

B.5 Non-financial Group declaration

B.5.1 Introduction

B.5.1.1 About this declaration

This non-financial Group declaration from Bilfinger SE relates to financial year 2023. 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 Section 315c in conjunction with Sections 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 first and foremost 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 information outside the combined management report serve to deepen the information presented here, but are not part of the non-financial Group declaration and are therefore not audited.

The information in this non-financial Group declaration was not subjected to the statutory audit in accordance with Section 316 ff HGB, but instead was audited in a separate assignment for the purpose of obtaining limited assurance.

B.5.1.2 Business model of Bilfinger SE

The business model of the Bilfinger Group in financial year 2023 did not change as compared with the prior year. Bilfinger is an internationally active industrial services provider. The Group aims to enhance the efficiency and sustainability of process industry customers. Bilfinger's portfolio covers the entire value chain from consulting, engineering, manufacturing, construction and maintenance through to the expansion of plants and turnarounds. Bilfinger delivers its services in two service lines: Engineering & Maintenance and Technologies. The company is primarily active in the regions Europe, in North America and in the Middle East. Process industry customers come primarily from the sectors energy, chemicals & petrochemicals, pharma & biopharma and oil & gas. At the end of financial year 2023, Bilfinger employed about 28,650 people and generated revenue of approximately €4.5 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.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 relevant internal Group Policies. We have been reporting on our sustainability activities on an annual basis

since 2011 and have published an externally audited non-financial Group declaration every year since 2018. Bilfinger 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.

In the area of 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.

The Executive Board is responsible for sustainability. Sustainability management at Group level is coordinated and aligned with the *SustainNet* sustainability network, which is coordinated by Group Treasury & Investor Relations under the responsibility of Executive Board member Matti Jäkel (Group Chief Financial Officer).

SustainNet members include the heads of the three segments Engineering & Maintenance Europe, Engineering & Maintenance International and Technologies as well as the heads of selected Group functions and units whose areas of responsibility have points of contact with sustainability issues.

SustainNet 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.5.1.4 Determination of materiality

We have been carrying out regular materiality analyses for many years with the goal of determining the key areas of action for sustainability at our company. The most recent fundamental analysis was conducted in 2020 and was updated in subsequent years. In 2023, we carried out a new, regularly scheduled comprehensive materiality analysis.

Materiality analysis process

A comprehensive list of sustainability topics that could potentially be relevant for Bilfinger (*longlist*) was drawn up in anticipation of the *Corporate Sustainability Reporting Directive (CSRD)*, a set of regulations that will apply from the 2024 financial year. We initially included all topics, sub-topics and sub-sub-topics specified in the *European Sustainability Reporting Standards (ESRS E1-G1)* in the longlist. The future, standardized catalog of sustainability reporting topics was thus fully taken into account. We also included additional company-specific topics that were considered material for Bilfinger in our previous reporting.

We then reduced this broad collection of topics to a list of sustainability topics that are specific to Bilfinger (*shortlist*) by excluding areas that are obviously immaterial.

The subsequent validation was carried out taking into account the perspectives of the stakeholder groups important to Bilfinger. An internal *SustainNet* stakeholder panel assessed the materiality of each individual shortlist topic using a standardized scoring model. The assessment for individual stakeholder groups was carried out by the following panel members:

- Customers: Heads of the three segments Engineering & Maintenance Europe, Engineering & Maintenance International and Technologies as well as the Head of Products & Innovation
- Employees: Head of Human Resources & HSEQ
- Suppliers: Head of Procurement
- Capital market: Head of Treasury & Investor Relations

In the stakeholder panel validation process, both the Group's own activities and its value chain (*upstream / downstream*) were considered from a dual materiality perspective. This non-financial

Group declaration takes into account issues that have been classified as material in terms of their financial materiality for the company and their impact materiality for the environment and society. At the same time, the results of the analysis also serve as preparation for future reporting in accordance with CSRD regulations. In this regard, topics will be reportable that are considered material either in terms of *financial materiality*, *impact materiality* or both categories.

The result of the materiality analysis was finally validated by the *Group Executive Management* and validated and approved by the *Executive Board* of Bilfinger SE.

Result of the materiality analysis

In order to structure the content of this non-financial Group declaration, we have assigned the sustainability issues defined as material in the 2023 analysis to the established *Environment*, *Social* and *Governance (ESG)* categories. We also report on the disclosures in accordance with *Article 8 of the EU Taxonomy Regulation* in the Chapter [B.5.2 Environment](#).

MATERIAL SUSTAINABILITY TOPICS AND THEIR PRESENTATION IN THE NON-FINANCIAL GROUP DECLARATION 2023

	Material topics	Chapter	HGB/CSR-RUG ²
E Environment	Energy	B.2.5.1 Energy consumption	Environmental matters
	Climate change mitigation	B.2.5.2 Emissions	
	Climate change adaptation	B.5.2.3 Industrial services to enhance efficiency and sustainability	
		B.5.2.4 Consolidated disclosures in accordance with Article 8 EU Taxonomy Regulation	
S Social ¹	Health and safety	B.5.3.1 Occupational safety	Employee matters
	Training and development of competences	B.5.3.2 Employee development	
	Diversity	B.5.3.3 Diversity	
	Gender equality		
G Governance	Corporate culture in the handling of sustainability topics	B.5.4.1 Good corporate governance	<i>Additional aspect reported</i>
	Bribery and corruption	B.5.4.2 Counteracting bribery and corruption	Counteracting bribery and corruption
	Workers in the value chain	B.5.4.3 Human rights, labor rights and sustainable supply chain	Respect for human rights and employee matters

¹⁾ In the materiality analysis conducted in the third quarter of 2023, secure employment, working time, adequate wages, work-life balance and equal pay for work of equal value with regard to gender equality were identified as new material topics for the Group's own employees. Based on this, concepts are currently being developed for these sustainability topics and systems are being implemented to collect the relevant key figures. Reporting will take place for the first time in the Sustainability Declaration for the 2024 financial year on the basis of the European Union's Corporate Sustainability Reporting Directive (CSRD).

²⁾ CSR Guidelines Implementation Act






As a result of the materiality analysis 2023, changes were made compared to the previous year's non-financial Group declaration.

These relate, on the one hand, to *data security*, i.e. the protection of internal company data from unauthorized access by third parties. In previous analyses, this aspect was regularly classified as a material sustainability aspect in the governance category. Although this assessment has not changed, the classification of data security as a sustainability topic no longer seems appropriate from today's perspective. Data security is comprehensively covered by Group risk management as part of the fundamental IT-related risks and is therefore presented in detail in Chapter [B.3.2.2 Operational risks – IT-related risks](#) in the opportunities and risks report of the combined management report. There is no redundant explanation in the non-financial Group declaration.

Data protection and *quality management* were also categorized as material sustainability topics in the governance category in previous analyses. In our view, the allocation of these topics to the area of sustainability is also no longer appropriate from today's perspective. Their significance in relation to other aspects is no longer above the materiality threshold, meaning that data protection and quality management are no longer reported on in the non-financial Group declaration.

B.5.1.5 Sustainability targets of the Bilfinger Group

In 2022, Bilfinger set clear targets in each of the three sustainability categories *Environment*, *Social* and *Governance*. These were pursued further in the reporting year and still remain valid. With our sustainability targets, we support the United Nations Sustainable Development Goals (SDGs) number 4 *Quality education*, 7 *Affordable and clean energy*, 8 *Decent work and economic growth*, and 9 *Industry, innovation and infrastructure*.

	Bilfinger sustainability targets	UN SDGs
E Environment	Become a leading partner for improving our customers' efficiency and sustainability	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Achieve climate-neutrality in terms of Scope 1 and 2 GHG* emissions by 2030 at the latest	 7 AFFORDABLE AND CLEAN ENERGY
	Collect data on Scope 3 GHG* emissions and support Science Based Targets initiative	
S Social	Avoid all occupational accidents wherever possible	 8 DECENT WORK AND ECONOMIC GROWTH
	Invest at least 0.5% of Group revenue annually in employee training and development	 4 QUALITY EDUCATION
G Governance	Conduct at least 600 internal supplier audits annually to effectively meet the Group's due diligence obligations	 8 DECENT WORK AND ECONOMIC GROWTH

* Greenhouse Gas Protocol

Environment

Becoming a leading partner for improving our customers' efficiency and sustainability

Bilfinger has set itself the target of becoming the leading partner for our customers when it comes to enhancing the efficiency and sustainability of their plants. Increasing awareness of climate change and the ensuing energy transition in many industrialized countries are generating substantial opportunities for Bilfinger to exert influence here. The energy, chemical & petrochemical, oil & gas as well as pharma & biopharma industries are the Bilfinger Group's largest customer groups. Given the socially and politically mandated energy transition and climate protection measures in all key stages of the value chain, they are all facing fundamental innovative leaps.

Achieve climate neutrality in terms of Scope 1 and 2 GHG emissions by 2030 at the latest

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 or low-CO₂ energy sources and thus sustainably limit burdens on the atmosphere from harmful greenhouse gases.

In financial year 2023, further steps were taken in the segments of the Group to reduce their respective emissions and thus the emissions of the Group as a whole in accordance with the Greenhouse Gas Protocol (GHG) Scope 1 and Scope 2. A tool for recording and structuring reduction measures has been available to the segments since the beginning of 2024. The combination of various measures for the next few years includes a shift from purchased electricity to renewable sources, gradually replacing the passenger vehicle fleet with electric vehicles as well as installing photovoltaic systems and the implementation of energy efficiency initiatives at our sites.

In terms of GHG Protocol Scope 1 and 2 emissions caused by our operations, we have set a target of being climate neutral by 2030 at the latest. Most importantly, this includes a reduction in emissions. In the case of unavoidable emissions, compensation is also provided through the support of additional CO₂-reducing projects combined with the purchase of carbon credits.

Collect data on Scope 3 GHG emissions and support Science Based Targets initiative

In 2023, we recorded and reported emissions from all categories of the *upstream* value chain in accordance with GHG Protocol Scope 3 for the first time. Categories of the *downstream* value chain will follow in 2024.

We made our intention to set ourselves ambitious, science-based targets clear by registering with the Science Based Targets initiative in April 2023. By April 2025 at the latest, we intend to submit our targeted reduction path for GHG emissions to limit global warming to a maximum of 1.5 degrees Celsius to the SBTi for review.

Social

Avoid all occupational accidents wherever possible

The physical well-being of all our employees is our top priority. For this reason, occupational safety is 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* aspiration serves as a guideline for continuously improving occupational safety in all areas and preventing as many occupational accidents as possible.

Invest at least 0.5 percent of Group revenue annually in employee training and development

In order to maintain and further strengthen the Group's competitiveness, we will make targeted investments of at least 0.5 percent of Group revenue per year in the training and further education of Bilfinger employees in the future. From financial year 2024 onwards, we will allocate a quarter of the savings from the efficiency program implemented by the end of 2023 to this in addition to the previous expenses.

Governance

Conduct at least 600 internal supplier audits annually to effectively meet the Group's due diligence obligations

Our *Statement of Principles on Human Rights* together with the Group's *Code of Conduct* regulates the human rights-related principles that apply to all Bilfinger employees and suppliers. To effectively meet our due diligence obligations in the Group's supply chain, we have set the target of conducting at least 600 internal supplier audits per year in accordance with defined standards. With a total of 1,167 audits, the target number was significantly exceeded in the reporting year.

B.5.1.6 Assessment of risks from own business operations

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 very 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. Group Accounting, Controlling & Tax is responsible for Bilfinger's Group-wide risk management system; the Group's sustainability risks for the 2023 financial year were determined as part of the materiality analysis in collaboration with the Strategy department. For the purposes of identification and assessment, the results with regard to the negative impact of business activities on the environment and society (impact materiality) were used as a basis. The likelihood of occurrence and the potential extent of damage were used to assess the risks. It was subject to the same calibration as in previous years and was conducted as part of the regular meeting of the Bilfinger Risk Committee (see Chapter [B.3.1 Risk management](#)).

Reportable risks on sustainability issues were not identified.

