
GROUP SUSTAINABILITY STATEMENT

Foreword

This Group Sustainability Statement ('sustainability statement') applies to the 2024 financial year, in other words, the period January 1, 2024 to December 31, 2024. It has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and sections 315b and 315c of the German Commercial Code (HGB) in conjunction with sections 289b to 289e HGB, and combines the reports of DEUTZ AG as the parent company and the DEUTZ Group.

In accordance with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ('EU Taxonomy Regulation'), any company that is required to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU must disclose in its sustainability statement how and to what extent its activities are associated with economic activities that qualify as environmentally sustainable in the sense of Article 3 and Article 9 of the EU Taxonomy Regulation. We disclose the relevant information as part of this sustainability statement. [See Information on the Taxonomy Regulation \(EU\) 2020/852, p. 107.](#)

Disclosable topics and framework The Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) provided the framework for this sustainability statement.

The results of our double materiality assessment in accordance with the CSRD show that, in many areas, topics other than those previously identified as material are in fact material and are consequently reportable. Specifically, this means that we only have to provide limited information in this sustainability statement on topics that were previously included in the 'Corporate governance and compliance' and 'Supplier management' chapters of our non-financial report. To maintain the existing level of transparency regarding the aforementioned topics, relevant information can now be found in the 'Corporate governance declaration and corporate governance report' and 'Purchasing and procurement' chapters in this annual report.

Content review On behalf of the Supervisory Board of DEUTZ AG, this sustainability statement was voluntarily submitted for an external review with limited assurance pursuant to ISAE 3000 (Revised). [See Audit engagement and independent auditor's report, p. 138.](#)

The metrics disclosed in this sustainability statement were reviewed by the auditor at least as part of the limited assurance engagement of the sustainability statement. Where a metric has also been validated by an external body, this is indicated for the relevant metric, including by which external body.

General Disclosures

Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

Basis of consolidation

This sustainability statement was prepared on a consolidated basis..

The basis of consolidation of this sustainability statement is identical to the one used for the consolidated financial statements.

Unless indicated otherwise, all quantitative and qualitative disclosures pertain to the DEUTZ Group as a whole ('we', 'DEUTZ', or the 'DEUTZ Group'). Disclosures that relate only to DEUTZ AG or to specific facilities or production sites are labeled accordingly.

The sustainability statement also covers the Company's upstream and downstream value chain, starting with the supplier and all the way to the customer. With regard to the materiality of the impacts, a distinction was drawn when identifying impacts, risks, and opportunities in terms of where they occur in the value chain. This distinction is also made in the calculation of metrics. For example, when determining our emissions, we clearly differentiate between those generated upstream at the supplier, at our own plant, during transportation, or at the customer's premises. The scale in terms of policies, actions, and targets has not yet been taken into consideration.

In preparing this sustainability statement, we did not use the option under ESRS 1 section 7.7 to omit applicable specific information relating to intellectual property, know-how, or the results of innovation.

The headquarters of DEUTZ AG are located in Cologne (Germany), and consequently in an EU member state that does not grant an exemption from publishing upcoming developments or matters that are under negotiation, as permitted under Articles 19a (3) and 29a (3) of Directive 2013/34/EU.

Report content Predominantly, this sustainability statement does not contain any disclosures that are voluntary under CSRD and/or ESRS, or any phase-in disclosures.

Presenting comparative information We make use of the option to not disclose any comparative information in this sustainability statement, in accordance with ESRS 1, section 10.3, 136.

Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

Unless indicated otherwise, we define our medium-term and long-term time horizons in this sustainability statement in accordance with the time horizons defined in ESRS 1, 77 (b) and (c). Accordingly, our medium-term horizon covers a period of up to five years and our long-term horizon a period of more than five years, in each case calculated from the end of the reporting period on which the financial statements are based.

Value chain estimation

Topic	Disclosure Requirement	Metric	Basis for preparation	Degree of accuracy	Planned actions to improve accuracy in the future	Page number
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from purchased goods and services Material composition of goods	Some of the material data were estimated and calculated using emission factors from the 'Ecoinvent' database	2- moderately accurate	Obtain material composition or product carbon footprint from supplier	104
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from transportation and distribution Safety margin of 10%	A safety margin was added to take account of any transportation not included	2- moderately accurate	No measure planned as conservative approach	104
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from the use phase of the products sold Extrapolation of real data by sales volume to 100%	Extrapolation on basis of recorded sales volume	1- accurate	No measure planned as already accurate	104

Sources of estimation and outcome uncertainty

Topic	Disclosure Requirement	Quantitative metric / quantitative monetary amount	Information about the source of measurement uncertainty	Assumptions made, approximate values and judgments underlying the valuation	Page number
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from purchased goods and services Material composition of goods	No material compositions of suppliers available	Estimates from purchasing, value analysis and controlling	104
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from transportation and distribution Safety margin of 10%	To ensure full coverage in the event that individual transports are forgotten	If transports have been forgotten, a safety margin has been added for a conservative calculation.	104
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from the use phase of the products sold Extrapolation of real data by sales volume to 100%	No full details in the engine data recording (Engine Cloud)	Permitted according to GHG protocol	104

Changes in preparation or presentation of sustainability information

In accordance with section 315c in conjunction with sections 289c to 289e HGB, our previous sustainability statement summarized the topics concerning environmental matters, employee matters, social responsibility, respect for human rights, anti-corruption and anti-bribery, and any other matters identified as material. The **German Sustainability Code** served as the framework for reporting.

This sustainability statement is the first to be prepared entirely based on the European Sustainability Reporting Standards in accordance with sections 315c (3) in conjunction with 289d HGB. This has led to changes in structure, content, and reportable topics.

Reconciliation of the ESRS topics/disclosures to aspects pursuant to Section 289c (3) HGB

Aspect pursuant to Section 289c (3) HGB	ESRS pursuant to CSRD
Environmental issues	ESRS E1 ESRS E2
Employee issues	ESRS S1
Human rights	Aspects from ESRS S1
Social issues	Research & innovation
Avoidance of corruption & bribery	Aspects from ESRS S1
Other issues	Research & innovation

In our previous non-financial reporting, we disclosed topic-specific quantitative metrics that related solely to certain production sites of the DEUTZ Group, independently of the quantitative disclosures under the EU Taxonomy. There has been no retrospective adjustment or reconciliation of those topic-specific quantitative indicators that are still included in the report prepared in accordance with CSRD.

Where applicable, we will publish changes that we have made in the preparation and presentation of our sustainability information compared to the previous reporting period, starting with reporting on the 2025 financial year.

Reporting errors in prior periods

The disclosures contained in this sustainability statement were determined for the first time for the 2024 reporting year. As no comparative disclosures are available, no information can be provided in relation to material errors in previous reports.

Incorporation by reference

We have not made use of the option to meet disclosure requirements by incorporating information by reference. Where appropriate, we refer to other sections of the annual report to provide the reader with further information that is broadly related to our reportable topics.

Disclosure Requirement SBM-1 – Strategy, business model, and value chain

The DEUTZ Group develops, produces, and sells drive systems for off-highway applications and provides related services. The product portfolio comprises engines that run on diesel, gas, and petrol, as well as hydrogen-powered and electric drive systems in the power range up to 620 kW. In 2024, the activities were divided into the segments DEUTZ Classic and DEUTZ Green. The development, manufacture, sale, and servicing of conventional, primarily diesel and gas-powered internal combustion engines were aggregated in the Classic segment, which accounted for the bulk of business with a 99.6% share of revenue in 2024. The Green segment combined the activities relating to new and alternative drive solutions, which primarily included hydrogen engines and electric drive systems, related services, and battery management specialist Futavis. [For further information](#) about the business model, see 'Business model and segments', p. 34.

The main groups of products and services we offered in 2024 were internal combustion engines for off-highway applications and related services.

Our main regional sales markets were the EMEA region, with Germany as the strongest market in terms of sales volumes, as well as the America and Asia-Pacific regions. The main customer groups we serve are manufacturers of vehicles and machines used in the construction equipment, material handling, agricultural machinery, and stationary equipment sectors. [For further information](#) on the respective revenue shares, see Group business trends, p. 48.

In line with the strategic further development of the DEUTZ Group, we acquired US-based genset manufacturer Blue Star Power Systems in mid-2024, thereby expanding our business activities in the field of decentralized energy supply.

Geographical areas	Employees
Germany	3,212.50
Spain	573.75
USA	563.00
China	125.50
Chile	92.75
Morocco	90.50
France	85.00
Benelux	68.50
Italy	58.25
Austria	33.75
Australia	27.75
Poland	24.75
Singapore	24.50
Brazil	24.25
Sweden	23.25
Czech Republic	20.00
Russia	11.00
Ireland	10.75
Romania	9.00
Finland	8.75
India	7.25
Japan	7.00
Denmark	6.75
Korea	6.75

We are not aware of any bans on DEUTZ products in the sales markets where we are active. Meeting all local standards, which in the case of internal combustion engines are primarily the applicable emission standards, is a prerequisite for selling in the respective market.

The DEUTZ Group is not active in the fossil fuels sector, in the production of chemicals or controversial weapons, or in the cultivation and production of tobacco, and thereby does not generate any revenue in these sectors.

DEUTZ is pursuing the overarching goal of achieving its financial targets while meeting its environmental, social, and corporate responsibilities, and of offering a climate-neutral product and technology portfolio by 2050. We are reviewing and optimizing our current sustainability strategy with the aim of achieving this goal. We also intend to assess which are currently our most important products and services, as well as key markets and customer groups, in relation to sustainability goals. We will also take into consideration the most important future challenges that arise from our corporate strategy or that relate to, or have an impact on, sustainability matters.

Our core competency is the development, manufacture, sale, and servicing of drive solutions, in other words, primarily engines, for off-highway applications. These include construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, and stationary equipment such as gensets.

