heat loss resulting from poorly insulated components – and thus helps with the identification and implementation of appropriate measures such as the application of insulation to these components.

A more complex energy efficiency method used by Bilfinger is the so-called *pinch analysis*. It evaluates the cold and heat flows of a process and, in addition to an evaluation of the current situation, also provides a theoretically ideal system status. Based on this ideal situation, Bilfinger then develops an individual energy efficiency concept and proposes modifications to the plant that optimize combined heat and power.

Sustainable industrial services as a growth market

Bilfinger believes that, with the service portfolio described, it is very well positioned in the growth market for sustainable industrial services.

Bilfinger's objective is to increase sales with sustainable industrial services to around €1 billion by 2024. In 2021, revenue generated with the services described above amounted to around €500 million.

The basis for measuring the Group's sustainable economic activity is a detailed recording of customer contracts by plant type and trade. This classifies the activities that relate to the contents outlined above and measures them from 2022 onward. The value as of 2021 is the result of a manual survey and is intended to serve as a benchmark for the baseline.

Growth is being driven by increasing demand from customers, something that the company is addressing with a targeted sales approach and dedicated competences.

Bilfinger is helping its customers with their energy transition, for example with the maintenance and modernization of their current plants with the aim of a more energy-efficient and lower-emission utilization at the same level of capacity utilization. Around €250 million is attributable to this area for the year 2021.

On the other hand, Bilfinger sees growth opportunities arising from the technological shift from fossil fuels to alternative sources of energy. The greatest sales volumes are in the area of nuclear energy with around €100 million, battery production with around €45 million and hydro-electric power with around €25 million.

The portfolio is therefore bringing together services that make a contribution to the energy transition at different types of plants. The Bilfinger definition is tailored to an industrial services provider in the process industry and deviates in part from the specifications of the environmentally

sustainable activities as defined in the Regulation (EU) 2020/852 Taxonomy Regulation (“EU Taxonomy”) explained below. For example, in accordance with this regulation, energy efficiency and insulation work can be included in the EU Taxonomy if they are carried out on buildings, but not if they are carried out on industrial facilities.

Consolidated disclosures pursuant to Article 8 of the EU Taxonomy Regulation

Article 8 EU Taxonomy Regulation

The EU Taxonomy Regulation is a key component of the European Commission’s action plan to redirect capital flows in more sustainable economic activities. It represents an important step forward in achieving climate neutrality for Europe by 2050. The EU Taxonomy serves as a classification system for environmentally sustainable economic activities.

In the following, we as a non-financial parent company present the share of our Group revenue, capital expenditures (capex) and operating expenditures (opex) for the reporting period 2021 that relate to taxonomy-eligible economic activities in connection with the first two environmental objectives (climate protection and adaptation to climate change) in accordance with Article 8 of the Taxonomy Regulation and Article 10 (2) of the delegated act on Article 8.

A taxonomy-eligible economic activity is an economic activity described in the delegated acts that supplement the EU Taxonomy Regulation (i.e., the current delegated act on climate), regardless of whether that economic activity meets some or all of the technical assessment criteria set forth in those delegated acts. A taxonomy-non-eligible economic activity is any economic activity that is not described in the delegated acts that supplement the EU Taxonomy Regulation.

Our economic activities

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN TOTAL REVENUE CAPEX AND OPEX	Total € million	Proportion of taxonomy-eligible economic activities in %	Proportion of taxonomy-non-eligible economic activities in %
Revenue	3,737.4	2	98
Capital expenditure (Capex)	109.2 ¹	21 ²	79
Operating expenditure (Opex)	105.2	0	100

1. In addition to investments in property, plant and equipment as well as intangible assets, the definition of capital expenditure (CAPEX) also includes capitalization of rights of use from leases. This definition is in line with the requirements of the delegated act on Article 8 of the EU Taxonomy Regulation and is only used in the context of reporting on EU Taxonomy.