B.5.1.7 The Bilfinger Group's sustainability indicators

KEY FIGURES	2023	2022
	Environment	
Energy consumption		
Total energy consumption (MWh) ¹	200,031	220,838
Share of renewable energy sources in total energy consumption (%)	9	7
Share of non-renewable energy sources in total energy consumption (%)	90	92
Share of nuclear energy sources in total energy consumption (%)	1	1
CO₂e emissions in accordance with GHG Protocol^{1,2}		
CO ₂ e emissions Scope 1 (tCO ₂ e)	32,594	35,643
CO ₂ e emissions Scope 2 location-based (tCO ₂ e)	10,370	16,548
CO ₂ e emissions Scope 2 market-based (tCO ₂ e)	12,723	14,047
Total CO ₂ e emissions Scope 1 and Scope 2 location-based (tCO ₂ e)	42,964	52,191
Total CO ₂ e emissions Scope 1 and Scope 2 market-based (tCO ₂ e)	45,317	49,690
CO ₂ e emissions Scope 3 upstream (tCO ₂ e)	795,085	n.a.
CO₂e emissions in accordance with GHG Protocol – intensity indicators³		
CO ₂ e intensity (location-based) in relation to total energy consumption (tCO ₂ e / MWh)	0.21	0.24
CO ₂ e intensity (location-based) in relation to revenue (tCO ₂ e / € million)	9.95	12.68
CO ₂ e intensity (location-based) in relation to number of employees (tCO ₂ e / FTE)	1.58	1.77
CO ₂ e intensity (market-based) in relation to total energy consumption (tCO ₂ e / MWh)	0.23	0.23
CO ₂ e intensity (market-based) in relation to revenue (tCO ₂ e / € million)	10.49	12.08
CO ₂ e intensity (market-based) in relation to number of employees (tCO ₂ e / FTE)	1.67	1.68
CO ₂ e intensity (Scope 3 upstream) in relation to revenue (tCO ₂ e / € million)	184.00	n.a.
CO ₂ e intensity (Scope 3 upstream) in relation to number of employees (tCO ₂ e / FTE)	29.28	n.a.
Waste volume and type³		
Amount of non-hazardous waste (kg) ⁴	4,590,385	5,043,546
Amount of hazardous waste (kg)	185,287	185,240
Amount of wastewater (m ³)	173,564	108,283
Waste treatment method³		
Incineration (kg)	756,571	744,995
Recovery (kg) ⁵	3,336,375	3,661,268
Landfill (kg) ⁶	682,727	822,523
Wastewater discharge indirectly to municipal and industrial wastewater treatment plants (m ³)	172,767	107,721
Wastewater discharge directly to own treatment plant (m ³)	797	562
Consolidated disclosures pursuant to Article 8 of the EU Taxonomy Regulation		
Revenue, taxonomy-eligible share (%)	7	6
Capital expenditures (capex), taxonomy-eligible share (%)	43	44

1 Total energy consumption relates to energy use in Scope 1 and Scope 2. The calculation method is based on the GHG Protocol using the financial control approach. Scope 1, Scope 2 and Scope 3 emissions include the direct and indirect emissions of all fully consolidated companies. Companies that are in the process of being sold are excluded. This applies to the entire Other Operations reporting segment.

2 Emission factors used originate from the International Energy Agency (IEA). The emission factors published by the UK Department for Environment, Food & Rural Affairs (DEFRA) were also used. Contract-specific emission factors were used for the market-based calculation or data from the Association of Issuing Bodies (AIB) to determine the residual mix. CO₂ conversion factors for the issue-based calculations are taken from the Comprehensive Environmental Data Archive (CEDA) database.

3 Energy consumption, waste figures, revenue and number of full-time equivalents (FTE) excluding Other Operations.

4 At locations where the disposal of non-hazardous waste is included in the rent and no billing is available, no values were recorded in the system.

5 Waste treatment method recovery includes recycling and composting.

6 Quantities of non-hazardous waste for which the waste treatment method could not be clearly determined are assigned the highest CO₂e factor for the calculation of emissions. This is the CO₂e factor for waste deposited at a landfill.

KEY FIGURES	2023	2022
Social		
Occupational safety		
Lost Time Injury Frequency (LTIF) ¹	0.26	0.26
Total Recordable Incident Frequency (TRIF) ²	1.19	1.31
Fatalities ³	0	1
Share of women		
Executive Board (%)	0	0
Management level 1 (%)	12	11
Management level 2 (%)	11	6
Governance		
Compliance		
Indications of compliance violations ⁴	59	66
thereof indications of corruption and bribery	1	0
Investigations initiated	45	27
Disciplinary measures as a result of investigations	15	20
Persons trained in compliance issues		
E-learning module 'Code of Conduct' ⁵	11,781	4,549
E-learning module 'Anti-corruption & bribery' ⁶	11,767	9,081
E-learning module 'Anti-corruption & bribery'	11,676	–
E-learning module 'Code of Conduct' ⁷	11,672	–
On-site training module 'General Compliance Training' ⁷	2,904	603
Human rights		
Indications of violations against respect for human rights ⁸	22	17
Investigations initiated	17	9
Disciplinary measures as a result of investigations	8	4
Internal supplier audits	1,167	n.a.

1 LTIF: Lost Time Injury Frequency - number of work-related accidents of employees and temporary workers with at least one lost day per 1 million hours worked.

2 TRIF: Total Recordable Incident Frequency - number of all reportable accidents involving employees and temporary workers per 1 million hours worked.

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

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

E-learning 2023: for all new employees with a PC workstation and access to the Bilfinger network as well as for current employees with a PC workstation and access to the Bilfinger network.

5 2022: e-learning module 'Code of Conduct' for all new employees with a PC workstation and access to the Bilfinger network as well as for current employees with a PC workstation and access to the Bilfinger network whose work requires increased compliance awareness.

6 2022: e-learning module 'Anti-corruption & bribery' for all new employees with a PC workstation and access to the Bilfinger network as well as for current employees with a PC workstation and access to the Bilfinger network whose job does not require increased compliance awareness.

7 2022: 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.

2023: for all employees whose work requires increased compliance awareness.

8 Reports classified as relevant in the period from January 1 to December 31 of any given year. The indications in 2022 relate to bullying, discrimination and sexual harassment.

B.5.2 Environment

This Chapter reports on the emissions generated and the associated energy use within our own value chain in the Chapters [B.5.2.1 Energy consumption](#) and [B.5.2.2 Emissions](#).

The range of services to support the efficiency and sustainability at customer sites is presented in Chapter [B.5.2.3 Industrial services to enhance efficiency and sustainability](#). This is in addition to Chapter [B.5.2.4 Consolidated disclosures pursuant to Article 8 of the EU Taxonomy Regulation](#).

B.5.2.1 Energy consumption

We clearly commit to responsibility for society and the environment in our Mission Statement and in our Code of Conduct. We consume considerably less energy than manufacturing companies, but we have nevertheless set ourselves the task of making a contribution to a reduction in greenhouse gases.

Concept

In the Bilfinger Group, energy consumption data is collected at the level of the operating units. 36 Group companies with 143 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.

We use a software-based, structured recording process to monitor energy consumption and calculate the associated greenhouse gas emissions. Internal reporting of energy consumption and emissions follows the method laid out in the *Greenhouse Gas Protocol (GHG Protocol)*. The energy consumption recorded here includes all fully consolidated properties in the Group with the exception of one unit in South Africa. Plans call for this unit to be sold and it is therefore allocated to the Other Operations segment. This segment accounted for 3.7 percent of Group revenue in the reporting year.

Energy

The majority of our energy requirements comes from our vehicle fleet and our properties. For the transport of work materials, including scaffolding, we use a fleet of commercial vehicles over 3.5 tons with most of these running on diesel fuel. More than half of the energy consumed by Bilfinger thus comes from fuel consumption from petrochemical products.

The properties that are included in the analysis comprise Bilfinger's owner-occupied properties as well as properties used under long-term leases.

We use energy from both renewable energy sources and non-renewable energy sources in the properties, including electricity, heating and cooling.

The consumption from other energy sources is determined for each source in a standardized base unit. The factors published by the UK Department for the Environment, Food & Rural Affairs (DEFRA) are used to calculate the heating value.

The energy is calculated using the following formula:

$$\text{Indicators (base unit)} \times \text{heating value (kWh/base unit)} = \text{energy (kWh)}$$

In the case of non-calendar accounting on the part of utilities – for example if the annual statement was not yet available – data for 2023 were completed on the basis of the figures for the previous year. Alternatively, the last quarter was determined on the basis of previous quarters, for example in the area of heating energy from the first quarter due to similar weather conditions or from the third quarter for other consumption values. In the case of flat-rate rents, the Group's average consumption figure per square meter was used for the calculation.

ENERGY CONSUMPTION AND SHARE BY ENERGY SOURCE ¹	2023	2022
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	114,515	125,083
Fuel consumption from natural gas (MWh)	16,912	20,810
Fuel consumption from other fossil sources (MWh)	403	312
Consumption of electricity, heat, industrial process heat, steam and cooling from fossil sources (MWh)	48,785	57,453
Total fossil energy consumption (MWh)	180,614	204,908
Share of fossil sources in total energy consumption (%)	90	92
Consumption from nuclear sources (MWh)	1,295	1,250
Share of consumption from nuclear sources in total energy consumption	1	1
Fuel consumption from renewable sources ²	0	0
Consumption of electricity, heat, steam and cooling from renewable sources (MWh)	17,349	15,765
Consumption of self-generated non-fuel renewable energy (MWh)	773	166
Total renewable energy consumption (MWh)	18,121	15,931
Share of renewable sources in total energy consumption (%)	9	7
Total energy consumption (MWh)	200,031	220,838

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

² Including biomass (also comprising industrial and municipal waste of biologic origin, biogas, hydrogen from renewable sources, etc.)

The Group's total energy consumption fell in financial year 2023 by 9 percent to 200,031 MWh (previous year: 220,838 MWh). The change can largely be explained by the calculation method specified in anticipation of the CSRD reporting. While the calculation of the base unit to energy value in 2022 was carried out on the basis of the respective upper heating value, the CSRD provides for the use of the lower heating value. While the lower heating value represents only the energy that can be used as heat through combustion, the upper heating value also includes the heat generated from the combustion exhaust gases. This means that the lower heating value is below the upper heating value and varies depending on the energy source. This change has no impact on the factors that are already measured in MWh in the base unit, as is the case with electricity or district heating, for example.

The comparative application of the lower heating value to calculate the total energy consumption for the values of the 2022 financial year is 211,982 MWh. The reduction in total energy consumption on a comparable basis is therefore 6 percent. The effects of our efficiency efforts are visible in the consumption of purchased or received electricity, heat, industrial process waste heat, steam and cooling.

In the fossil energy part, consumption fell by 15 percent to 48,785 MWh (previous year: 57,453 MWh). In the area of renewable energies, consumption was up 10 percent to 17,349 MWh (previous year: 15,765 MWh). In addition, the consumption of self-generated renewable energy increased to 773 MWh (previous year: 166 MWh).

B.5.2.2 Emissions

In its sixth report, *Climate Change 2022¹*, the Intergovernmental Panel on Climate Change examined the effects of climate change and presented the impact of the man-made share. Global temperatures are expected to rise by 2 degrees Celsius. This poses a threat to the ecosystems of our

planet, endangers the health of humans, animals and plants, and can mean that the world's growing population cannot be adequately supplied with food. Bilfinger therefore attaches particular importance to climate protection.

¹ IPCC Sixth Assessment Report, Climate Change 2022: Impacts, Adaptation and Vulnerability

Scope 1 and Scope 2 emissions in accordance with GHG Protocol

The Bilfinger Group's greenhouse gas emissions are reported in metric tons in CO₂ equivalents (tCO₂e) in accordance with the method specified in the Greenhouse Gas Protocol. CO₂ equivalents are the unit of measurement for the uniform measurement of different greenhouse gases. In addition to the greenhouse gas carbon dioxide (CO₂), the effects of the greenhouse gases methane (CH₄) and nitrous oxide (N₂O) are also included. GHG emissions in Scope 1 amounted to 32,594 (previous year: 35,643) tCO₂e in the reporting year. For Scope 2, the data is reported in both calculation methods of the GHG Protocol. Emissions in Scope 2 *location-based* were 10,370 (previous year: 16,548) tCO₂e in 2023 and 12,723 tCO₂e when using the *market-based* calculation (previous year: 14,047 tCO₂e).

For the 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 considers all fully consolidated companies.

Direct greenhouse gas emissions originate from sources that are owned or financially controlled by the Bilfinger Group, i.e. relate to leases relevant to IFRS 16.