Engine production comprises the manufacture of individual key components, assembly (including supply parts), and remanufacturing. Our production facilities and assembly plants are located in China, Germany, Morocco, Spain, and the USA. The largest production facility is located at Group headquarters in Cologne.

Furthermore, with over 1,000 sales and service partners in more than 120 countries, we offer a comprehensive range of digital and analog services for our customers and their customers.

End-users of our engines, and of the applications in which our engines are deployed, include companies in the construction industry, the logistics sector, agricultural businesses, and aid organizations.

Our engines are sold through direct business with OEMs and via our network of independent, DEUTZ-certified dealers.

We have direct contact with, and a direct sales channel to, end customers and end-users only in the service business.

We maintain business relationships with around 5,800 suppliers in over 60 countries. With a total purchasing volume of around €1.2 billion worldwide, our supply chain makes a significant contribution to our Company's value creation process. On average, an engine is made up of around 350 parts, of which around 70% – in terms of cost – are purchased parts. Purchased parts include valves, seals, conrods, injection systems, control units, pumps, camshafts, pistons, oil sumps, and cables. Based on revenue, our top ten suppliers for direct materials are based in Germany, Spain, Poland, Portugal, the UK, the Netherlands, Italy, Mexico, Hungary, France, China, Turkey, and the USA.

The Procurement, Production, and Logistics units maintain a close dialog and working relationship to ensure the efficient procurement of our inputs and optimal flow of materials, thereby safeguarding our outputs.

We have also introduced a risk management system in Procurement that aims to minimize production risks due to supply bottlenecks, for example as a result of insolvencies or natural disasters. In 2024, we also took action in the product category strategy to build a resilient supplier base and safeguard our future procurement process in line with our corporate strategy. This included the establishment of dual sourcing and targeted procurement in line with our product portfolio and market trends.

We sold a total of 148,580 engines to our customers in 2024, which are tailored to the customers' specific requirements and intended use in the respective application segment. Our comprehensive service offering, which includes the supply of spare parts and other digital and analog services, protects the benefits to our customers over the entire lifetime of the engines.

Our investors, that is to say the shareholders of DEUTZ AG, participate in the success of the business in the form of dividend payments.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

The DEUTZ Group has many stakeholders who are linked to the Company in various ways and influence its decisions. In addition to our employees, our most important stakeholders are our customers, suppliers, and shareholders, as well as institutional investors and analysts. We maintain a regular dialog with them so that we can understand their interests and needs and factor them into our business decisions.

Employees: Our employees represent a very important group among the stakeholders affected by our business activities. For this reason, their interests, views and rights, including respect for their human rights, actively influence our strategy and business model.

The interests of employees covered by the collective pay agreement of the metalworking and electrical engineering industry are represented by the works councils of our individual locations. A key task for these works councils is to monitor whether DEUTZ AG is fulfilling its responsibility to society as an employer. To enable them to perform this task, they are afforded the right to be informed about certain decisions and actions of the employer and to participate and have a say in them. HR matters such as working hours, pay, and occupational health and safety are among the key issues that are subject to this codetermination process. As a consequence, the works councils of DEUTZ AG are involved in all employee-related matters regarding recruitment, remuneration, reassignment, and dismissal. Their primary objective is to agree mutually acceptable rules and arrangements for the matters at hand. The rights and

obligations of the works councils in Germany are derived from the German Works Constitution Act (BetrVG). A dedicated works council represents the interests of the Spanish employees at the site in Zafra.

The particular interests of employees with disabilities or equivalent status are additionally monitored and protected by the disabled persons' representative and an inclusion officer. Performing a similar role to that of the works council, the disabled persons' representative ensures that DEUTZ AG adheres to the laws, collective pay agreements, and works agreements that are in place for disabled employees. DEUTZ also appointed an Equality Officer in 2024, who monitors compliance with our equality-related statutory obligations, offers advice on, and support for, equality and discrimination issues, and develops guidelines that boost employees' social skills and contribute to greater fairness and stability.

An elected Senior Staff Committee represents the interests of our senior managers.

Both the works council and senior managers also appoint representatives to the Supervisory Board. They thereby exercise their right of codetermination, including in relation to business decisions such as the ongoing refinement of the corporate strategy, which is monitored by the Supervisory Board as the supervisory body.

We use various communication channels and dialog formats to keep our employees up to date to the fullest possible extent and to provide information on matters that affect them. These include staff surveys, letters to staff, our intranet, Board of Management updates, including videos, and our DEUTZ Mobile app. The app provides access to a wide range of information on or related to DEUTZ and is continually being improved and added to. In 2023, for example, we introduced a new 'Ask the Board of Management' section, which gives any employee the opportunity to anonymously yet openly put questions directly to the members of the DEUTZ Board of Management. The 'Like' button can be used by employees to indicate their agreement and at regular intervals – at least once a month – responses to the most liked questions are provided in the form of comments. Analog formats are also used. For example, a works meeting is held at the DEUTZ AG sites at least once a year, at which the Board of Management and works council inform employees of current developments and respond to questions in person.

In order to promote a culture of innovation at our Company, we introduced a bonus-driven ideas management scheme that allows any employee at DEUTZ AG to submit ideas for discussion, such as how to improve product quality, enhance the portfolio of drive systems and services, make the working environment more efficient, and optimize existing processes.

Customers: Customers are one of our most important stakeholders. It is they who determine the commercial success of our Company, which is why their interests and needs exert a huge influence on our decisions.

Our customers' involvement is organized through various channels, with the fundamental aim of offering a portfolio geared toward customer needs and the market, and ensuring that customers are satisfied throughout an engine's use phase.


A number of departments maintain regular contact with our customers throughout the product lifecycle to achieve this.


At the start of the product development process, our sales, product management, and development departments are in close contact with the customers in order to factor their requirements into the design.

As a rule, customer audits are conducted before we enter into a business relationship with them. We are increasingly looking at sustainability matters as part of this process and taking the insights gained into consideration as our commitment to sustainability evolves.

Once an engine has been delivered, the sales & service, product management, quality, supply chain management, and application engineering departments are on hand to assist the customer with any product-related matters.

Suppliers: Our suppliers make an essential contribution to our Company's value chain and to the quality of our products, and consequently have a major influence on our business performance. Communication with them is primarily the responsibility of the relevant procurement organization.

Dialog formats include regular management meetings with key suppliers as well as meetings on quality, price and delivery conditions.  For further information, see 'Purchasing and procurement', p. 44 onward.

In many respects, we can only live up to our sustainability-related responsibilities by working with our suppliers. As a consequence, we maintain both direct and indirect contact with them in this context.  For further information, see 'Purchasing and procurement', p. 44 onward.

Private shareholders and institutional investors: As the owners of the Company, our shareholders – whether private shareholders or institutional investors – are among our most important stakeholders. They routinely exercise their rights of membership and rights of codetermination at the Annual General Meeting, with each share granting one vote at the Annual General Meeting. The Annual General Meeting decides on matters such as the appropriation of profit and the formal approval of the actions of the Board of Management and Supervisory Board. It also elects the auditor as well as the shareholder representatives to the Supervisory Board.

With regard to general capital market communications, we undertake to comply with the transparency guidelines of the German Corporate Governance Code, always communicating with private shareholders and institutional investors comprehensively, promptly, and openly. This allows them to ask us questions about Company matters at any time. Furthermore, they can participate in the quarterly conference call held to coincide with the

publication of the Company's latest financial results. The call is subsequently made available on our website. In addition to the Capital Markets Day at the headquarters in Cologne, a Shareholders Day was held in 2024 that was specifically targeted at retail investors. A particular focus of the event was the presentation of the corporate strategy by members of the Board of Management of DEUTZ AG.

We communicate other current developments and significant events by means of press releases. For example, we also proactively seek to engage in ad hoc dialog with proxies in order to discuss matters such as their expectations or the business decisions that have been made and to jointly reflect on the underlying reasons. In addition, our Supervisory Board chairman as well as the Board of Management make themselves available to answer questions to properly registered investors and shareholders at the aforementioned Annual General Meeting at the very least.

Analysts: DEUTZ is currently covered by seven analysts who produce financial forecasts relating to the Company on the basis of their research. They thereby disseminate our Company's equity story, and their recommendations for buying, selling, or holding our shares are publicly available to everyone on our website. Ongoing dialog with these analysts is intended to support an appropriate valuation and trading liquidity of DEUTZ shares.

The Board of Management and the Investor Relations team are available for one-on-one meetings with analysts at conferences and roadshows, and by appointment in person, by email, or by telephone at all other times. In 2024, a Capital Markets Day was also held at the headquarters in Cologne to which institutional investors and analysts were invited. DEUTZ commissioned a perception study conducted at the Capital Markets Day, during which analysts and selected institutional investors were asked about the corporate strategy, in particular. The findings are taken into consideration for our future investor relations activities.

To date, we have not analyzed the interests and views of our key stakeholders as part of the due diligence and/or materiality assessment processes. However, as we are in regular contact with them in other ways, such as with our employees through their participation in the Supervisory Board or at works meetings, where strategy and business model are regularly discussed, or with our investors, such as at investor conferences and during conference calls, we are nevertheless aware of their interests and viewpoints in relation to our strategy and business model and can generally understand them.

DEUTZ regularly tests its strategy and continuously analyzes its current product and service portfolio. In doing so, the Company takes particular account of the interests of its shareholders, customers, and employees. By increasing its resilience, DEUTZ is establishing a more secure footing for the future while creating sustainable added value for its shareholders and secure jobs for its employees. Our customers benefit not only from a market-oriented portfolio that complies with current emissions regulations, but also from long-term supply relationships, as well

as from a comprehensive service offering over the lifetime of their engine.