2. The share of capital expenditures related to taxonomy-eligible economic activity is subject to the broad interpretation of the CAPEX calculation published in the second FAQ section on Art. 8 of the EU Taxonomy Regulation by the Platform on Sustainable Finance on February 2, 2022. In line with this broad interpretation, additions to property, plant and equipment and to rights of use from leases relating to land and buildings in the amount of €22 million have been included in CAPEX from taxonomy-eligible economic activity. Without this amount, CAPEX related to taxonomy-eligible economic activity would be 1 percent of total CAPEX.

For the most part, the economic activities of the Bilfinger Group as an industrial services provider in the process industry are not covered by the delegated act on the EU Taxonomy Regulation. They can only be allocated to the economic activities mentioned in the delegated act to a limited extent and designated as taxonomy-eligible. These taxonomy-eligible economic activities relate to the following activities listed in Appendix I of the delegated act on the climate targets of the EU Taxonomy Regulation:

4.5. Generation of electricity from hydropower: construction or operation of electricity generation plants that produce electricity from hydropower

In the reporting year, Bilfinger generated taxonomy-eligible revenue of €24 million with the construction of power generation plants that generate electricity from hydroelectric power. This mainly involves the construction of special pipelines in hydroelectric power plants in the E&M Europe segment, particularly in Austria.

7.1 Construction and real estate: New construction

With €15 million in taxonomy-eligible revenue, new construction of real estate is the second most represented economic activity in the EU Taxonomy Regulation. This mainly includes construction projects in the E&M International segment in North America.

5.1 Construction, expansion and operation of water extraction, treatment and supply systems

In the reporting year, Bilfinger generated €7 million in taxonomy-eligible revenue from the construction, expansion and operation of water extraction, treatment and supply systems. This includes the construction of pipelines in the E&M Europe segment.

3.1 Manufacture of technologies for renewable energy

In the reporting year, Bilfinger generated €5 million in taxonomy-eligible revenue from the manufacture of technologies for renewable energy. This includes revenue from companies in the Technologies segment.

7.3 Installation, maintenance and repair of energy-efficient equipment

In the reporting year, economic activity 7.3, with €4 million in taxonomy-eligible revenue represented at Bilfinger. At Bilfinger, this includes insulation work on buildings as well as work on the installation, replacement, maintenance and repair of heating, ventilation and air-conditioning systems (HVAC).

Accounting and calculation of the key figures

The key figures presented in accordance with the delegated act on Article 8 of the EU Taxonomy Regulation are based on the consolidated financial statements of Bilfinger SE in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU and the supplementary provisions of commercial law applicable in accordance with Section 315e (1) of the German Commercial Code (HGB).

The determination of the key figures in accordance with the EU Taxonomy Regulation was carried out for reporting year 2021 through the assignment of the customer's plant types as well as the activities carried out by Bilfinger to the customer contracts. As a consequence, orders were classified according to their economic activity and compared with those in the delegated act on the climate targets of the EU Taxonomy Regulation. When allocating economic activities to the activities specified in the delegated act on climate targets, particular attention was paid to the activity description in the delegated act itself. As an additional aid to interpretation, the relevant technical assessment criteria were also taken into account. If these are not applicable to the economic activities of the Bilfinger Group, they were not identified as taxonomy-eligible. This relates, for example, to the classification of insulation work on pipelines and industrial plants, which was not recorded as taxonomy-eligible because the technical evaluation criteria of *Activity 7.3. installation, maintenance and repair of energy-efficient equipment* only cover the insulation of buildings in a very narrow sense.

Revenue

Total revenue of €3,737.4 million corresponds to Group revenue in the consolidated income statement. Total revenue from taxonomy-eligible economic activities in the reporting year was €67 million. This corresponds to a share of 2 percent of total revenue. Revenue from taxonomy-eligible activities is the external revenue generated in the reporting year that relates to customer contracts classified as taxonomy-eligible.