Scope 1 includes direct emissions from the burning of fuels for heating and cooling buildings, powering vehicles and machinery and volatilized gases that escape over time from refrigeration units. For Scope 1, this refers to:

- Burning 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 of diesel, gasoline and liquefied petroleum gas (LPG) in owned or IFRS 16-compliant leased vehicles and machinery

Scope 2 includes emissions from the use of electricity, steam, heating and cooling purchased by the company from utilities (indirect emissions). This relates to:

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

Emissions are calculated using the following formula:

$$\text{Energy (kWh)} \times \text{emission factor (kg CO}_2\text{e/kWh)} = \text{emissions (kg CO}_2\text{e)}$$

We changed the database for emission factors for the financial year and now obtain them from the International Energy Agency (IEA) instead of database provider Ecoinvent. The reason for the switch is the clearer distinction between Scope 1 and Scope 2 to Scope 3 emissions, which are derived from the IEA data. It was determined that Ecoinvent has already partially processed Scope 3 effects in the emission factors. In both databases, the basis for the calculation is 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*.

Scope 2 *location-based* emissions are calculated using the following formula:

Energy (kWh) x emission factor country average (kg CO₂e/kWh) =
location-based emissions (kg CO₂e)

In the *market-based* method, the emission factor of contractually regulated instruments is taken into account; otherwise, the residual mix factor is used:

Energy (kWh) x contract-specific emission factor or residual mix factor (kg CO₂e/kWh) =
market-based emissions (kg CO₂e)

In our business activities, we often work at client sites and also rent properties from site management companies. In this constellation, we often pay gross rents that include supplementary costs, which makes it difficult or impossible to obtain individual consumption statements. The contract-specific emission factors are, however, decisive for our reporting in the market-based variant. If proof of the factors is not available, the GHG Protocol requires use of the residual factor, which is often higher than the average factor used in the location-based calculation method.

Scope 1 emissions amounted to 32,594 tCO₂e in the financial year (previous year: 35,643 tCO₂e) and were therefore 9 percent lower than in the previous year. When calculated using the IEA emission factors on a comparable basis, the Scope 1 value for 2022 is 33,856 tCO₂e. The reduction in Scope 1 without the influence of the emission factor conversion is therefore 4 percent.

Location-based emissions were 10,370 tCO₂e in the financial year (previous year: 16,548 tCO₂e). This corresponds to a reduction of 37 percent. On a comparable basis, the location-based Scope 2 value for 2022 is 10,385 tCO₂e. This corresponds to a reduction of 0.1 percent.

In the market-based calculation, Scope 2 emissions amounted to 12,723 (previous year: 14,047) tCO₂e and were thus 9 percent below the previous year's figure. On a comparable basis, the market-based Scope 2 value for 2022 is 15,034 tCO₂e. This corresponds to a reduction of 15 percent.

Scope 3 in the upstream value chain – in accordance with the GHG Protocol

The extent and quality of data collection for calculating emissions is a prerequisite for measuring the degree to which our climate-related targets have been achieved and for managing the corresponding levers in emission reduction initiatives. To gain a better understanding of emissions in our value chain, we have developed a concept for a step-by-step reporting approach. In 2022, the waste category was reported as the first Scope 3-relevant emission source in Bilfinger's upstream value chain. In line with our concept, all other upstream categories were added in the 2023 financial year. Plans call for the downstream value chain categories to be added in 2024.

In the 2023 financial year, the spend-based calculation method is primarily used to determine emissions from the upstream Scope 3 categories. Data from accounting and financial systems are used for this purpose.

Country-specific as well as industry-specific CO₂ factors are necessary for the calculation of emissions. We make use of the *CEDA (Comprehensive Environmental Data Archive)* database for this purpose.

For entities that use accounting systems other than the company's primary accounting system, emissions are calculated by extrapolation. The *CEDA* categories used in the primary accounting system are used to calculate an average emission factor. The different country allocations are taken into account.

Purchased goods and services

GHG emissions associated with the production and transportation process of purchased goods and services are calculated on the basis of spend in this category. It includes spend to external suppliers for the provision of goods and services purchased in the course of Bilfinger's business activities. This includes portions of the cost of sales, for example in the form of cost of materials including expenditures for subcontractors, employee training or other external services, as well as expenses for current assets such as inventories in the form of protective clothing and tools or stockpiling for the use of materials at customer sites. The material and service categories are based on the same account logic used for accounting purposes.

Capital goods

The capital goods category comprises non-current assets that are capitalized in the balance sheet at the time they are available for use by the Group. In order to avoid double counting over the years and to be able to carry out the calculation without overlaps with the *purchased goods and services* category, the production and transportation emissions for these goods are included in the carbon footprint once in the year of acquisition.

Fuel and energy-related activities (not included in Scope 1 or Scope 2)

This category includes the indirect greenhouse gas emissions caused by the production and transportation processes of the energy and fuels used in Scope 1 and 2. Consumption recorded in Scope 1 and 2 is determined using additional CO₂ conversion factors used for the calculation. The sources for these factors are the DEFRA database and the IEA database. The emissions reported in this category are the WTT (well-to-tank) emissions. For electricity and district heating, where transmission and distribution losses occur in the energy grids, the associated T&D (transmission and distribution) emissions are also added. The calculation is based on country-specific factors that take into account the energy mix and the infrastructure of the energy grids in each country. Not included are the WTT-T&D emissions, which are the emissions generated in the upstream chain of the lost energy quantities.

Upstream transportation and distribution

Emissions in the upstream transportation and distribution category represent the indirect greenhouse gas emissions generated by suppliers through the transportation and delivery of raw materials, materials and products to Bilfinger. Emissions caused by commissioned forwarding services are also added to this category. This also includes deliveries to customers commissioned by Bilfinger. The volume of emissions is determined on the basis of expenditure.

Waste generation in operations

This category includes indirect greenhouse gas emissions resulting from the treatment and disposal of waste generated during Bilfinger's business activities. Following the calculation logic of the GHG Protocol, the waste type and quantity as well as the waste treatment method are required to determine the emissions from waste generated, because the emission factors vary accordingly. The data collection method is similar to the data collection for Scopes 1 and 2. The respective volumes and treatment methods from the operating areas are subjected to a software-based documentation. At locations where the disposal of non-hazardous waste is included in the rent and no billing is available, no values were recorded in the system.

WASTE AMOUNT AND TYPE		
	2023	2022
Amount of non-hazardous waste (kg)	4,590,385	5,043,546
Amount of hazardous waste (kg)	185,287	185,240
Amount of wastewater (m ³)	173,564	108,283

WASTE TREATMENT METHOD		
	2023	2022
Incineration (kg)	756,571	744,995
Recovery (kg) ¹	3,336,375	3,661,268
Waste treatment method unspecific or landfill (kg) ²	682,727	822,523
Wastewater discharge indirectly to municipal and industrial wastewater treatment plants (m ³)	172,767	107,721
Wastewater discharge directly to own treatment plant (m ³)	797	562

¹ The waste treatment method recovery includes recycling and composting.

² Quantities of non-hazardous waste for which the waste treatment method could not be clearly determined are assigned the highest CO₂e factor for the calculation of emissions. This is the CO₂e factor for landfill.

Business traveling

The business traveling category includes indirect greenhouse gas emissions caused by the mobility of employees in the course of their work activities. This includes business travel undertaken by employees using various means of transportation including air travel, rail travel and car travel as well as overnight stays in hotels. The calculation method is spend-based. This includes expenses to travel agencies, airlines, car-rental companies and hotels on the one hand, and reimbursements to employees as part of travel expense reports on the other.

Employee commuting

The employee commuting category includes indirect greenhouse gas emissions caused by regular commuting from the employees' place of residence to their primary place of work. The average data method is used for the calculation. The average values are based on benchmark studies. The average emission values for this Scope 3 category in the service sector were determined by an external consulting firm on the basis of the data reported as part of the 2021 CDP rating. The factor calculated in this way is 2.78 tCO₂e per full-time equivalent (FTE). It is used for current reporting and multiplied by the number of employees, measured in FTE, at Bilfinger excluding the Other Operations segment.

Upstream leased assets

Indirect emissions from the use of rented or short-term leased buildings, machinery or vehicles that are not owned by Bilfinger are reported in the upstream leased assets category. Because the emissions from use of all IFRS 16-compliant leased assets are already included in Scope 1 and 2, this category is based on the spend-based calculations for short-term and low-value leases.

Total emissions in accordance with GHG Protocol

An overview of the total emissions by Scope is shown in the following table.

CO ₂ EMISSIONS IN ACCORDANCE WITH THE GHG PROTOCOL ¹		
	2023	2022
CO ₂ e emissions Scope 1 (tCO ₂ e) ²	32,594	35,643
CO ₂ e emissions Scope 2 location-based (tCO ₂ e) ²	10,370	16,548
CO ₂ e emissions Scope 2 market-based (tCO ₂ e) ²	12,723	14,047
Total CO ₂ e emissions Scope 1 and Scope 2 location-based (tCO ₂ e)	42,964	52,191
Total CO ₂ e emissions Scope 1 and Scope 2 market-based (tCO ₂ e)	45,317	49,690
CO ₂ e emissions Scope 3 upstream (tCO ₂ e) ²	795,085	n/a
Purchased goods and services (tCO ₂ e)	631,641	n/a
Capital goods (tCO ₂ e)	28,682	n/a
Fuel and energy-related activities (not included in Scope 1 or Scope 2) (tCO ₂ e)	12,554	n/a
Upstream transportation and distribution (tCO ₂ e)	8,682	n/a
Waste generated in operations (tCO ₂ e)	660	675
Business traveling (tCO ₂ e)	17,994	n/a
Employee commuting (tCO ₂ e)	75,488	n/a
Upstream leased assets (tCO ₂ e) (excluding IFRS-16 relevant contracts)	19,384	n/a

1 The calculation method is based on the GHG Protocol using the financial control approach. Scopes 1, 2 and 3 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 complete reporting segment Other Operations.

2 The emission factors used are from the International Energy Agency (IEA). Emission factors published by the UK Department for Environment, Food & Rural Affairs (DEFRA) were also used. Data from the Association of Issuing Bodies (AIB) was used to determine the residual mix for the market-based calculation. The CO₂ conversion factors for the spend-based calculations come from the Comprehensive Environmental Data Archive (CEDA) database.

We also present intensity indicators for both our direct and indirect emissions in order to make the development transparent irrespective of the company's growth. The CO₂ equivalents from Scope 1 and Scope 2 are set in relation to energy consumption, Group revenue and the number of employees. We also report the intensity indicators for Scope 3 emissions in the upstream value chain in relation to revenue and the number of employees. When calculating intensity, the number of employees is measured as full-time equivalents (FTE).

CO ₂ EMISSIONS IN ACCORDANCE WITH THE GHG PROTOCOL – INTENSITY INDICATORS ¹		
	2023	2022
CO ₂ e intensity Scope 1 and 2 (location-based) in relation to total energy consumption (tCO ₂ e / MWh)	0.21	0.24
CO ₂ e intensity Scope 1 and 2 (location-based) in relation to revenue (tCO ₂ e / € million)	9.95	12.68
CO ₂ e intensity Scope 1 and 2 (location-based) in relation to the number of employees (tCO ₂ e / FTEs)	1.58	1.77
CO ₂ e intensity Scope 1 and 2 (market-based) in relation to total energy consumption (tCO ₂ e / MWh)	0.23	0.23
CO ₂ e intensity Scope 1 and 2 (market-based) in relation to revenue (tCO ₂ e / € million)	10.49	12.08
CO ₂ e intensity Scope 1 and 2 (market-based) in relation to the number of employees (tCO ₂ e / FTEs)	1.67	1.68
CO ₂ e intensity Scope 3 (upstream) in relation to revenue (tCO ₂ e / € million)	184	n.a.
CO ₂ e intensity Scope 3 (upstream) in relation to the number of employees (tCO ₂ e / FTEs)	29.28	n.a.

1 Energy consumption, revenue, and FTEs do not include the Other Operations reporting segment.

Reduction of GHG emissions and Science Based Targets Initiative

In April 2023, we made clear our intention to set ambitious, science-based targets by registering with the Science Based Targets initiative (SBTi).

We have set the goal of reducing our GHG emissions by the end of the 2050 financial year and are targeting the SBTi-compliant reduction pathway for GHG emissions to limit global warming to a maximum of 1.5 degrees Celsius.

There are no industry-specific requirements for Bilfinger's business activities at SBTi. The average target horizons therefore apply.

We have already defined a compliant target for our Scope 1 and Scope 2 emissions. Our goal is to reduce GHG emissions in Scope 1 and 2 by 50 percent by the end of the 2030 financial year compared to the base year 2021. This reduction does not include carbon credits or the purchase of climate certificates.