In the course of optimizing its portfolio, DEUTZ sold Torquedo, a subsidiary specializing in electric boat drives, in April 2024 and thereby divested a loss-making business activity. [For further information](#), see 'Business performance in the DEUTZ Group', p. 48. Furthermore, DEUTZ acquired genset manufacturer Blue Star Power Systems in early August 2024. This US company develops, manufactures, and sells electricity generators (gensets) and is one of the leading manufacturers in the US market. The business of Blue Star Power Systems will form the core of the new Energy business unit, which will focus on decentralized energy supplies. As this business area is less cyclical, DEUTZ will stand on a more resilient footing. [For further information](#), see 'Strategy and objectives', p. 35.

The Supervisory Board and the Board of Management were informed about the interests and views of our stakeholders in relation to our sustainability-related impacts to the extent that the results of the stakeholder survey were presented to both governing bodies.

Governance


Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies

As a public stock corporation, DEUTZ has a two-tier system in accordance with German stock corporation law. Management and control are consequently exercised by two separate bodies: the Board of Management as the body responsible for executive management, and the Supervisory Board as the body that supervises the Board of Management. DEUTZ does not have an administrative body.

The Board of Management is the executive management body of DEUTZ AG and has four executive members.


The Supervisory Board is the supervisory body of DEUTZ AG. It is based on codetermination and has twelve non-executive members, six of whom are shareholder representatives and six are employee representatives. [For further information](#) on the composition of the Board of Management and Supervisory Board see Overview, p. 16 onward.


The Supervisory Board of DEUTZ AG is composed in such a way that, as a whole, it has the necessary expertise to provide comprehensive and effective advice to, and supervision of, the Board of Management in relation to all of the DEUTZ Group's business activities. This also means that the body as a whole has experience that is relevant to the DEUTZ Group's sectors, products, and geographical locations. Thanks to their education and/or professional background, the members have the necessary expertise and experience, such as in relation to the Company's main areas of activity and the associated markets and value chains. They also possess expertise in the strategic and sustainable development of the Company and of the relevant technologies, as well as knowledge of the sustainability/ESG

topics that are important for the Company.  For further information, see Qualification matrix, p. 25.

The composition of DEUTZ's Board of Management is also based on the objective that the members as a whole have the knowledge, skills, and professional experience required to fulfill their duties. This also enables them to categorize sustainability matters in specific sector-related, product-related, or geographical contexts. A dedicated selection process ensures that the individual members of the Board of Management possess relevant and necessary knowledge, skills, and professional experience. The Supervisory Board generally also seeks external advice as part of this process.

The résumés of the members of the Board of Management and the Supervisory Board are publicly available on the Company's website.

As at December 31, 2024, the Board of Management of DEUTZ AG consisted of three male members and one female member. The gender split on the Board of Management was consequently 25% female and 75% male. No changes occurred to the composition of the Board of Management during the year. This results in an average ratio of female to male members of the Board of Management of 33%.  For further information on the composition of the DEUTZ Board of Management, see the Corporate governance declaration and the Corporate governance report, p. 18 onward.

The Supervisory Board of DEUTZ AG was composed of eight men and four women as of the end of 2024. The gender split on the Supervisory Board was consequently around 33% female and around 67% male. No changes occurred to the composition of the Board of Management during the course of the year. This results in an average ratio of female to male Supervisory Board members of 50%.  For further information on the composition of the DEUTZ Supervisory Board Report of the Supervisory Board, see p. 10 onward.

All members of the DEUTZ AG Supervisory Board, in other words, 100%, are independent. The definition of independence is based on the German Corporate Governance Code, section C, II, as amended in April 2022.

The sustainability-related IROs are monitored at the top level by the DEUTZ AG Supervisory Board.

At Board of Management level, the topic of sustainability is generally the responsibility of CEO Dr. Sebastian C. Schulte, whereby the full Board of Management was responsible for monitoring the sustainability-related IROs in the 2024 reporting year.

At the operational level, sustainability matters are overseen and managed by DEUTZ's Sustainable Development Committee (SDC). It comprises the heads of the relevant departments and the individuals responsible for the key sustainability topics. Guided by the Group's Investor Relations function and the Quality Management team, the SDC develops criteria used by the Board of Management to set sustainability-related targets, creates action plans for achieving them, and discusses the continuous

improvement of sustainability efforts across the Group at regular intervals.

The responsibilities of individual bodies or persons in relation to our IROs are not yet formally set out in our mandates, nor in IRO-related policies, most of which do not yet exist either. Looking ahead to 2025, we intend to develop IRO-specific policies and establish a defined governance structure for monitoring and managing our material IROs. We will also formally define responsibilities and establish a reporting structure to ensure that IRO-related targets are tracked.

The Board of Management is authorized to make sustainability-related decisions and to monitor them. If it does not directly have the necessary expertise to do so, it consults with experts from the relevant areas and involves them in the decision-making process. Where there is a lack of essential knowledge, it is acquired through external training courses at management level or in the departments.

The Board of Management has direct access to sustainability expertise through the SDC management and is thereby able to make qualified decisions on sustainability-related topics.

The Board of Management is regularly informed about sustainability-related topics, and about progress with implementing the sustainability strategy and about changes to its content.

At Supervisory Board level, sustainability topics are discussed and monitored by the Supervisory Board as a whole, with sustainability-related resolutions prepared by the Audit Committee. To this end, the Supervisory Board and the Audit Committee are regularly informed by the Board of Management and/or SDC management about the DEUTZ Group's sustainability management and its ongoing development.

The members of the Board of Management and of the Supervisory Board regularly attend sustainability-related training sessions provided by external experts. More information is available in the relevant comments in the report of the Supervisory Board. The Supervisory Board can also call on the sustainability expertise of the SDC and ask its members to provide training on specific sustainability topics. The SDC members themselves have specialist expertise thanks to their training and/or professional background, and continuously expand their knowledge through external training courses and/or external advice.

DEUTZ systematically identified sustainability-related impacts, risks, and opportunities for the first time for this sustainability statement. Overall responsibility for monitoring sustainability-related impacts, risks, and opportunities now lies with the Chairman of the Board of Management, with the entire Board of Management involved as a matter of course.

DEUTZ ensures that the Chairman of the Board of Management has access to relevant expertise so that he can properly manage

impacts, risks, and opportunities. This is based on individual expertise or on direct access to other sources of knowledge, primarily the SDC.

The Board of Management and the SDC management informed the Supervisory Board of the results of the materiality process conducted in late 2023/early 2024, and about the findings of the review of the materiality assessment conducted at the end of 2024. In the future, the Supervisory Board will also be informed about strategies for managing impacts, risks, and opportunities so that it can fulfill its function as a supervisory body.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

In the 2024 reporting year, the Board of Management and the Supervisory Board of DEUTZ AG were informed twice about IROs identified as material. The SDC management presented the materiality matrix and then presented the IROs on which the assessment was based to the two Boards, and the assessment was discussed in detail. Subsequently, a review of the material IROs was conducted by the SDC at the end of 2024, which led to an adjustment of the materiality matrix. The adjusted materiality matrix on which this sustainability statement is based was presented to the Supervisory Board by the Board of Management.

As DEUTZ does not currently have any IRO-specific policies, metrics, and, for the larger part, targets in place, with the exception of the research and innovation topic, the Board of Management and the Supervisory Board could not be informed about their results or effectiveness in 2024. To date, it has also not been possible to take the identified IROs into consideration in decisions on major transactions. They are scheduled to be integrated into regular risk management in 2025.


Actions were already established in advance of the IRO assessment as part of the sustainability strategy in force to date and their implementation status was regularly reported to the Board of Management. The same applies in part to actions, metrics and targets related to research and innovation. As a consequence, the research and development ratio is one of the most important performance indicators in the internal management system, which is calculated and reported to management on a monthly basis.

The following overview shows the materials IROs that the Supervisory Board and the Board of Management of DEUTZ AG worked on in 2024.

Topic	IRO	
Climate change		
Climate change mitigation	GHG emissions in the product use phase	Impacts (negative)
Climate change mitigation	GHG emissions in own production	Impacts (negative)
Climate change mitigation	GHG emissions from transportation and logistics (upstream value chain)	Impacts (negative)
Climate change mitigation	GHG emissions from transportation and logistics (downstream value chain)	Impacts (negative)
Climate change mitigation	GHG emissions from energy-intensive production steps	Impacts (negative)
Climate change mitigation	GHG emissions from purchased metal components	Impacts (negative)
Climate change mitigation Energy	GHG emissions from non-renewable energy mix in countries of use	Impacts (negative)
Climate change mitigation	GHG emission reductions through the Green segment ⁹⁷	Impacts (positive)
Climate change adaptation	Loss of depth of value added due to electrified drive systems	Financial impacts (risk)
Climate change adaptation	Competitive advantages through emission-neutral products	Financial impacts
Pollution		
Air pollution Water pollution Soil pollution	Environmental pollution from the extraction and processing of raw materials	Impacts (negative)
Air pollution	Air emissions from fuel combustion in the use phase	Impacts (negative)
Occupational health and safety		
Health protection and safety	Health hazards for employees	Impacts (negative)
Company-specific topic		
Research and innovation	Negative environmental impacts due to one-dimensional	Impacts (negative)
Research and innovation	Knowledge transfer and positive synergy effects through networks and partnerships	Impacts (positive)
Research and innovation	Reducing emissions by avoiding fossil fuels	Impacts (positive)
Research and innovation	In-house initiative to design a low-emission engine	Financial impacts
Research and innovation	Growth through development in the hydrogen area	Financial impacts
Research and innovation	Growth through the Green segment	Financial impacts

⁹⁷ DEUTZ adjusted its previous segmentation as of January 1, 2025. While the Company's operating activities were still divided into the DEUTZ Classic and DEUTZ Green segments in the 2024 financial year, segment reporting now comprises the DEUTZ Engines & Services and DEUTZ Solutions segments. In addition to alternative drive systems, the DEUTZ Solutions segment comprises those business activities that extend beyond the production and servicing of engines and are located in markets where DEUTZ controls both technology and servicing. The DEUTZ Solutions segment will comprise the DEUTZ New Technology (formerly DEUTZ Green) and DEUTZ Energy divisions.