Capital expenditures (capex)

In the Bilfinger Group, as a result of the asset-light business model, capex plans are negligible. There are capital expenditures relating to assets or processes associated with taxonomy-eligible economic activities and capital expenditures relating to the acquisition of production from taxonomy-eligible economic activities. The volume of capital expenditures relating to assets or processes associated with taxonomy-eligible economic activities was determined for the reporting year using the following estimate: The total amount of capital expenditure (capex) comprises investments in property, plant and equipment (see Chapter C.6.16 Additions to property, plant and equipment) and intangible assets (see Chapter C.6.15 Additions to intangible assets), as well as capitalization of rights of use from leases (see Chapter C.6.17 Additions to rights of use), and amounts to €109.2 million in the reporting year. After subtracting investments in land and buildings, total capital expenditure amounted to €87.5 million. Land and buildings were excluded from the calculation of capital expenditure relating to assets or processes associated with taxonomy-eligible economic

activities, because these are primarily administrative buildings that are not directly used to generate sales. If this amount is related to the share of taxonomy-eligible sales in Group sales of 2 percent, this results in capex of €1.6 million that can be approximately allocated to this. This corresponds to 1 percent of the total capital expenditure of €109.2 million. On the basis of the broad interpretation of the determination of capex as published in the second part of the FAQs on Article 8 of the EU Taxonomy Regulation by the Platform on Sustainable Finance on February 2, 2022, additions to property, plant and equipment and to rights of use from leases relating to land and buildings in the amount of €22 million should also be included in the capex from taxonomy-eligible economic activity. This relates to the acquisition of production from taxonomy-eligible economic activities. Due to the publication of the above-mentioned FAQs at short notice, this broad interpretation was only applied to land and buildings in the reporting year. Thus, the total amount of capital expenditures related to taxonomy-eligible economic activity is €23 million and the share of total capex is 21 percent.

Operating expenditures (opex)

Bilfinger's business model as a service provider without significant production activities asset-light. The share of property, plant and equipment and of the rights of use from leases in total assets is thus at 13.8 percent. Operating expenses (opex) as defined in the delegated act on Article 8 of the EU Taxonomy Regulation as well as the other operating expenses included in the definition are therefore not significant for Bilfinger. As a result, the Group is exempt from determining the share of taxonomy-eligible operating expenses and reports this as 0 percent. The total amount of operating expenses in the reporting year is €105.2 million.

B.5.6 Auditor's report

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting¹

To Bilfinger SE, Mannheim

We have performed a limited assurance engagement on the non-financial group statement of Bilfinger SE, Mannheim, (hereinafter the "Company") for the period from 01 January to 31 December 2021 (hereinafter the "Non-financial Group Statement") included in section "Non-financial Group Declaration" of the combined management report.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Non-financial Group Statement..

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Non-financial Group Statement in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "Sustainable industrial services" of the Non-financial Group Statement.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Non-financial Group Statement that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section [x] of the "Sustainable industrial services" of the Non-financial Group Statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the non-financial group statement and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP/vBP”) as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Non-financial Group Statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Non-financial Group Statement, other than the external sources of documentation or expert opinions mentioned in the Non-financial Group Statement, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section “Sustainable industrial services” of the Non-financial Group Statement.

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

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

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Non-financial Group Statement about the preparation process, about the internal control system relating to this process and about disclosures in the Non-financial Group Statement
- Identification of likely risks of material misstatement in the Non-financial Group Statement
- Analytical procedures on selected disclosures in the Non-financial Group Statement
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Non-financial Group Statement

- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Non-financial Group Statement

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

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Non-financial Group Statement of the Company for the period from 01 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "Sustainable industrial services" of the Non-financial Group Statement. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Non-financial Group Statement.

Restriction of Use

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

Frankfurt/Main, 08 March 2022
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Birgit Applis
Wirtschaftsprüfer
[German public auditor]