To ensure the uniform assessment and management of the implementation of the segment-specific concepts, we have established an internal process that can be used to record and assess our reduction measures, including their impact on operating cost structures and investment requirements. This process will be rolled out throughout the Group in all segments in 2024 and is an important basis for achieving our GHG reduction targets.

Our goal is to submit our targets to the SBTi for review by April 2025 at the latest. Before this is possible, the emissions of the entire value chain must be determined. Indirect emissions from the upstream value chain were determined in the reporting year.

B.5.2.3 Industrial services to enhance efficiency and sustainability

For Bilfinger as a service provider, customers are the focus of business activities. The relationship with our customers and their satisfaction with the work that we do are of utmost importance for our business development. We are integrated into their value chain as a strategic partner.

Concept

Increasing awareness of climate change and the ensuing energy transition in many industrialized countries are opening up attractive market opportunities in Europe, North America and the Middle East 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. The energy, chemical & petrochemical, pharma & biopharma and oil & gas industries are the Bilfinger Group's largest customer groups. Given the measures required for the energy transition and climate protection, some of these industries are currently undergoing fundamental innovation processes in all key stages of the value chain. Our customers have the immediate task of enhancing their plants, securing their future energy supply and significantly reducing their carbon footprint in the process.

Our target is to be the leading partner for our customers when it comes to enhancing the efficiency and sustainability of their plants. This vision forms the basis of our business model and is at the core of our Group's strategic direction.

With our portfolio of services, we are 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 generation and the reduction of energy consumption and emissions are key here.

Our Group portfolio brings together services that contribute to increased efficiency and sustainability in various customer segments. They deviate from the specifications of environmentally sustainable activities as defined by *(EU) 2020/852 EU Taxonomy Regulation*, which is explained elsewhere.

Revenue from industrial services to enhance efficiency and sustainability

A detailed analysis of customer contracts by plant type and trade forms the basis for determining the revenue from increasing the efficiency and sustainability of our customers.

REVENUE FROM INDUSTRIAL SERVICES TO ENHANCE EFFICIENCY AND SUSTAINABILITY

	2023	2022
€ million		
Nuclear energy	157.6	147.4
Battery production	86.2	68.4
District heating and waste heat	73.1	75.8
Hydroelectric power	50.7	39.7
Waste recycling and wastewater treatment	24.0	27.5
Hydrogen	5.5	22.0
Carbon capture and storage	0.7	1.0
Other	80.1	63.6
Category A	478.0	445.4
Energy efficiency	261.1	267.6
Category B	261.1	267.6
Total categories A + B	739.1	713.0
Category C	3,386.8	n/a
Category D	359.7	n/a
Total revenue	4,485.6	4,312.0

We believe that revenue from our customers' investments in plants directly related to the energy transition and our ongoing activities in these plants make the greatest contribution to the energy transition and are therefore assigned to category A. This takes into account the majority of the trades that are carried out as part of the respective order. Revenue in category A increased to a total of €478.0 million (previous year: €445.4 million).

Category B includes activities for the maintenance and modernization of plants not included in A with the objective of more energy-efficient plant use with the same or higher capacity utilization. These generated revenue of €261.1 million in 2023 (previous year: €267.6 million). The largest share in this context is accounted for by optimizing the temperature insulation of industrial plants.

Overall, revenue in categories A and B increased in the reporting year to €739.1 million (previous year: €713.0 million). The share of these activities in total Group revenue is expected to increase further in the future.

In addition, Bilfinger provides extensive services in category C to support the activities in categories A and B. These include, for example, services in industrial scaffolding, which serve as a prerequisite for the installation of insulation in plant types that do not fall under category A. Engineering, maintenance or the installation of electrical, instrumentation and control technology (E, I&C) to increase the efficiency of plants outside category A are also taken into account here. Revenue in category C amounted to €3,386.8 million in the reporting year.

In addition, activities in coal-fired power plants and oil-fired power plants are assigned to category D. There is also revenue from employee leasing that was not included in category A. These activities generated revenue totaling €359.7 million in the reporting year. This category was surveyed in this detail for the first time in the reporting year, so there is no figure for the previous year.

In the medium term, our activities will increasingly be carried out in areas that have a more direct impact on customer efficiency and sustainability and can then be assigned to categories A and B.

5.2.4 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 direct capital flows to sustainable economic activities. It represents an important step toward achieving climate neutrality for Europe by 2050. In this context, the EU Taxonomy serves as a classification system for environmentally sustainable economic activities.

In the following, we present the shares of revenue, capital expenditure (capex) and operating expenses (opex) of Bilfinger for the 2023 reporting period that are associated with taxonomy-eligible and taxonomy-aligned economic activities.

A taxonomy-eligible economic activity is an economic activity that is described in the climate or environmental Delegated Acts supplementing the EU Taxonomy Regulation, regardless of whether this economic activity meets the technical screening criteria specified in these 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.

Taxonomy-eligible economic activities can relate to all six defined environmental objectives. Pursuant to Article 5 of the Delegated Act amending Delegated Regulation (EU) 2021/2178, potential taxonomy alignment was only assessed for those taxonomy-eligible economic activities that contribute to one of the two climate-related environmental objectives and which were already to be reported on for the 2022 financial year. According to Article 1 of the Delegated Act on Article 8 of the EU Taxonomy Regulation, an economic activity is taxonomy-aligned if the criteria set out in Article 3 of the EU Taxonomy Regulation are met:

- It makes a significant contribution to at least one of the six defined environmental objectives.
- It does not lead to significant harm to one or more of the six environmental objectives.
- The executing company complies with the so-called minimum safeguards.

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 International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).

The determination of the key figures in accordance with the EU Taxonomy Regulation is carried out using an allocation of the customer's plant type and the activities performed by Bilfinger to the customer contracts. Contracts were subsequently classified in accordance with their economic activity and compared with those in the Delegated Acts on climate-related objectives and other environmental objectives. The classification of economic activities was based in particular on the description of activities in the relevant Delegated Acts. For those taxonomy-eligible activities for which a review of taxonomy alignment was to be conducted in the reporting year, an assessment was made of the criteria for substantial contribution to an environmental objective and for no significant harm to the other environmental objectives.

Compliance with the minimum safeguards

In accordance with Article 3(c) of the EU Taxonomy Regulation, an economic activity can only be classified as sustainable if the company performing the activity implements procedures that ensure compliance with the minimum safeguards laid out in Article 18(1) of the EU Taxonomy Regulation. This specifically involves compliance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, including the principles and rights from the eight fundamental conventions laid out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and from the International Bill of Human Rights.

With the reference in Article 18 of the EU Taxonomy Regulation to the UN Guiding Principles on Business and Human Rights (UNGP), a six-step process (*Guide Steps*) must be implemented, the so-called *Process of Human Rights Due Diligence (HRDD)*. Bilfinger expresses its clear commitment to upholding human rights in accordance with *Guide Step 1* pursuant to Article 18 of the EU Taxonomy Regulation in the *Declaration of Principles on Respect for Human Rights*. It regulates the human rights-related principles applicable to all employees and suppliers at Bilfinger and defines the human rights-related and environmental expectations of the Group's employees and suppliers. The declaration of principles also describes the human rights and environmental risks that are a priority for the company and the procedures Bilfinger uses to fulfill its obligations under the German Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (Supply Chain Due Diligence Act – LkSG). The comprehensive concept for implementing the due diligence obligations under the LkSG is presented in Chapter [B.5.4.3 Human rights, employee rights and sustainable supply chain](#).

Bilfinger meets *Guide Step 2* through annually recurring and event-driven risk analyses as part of the company's risk management to comply with the due diligence obligations under Section 4 LkSG. In the course of risk analyses, human rights and environmental risks are identified in the company's own business area and at its direct suppliers. The aim is to gain knowledge of the human rights and environmental risks in the company's own business areas and in the supply chain and to prioritize them for further processing. Specifically, this means identifying, preventing, minimizing or eliminating human rights risks or environmental risks or violations. Secondly, the results of the risk analysis are of central importance to the fundamental strategic and operational direction and the practical implementation of risk management and the individual due diligence processes. If risks or even human rights or environmental violations are identified, Bilfinger defines appropriate remedial measures and implements *Guide Step 3*. Compliance together with other Corporate Functions such as Corporate Internal Audit monitors the implementation of mitigating measures (see *Guide Step 4*). With regard to internal and external communication of the human rights due diligence process as defined in *Guide Step 5*, we are obligated under the German Supply Chain Due Diligence Act to publish the Statement of Principles on human rights. This obligation has been in place since January 1, 2023. With the help of the so-called *Confidential Reporting Line*, Bilfinger's whistleblower system, employees as well as third parties can anonymously report information on possible compliance violations (*Guide Step 6*).

Counteracting corruption and bribery is a central component of our compliance management system. The comprehensive concept is presented in Chapter [B.5.4.2 Counteracting bribery and corruption](#).

Bilfinger is committed to fair competition. For performance-oriented companies like ours, distortions of competition have only detrimental effects. Our clients choose us because of the high quality of our products and services and because we offer them at competitive prices. It is there-

fore imperative for Bilfinger and its employees to comply with all applicable provisions of competition law and other related regulations and to understand the mechanisms of competition law as a legal framework for conducting our business on a daily basis. With our Group Policy on Competition, we pursue the goal of achieving and maintaining vigorous competition in a free market environment for the entire Bilfinger Group through the establishment of a corresponding corporate culture. The Group Policy as well as more specific guidelines provide our employees with assistance when it comes to preventing, detecting and remedying any infringements of competition law. Annual risk analyses and continuous training courses that address all risks relating to competition law in our business activities are of particular importance in our compliance management system to ensure fair competition. These courses are recurring and mandatory for the relevant groups of employees.

Bilfinger sees its role as a participant in the global economic system not only as an opportunity, but also as an obligation to comply with ethical principles. Bilfinger therefore operates in a global context as a responsible taxpayer. Compliance with all laws, regulations as well as reporting and disclosure rules in all relevant jurisdictions is an absolute top priority for Bilfinger and its employees. In this context, tax governance and tax compliance are key elements of corporate management and supervision. Any infringement is strictly forbidden. An integral part of Bilfinger's tax strategy are tax risk management and tax compliance management. Bilfinger monitors and governs its main tax risks through the application of suitable measures (for example, risk management, tax management, implementation of a tax compliance management system). In 2023, neither companies of the Bilfinger Group nor individual employees were convicted of violating human rights, anti-corruption laws, competition or tax law in the course of their work at Bilfinger.

Bilfinger also deals with the topics of board gender diversity and the gender pay gap. The concept as well as current key figures and targets set for board gender diversity are presented in Chapter [A.4.1 Declaration of corporate governance and corporate governance report](#). Equal pay for work of equal value with regard to gender equality is analyzed within the framework of the so-called gender pay gap. Corresponding reporting is planned for the future.

Taxonomy-eligible and taxonomy-aligned revenue

Total revenue of €4,485.6 million (previous year: €4,312.0 million) corresponds to the revenue in the consolidated income statement. Total revenue from taxonomy-eligible economic activities in the reporting year amounted to €313.2 million (previous year: €267.1 million). This corresponds to a share of total revenue of 7 percent (previous year: 6 percent). Revenue from taxonomy-eligible economic activities is the external revenue generated in the reporting year that belongs to customer contracts classified as taxonomy-eligible. In the reporting year, economic activities are identified as taxonomy-eligible under the environmental objectives of climate change mitigation (CCM), sustainable use and protection of water and marine resources (WTR) and transition to a circular economy (CE). There is no allocation to the environmental objective of climate change adaptation (CCA), because the scope of application for this environmental objective is very limited and, in the case of revenue, is primarily restricted to enabling activities.

Revenue from taxonomy-aligned economic activities in the reporting year amounted to €0 million (previous year: €0 million). The share of revenue from taxonomy-aligned activities amounted to 0 percent (previous year: 0 percent) of Group revenue and 0 percent (previous year: 0 percent) of revenue from taxonomy-eligible activities.

The economic activities of the Bilfinger Group as an industrial services provider in the process industry can only be allocated to the economic activities mentioned in the Delegated Acts on a smaller scale and designated as taxonomy-eligible. Bilfinger's main taxonomy-eligible economic activities are described below.