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

Our approach to incentive schemes and Board of Management remuneration is closely linked to sustainability matters at DEUTZ AG, and this is reflected in the remuneration system for the Board of Management. The system provides incentives for the systematic implementation of the Dual+ strategy and thereby supports the Company's long-term performance and success. The main features of the Board of Management remuneration system are summarized as follows: The annual remuneration of the members of the Board of Management of DEUTZ AG consists of both fixed and variable remuneration components. The fixed component is not performance-related and comprises basic remuneration, additional benefits, and company pension. Variable remuneration is performance-related and made up of two components, with members of the Board of Management receiving a short-term incentive (STI) with a term of one year, and virtual performance shares with a term of four years as a long-term incentive (LTI). With regard to variable remuneration, the Supervisory Board defines annual operational and strategic targets for the financial and non-financial performance criteria, which are based on operational management and the corporate strategy. The amount of variable remuneration depends on the degree to which the defined targets and/or performance criteria have been met.  For further information, see the 'Remuneration report', p. 144 onward.

The STI and LTI are directly linked to sustainability-related and climate-related considerations, which are included as part of the variable remuneration in the form of non-financial performance criteria. The performance assessment for the STI is mostly based on specific sustainability targets, which are set annually by the Supervisory Board to incentivize the most important strategic initiatives in a targeted manner. The criteria chosen by the Supervisory Board relate to environmental and climate targets, alternative drives, corporate governance, occupational health and safety, diversity, personnel development, and supply chains. The following are some of the environmental and climate-related criteria that the performance assessment was based on in 2024: installation of a pilot plant for hydrogen production for supplying energy to a site, conversion of a site's fleet to HVO, and definition of the requirements for optimizing a component in the Classic segment. The further targets for the year under review are presented in the 2024 Remuneration Report.

The performance assessment for the LTI is mostly based on specific sustainability metrics and/or criteria that are embedded in the remuneration system. For the 2024 tranche and regularly thereafter, the performance criteria are made up of the climate-related targets 'Revenue in the Green segment' and 'Carbon emissions of the production sites (in tonnes of CO₂ equivalents) in relation to Group revenue' (environmental dimension), and of non-climate-related social targets (social dimension). The social targets are based on three equally weighted performance criteria: 'ratio of trainees to total employees', 'staff turnover', and

'employee enablement'. At the start of each financial year, the Supervisory Board sets demanding threshold, target, and cap values for the sustainability performance criteria for each new LTI tranche, which are valid for the entire four-year term of the tranche. The performance of the members of the Board of Management is consequently assessed in line with the GHG target of DEUTZ AG of reducing carbon emissions relative to Group revenue by 2029.⁹⁸ The Supervisory Board has the right to amend the sustainability performance criteria, include additional targets, and omit targets for the LTI tranches from 2025 onwards. This will enable it to react appropriately to short-term developments and any strategic changes. Should the Supervisory Board exercise this right, the sustainability performance criteria are published in the remuneration report in which the decision is made.

The STI and LTI account for 56% (CEO) and 54% (ordinary members of the Board of Management) of the target total direct remuneration (sum of basic remuneration, STI, and LTI with 100% target achievement of variable remuneration), which means that the proportion of remuneration linked to sustainability-related targets or performance criteria and climate-related considerations is 56% and 54% respectively (calculation basis, including for the following percentages, unless stated otherwise: target remuneration, STI 2024, and LTI 2024–2027).

The proportion of variable remuneration linked to sustainability-related targets and/or performance criteria was around 23.3% in 2024. From 2025, the strategy targets and the sustainability targets in the STI will be combined into sustainability targets and strategy implementation targets, and weighted at 40% in total. Assuming that half of the sustainability targets and strategy implementation targets are sustainability-related targets, the proportion of variable remuneration linked to sustainability-related targets and/or performance criteria will be around 25.5% from 2025.

The proportion of variable remuneration exclusively linked to climate-related targets and/or performance criteria was 13% in 2024. The proportion of target total direct remuneration linked to climate-related targets is 7.3% (Chairman of the Board of Management, equates to 56% x 13%) and 7.0% (ordinary members of the Board of Management, equates to 54% x 13%).


The Human Resources Committee is preparing recommendations for the Board of Management remuneration system, which are partially based on the recommendations and suggestions of the German Corporate Governance Code, as amended. The Supervisory Board discusses the recommendations of the Human Resources Committee and approves the Board of Management remuneration system.

The terms of the incentive schemes for the Board of Management are always approved and updated by the Supervisory Board. If the Supervisory Board decides to make significant changes to the

⁹⁸ Target set by DEUTZ that does not represent an ESRS-compliant GHG emission reduction target.

remuneration system, it is submitted for approval at the next Annual General Meeting.

Our approach to incentive schemes and remuneration for members of the Supervisory Board has three main components: fixed remuneration, any additional committee remuneration, and attendance fees. As all components are non-performance-based, sustainability matters and climate-related considerations are not factored into the remuneration system of the Supervisory Board, in line with market practice.

Our compliance with disclosure requirements is consistent with the remuneration report prescribed in articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies.  For further information, see 'Remuneration report', p. 144 onward.

Disclosure Requirement GOV-4 – Statement on due diligence

The following table shows how and where our sustainability statement presents the application of key aspects and steps of the due diligence process:

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy, and business model	GOV-1: The role of the administrative, management and supervisory bodies GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3: Integration of sustainability-related performance in incentive schemes SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2: Interests and views of stakeholders GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities S1-2: Processes for engaging with the Company's own workforce and workers' representatives about impacts
c) Identifying and assessing adverse impacts	SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model. IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-3: Actions and resources related to climate policies, metrics and targets E2-2: Actions and resources related to pollution S1-1: Policies related to the Company's workforce S1-4: Actions related to material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches
e) Tracking the effectiveness of these efforts and communicating	E1-5: Energy consumption and mix E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions E2-4: Air, water, and soil pollution S1-6: Characteristics of the Company's employees S1-14: Occupational health and safety metrics S1-17: Incidents, complaints and severe human rights impacts

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

Our risk management system and internal control system (ICS) for sustainability reporting meet the requirements of appropriate and effective sustainability-related internal control processes. The configuration of the ICS is characterized by the control environment, which forms the framework within which the principles, procedures, and actions are applied; the risk assessment to identify, analyze, and assess risks; the control activities to manage the identified risks; the information and communication to present all information related to the ICS; and the monitoring of the ICS. According to the configuration of the ICS for sustainability reporting, the ICS looks at the definition of the relevant process activities for sustainability reporting, the identification of the risks inherent in the process, and the analysis and documentation of the risk-managing controls. As a process-independent monitoring body, Corporate Audit reviews the appropriateness and effectiveness of the ICS for sustainability reporting. The findings of these reviews are reported directly to the Board of Management, the ICS coordination team, and the process owners in sustainability reporting, and allow DEUTZ to eliminate any deficiencies that have been identified and ensure that the ICS is continually refined.

Unlike our risk management system, the ICS primarily uses a qualitative risk assessment approach. A catalog of risks inherent in processes will be defined for sustainability reporting and is to be managed through internal controls. These risks are generally assessed and prioritized in the categories 'high', 'medium', and 'low', and are evaluated qualitatively, taking into consideration possible influencing factors such as the scale of the damage (such as significant material and/or reputational risks, potential liability, illegality) and the likelihood of occurrence (such as significant negative prior experience, fragmented and complex structures). Medium to high risks that are inherent in processes are added to the risk catalog. Risks that are already low at the level of inherent risk are not considered in the ICS analysis as they are not material.

An incomplete materiality assessment, the inaccurate collection of metrics, and the failure to prepare and submit reports on time were the main risks identified by the risk assessment conducted for the ICS of previous sustainability reporting. As a mitigation strategy to minimize the aforementioned risks, an ESG and IR manager has been appointed who monitors the process and supports risk management and/or implements risk management measures herself. These risk management measures and controls include checklists, plausibility checks, having work checked by another member of staff, and regular interdepartmental meetings at which tasks are assigned and progress is monitored.

The risk assessment and the identification, analysis, assessment, and documentation of these risk management activities is conducted by the ICS coordination team and in ongoing dialog with process owners in sustainability reporting. The integration of internal functions and processes is a fundamental prerequisite in

the ICS methodology. Consequently, the results of the risk assessment and internal controls are integrated into the ICS methodology throughout the sustainability reporting process by involving the relevant internal functions, primarily via joint meetings.


The results of the risk assessment and the status of the internal control system for sustainability reporting are communicated to the Supervisory Board and/or its Audit Committee, to the Chief Financial Officer of DEUTZ AG, and the DEUTZ AG Board of Management on an ad hoc basis. Reasons to do so include upcoming changes to processes and subsequent reviews or audits of the ICS for sustainability reporting. The Chief Financial Officer of DEUTZ AG is regularly informed of all material ICS matters by the head of the central ICS coordination team. Once ICS documentation has been completed, the Board of Management and the process owners are informed of significant insights. The material information includes the processes and risks within the scope, the identified controls, and the recommendations for action.

The Chief Financial Officer or the head of the central ICS coordination team reports to the Supervisory Board and/or its Audit Committee. The reports enable the Board of Management and the Supervisory Board to monitor the appropriateness and effectiveness of the ICS for sustainability reporting.

Materiality assessment and results based on the double materiality principle

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

The double materiality assessment was conducted as part of a comprehensive process to identify, assess, prioritize, and monitor potential and actual impacts on people and the environment, as well as risks and opportunities that may in turn have a financial impact on the Company.

The double materiality assessment in accordance with CSRD forms the basis for the content of our current and future sustainability statement and replaces our previous materiality assessment process. Significant differences compared to the previous process include the application of the double materiality principle, formal stakeholder interviews, the consideration of impacts, the factoring in of general risk management methods into the assessment, and the inclusion of the entire value chain. The double materiality process was conducted in collaboration with an external consultancy firm in the 2024 financial year. We intend to review the results of the materiality assessment every year going forward and perform the assessment ourselves every three years.  For further information on the previous materiality analysis, see the Non-financial report 2023, p. 115.

The materiality assessment followed a systematic approach based on ESRS 1 chapter 3. The process is as follows:

Establishment of an internal expert group: An internal project group was established to carry out the double materiality assessment. Its members were drawn from a wide range of departments in order to include expertise in environmental, social, and business-specific areas. The expert group was informed about the methods and procedure as well as the scope of consolidation at an early stage. The procedure was agreed with the DEUTZ Board of Management.

Scope of the materiality assessment: The materiality assessment covered the entire value chain of the DEUTZ Group and included the supply chain, own operations, and the product use phase and end-of-life treatment. The analysis did not exclude any specific activities, business relationships, or geographies.

Identification of sustainability topics: Relevant sustainability topics were identified by means of a context analysis and aggregated and described in a topic list. In addition to topics touched upon in CSRD and/or ESRS, the topic list also included the entity-specific topic 'Research and innovation'.

Involvement of stakeholders: Representatives of various internal and external interest groups were involved in the process through

our stakeholder survey. Stakeholders involved included the Supervisory Board, the Works Council, and the managing directors of sites outside of Germany, as well as customers, suppliers, trade associations, and the capital markets. Each representative was asked about actual or potential impacts, risks, and opportunities in the context of the topic list, and they were able to add qualitative and quantitative information about categorization.

Collection of potential and actual impacts, risks, and opportunities: The internal expert group evaluated the results of the stakeholder survey and, guided by external sustainability consultants, collected potential and actual negative and positive impacts on people and the environment resulting from our business.

Impacts mainly arise from our business model and the associated use of raw materials, human resources, and industry-specific aspects. In order to identify sustainability-related risks and opportunities, we mainly looked into dependencies on resources and their availability along our supply chain and value chain. We also checked which risks and opportunities are behind the identified impacts.

Assessment of materiality: For the current materiality process, we applied the criteria described in ESRS 1, chapter 3 for assessing impact materiality and financial materiality.

For actual adverse impacts, materiality is based on the severity of the impact, while for potential adverse impacts it is based on the severity and likelihood of occurrence of the impact. Positive impacts are categorized according to their scale and scope, and, in the case of potential positive impacts, also their likelihood of occurrence.

The financial materiality of risks and opportunities was assessed based on the likelihood of occurrence and the scale of the potential financial implications (risk/opportunity) in relation to the results of operations, specifically EBIT. The assessment scales or monetary and percentage thresholds for the extent of the damage or benefit as well as for the probability of occurrence correspond to those used in general Group-wide risk management.

Supporting parameters in the assessment process: Where available, we used quantitative data in the assessment of impacts, risks, and opportunities in order to make the assessment as objective as possible. Quantitative base data included the number of accidents at work (for impacts on the own workforce and on health and safety) and CO2 emissions (for impacts on climate change). These data sources were put into context by internal expert groups and supplemented by desktop research on specific sustainability matters.

Making decisions and monitoring the results of the materiality assessment: As soon as discrepancies arose in the materiality assessment process, other stakeholders and/or – where possible – reliable quantitative data sources were consulted for an objective assessment.

Monitoring the results of the materiality analysis: Overall, the entire materiality assessment was subject to a rigorous control procedure. The final results of the materiality assessment were validated more than once, first by internal experts and then by the Board of Management. The process has not yet been integrated into due diligence processes and management approaches.

The process to identify, assess, and manage impacts and risks has not yet been integrated into the overall risk management process. As a consequence, key IROs were identified independently of the regular risk management process. Despite this, sustainability-related risks and opportunities identified as material were integrated into the overarching risk management system or used to assess the general risk profile. ESRs 2 IRO-1 53c iii We did not prioritize identified sustainability-related risks relative to other types of risk.

	Negative impacts ⁹⁹	Position in the value chain
E1	Negative contribution to climate change through GHG emissions in own production (through energy consumption and fuel combustion) (A)	Own business activities
E1	Negative contribution to climate change due to GHG emissions from energy-intensive production steps (A)	
E1	Negative contribution to climate change through GHG emissions from transportation in the supply chain & logistics (upstream) (A)	Upstream value chain Geographical location: Global
E1	Negative contribution to climate change through GHG emissions in the upstream value chain (Scope 3.1) through the purchase of metal components (such as steel)	
E1	Negative contribution to climate change through GHG emissions in the downstream value chain through transportation and logistics (downstream) (A)	Downstream value chain Geographical location: Global
E1	Negative contribution to climate change through GHG emissions in product use phase (A)	
E1	Negative contribution to climate change through potential GHG emissions in the use phase due to non-renewable energy mix in countries of use (P)	
E2	Negative contribution to environmental pollution through raw material extraction and processing, especially of steel and aluminum (A)	Upstream value chain Geographical location: Global
E2	Negative contribution to pollution due to air emissions from fuel combustion in use phase (A)	Downstream value chain Geographical location: Global
S1	Negative contribution to own workforce due to potential health risks (occupational safety) (P)	Own business activities
F&I	Negative contribution to climate change through one-dimensional R&D, especially in further development of the combustion engine (A)	Own business activities and downstream value chain
	Positive impacts	
E1	Positive contribution to climate change mitigation through GHG emission reductions by the Green (A)	Own business activities
F&I	Positive contribution to climate change mitigation through potential GHG emission reductions by avoiding fossil fuels (P)	Own business activities and downstream value chain
F&I	Positive contribution to industry transformation through potential knowledge transfer and positive synergy effects through networks and partnerships (P)	All stages of the value chain
	Risks	
E1	Finanzielles Risiko durch Verlust an Wertschöpfungstiefe durch fortschreitenden Umstieg auf elektrifizierte Antriebssysteme	Own business activities Asset: Revenue
	Chancen	
E1	Financial benefit through competitive edge with emission-neutral products	Own business activities Asset: Revenue
F&I	Financial benefit through increase in market share through the 'Green' segment	Own business activities Asset: Revenue
F&I	Financial benefit through increased market share in the hydrogen sector	
F&I	Financial benefit through increased market share in the area of low-emission engines	

In this report, we clearly differentiate between the impacts, risks, and opportunities covered by the disclosure requirements of ESRS, and those that we cover through additional entity-specific disclosures. These refer to the 'Research and Innovation' topic, which was identified as material by our materiality assessment due to its importance to the Company's transformation. Related information can be found in the 'Entity-specific information' chapter.

As the 2024 report involved carrying out a materiality assessment in accordance with the requirements of CSRD for the first time, no comparative information on material impacts, risks, and opportunities from previous reporting periods is available. Topic-specific disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

IRO process regarding climate change and pollution: With regard to the procedure for identifying and assessing material impacts, risks, and opportunities, please refer to our non-topic-specific IRO 1 disclosures on pages 98 onward. In line with the process described there, an IRO assessment was also conducted on the

topics of climate change and pollution, with the result that these are material for us.

Climate-related physical risks: In addition to the climate impacts we cause, climate change poses a risk to us. With regard to climate-related physical risks, we identify potential hazards for our operations and production. As a minimum, we take into consideration climate scenarios with high emissions (RCP8.5) and assess the vulnerability of our assets and business activities to gross physical risks, such as changes in air temperature, heat waves, and water shortages. Based on the climate risk analyses prepared by an external service provider, we see a need for action in Morocco in relation to the current and future conservation of water resources in the region. Global climate effects also have impacts on our business model and our strategy.

Climate-related transition risks and opportunities: With regard to climate-related transition risks and opportunities, we analyze transition events resulting from global adaptation to a climate scenario that takes into consideration the limitation of global warming to 1.5 °C. As a result of increasing global warming, we expect demand for classic diesel-powered combustion engines (formerly DEUTZ Classic) to decrease. For the same reason,


⁹⁹ (A) = actual, (P) = potential.

however, we also anticipate higher demand for our New Technology products.

Assessment of climate-related risks and opportunities: We see a potential negative impact on EBIT due to the loss of depth of value added as a result of the stronger focus on electrified drive systems. At the same time, the transition to a low-emission product portfolio may have a positive impact on EBIT. We regard the creation of new jobs and the increase in production volume as an opportunity, as low-emission products are increasingly being demanded by policymakers, society, and customers. We view all of the aforementioned transition events as long-term events with a duration of more than five years.

We will identify the climate-related physical risks in our upstream and downstream value chain in the 2025 financial year.


IRO process relating to water and marine resources, biodiversity and ecosystems, as well as resource use and circular economy:

In its double materiality assessment, DEUTZ examined whether, in relation to the topics 'Water and marine resources', 'Biodiversity and ecosystems', and 'Resource use and circular economy', actual or potential impacts, risks, and opportunities occur in its own operations and/or in its upstream or downstream value chain. 

For further information on the general process for determining and assessing material effects, risks, and opportunities, see p. 96 onward. The outcome was that the aforementioned topics are deemed not material.

Our assets were not reviewed as part of the aforementioned process and the stakeholder group of affected communities was not consulted.

Dependencies as well as transition risks and physical risks for biodiversity and ecosystems: As far as IROs relating to the topic of 'Biodiversity and ecosystems' are concerned, there was no identification and consequently no assessment of dependencies on biodiversity and ecosystems and their services at our own sites and within our upstream and downstream value chain. Furthermore, no transition risks and physical risks or opportunities in connection with biodiversity and ecosystems were identified, nor were systemic risks taken into consideration.