PROPORTION OF REVENUE / TOTAL REVENUE	Taxonomy-aligned per objective	Taxonomy-eligible per objective
in %		
CCM	0.0	6.8
CCA	0.0	0.0
WTR	-	0.0
CE	-	2.3
PPC	-	0.0
BIO	-	0.0

CCM 4.5 Electricity generation from hydropower: construction or operation of electricity generation facilities that produce electricity from hydropower

In the reporting year, Bilfinger generated taxonomy-eligible revenue of €37 million (prior year: €31 million) or 1 percent (previous year: 1 percent) of Group revenue from the construction of power plants that produce electricity from hydropower. This mainly involves special piping in hydropower plants in the Engineering & Maintenance Europe segment, especially in Germany, Austria and Switzerland. Of the taxonomy-eligible revenue in this area, none can be classified as taxonomy-aligned, among other things because they are not run-of-river power plants without artificial reservoirs, which could qualify as taxonomy-aligned with regard to the substantial contribution to climate change mitigation.

CCM 4.15 District heating / cooling distribution

In the reporting year, Bilfinger generated €11 million (previous year: €37 million) or 0.3 percent (previous year: 1 percent) of taxonomy-eligible revenue in the area of district heating and cooling distribution, particularly with piping. This activity was carried out primarily in the Engineering & Maintenance Europe segment with a focus on Germany, Austria and Switzerland. The taxonomy-eligible revenue could not be reported as taxonomy-aligned because, among other things, evidence of climate risk and vulnerability assessments of the district heating system carried out by Bilfinger as the company commissioned for individual tasks could not be provided.

CCM 4.27 Construction and safe operation of new nuclear power plants for the generation of electricity or heat

In the reporting year, Bilfinger was involved in the construction of a number of new nuclear power plants in Europe, in particular Hinkley Point C and Sizewell C in the United Kingdom as well as Olkiluoto-3 in Finland. In the year under review, taxonomy-eligible revenue generated from these activities amounted to €87 million (previous year: €74 million) or 2 percent (previous year: 2 percent) of total revenue. The description of Activity 4.27 includes the criterion that the construction permit for the new nuclear power plant in question is granted by the competent authorities of an EU member state. Since the building permits for the Hinkley Point C and Sizewell C power plants were granted before the UK left the European Union, this description applies to both the UK and Finnish nuclear power plant builds. For new nuclear power plant construction in the UK, however, the substantial contribution to climate change mitigation and adaptation cannot be met, because the criteria in question require that the power plant be located in an EU member state. Accordingly, activities in the construction of a new nuclear power plant in the UK cannot be taxonomy-aligned.

CCM 6.14 Infrastructure for rail transport

In the 2023 reporting year, Bilfinger generated €18 million (previous year: €21 million) or 0.4 percent (previous year: 0.5 percent) of Group revenue from the construction of infrastructure for rail transport. The majority of this revenue was generated in the USA, in particular through the barrier-free conversion of platforms and stations. Both the criteria relating to the substantial contribution to climate change mitigation and the criteria for causing no significant harm to other environmental objectives contain references to European regulations, the comparability of which with U.S. guidelines has not been sufficiently clarified for the reporting year.

CCM 7.1 Construction of new buildings

Taxonomy-eligible activities in the construction of new buildings were mainly performed in the Engineering & Maintenance International segment in the USA in the reporting year. In 2023, €29 million (previous year: €12 million) in taxonomy-eligible revenue, or 0.7 percent (previous year: 0.3 percent) of Group revenue, was generated from the construction of new buildings. This revenue was not recognized as taxonomy-aligned. The relevant criteria for taxonomy-eligible activities in the construction of new buildings include numerous references to European directives, the comparability of which with corresponding U.S. regulations has not been sufficiently clarified for the reporting year.

CCM 7.2 Renovation of existing buildings

In the reporting year, Bilfinger generated €65 million (previous year: €55 million), or 1 percent (previous year: 1 percent) of Group revenue, from building renovations, in particular in the Engineering & Maintenance International segment in the USA. Both the criteria relating to the substantial contribution to climate-related objectives and the criteria for causing no significant harm to the other environmental objectives of the EU Taxonomy Regulation refer to various European directives. Compatibility with the corresponding U.S. regulations has not been sufficiently clarified for the 2023 reporting year. As a result, the taxonomy-eligible revenue from the renovation of buildings could not be reported as taxonomy-aligned.

CCM 7.3 Installation, maintenance and repair of energy-efficiency equipment

In the reporting year, Bilfinger was active in the installation, maintenance and repair of energy-efficiency equipment in the amount of €36 million (previous year: €18 million) in taxonomy-eligible revenue, or 1 percent (previous year: 0.4 percent) of Group revenue. This work included insulation work on buildings as well as the installation, maintenance and repair of heating, ventilation and air conditioning systems and equipment for district heating services. Most of this taxonomy-eligible revenue was generated in the E&M International reporting segment in the USA and the Middle East and to a lesser extent in the E&M Europe segment. Due to the non-comparability of the EU regulations mentioned in the criteria for substantial contribution to climate change mitigation and the standards applicable in North America and the Middle East, these revenues could not be reported as taxonomy-aligned.

Taxonomy-eligible and taxonomy-aligned capital expenditures (capex)

Capital expenditures (capex) in the context of EU Taxonomy reporting are defined in Annex I of the Delegated Act to Article 8 of the EU Taxonomy Regulation. The total amount of capital expenditure (capex) represents the denominator and comprises investments in property, plant and equipment (see Chapter [C.6.16 Property, plant and equipment](#)) and intangible assets (see Chapter [C.6.15 Intangible assets](#)), as well as capitalization of right-of-use assets from leases (see Chapter [C.6.17](#)

Leases), and amounts to €103 million in the reporting year (previous year: €103 million). The numerator of the taxonomy-eligible capex was partly determined using distribution keys. Investments in assets or processes related to Bilfinger's taxonomy-eligible economic activities were calculated as follows: Those capital expenditures originating from taxonomy-eligible activities were deducted from the total capex. In the reporting year, investments in land and buildings (activity CCM 7.1, CE 3.1), solar installations (activity CCM 4.1), vehicles (activity CCM 3.3) and electric charging points (activity CCM 6.15) amounting to €40 million (previous year: €41 million) were deducted. The remaining capex was allocated to the corresponding activities to determine taxonomy eligibility using revenue-related keys. Capex for taxonomy-eligible business activities amounted to €4 million in the reporting year (previous year: €4 million). Capex plans for the expansion of taxonomy-aligned activities or for the conversion of taxonomy-eligible activities into taxonomy-aligned activities were not made in the reporting year. The total of both components constitutes the taxonomy-eligible capex of €44 million (previous year: €45 million), or 43 percent (previous year: 44 percent) of total capital expenditures of €103 million (previous year: €103 million).

The amount of taxonomy-aligned capital expenditures was determined as follows in the reporting year: The total capex after deduction of capital expenditures in production from taxonomy-eligible activities amounting to €63 million (previous year: €62 million) was multiplied by the taxonomy-aligned share of revenue of 0 percent. This results in a taxonomy-aligned capex of €0 million, or 0 percent of the total capex of €103 million (previous year: €103 million). Investments in production from taxonomy-aligned economic activities require verification that the goods in question were produced in accordance with the EU Taxonomy. For this purpose, Bilfinger relies on information from suppliers, which could not be sufficiently verified in the reporting year.

PROPORTION OF CAPEX / TOTAL CAPEX	Taxonomy-aligned per objective	Taxonomy-eligible per objective
in %		
CCM	0.0	42.9
CCA	0.0	0.0
WTR	-	0.0
CE	-	27.2
PPC	-	0.0
BIO	-	0.0

Taxonomy-eligible and taxonomy-aligned operating expenses (opex)

Bilfinger's business model as a service provider without significant production activities is asset-light. The share of property, plant and equipment and right-of-use assets from leases in total assets is thus at 12.2 percent (previous year: 13.7 percent). Operating expenses (opex) related to these assets 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. The total amount of operating expenses in the reporting year is €131.7 million (previous year: €127.3 million). Due to the immateriality of the operating expenses in relation to total operating expenses, the Group is exempt from determining the proportion of taxonomy-eligible and taxonomy-aligned operating expenses in accordance with the definition of the Delegated Act to Article 8 of the EU Taxonomy Regulation and reports these at 0 percent (previous year: 0 percent).

Templates for activities in the nuclear energy and fossil gas sectors

REVENUE FY 2023: TEMPLATE 1 NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

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

REVENUE FY 2023: TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

Line		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
8.	Total applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FY 2023: TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FY 2023: TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	87.3	1.9	87.3	1.9	0.0	0.0
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0	0.2	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.7	0.2	7.7	0.2	0.0	0.0
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.0	0.1	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	210.3	4.7	210.3	4.7	0.0	0.0
8.	Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	305.5	6.8	305.5	6.8	0.0	0.0

REVENUE FY 2023: TEMPLATE 5
TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES

REVENUE FY 2023: TEMPLATE 5 TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES		Amount	%
Line			
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,172.5	93.0
8.	Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	4,172.5	93.0

CAPEX FY 2023: TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0

CAPEX FY 2023: TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.2	1.2	1.2	1.2	0.0	0.0
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.1	0.1	0.1	0.0	0.0
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	43.1	41.7	43.1	41.7	0.0	0.0
8.	Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	44.5	43.0	44.5	43.0	0.0	0.0

CAPEX FY 2023: TEMPLATE 5
TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES

		Amount	%
Line			
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	58.9	57.0
8.	Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	58.9	57.0

OPEX FY 2023: TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0

OPEX FY 2023: TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
Line							
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
8.	Total amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0

OPEX FY 2023: TEMPLATE 5 TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES		Amount	%
Line			
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.0	0
8.	Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	131.7	100

B.5.3 Social

B.5.3.1 Occupational safety

Bilfinger has made it its top priority to ensure the health and well-being of all its employees. No employee's health shall be adversely affected by his or her work. Occupational health and safety

standards are set by *Group HR (Human Resources)* and *Corporate HSEQ (Health, Safety, Environment, Quality)* for the entire Group. The design and implementation of these measures are decentralized to the Group companies.

Concept

As a service provider for industrial customers, Bilfinger is often active in areas of its customers' plants that are especially safety-sensitive. Occupational safety matters are therefore extremely important for the Group's business activities.

Safe work processes, the implementation of target group-oriented occupational safety campaigns and the reporting of key performance indicators on occupational safety are often an important prerequisite for the awarding of contracts by customers. Bilfinger therefore undertakes a considerable amount of effort to meet the high requirements in its day-to-day work.

In order to avoid incidents in the area of occupational safety to the greatest possible extent, our aspiration is: *zero is possible*. To get as close as possible to this aspiration, we take a two-pronged approach: We implement the necessary technical and organizational measures and address occupational safety in extensive communication measures for employees.

The occupational safety standards developed centrally by *Group HR & HSEQ* are expressed in Group-wide uniform guidelines and *standard operating procedures (SOPs)*. Responsibility for compliance with these guidelines and SOPs lies with the managers of the local operating units, who also take into account the relevant local laws, regulations, customer requirements and working conditions. Health and Safety Committees have been established in the Group's units in accordance with legal and internal Group requirements.

To record, process and communicate HSEQ incidents to the same standards worldwide, we use standardized management software throughout the Group. All types of HSEQ incidents can be recorded quickly and flexibly directly on site using a mobile IT application. This workflow makes it easier for employees to process HSEQ incidents and creates the central conditions for developing corrective measures to avoid similar situations in the future.

In conjunction with the comprehensive technical and organizational measures, intensive communication in the area of occupational safety is of great importance. The aim is to maintain a high level of awareness of the particular importance of HSEQ incidents among our employees and to further improve it. For example, we draw attention to general occupational safety aspects and current accident statistics in the form of monthly *Safety Moments* circulars. In the Group, there has been a general requirement that all discussions and meetings involving four or more people begin with a *Safety Flash* in which aspects of occupational safety are addressed.

An important measure for raising awareness regarding topics of occupational safety is our safety program *Safety Works!* including the safety campaigns that were developed in this context. In 2023, numerous target group-oriented campaigns were once again carried out in individual Group companies.

In order to recognize outstanding safety initiatives in the Group and publicize them within the company, the Executive Board presents annual *Safety Awards*. The Group-wide award is designed to motivate employees and managers to make a strong commitment to safe working conditions and maintaining the health of all employees.

The commitment of executives all the way up to the members of the Executive Board is a key building block for ongoing improvements in occupational safety. 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 findings from these safety walks may

be recorded on the go, as the walks are progressing, and will then be directly input into the central HSEQ software.

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.

As part of Bilfinger Matrix certification, 39 companies with 149 locations have been certified pursuant to the occupational health and safety standard DIN EN ISO 45001 and eight companies with 42 locations have been certified pursuant to the *Safety Certificate Contractors Petrochemical* (SCCP) standard.

Regular internal audits are carried out at the Group companies. A total of seven Group companies in Germany, Norway, Austria, Poland, Finland, Romania and Hungary were audited internally in 2023. In addition to these internal audits, there are further external audits, including by certifiers, authorities or customers.

As key figures in the area of occupational safety, we report on *Lost Time Injury Frequency (LTIF)*, *Total Recordable Incident Frequency (TRIF)* and the number of fatalities resulting from occupational accidents. The *LTIF* indicator measures the number of days lost due to work-related accidents per million hours worked. It amounted to 0.26 in financial year 2023 (previous year: 0.26). The *TRIF* indicator measures the number of days lost due to reportable accidents per million hours worked. In 2023, it was 1.19 (previous year: 1.31). Bilfinger's *LTIF* and *TRIF* figures in 2023 were again better than the industry average determined among our competitors and selected clients (data from 2021).

In 2023, there were no (previous year: 1) work-related accidents resulting in death.

OCCUPATIONAL SAFETY INDICATORS

	2023	2022
LTIF ¹	0.26	0.26
TRIF ²	1.19	1.06
Fatalities ³	0	1

1 LTIF: Lost Time Injury Frequency – number of work-related accidents for employees and temporary workers with at least one day lost, based on 1 million hours worked

2 TRIF: Total Recordable Incident Frequency – number of all reportable accidents for employees and temporary workers, based on 1 million hours worked.

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

B.5.3.2 Employee development

Bilfinger's business model as an industrial services provider is significantly influenced by the presence, skills and values of our employees. The ongoing training and qualification of our workforce plays a key role.

Concept

The cornerstones of employee development include talent management, remuneration and internal reporting. Clear standards have been defined for this purpose and they are anchored in our Group Policies and are thus binding for all employees.

One of the main focuses of employee development in 2023 was counteracting the shortage of skilled workers. From 2024, a quarter of the savings from the ongoing Bilfinger efficiency program will be invested in employee training and development in order to maintain and further strengthen the Group's competitiveness. The content of these additional training measures will focus on technical and job-specific skills for our employees as well as areas such as leadership, sales and project management.

In October 2023, Bilfinger took an important step toward securing qualified young talent in the long term through the founding *Bilfinger education GmbH*. The company serves as the central training organization for Germany. *Bilfinger education GmbH* plays a key strategic role in the networking of training in Germany, ensuring the optimal preparation of trainees for the requirements of the changing world of work and positioning Bilfinger as an attractive training company on the labor market. We are also using the company to create a model for the future organization of vocational training in other Bilfinger regions.

The further training of our existing workforce also plays a major role in our human resources efforts. The most important HR management tools in this context include an annual performance appraisal, sound training and development planning as well as salary reviews over the course of a financial year. The annual employee appraisals are based on standardized guidelines that help everyone involved reflect on the goals achieved and define structured development measures. Salaried employees also set individual goals for the year ahead. The systems for managing the annual performance and development cycle are largely digitalized.

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

As part of the annual talent review, the potential of salaried 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 Human Resources departments together with Group Human Resources and the Executive Board.

*Management levels at Bilfinger in 2023 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.

After identifying their potential in the talent review, employees are nominated to take part in global management development programs. These functions are performed by the *Talent Program* as well as the *Leadership Program*, *Senior Leadership Program* and *Executive Leadership Program* for management levels 2 to 4. These programs, which have been established for many years, offer the respective target group a specially tailored, one-year program to develop and promote personal leadership skills. We believe very strongly in the importance of internationality and diversity when it comes to our composition.

Leadership camps are also offered at regional level to enable Bilfinger managers to develop an integrative management style and fulfill their role as people leaders at Bilfinger.

The *Bilfinger Academy* is responsible for training and development measures. It handles the implementation of central management development programs and acts as a central point of contact for comprehensive internal training initiatives that are available to all employees with a PC workstation.

The digital training format of the *Learning Days* serves as an opportunity to exchange information and ideas and to expand employees' knowledge. In 2023, the *Learning Days* took place over the course of four days in November, during which internal and external trainers offered webinars focusing on *personal development*, *IT & digitalization* and *project management* in 26 learning units. The program was very well-received. The number of participants who completed a course increased more than fivefold from 583 in the previous year to 3,421. In addition to a simplified registration process, the increase was due in particular to the unlimited participation capacity provided by the web format. Advertising this further training offer on the new internal employee app introduced in 2022 also helped.

Project management skills are very important in Bilfinger's business model. For this reason, the international training program on project management in accordance with the standard of the

internationally recognized *Project Management Institute (PMI)* is one of the ongoing programs. In 2023, we worked together with external trainers and were able to offer both crash courses and exam preparation courses for obtaining the PMI certificate.

B.5.3.3 Diversity

The diversity of our employees is of fundamental importance to Bilfinger. We consider diversity in terms of differences in age, gender, religion, ideology and ethnic origin, as well as in physical and mental abilities, sexual orientation and identity of our employees. We seek to ensure that these central dimensions of diversity are an integral part of our daily work and the interaction among colleagues.

In an international company like Bilfinger, which employs people of 112 different nationalities, cultural and linguistic diversity is part of everyday life.

The respect and appreciation of diversity in our company finds its strongest expression in the prohibition of all forms of discrimination, which is anchored in our *Code of Conduct* and in the *Bilfinger Statement of Principles on Human Rights* and applies to all employees without restriction. Violations of the ban on any form of discrimination will not be tolerated. More detailed explanations can be found in Chapter [B.5.4.3 Human rights, workers' rights and sustainable supply chain](#).

As an employer, we strive to be attractive to employees in different life situations. Our goal is to create a contemporary working environment that includes hybrid forms of work and flexible working hours. This also includes support measures such as flexible working time models that make it easier for employees to perform their family duties.

When recruiting new employees, filling internal vacancies and in our succession planning, we attach great importance to the consideration of a diverse range of applicants.

Regional Bilfinger mentoring programs focus on an exchange between less experienced and more experienced employees from different areas of the company. This helps to support the transfer of knowledge and a change of perspective within the Bilfinger Group.

Internal communication plays a key role with regard to the degree of diversity in our company. Our digital corporate media, for example, often feature portraits of inspiring personalities and teams who help promote a diverse corporate culture.

Regional initiatives are tailored to the local needs and relevant requirements and circumstances in the various Group units and contribute significantly to the diversity practiced at Bilfinger.

The proportion of women in management positions has been established as a metric at Bilfinger. In accordance with the *German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector*, the Executive Board resolved at the end of November 2020 to achieve a target of 10 percent women at Bilfinger at management levels 1 and 2 below the Executive Board by December 31, 2023, in accordance with Section 76 (4) of the German Stock Corporation Act (AktG). On November 26, 2020, the cut-off date for the definition of the target figure, this proportion was 8 percent in management level 1 and just under 5 percent in management level 2. As of December 31, 2023, the proportion of women at management level 1 was 12 percent while the figure for management level 2 was 11 percent (previous year: 6 percent).

The Supervisory Board set a target of 30 percent women and men on the Executive Board by December 31, 2023. In the case of an Executive Board with two or three members, this means having at least one woman and one man. As of December 31, 2023, the Executive Board consisted of two members, both of whom are men.

The reasons for not reaching the target number for the composition of the Executive Board, the new target number for women and men on the Executive Board by December 31, 2028, set by the Supervisory Board on February 8, 2024, and further explanations 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.

PROPORTION OF WOMEN IN MANAGEMENT POSITIONS			
	2023	2022	Target 2023
in %			
Executive Board	0%	0%	30%
Management level 1	12%	11%	10%
Management level 2	11%	6%	10%

B.5.4 Governance

B.5.4.1 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 Bilfinger SE's executives and management bodies in particular. It is generally understood to refer to the entire management and control system of a company, including its organization, its business management principles and guidelines as well as the internal and external monitoring and control 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, and customers as well as our business partners and the financial markets. At Bilfinger, we view *good corporate governance* as an all-encompassing topic that is inextricably linked to the other aspects of sustainability.

Concept

The management bodies and the leadership of the Group, the basic structure of the Bilfinger Group as well as the framework and rules for governance in the Group that were valid in the reporting year are described in greater detail below.

As part of the updated Group strategy, governance was also reviewed in the reporting year in terms of efficiency and alignment with the needs of customers and the market. Relevant updates were developed and approved. Plans call for these to take effect at the beginning of 2024. The updated governance will be presented in subsequent reporting and is not the subject of this report.

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 Board and Supervisory Board of Bilfinger issue an annual declaration of compliance with regard to the application of the recommendations of the GCGC.

The declaration of compliance and the GCGC as well as 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 conducts the business and manages Bilfinger SE and the Bilfinger Group in the interests of the company on its own responsibility. It also takes into account the sustainability aspects of environment, social and governance (ESG). The Executive Board has established specific committees to implement and ensure corporate governance in the company and the Group. This includes in particular the *Group Executive Management*, the *Bilfinger Risk Committee*, the *Safety Council*, the *Compliance Review Board*, the *Independent Allegation Management Committee* and *SustainNet*.

Group Executive Management

Group Executive Management (*GEM*) is a committee that advises and supports the Executive Board on operational and strategic issues relating to the Group that it selects. The committee discusses and develops topics that it is presented with or assigned and, where relevant, prepares them for discussion and possible decision by the Executive Board. The objective of the GEM is, in particular, to reduce the number of administrative processes, strengthen the personal responsibility of managers and operating units and facilitate faster decision-making, whereby the GEM has no authority to issue instructions or make decisions of its own. In addition to the Executive Board, the GEM comprises the heads of the three segments (Engineering & Maintenance Europe, Engineering & Maintenance International, Technologies), the heads of the Group functions *Products & Innovation*, *HR & HSEQ* and *Procurement*. The GEM meets at least once a month.

Bilfinger Risk Committee

The Bilfinger Risk Committee (*BRC*) meets at least every six months at the behest of the Executive Board and advises it on issues related, among other things, to risk assessment. It consists of the members of the Executive Board and Chief Financial Officer (*CFO*), the Finance Directors (*FDs*) of the individual regions, and selected heads of Group functions. The BRC supports the design of an effective and pragmatic risk management system, the monitoring of general risk developments and promotes risk awareness and risk culture within the Group. The assessment of non-financial risks to society and the environment that could arise from Bilfinger's activities is also carried out on at least an annual basis as part of the BRC. The BRC thus contributes to general quality assurance as well as to the identification, treatment and reporting of significant Group risks.

Safety Council

The Safety Council is the responsibility of the Executive Board member responsible for HSEQ and is the exploratory and decision-making body for Bilfinger HSEQ issues. The Executive Board member responsible for HSEQ chairs the Safety Council. Other members include the Head of Group HR & HSEQ as well as the Executive Presidents (*EPs*) of the individual regions. The Safety Council meets monthly and decides on all Group-wide HSEQ issues. In this regard, the Safety Council makes a significant contribution to the implementation of HSEQ objectives throughout 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 Group functions and convenes when necessary under the chairmanship of the

Chief Compliance Officer (CCO). The CRB has a central role in ensuring the effectiveness of our compliance management system.

Independent Allegation Management Committee

The Independent Allegation Management Committee (IAMC) is composed of heads and representatives of Compliance, Legal & Insurance, Internal Audit & Investigations, Accounting, Controlling & Tax, and HR & HSEQ and meets as often as necessary, but at least once a month. Under the chairmanship of the Head of Investigations, 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 (DC) convenes on an ad-hoc basis – generally when a case has been presented by the Independent Allegation Management Committee – to decide on disciplinary measures for employees in connection with a violation of the Bilfinger Code of Conduct. The DC is chaired by the Head of Group HR & HSEQ. The committee also includes the General Counsel / CCO and the Head of Labor Law / Co-Determination as permanent members as well as the direct superior of the business unit in which the matter to be assessed took place and / or the heads of the relevant segment / region as alternating members.

SustaiNet

SustaiNet is a sustainability network responsible for coordinating and harmonizing sustainability management at Group level. It is coordinated by Group Treasury & Investor Relations in the area of responsibility of the member of the Executive Board and CFO. Members of SustaiNet are the Heads of the segments and selected Group functions and corporate functions whose areas of responsibility have relevant points of contact with sustainability matters.

SustaiNet meets at least twice a year; in addition, meetings are convened on an ad-hoc and project-related basis.