Locations in vulnerable areas and remedial actions: In the course of checking our compliance with the DNSH principles relating to environmental objective 6 of the EU Taxonomy Regulation, we analyzed our key locations to see whether we have sites in or near biodiversity-sensitive areas and whether activities related to these sites negatively affect these areas by causing degradation of natural habitats and species habitats and disturbance to the species for which the conservation area has been designated. The results did not indicate any significant harm to biodiversity and ecosystems, leading us to conclude that no remedial action relating to biodiversity needs to be taken.  For further information, see

'Disclosures pursuant to Article 8 of the EU Taxonomy Regulation', p. 107.

IRO process in relation to governance: For the 'Governance' topic, a comprehensive analysis along the entire value chain was also conducted, including our own business activities and sectors. As

a result of our double materiality analysis, the 'Governance' topic was classified as not material.

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

In this sustainability statement, we have complied with the ESRS disclosure requirements as set out in the Content Index on page 133 onward. There we have also included a list of all data points deriving from other EU legislation, as listed in Appendix B of ESRS 2. Where we omit information prescribed by a datapoint that derives from other EU legislation listed in Appendix B of ESRS 2, the information in question is 'not material'.

The materiality of information on the sustainability topics described in detail in this sustainability statement was determined in a double materiality assessment in accordance with ESRS 1 section 3.2. The usefulness of these topics in the decision-making process was evaluated in the final step of the assessment. This involved checking the relevance for the regulatory requirements of ESRS 1, for the Company's strategy, and for the material stakeholders. The threshold values defined in the materiality assessment were supplemented and validated by the scope of the strategic direction of DEUTZ and of the relevant stakeholders. This process step did not change the materiality results.

Environmental information

Material impacts, risks, and opportunities and their interaction with strategy and business model.

Our materiality analysis has identified significant IROs in the environmental area that are of key importance to DEUTZ.

The most significant **impacts** are, firstly, our contribution to climate change and, secondly, our contribution to climate change mitigation. For example, we release greenhouse gas emissions primarily through our production activities, as well as through the transportation of our products. This is usually driven by high energy consumption or fuel combustion in production. In our upstream and downstream value chain, we also contribute to climate change through our business relationships, such as by purchasing metal components and processing them further.

Negative impacts on the environment – particularly on water, soil and air – are primarily caused by the extraction of raw materials in our upstream value chain and fuel combustion. At the same time, our 'Green' segment also has a positive impact on the environment and helps to protect our climate, while promoting the overall transition to low-emission technologies and engines.

However, the strong focus on electrified drive systems also poses a **risk** for DEUTZ, as this goes hand in hand with a loss of our depth of value added. At the same time, this also presents us with **opportunities**, as a strong, low-emission product portfolio can give us a competitive edge.

ESRS 2 SBM-3 48 c) The following table presents the effects of our climate and environmental impacts in detail and shows how they are linked to our business model.

Impacts	Type and extent of impact	Link to business model	Impact trigger	Expected time horizon of impact
Negative contribution to climate change through GHG emissions in own production (energy consumption and fuel combustion) (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Negative contribution to climate change due to GHG emissions from energy-intensive production steps (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions from transportation in the supply chain and logistics (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in the upstream value chain (Scope 3.1) through the purchase of metal components (such as Steel) (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in the downstream value chain through transportation and logistics (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers, and disposal companies)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in product use phase (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Long-term (> 5 years)
Negative contribution to climate change through potential GHG emissions in the use phase due to non-renewable energy mix in countries of use (E1)	Negative potential impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Medium-term (1 to 5 years)
Negative contribution to pollution through raw material extraction and further processing, especially of steel and aluminum (E2)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Short-term (> 1 year)
Negative contribution to pollution due to air emissions from fuel combustion in use phase (E2)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Short-term (> 1 year)
Positive contribution to climate change mitigation through GHG emission reductions by the Green segment (E1)	Positive actual impact on the environment	An important element of the DEUTZ business model	Effects arise directly from DEUTZ	Long-term (> 5 years)

The main risks and opportunities relating to the environmental sector that arise from our business activities can have financial

impacts on our financial position. For this reason, our focus is on proactively minimizing risks and exploiting opportunities in order

to limit negative financial impacts while at the same time leveraging long-term opportunities and realizing resultant

potentials. The following table shows the effects of the financial risks and opportunities that we have identified as material.

Risks/opportunities (including risks for which an adjustment of carrying amounts is required in the next reporting period)	Current financial effects of risks/opportunities	Expected financial effects of the impacts (short, medium and long term)¹⁰⁰	Expected time horizons for financial effect¹⁰¹
Financial risk due to loss of depth of value added as the switch to electrified drive systems progresses (E1)	€50 million to €75 million	n.a.	n.a.
Financial opportunity through competitive edge with emission-neutral products (E1)	> €75 million	n.a.	n.a.

The IROs we have identified as material currently have no influence on our business model, our value chain, or our strategy. To this extent, we have not made any changes to our strategy or business model as a result of their identification. However, we intend to take the IROs identified as material in the environmental area into consideration in the further development of our corporate strategy and consequently in related decision-making processes in future. In addition, prior to conducting our double materiality analysis, we set ourselves the goal of offering a climate-neutral product and technology portfolio by 2050 at the latest, which goes hand in hand with a gradual transformation of our portfolio and the further development of our strategy and business model.

We aim to effectively manage significant impacts and risks and optimally leverage significant opportunities. To this end, we will review our strategy and business model in the current financial year in terms of their resilience to environmental risks. We will publish the results of the aforementioned analysis in our sustainability statement for the 2025 financial year.

¹⁰⁰ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

¹⁰¹ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

Climate change

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

We do not currently have a transition plan. We plan to set 2025 as the publication year for the transition plan.

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

As we are currently in the process of developing our sustainability strategy, we do not yet have any policies to manage the material impacts, risks and opportunities we have identified in connection with mitigating climate change and adapting to its consequences.

Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

Pursuant to ESRS 2 MDR-A, the key measures applied and planned in the reporting year to combat climate change include the following:

- In addition to many energy efficiency projects such as the use of LED lighting in Cologne, Ulm, and Zafra, and an energy-efficient roof refurbishment at the Herschbach site, we also commissioned a photovoltaic system with an output of 750 kWp in Cologne-Porz. Further PV systems are planned for 2025 in Herschbach (99 kWp) and two in Cologne-Porz (518 kWp and 528 kWp). We currently expect these to go into operation in 2025. Further actions to reduce Scopes 1, 2 and 3 are still being developed and will be published together with the transition plan.
- We do not consider the investment and operating costs required to implement the existing and planned actions to be significant in relation to the total investment and operating costs and consequently do not report them separately.

Of the actions mentioned, the roof renovation in Herschbach as well as PV systems and the LED replacement are to be regarded

as decarbonization levers. The roof renovation in Herschbach results in an emissions reduction of 27 tCO₂e per year. This emissions reduction can be expected annually, depending on the thermal energy used. For electricity-related actions, the purchase of green electricity results in an emissions reduction of 0 tCO₂e.

Our ability to implement the necessary actions depends on resource availability and allocation. Continuous access to funding at affordable capital costs is crucial for the implementation of our actions.

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

We are currently pursuing a non-ESRS-compliant target aimed at reducing GHG emissions in relation to consolidated revenue by 2029. Emission reduction targets for Scopes 1, 2 and 3 will be published together with the transition plan.

We have not tracked the effectiveness of our actions on the material sustainability-related impacts, risks, and opportunities.

Disclosure Requirement E1-5 – Energy consumption and mix

We collect only real energy consumption data from our production sites. For our sales and service locations, we extrapolate by using the average energy consumption of an office employee in Cologne and multiplying it by the number of employees at the individual companies.

Steam, heat, or cooling generated as 'waste energy' from the industrial processes of a third party are recognized under 'purchased or acquired' energy. We classify renewable hydrogen as a renewable fuel. Hydrogen that is not completely derived from renewable sources is included under 'fuel consumption from other non-renewable sources'. As a company that operates exclusively in sectors with a high climate impact, we disclose the information required by ESRS E1-5 37 a).

Energy consumption of the production sites

	2024
(1) Fuel consumption from coal and coal products [MWh]	0
(2) Fuel consumption from crude oil and petroleum products [MWh]	17,854
(3) Fuel consumption from natural gas [MWh]	26,393
(4) Fuel consumption from other fossil sources [MWh]	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	5,328
(6) Total fossil energy consumption [MWh] (calculated as the sum of lines 1 to 5)	49,575
Share of fossil sources in total energy consumption [%]	39.5
(7) Consumption from nuclear sources [MWh]	460
Share of consumption from nuclear sources, in total energy consumption [%]	0.4
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	1,005
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	73,089
(10) The consumption of self-generated non-fuel renewable energy [MWh]	1,238
(11) Total renewable energy consumption [MWh] (calculated as the sum of lines 8 to 10)	75,332
Share of renewable sources, in total energy consumption [%]	60
Total energy consumption [MWh] (calculated as the sum of lines 6, and 11)	125,368

We have identified the following sectors, including NACE codes, with a significant impact on the climate, which are used to determine energy intensity:

- 27.11 Manufacture of electric motors, generators and transformers,
- 27.2 Manufacture of batteries and accumulators,
- 28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines.