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. It advises and monitors the Executive Board and is responsible for the appointment and dismissal of Executive Board members as well as their employment contracts and remuneration. Monitoring also covers the topics of sustainability *environment, social & governance (ESG)* and 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 regularly. The Rules of Procedure were last updated in the 2022 financial year and are available on the Bilfinger SE website. The Supervisory Board has established various committees in order to ensure more efficient operations. Details of the committees are explained in Chapter [A.4.1 Declaration of corporate governance and corporate governance report](#) of the Annual Report. The Supervisory Board has, among other things, assigned the supervision and preparation of the topic of sustaina-

bility with regard to *ESG* to the committees responsible for the corresponding (financial) topic areas, with the overall and ultimate responsibility for this remaining unchanged with the Supervisory Board.

Fundamental structure the Bilfinger Group

The Bilfinger Group is hierarchically and decentrally organized. It is managed by Bilfinger SE as the parent company and headquarters. Headquarters – under the leadership of the Executive Board – is responsible for the fundamental structural and functional management as well as the administration of the Bilfinger Group. It is divided into Group functions, in some cases with corporate functions as subunits, and each of them is assigned to the responsibility of a member of the Executive Board. Operationally, the Group is structured into three segments (Engineering & Maintenance Europe, Engineering & Maintenance International, Technologies) at the first level below the Executive Board. The two Engineering & Maintenance segments are organized regionally (eight regions in total) and the Technologies segment is organized into three business lines, under which the individual Group companies are allocated. The segments, regions and business lines have a high degree of entrepreneurial and operational autonomy within the framework of the decentralized structure.

The entrepreneurial and operational responsibility in each segment lies with a Head (in future Segment President), who reports to the Chief Executive Officer (*CEO*) of Bilfinger SE. Responsibility in each region and at Technologies lies with an Executive President who is responsible for operating business and who reports to the CEO on the Executive Board, and a Finance Director, who is responsible for commercial matters and reports to the CFO.

There is also the Other Operations division, to which certain Group companies are allocated that are not part of the Group's core business and for which a divestment is being considered in the medium term. The Other Operations division reports directly to the Executive Board member and CFO.

This Group organization enables short decision-making paths and lean administration. Governance at Bilfinger is closely aligned with this structure of the Bilfinger Group. The dual control principle generally applies to all actions and measures, especially those with a binding external effect.

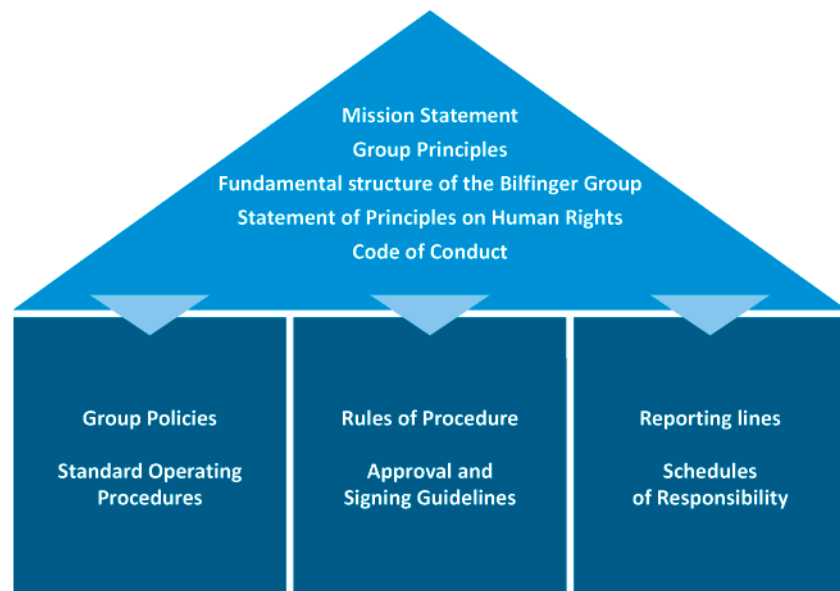
Frameworks and regulations

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.

In this context, Bilfinger governance is essentially defined and implemented through its various components, including the governance documents and the regulations they contain as well as how they relate to each other. Bilfinger employees are provided with all key governance documents in a combined and transparent form through a governance portal. Updates and changes are administered accordingly in the portal. This is designed to effectively help employees apply and implement Bilfinger governance in their daily work.

There is a clear and transparent structuring of Bilfinger governance as laid out below.

IMPLEMENTATION OF GOVERNANCE IN THE GROUP



Mission Statement, Group Policies, Code of Conduct, Statement of principles on human rights

Our Mission Statement, our corporate values together with our Statement of principles on human rights and Code of Conduct, as well as the basic structure of the Group, form the framework for governance, with priority given to more general guidelines.

Our corporate values are set out in the Mission Statement, the Group principles and the Statement of principles on human rights. Integrity and security serve as the foundation and are of the utmost priority. The Mission Statement also describes our passion, values and competencies and illustrates the cornerstones of our corporate culture. On this basis, our Group Principles set out behavioral guidelines in abstract and brief form for all employees, in particular for the areas of HSEQ and risk-conscious behavior. Our Statement of principles on human rights covers the human rights and environmental principles for employees and suppliers with the definition based on a risk analysis, the identified human rights and environmental risks and the procedure for how the Group meets the corresponding obligations (in particular from the German Supply Chain Due Diligence Act).

The principles of behavior laid out in the Code of Conduct serve as a further benchmark for our actions. The Bilfinger Code of Conduct applies Group-wide to activities throughout the world and has been translated into a total of 18 languages. It provides concrete guidance for responsible, compliant and ethical conduct in day-to-day business, in dealings with each other and with customers and other business partners and is mandatory for all managers and employees – regardless of where they work and what job they do. 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 specified by associated Group Policies and Group Standard Operating Procedures (*Group SOPs*). The Code of Conduct as well as the substantiated Group Policies and Group SOPs are regularly reviewed and adjusted for current needs and developments.

The components of Bilfinger governance provide specific guidelines for management and organization within the Group. These requirements can be divided into three pillars – content and process requirements (Group Policies and Group SOPs), requirements for the framework and scope of actions and measures (Rules of Procedure as well as approval and signature requirements) as well as further requirements for responsibility and organization (reporting lines and schedules of responsibility).

Group Policies and Group SOPs

In addition to the Group's specific guidelines on the Code of Conduct, all other subject-related issues and processes classified as requiring regulation throughout the Group are also set out in Group Policies. Independent processes or special topics for a limited group of employees are regulated in Group SOPs, which in turn specify the Group Policies and are binding for all employees. In each case, local requirements must be taken into account. In individual cases, the Group Policies and Group SOPs permit more specific implementation regulations and, in exceptional cases, deviations are also possible with the appropriate approval. Responsibility for the governance of Group Policies and Group SOPs lies with the Group Functions and corporate functions at Group headquarters. Group policies and Group SOPs are regularly reviewed to ensure that they are up to date, and adjusted as necessary.

Rules of procedure and approval and signature requirements

In addition to the content of the Group Policies and Group SOPs, the actions of individual Bilfinger employees and managers in the Group are governed by rules of procedure and approval requirements. The heads of the regions and business lines as well as the managing directors or other board representatives of a Bilfinger company each have rules of procedure that contain, among other things, internal approval requirements for certain actions and measures. Approval requirements generally exist for each unit and level of the Group and the approval requirements within the regions and business lines are defined by the respective management in its scope of action. Furthermore, binding guidelines and limits exist for each Group unit regarding the signing or other execution or submission of business-relevant documents and declarations by Bilfinger employees. These elements ensure that a clear framework for action is in place for each individual Bilfinger employee and manager. Approval and signature requirements are regularly reviewed to ensure that they are up to date and adjusted as necessary.

Schedules of responsibility and reporting lines

The rules of procedure also contain the relevant reporting lines and procedural regulations, including the possible allocation of responsibilities and requirements relating to joint decisions in the relevant executive bodies of the Group company or the management of regions and business lines. Reporting lines also exist for each Bilfinger employee. The reporting line corresponds in principle to the disciplinary responsibility, but may also be split if there is a different functional allocation.

The provisions 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 region / business line manager are clearly allocated. The purpose of this approach is to ensure that there is clear accountability and organization for each respective manager.

The implementation of governance at Bilfinger as described serves as a basic structure and framework in the design of the corresponding material factors relating to sustainability, which are

organized by the relevant Group functions and corporate functions. Where relevant, the concepts are described in more detail in the chapters that follow.

B.5.4.2 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

Responsibility for the anti-corruption and anti-bribery framework lies with *Corporate Compliance* at Group headquarters.

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 also laid out in the Code of Conduct, which is binding for all those employed at Bilfinger worldwide. Bribery and corruption are prohibited for all 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. Small payments to secure or accelerate routine official acts ("acceleration payments") are also prohibited for employees of the Bilfinger Group.

In our Code of Conduct, we also lay out principles in connection with donations, sponsoring activities, gifts, hospitality and entertainment events as well as dealings with public officials.

The *Chief Compliance Officer* of the Bilfinger Group reports directly to the Chairman of the Executive Board 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 the Code of Conduct and the compliance management system. They must live up to their functions as role models. The annual performance evaluation of managers therefore includes an individual integrity assessment that then forms part of the annual dialog on career development. In addition, the variable remuneration for managers includes an individual integrity and safety element. This factor is determined annually and takes into account the fulfilment of requirements and the operationalization of a culture of integrity and safety by the manager or by the organization for which the manager is responsible.

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.5.4.1 Good corporate governance](#).

Our subsidiaries are supported by compliance managers and compliance officers at regional level. In addition, each regional management, each executive management and each departmental management assume responsibility for the effectiveness of the compliance management system, including the internal control system (ICS).

The international network of Compliance Representatives ensures that employees in the Group's business units have an additional local compliance contact person. The Compliance Representatives are specially trained experts 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 compliance managers and compliance officers and contribute experience and challenges of the individual locations to the further development of the respective compliance program.

To prevent future misconduct, we rely on measures such as practical advice from compliance managers and officers as well as the Compliance Help Desk, guidelines, supporting IT tools, training and communication measures.

Our compliance training modules include 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)	
	2023	2022	2023	2022	2023	2022
E-learning 1 - Code of Conduct ¹	11,781	4,549	11,415	4,282	97%	94%
E-learning 2 - Anti-corruption & bribery ²	11,767	9,081	11,296	8,707	96%	96%
E-learning 3 - Anti-corruption & bribery	11,676	–	10,651	–	91%	–
E-learning 4 - Code of Conduct	11,672	–	10,572	–	91%	–
On-site training - General Compliance Training ³	2,904	603	2,784	582	96%	97%

E-learning 2023: 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.

1 In 2022 e-learning module "Code of Conduct" for all new employees with a PC workstation and access to the Bilfinger network as well as for existing employees whose work requires an increased level of compliance awareness.

2 2022 e-learning module "Anti-corruption & bribery" for all new employees with a PC workstation and access to the Bilfinger network as well as for existing employee with a PC workstation and access to the Bilfinger network whose work does not require an increased level of compliance awareness.

3 2022: for all employees who, due to a new entry or a change in position, have taken up work at Bilfinger that requires an increased level of compliance awareness.

2023: for all employees whose work requires an increased level of compliance awareness.

All Bilfinger employees also have access to a central Compliance Help Desk that offers support in all compliance-related questions. The Compliance Help Desk is an established point of contact within the Group for initial information on how to proceed in the event of any compliance-related issues. In the year under review, 266 (previous year: 441) Compliance Help Desk requests were documented.

In order to deliver our services to the market, we depend 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, Bilfinger business units 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 has been a whistleblower system in place to manage the receipt, documentation and processing of suspicious cases in connection with possible violations of our Code of Conduct. It is available to our employees as well as to outside individuals and entities. The contact details are available on the Bilfinger Group's website as well as on the Group intranet. Indications of any misconduct can be given on a confidential basis with this system – anonymously if desired.

A department at Group headquarters specializing 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.5.4.1 Good corporate governance*.

In the event that an employee is found to have been involved in serious misconduct, the Disciplinary Committee headed by Group Human Resources at Group headquarters takes any decisions on disciplinary measures and sanctions that are to be initiated. 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.

NUMBER OF NOTICES OF COMPLIANCE VIOLATIONS	2023	2022
	Indications of compliance violations ¹	59
thereof: indications of corruption and bribery	1	0
Investigations initiated	45	27
Disciplinary measures as a result of investigations	15	20

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

In financial year 2023, 59 (previous year: 66) indications of compliance violations were identified. Of these, 1 included indications of corruption or bribery (previous year: 0). Against the background of Bilfinger's uncompromising stance when it comes to dealing with compliance-related issues, the number of investigations initiated increased to 45 (previous year: 27). The number of disciplinary measures taken as a result fell to 15 (previous year: 20).

B.5.4.3 Human rights, labor rights and sustainable supply chain

In 2022, the Executive Board of Bilfinger SE adopted a *Statement of principles on human rights*, which is binding throughout the Group and is published on the company's website at <https://www.bilfinger.com/en/about-us/sustainability-at-bilfinger/governance/>. The Statement governs the human rights-related principles applicable to all employees and suppliers at Bilfinger. It defines the human rights and environmental expectations of the Group's employees and suppliers, describes the human rights and environmental risks that are a priority for the company and the procedures Bilfinger uses to fulfill its obligations under the German Act on Corporate Due Diligence to Prevent Human Rights Violations in Supply Chains (*Supply Chain Due Diligence Act – LkSG*). The Statement of principles forms the basis of governance for risk management to ensure compliance with human rights and environmental due diligence obligations in accordance with Section 4 LkSG which is fully integrated into Bilfinger's compliance management system (CMS) and all relevant business processes through appropriate measures.

Risk management for compliance with human rights and environmental due diligence obligations Bilfinger's risk management for compliance with human rights and environmental due diligence obligations in its supply chains aims to prevent or minimize human rights or environmental risks or to end the violation of human rights or environmental obligations.

Bilfinger has integrated the measures with which the company upholds its human rights-related due diligence obligations into its compliance management system, which has been an established part of the company for many years. The system follows a risk-based approach and is based on the prevent-detect-respond model, which is recognized and proven in legal and Group practice, in its design and operationalization. The model is explained in detail in the Bilfinger Group's *Statement of principles on human rights*. It covers all areas of business activity and is designed in such a way that compliance violations are prevented through precautionary measures, misconduct of all kinds is recognized at an early stage and, in the case of confirmed violations, remedial measures are taken quickly and applied consistently.

The integration of risk management into the existing CMS is intended to ensure that Bilfinger has a complete overview of its own risk disposition. Corresponding measures are communicated to the Bilfinger Executive Board by means of regular Executive Board meetings, Group Executive Management meetings and Compliance Review Board Meetings. Through Executive Board resolutions, risk management is anchored through appropriate measures in all relevant business processes (e.g. in purchasing, human resources and the operating business units). Employees are empowered to recognize human rights and environmental risks through training, e-learning, workshops and global communications.

Respect for human rights is closely linked to the principles for acting with integrity that have been established at Bilfinger for many years and are set out in the Group's Code of Conduct. The Code of Conduct defines principles of acting with integrity both toward other employees and toward external persons and organizations. It is aimed at all employees throughout the Group – regardless of where they work and what job they do. Our employees are obligated to adhere to the principles formulated in the Code of Conduct and to confirm receipt and acknowledgement of it in writing. The Code of Conduct is explained in detail in Chapter [B.5.4.2 Counteracting bribery and corruption](#).

The *Code of Conduct*, together with the *Statement of principles on human rights*, establishes a framework for exercising responsibility for society and the environment. Violations of the *Code of Conduct* or the *Statement of principles on human rights* are not tolerated; the handling of indications or suspected cases and the sanctioning of potential violations are governed by the compliance management system that has been in place throughout the Group for many years.

Basic principles of human rights

In its *Statement of principles on human rights*, Bilfinger commits itself to the Universal Declaration of Human Rights of the United Nations. Furthermore, the principles of the UN Global Compact initiative apply, which Bilfinger has committed to uphold as a member. Because human rights can also be impacted by environmental damage, Bilfinger clearly acknowledges its responsibility to protect the environment.

Bilfinger expects its employees and its suppliers in the supply chain to fully commit to the following core principles:

- All people have the right to be treated with dignity, fairness and respect.
- We respect the fundamental freedoms and human rights of our employees, business partners and the communities in which we live and work.
- We do not tolerate any form of discrimination, harassment or physical violence, nor do we tolerate any form of child, forced or compulsory labor.

- We provide an environment that promotes diversity and inclusion, and monitor and enforce compliance with human rights throughout the value chain.
- We protect the environment by ensuring sustainable business practices.
- We do not make any compromises when it comes to integrity, human rights or health and safety.

Expectations for all employees and suppliers in the supply chain

Bilfinger expects all employees and suppliers in the supply chain to assume responsibility for the values and measures listed below and to consistently align their actions with these measures:

Forced labor

- No use of or contribution to slavery, servitude, forced or compulsory labor or human trafficking.

Child labor

- No employment for workers under the age of 15.
- For heavy labor in accordance with the ILO Agreement 182, no workers under the age of 18 may be employed.

Respect and non-discrimination

- Promote equal opportunity and treatment of employees regardless of origin, religion, marital status, abilities and personality and education, skin color, nationality, ethnicity, political affiliation, social background, disability, sexual identity and orientation or age.
- No tolerance for psychological abuse, sexual harassment or discrimination through gestures, language and physical contact that is sexual, coercive, threatening, abusive or exploitative.

Health and safety

- Maintain safe working conditions.
- Provide training on health and safety issues.
- Conduct and document audits as part of occupational health and safety management systems.

Employee rights

- For us, respect for employee rights is an important component of human rights. This position is based in particular on our commitment to Principles 3 to 6 of the UN Global Compact Initiative, which apply 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 with respect to employment and occupation.
- Compliance with global working time regulations.
- Compliance with all wage and compensation laws worldwide, meaning fair compensation for workers.
- Act in accordance with applicable legal requirements when assigning personnel across borders, particularly with regard to minimum wages.

Freedom of association

- The rights of employees to freedom of association and collective bargaining are expressed – depending on local laws – in the company’s employee representative bodies or the trade union. These bodies endeavor to uphold employee rights, including through the conclusion of works agreements or collective bargaining agreements. Bilfinger’s management maintains a regular and constructive dialog with employee representatives.
- Recognition of the right of workers to form or join trade unions and to bargain collectively.
- No discrimination against or preferential treatment of members of employee representatives or trade unions.

Environmental protection

- Put particular importance on climate protection and contribute to the reduction of greenhouse gases.
- Strengthen environmentally sustainable economic activities.
- Raise awareness of climate change and the need to accelerate the launch of global energy transition initiatives.

Grievance

- Establish a protected procedure for reporting possible violations of human rights principles.
- Identify and manage risks.
- Provide a structured response to incidents with processes put in place to create remedies for violations.

Upholding human rights and environmental due diligence obligations

The institutional basis for upholding human rights and environmental due diligence obligations is the Group’s governance system, which is explained in detail in Chapter [B.5.4.1 Good corporate governance](#).

To monitor compliance with the due diligence obligations of the company, its employees and its suppliers, as well as for the ongoing development of *human rights risk management*, Bilfinger also appointed the Group’s *Chief Human Resources Officer as Human Rights Officer* at the end of 2022. Together with a compliance officer as deputy, he is responsible for *human rights risk management*. Both report regularly to the Executive Board and to the *Group Executive Management*.

To effectively meet our due diligence obligations in the Group’s supply chain, we have set the goal of conducting supplier audits in accordance with defined standards beginning in financial year 2023.

Risk analysis

As part of Bilfinger’s risk management for compliance with due diligence obligations, Bilfinger carried out appropriate risk analyses in the reporting year in order to determine the human rights and environmental risks in its own business and in the business of its direct suppliers. While the risk analysis in Bilfinger’s own business is carried out both annually and on an ad-hoc basis due to a change in business activities, the risk analysis for Bilfinger’s direct suppliers is an ongoing process throughout the reporting year.

With regard to the regular risk analysis in our own business, the methodical approach calls for a multi-stage process, beginning with an abstract consideration of risks, in particular industry-specific and country-specific risks, in order to identify Bilfinger companies and locations with an increased risk disposition as well as those potentially affected by the risks, including particularly vulnerable groups of people. In the next step, the specific risk analysis, the results of the abstract risk analysis are subjected to a plausibility review. This involves an individual determination, weighting and prioritization of specific human rights and environmental risks in a specific context at Bilfinger companies and locations with an increased risk disposition. The following criteria are used for this purpose:

- Nature and scope of business activities
- Probability of occurrence
- Severity of the injury by scope, number of people affected and irreversibility
- Possibilities of influence
- Bilfinger's contribution to the cause of individual risks or risk areas

Both the abstract and the specific risk analysis are carried out transparently, comprehensibly and in accordance with the consistently applied system described in the company's own software tool. The probability of occurrence and severity of the breach are assessed individually using a scale or a "heat map". The risk analysis follows a bottom-up approach in which questionnaires are answered at regional level or for each Business Line. The Supply Chain Due Diligence Act (LkSG) risk analysis in our own business area contains a list of 19 questions for each region or Business Line which address the human rights and environmental risks in accordance with Section 2 (2) and (3) LkSG.

The risks identified in the specific risk assessment are systematically documented in the evaluation section of the tool in a risk inventory, with the risk description, the responsible parties and the relevant weighting. The evaluation process step also serves to prepare segment meetings in which, as a next step, the results of the risk analysis are assessed at segment level in order to define suitable preventive and corrective measures wherever necessary.

The following priority human rights and environmental risks and aggregated risk areas were identified in the course of the risk analysis in Bilfinger's own business activities:

- Section 2 (2) No. 5 b): Risk of non-compliance with the occupational health and safety obligations applicable under the law of the place of employment, if this results in the risk of accidents at work or work-related health hazards – in particular due to a lack of measures put in place to prevent excessive physical and mental fatigue, in particular due to unsuitable work organization with regard to working hours and rest breaks due to working hours in excess of the contractually agreed amount.
- The weighting and prioritization of the identified risks in accordance with the appropriateness criteria in Section 3 (2) LkSG have shown that the typically expected severity of the violation Section 2 (2) No. 5b) is to be assessed as material. The risk is not, however, of a permanent or structural nature; rather, an increased workload due to working more hours than contractually agreed usually only occurs in exceptional cases in the project business – this is sometimes the case when deadlines have to be met. The type of causal contribution to the risk and the ability to influence those responsible for the risk can be strictly controlled and influenced by the relevant project managers and the local human resources departments.

- As part of an incident-related risk analysis prior to the acquisition of Stork, Fluor's industrial services business in the Netherlands and Belgium, no prioritized human rights or environmental risks or aggregated risk areas were identified.
- Bilfinger regularly conducts risk analyses of direct suppliers in accordance with Section 5 (1) LkSG in cooperation with an external service provider. The risk analysis involves Bilfinger's Purchasing department sharing supplier master data with the service provider, which is then supplemented with country codes and NACE codes (Statistical Classification of Economic Activities in the European Community) in preparation for an abstract risk analysis.

The overall results of the risk analyses in the company's own business area and at direct suppliers are presented to the Bilfinger Executive Board.

Grievance

The global Bilfinger complaints procedure or whistleblower system (Confidential Reporting Line - CRL) was designed in accordance with Section 8 (1) LkSG in such a way that employees and third parties can report human rights and environmental risks as well as violations of due diligence obligations under the LkSG that have arisen as a result of Bilfinger's business activities in its own business area or those of a direct supplier – anonymously if desired. The complaints procedure is accessible to potentially disadvantaged persons; the confidentiality of identity is maintained and it ensures effective protection against discrimination or punishment on the basis of a complaint.

Relevant information is documented and confirmed to the person providing the information. As far as possible, the persons entrusted by Bilfinger with conducting the proceedings will discuss the facts of the case with the whistleblowers. The persons entrusted with conducting the proceedings act impartially. They act independently, are not bound by instructions and are obligated to maintain confidentiality. Information on how to access the complaints procedure is publicly available.

The effectiveness of the process is reviewed at least annually and on an ad-hoc basis if Bilfinger anticipates a significant change or significant increase in the risk situation in its own business or in the business of its direct suppliers.

Documentation and reporting

In addition to the reports required by law, Bilfinger regularly prepares internal reports as well as incident-related internal information and progress reports, in particular on cases that have been classified as *serious*. These reports are sent to the Executive Board and the Supervisory Board.

Bilfinger has been reporting transparently for years on the number of indications of human rights violations within the Group, the investigations initiated as a result of these investigations and the disciplinary measures taken. In 2023, 22 (previous year: 17) indications of violations were identified that related to bullying, discrimination and sexual harassment. Investigations were initiated in 17 (previous year: 9) cases, resulting in internal disciplinary measures in 8 cases (previous year: 4).

**NUMBER OF INDICATIONS OF VIOLATIONS
OF HUMAN RIGHTS***

	2023	2022
Indications of violations ¹	22	17
Investigations initiated	17	9
Disciplinary measures as a result of investigations	8	4

* 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.5.4.2 *Counteracting corruption and bribery*.

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