Energy intensity of activities in »sectors with a high climate impact«

	2024
Energy intensity per net revenue [MWh/T€]	69.12
Net revenue attributable to activities in high climate impact sectors [€]	1,813,664,681
Total net sales (annual financial statements) [€]	1,813,664,681
Total Energy consumption attributable to activities in high climate impact sectors [MWh]	125,368

Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Gross Scope 1, 2, 3 and total GHG emissions ^{102,103}	Reporting year (N)
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions [tCO ₂ e]	10,038
Percentage of Scope 1 GHG emissions from regulated emission trading schemes [%]	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions [tCO ₂ e]	12,372
Gross market-based Scope 2 GHG emissions [tCO ₂ e]	824
Significant Scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions [tCO ₂ e]	19,571,152
(1) Purchased goods and services [tCO ₂ e]	541,968
(4) & (9) Up- and downstream transportation and distribution [tCO ₂ e]	21,400
(11) Use of sold products [tCO ₂ e]	19,008,054
Total GHG emissions	
Total GHG emissions (location-based) [tCO ₂ e]	19,593,562
Total GHG emissions (market-based) [tCO ₂ e]	19,582,014

To calculate our Scope 2 greenhouse gas emissions, we used location and market-based methods as prescribed. For location-based emissions, we have used average emission factors for energy generation for the defined locations, while for market-based emissions we have quantified the greenhouse gas emissions of the producers from whom we have contractually purchased electricity in a package with instruments. We have also provided information on the proportion and types of contractual instruments used for the purchase and sale of energy packaged with energy generation attributes. These instruments include green certificates for electricity, which account for 92.96% of total electricity consumption.

Within our consolidated accounting group, which comprises employees from both the parent company and the subsidiaries, our total Scope 1 emissions amounted to 10,038 tCO₂e. As far as Scope 2 emissions are concerned, our consolidated accounting group reported a total of 824 tCO₂e of gross market-based GHG emissions and 12,372 tCO₂e of gross location-based GHG emissions.

Associated companies, joint ventures, and non-consolidated subsidiaries that are not fully included in the financial statements of our consolidated accounting group were not recognized.

GHG intensity per net sales	2024
Net sales for calculating the GHG intensity [€]	1,813,664,681
Total net revenue (annual financial statements) [€]	1,813,664,681
Total GHG emissions (location-based) [tCO ₂ e]	19,593,562
Total GHG emissions (market-based) [tCO ₂ e]	19,582,014
Total GHG emissions (location-based) per net revenue [tCO ₂ e/T€]	10.8033
Total GHG emissions (market-based) per net revenue [tCO ₂ e/T€]	10.7969

Scope 1 and 2 emissions are calculated from our companies' energy consumption. We use the entities' actual energy consumption to determine the GHG emitted from production sites. For the remaining companies (sales and service locations), we extrapolate the emissions. To this end, we have created a DEUTZ-specific factor that reflects the annual energy consumption of an office employee. Using the companies' full-time equivalents, we can then determine the total energy

consumption and the associated emissions of the Scope 1 and 2 categories for each company.

To prepare the disclosure of our Scope 3 greenhouse gas emissions, we applied the weight and expenditure-based method in Scope 3.1 and emission factors from the Ecolnvent database. Applying the weight-based method, we accounted for the direct purchased goods according to material composition. The

¹⁰² The base year corresponds to the reporting year.

¹⁰³ No milestones and target years are listed, as no ESRs-compliant GHG targets have been set.

expenditure-based method was used for indirect purchased goods and we calculated the emissions on the basis of purchase value.

For Scope 3.4, primary data from freight forwarders in the form of carbon reports was used for the most part. Furthermore, a safety margin of 10% was defined to cover any potential non-inclusion. The emission factors used to calculate individual transportation emissions are taken from the UK government's Department for Business, Energy & Industrial Strategy (DBEIS).

The Engine Cloud forms the data basis for the Scope 3.11 calculation. This contains real engine consumption data from our customers, which, together with the number of units sold worldwide, allows us to determine the emissions for real engine behavior. The emission factors for the fuels are also derived from the UK government's DBEIS and the EcolInvent emissions database. As real consumption data are not available for all engine types, a linear extrapolation was conducted from 80% coverage in accordance with the GHG protocol. Coverage of 88.2% was achieved for 2024, resulting in an extrapolation of 11.8%.

These categories include indirect Scope 3 greenhouse gas emissions that originate from the consolidated accounting group, which includes both the parent company and its subsidiaries.

We update our Scope 3 greenhouse gas emissions for each significant category annually based on current activity data. Our complete Scope 3 greenhouse gas inventory is updated after a significant event. The calculation of our Scope 3 greenhouse gas emissions is based on data from activities within our Company's upstream and downstream value chain. The calculated greenhouse gas emissions include all greenhouse gases from the Kyoto Protocol and are stated in CO₂ equivalents.

We did not emit any biogenic emissions from the incineration or biodegradation of biomass during the reporting period.

The calculation of our Scope 3 greenhouse gas emissions is based on data from activities within our Company's upstream and downstream value chain. A total of 85.65% of our Scope 3 greenhouse gas emissions are determined using primary data that we obtain directly from our suppliers or other partners in our value chain.

Our inventory of Scope 3 greenhouse gas emissions comprises three categories, including Scopes 3.1, 3.4, and 3.11. In particular, certain Scope 3 categories were deliberately excluded from the inventory. For example, Scopes 3.10, 3.14, and 3.15 are not relevant scopes, as our products are not further processed, we do not operate a franchise, and we are not a financial company. Although the remaining Scope 3 categories include emissions, they are immaterial in total.

Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

No projects to reduce or mitigate greenhouse gases were financed through carbon credits in the reporting period.

Disclosure Requirement E1-8 – Internal carbon pricing

No internal carbon pricing schemes were used in the reporting period.

Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Due to the phase-in provision for chapter E1-9, we are not reporting on the data points contained therein this year.

Pollution

Disclosure Requirement E2-1 – Policies related to pollution

We analyze our environmental impacts in order to identify opportunities and risks and to improve our environmental performance. Our existing DIN EN ISO 14001 environmental certification has been an obligation for us since our initial certification in 2017, and this certification serves as proof that we have implemented the requirements of this standard. Our commitment as part of our environmental certification includes considering our Company's negative environmental impacts, including prevention and control, as well as the avoidance of incidents and emergency situations. Applicable EU regulations and international directives that are binding for us, in particular the CLP Regulation, the REACH Regulation and the RoHS Directive, require us to substitute and minimize the use of substances of concern, especially for non-essential social purposes and in consumer products.

ESRS-compliant policies for dealing with material sustainability aspects were not yet adopted in the reporting year. We are reporting in accordance with ESRS for the first time and have consequently focused on our double materiality analysis this year. Corresponding policies are currently being developed and will be specified in the following year.

Disclosure Requirement E2-2 – Actions and resources related to pollution

In recent years, we have significantly reduced the air pollution caused by our production processes by introducing an optimized engine testing process at our site in Cologne. This process shifts the greater part of an engine test to the cold state, as a consequence of which the engine is not powered by fossil fuel combustion during the test phase. This reduces the emissions produced by the conventional combustion test method. We are continuously improving the testing processes for our engines.

All of our engines are certified for the use of HVO (Hydrotreated Vegetable Oil; paraffinic fuel according to EN 15940). In addition to the option for our customers to run their engines on HVO, HVO is also used in our test benches and for refueling auxiliary vehicles at our Cologne site. The use of HVO fuels significantly improves the carbon footprint of DEUTZ engines. To further reduce our Scope 1 and 2 emissions, we will also continue to gradually switch fuel consumption in our internal operating processes from conventional diesel to HVO.

With regard to substances of very high concern (SVHC) in our products, we work together with our suppliers on an ongoing basis with the aim of being able to bring our products to market in a more environmentally compatible way. We have enshrined key requirements relating to environmental protection and sustainability in our current terms and conditions of purchase and our Supplier Code of Conduct.

We do not consider the investment and operating costs required to implement these actions to be significant in relation to the total investment and operating costs and consequently do not report them separately.

Specific targets relating to the sustainability aspects identified as material and environmentally relevant were not yet agreed in the 2024 financial year. By focusing on the double materiality analysis, we will plan the targets at a later date and specify them in the following year.

With regard to activities aimed at reducing SVHC substances in products, we are in regular contact with our suppliers in order to be able to source components with an alternative chemical composition. The Material Compliance unit ensures that, for example, engines already produced are continuously evaluated in relation to compliance with a wide range of environmental legislation and regulations and that processes are successively optimized in relation to materials and substances used. Our measures relate to direct and indirect contact and exchange with our suppliers in the upstream and downstream value chain.

Disclosure Requirement E2-3 – Targets related to pollution

We have not yet set any measurable outcome-oriented targets.

The effectiveness of measures relating to pollution in terms of impacts, opportunities, and risks is not monitored at present.

Disclosure Requirement E2-4 – Pollution of air, water and soil

This section reports on quantitative information that has an impact on the environment through our own activities and not through the upstream and downstream value chain. As a result of our materiality analysis, however, we only have impacts on the environment from the extraction and processing of raw materials and from air emissions during the combustion of fuel in the use phase of the engines. In other words, the negative impacts occur in our upstream and downstream value chain.


Disclosure Requirement E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities

We are not reporting in this financial year on the financial impacts, opportunities, and risks arising from pollution on the basis of the phase-in disclosures (transition periods). In the following three years, we will only make qualitative disclosures when preparing the sustainability report in accordance with ESRS 1 Appendix C.

Disclosures pursuant to Article 8 of the EU Taxonomy Regulation

The EU Taxonomy Regulation is primarily focused on environmental objectives. These objectives are (1) climate change mitigation, (2) climate change adaptation, (3) the sustainable use and protection of water and marine resources, (4) the transition to a circular economy, (5) pollution prevention and control, and (6) the protection and restoration of biodiversity and ecosystems.

Disclosures on the taxonomy alignment and taxonomy eligibility of economic activities related to the first two of these environmental objectives are required for the 2024 reporting year.

 See Key performance indicators, calculation rules, and technical screening criteria, p. 107 onward, for further information on taxonomy eligibility and taxonomy alignment.

KEY PERFORMANCE INDICATORS, CALCULATION RULES, AND TECHNICAL SCREENING CRITERIA

Pursuant to Article 8 of the EU Taxonomy Regulation and Article 10 (4) of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178), the key performance indicators to be disclosed for 2024 are the proportions of consolidated revenue, capital expenditure (CapEx), and operating expenses (OpEx) that we have generated from taxonomy-eligible and taxonomy-aligned economic activities.

A taxonomy-eligible economic activity is an economic activity described in the delegated acts supplementing the EU Taxonomy Regulation, regardless of whether that economic activity fulfils some or all of the technical screening criteria set out in those delegated acts.

An economic activity is taxonomy-aligned if it meets certain technical screening criteria and is carried out in accordance with the criteria for the minimum safeguards pursuant to Article 18 of the EU Taxonomy Regulation. The following must apply for an economic activity to be considered taxonomy-aligned:

1. The economic activity makes a substantial contribution to one or more of the six environmental objectives. With regard to climate change mitigation, for example, an economic activity makes a substantial contribution if
 - the activity itself is associated with very low or no greenhouse gas emissions;
 - the activity supports the transition to a climate-neutral economy by 2050 and there is no alternative to it;
 - the activity enables, or is capable of enabling, another economic activity to protect the climate.

2. With regard to the transition to a circular economy, for example, an economic activity makes a substantial contribution if
 - the lifetime of a product is extended, e.g. as a result of repair, refurbishment, or remanufacturing;
 - the products or product parts that have become waste are reused without any other pre-processing;
 - the second-hand product can be resold and reused without prior cleaning, repair, remanufacturing, or refurbishment.

3. The economic activity does not significantly harm any of the other environmental objectives (do no significant harm, DNSH), pursuant to Article 17 of the EU Taxonomy Regulation and the Delegated Acts).

4. The minimum safeguards have been implemented.


The aforementioned minimum safeguards relate to human rights (including labor rights), bribery and corruption, taxation, and fair competition. The underlying frameworks are the **OECD Guidelines**, the **fundamental conventions of the International Labour Organization (ILO)**, the **International Bill of Human Rights**, and the **UN Guiding Principles on Business and Human Rights**.

Companies must implement at least the following six steps regarding human rights due diligence in order to satisfy the criteria for the minimum safeguards:

1. A responsible approach to business is firmly enshrined in the management systems, policies, and strategies.
2. The negative effects of a company's own business activities, supply chains, and business relationships are identified and evaluated.
3. Negative and/or disadvantageous effects are stopped, avoided, or reduced.
4. The implementation of measures, and the outcomes, are tracked.
5. The way in which negative effects are dealt with is communicated.
6. Where appropriate, remedial action is initiated or supported.

Revenue-related KPI¹⁰⁴ The proportion of total revenue generated from taxonomy-eligible/taxonomy-aligned economic activities is the amount of consolidated revenue – pursuant to point 1.1.1 of Annex I of Article 8 of the EU Taxonomy Regulation – that is derived from products and services associated with taxonomy-eligible/taxonomy-aligned economic activities, divided by consolidated revenue for 2024 pursuant to IAS 1.82(a). As in the

¹⁰⁴ Key performance indicator.

previous year, revenue consists of revenue from contracts with customers.  See also the 'consolidated financial statements', p. 169 onward.

KPI related to capital expenditure (CapEx KPI) The taxonomy-eligible/taxonomy-aligned CapEx KPI is calculated by dividing taxonomy-eligible/taxonomy-aligned capital expenditure by total CapEx. This encompasses additions to property, plant and equipment and intangible assets during the reporting period before depreciation, amortization, and any remeasurements, including those resulting from remeasurements and impairment for the year concerned and excluding fair value changes. The CapEx KPI also encompasses the acquisition of property, plant and equipment pursuant to IAS 16, paragraph 73, letter e), (i) and (iii), including right-of-use assets in accordance with IFRS 16 Leases, paragraph 53, letter (h), and additions to intangible assets pursuant to IAS 38, paragraph 118, letter e), (i). Goodwill is not included in the CapEx KPI because it is not defined as an intangible asset pursuant to IAS 38.¹⁰⁵

Capital expenditure is taxonomy-aligned if it can be assigned to the following three categories a), b), or c):

- a) Capital expenditure related to assets or processes that are associated with taxonomy-aligned economic activities
- b) Capital expenditure that is part of a capital expenditure plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned (not currently applicable to DEUTZ)
- c) Capital expenditure that is related to the purchase of output from taxonomy-aligned economic activities and individual measures pursuant to the EU Taxonomy Regulation that enable certain target activities to become low-carbon or that lead to greenhouse gas reductions. Capital expenditure is also deemed taxonomy-aligned if the products purchased or the individual measures correspond to the description of the particular economic activity and the technical screening criteria and adhere to the minimum safeguards.

KPI related to operating expenses (OpEx KPI) The taxonomy-eligible/taxonomy-aligned OpEx KPI is defined as the OpEx KPI associated with taxonomy-eligible/taxonomy-aligned economic activities divided by total OpEx. This covers direct, non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance and repair of property, plant and equipment. The taxonomy-eligible/taxonomy-aligned OpEx KPI also covers operating expenses that are part of a capital expenditure plan (CapEx plan) to expand taxonomy-aligned economic activities or to transform taxonomy-eligible economic activities into taxonomy-aligned economic activities. Expenditure related to day-to-day operations is not included.

The OpEx KPI consists of the following items:

- Research and development expenditure that is recognized as an expense during the reporting period; in accordance with IAS 38.126, all non-capitalized expenses and amortization and impairment on development expenditure already capitalized that can be directly assigned to the research and development activities.
- The volume of non-capitalized leases was determined in accordance with IFRS 16 and includes expenses for short-term leases.¹⁰⁶
- Maintenance and repair costs relating to ongoing maintenance of property, plant and equipment were determined on the basis of the maintenance and repair costs allocated to the internal cost centers. The relevant cost items are included in various line items in the income statement. Building renovation work that helps to reduce carbon emissions is also included here. As a rule, the cost items are staff costs, costs for services, the cost of materials for maintenance, and costs for regular and unscheduled maintenance and repair work.

To ensure that nothing was counted more than once for the purposes of the OpEx and CapEx KPIs, we first determined all capital expenditure and operating expenses in category c) and then determined the remaining capital expenditure and operating expenses in category a). Any unassigned capital expenditure is taxonomy-non-eligible. Our capital expenditure and operating expenses can be assigned to categories a) and c) only. Revenue is recorded at the level of the individual companies to ensure that it is not counted more than once.


TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DEUTZ GROUP

Business model Our core competencies are primarily the development and production of drive systems for off-highway applications. The current portfolio extends from diesel and gas engines to electric and hydrogen drives. DEUTZ drives are used in a wide range of applications, including construction equipment, agricultural machinery, **material handling** equipment such as forklift trucks and lifting platforms, stationary equipment such as generator sets (gensets) as well as commercial and rail vehicles. In addition, we operate in the field of decentralized energy supply following our acquisition of solution provider Blue Star Power Systems, Inc. at the start of August 2024.

In 2024, our operating activities were divided into the DEUTZ Classic and DEUTZ Green segments. The Classic segment encompassed all activities related to the development, production, distribution, and maintenance of diesel engines, gas engines, and gensets as well as the related service business. The Green segment consisted of all activities related to new drives. This included hydrogen engines, the business of battery

¹⁰⁵ See p. 165 onward for further details of the accounting standards.

¹⁰⁶ See also Leases, Note, p. 210 onward.

management specialist Futavis, electric drives, and the related service business.  See also 'Business model and segments', p. 34 onward.

In view of our business model, the economic activities that were taxonomy-eligible and taxonomy-aligned in 2024 were essentially activities in the Green segment and in the service business. Examples in the Green segment include DEUTZ's hydrogen engine, which is used in stationary equipment for generating electricity and other applications, and the activities to electrify our engine portfolio. The latter include the manufacture of electric drive systems (e.g. for use in construction-site vehicles and ground support equipment), the manufacture of modular battery systems, and the manufacture of battery management systems and components by the DEUTZ subsidiary Futavis. In our service business, the taxonomy-eligible and taxonomy-aligned economic activities comprised those that meet the conditions for the transition to a circular economy, primarily the repair, remanufacturing, and refurbishment of engines and product components, plus the sale of second-hand parts.

In addition to the aforementioned activities from which we generate external revenue, we have also identified investing activities that exclusively result in taxonomy-eligible and taxonomy-aligned CapEx. These activities relate to interdisciplinary topics and individual measures in connection with optimizing energy and heat efficiency within operations.


Identification of taxonomy-eligible and taxonomy-aligned economic activities in the DEUTZ Group As the first step in identifying taxonomy-eligible and taxonomy-aligned economic activities, we assessed which of our business activities might potentially be relevant. We did this by referring to Annexes I and II of Delegated Act 2021/2139 (in its current version) supplementing the EU Taxonomy Regulation. In addition, we analyzed and compared Delegated Acts 2023/2485 and 2023/2486 supplementing the EU Taxonomy Regulation, which were published in November 2023.

The following table shows the taxonomy-eligible economic activities – pursuant to Annex I of Delegated Act 2021/2139, including the amendments and additions from November 2023 – in the DEUTZ Group that can be assigned to the environmental objective of (1) climate change mitigation and the environmental objective (4) the transition to a circular economy. The analysis of economic activities does not reveal any activities for us that take into account the environmental objective (2) climate change adaptation.

Overview and assignment of taxonomy-eligible economic activities in the DEUTZ Group

Activity		Economic activity at DEUTZ
CCM 3.1.	Manufacture of renewable energy technologies	Gensets with a solar panel and battery storage
CCM 3.2.	Manufacture of equipment for the production and use of hydrogen	Manufacture of hydrogen engines that produce electricity in combination with a generator in stationary equipment
		Manufacture of hydrogen engines to drive rail vehicles
		Hydrogen engines to drive other applications in the future; further development with external partners
		Test rig operation with hydrogen engines in the development unit at the Cologne-Porz site
		Preparation for test rig operation with hydrogen engines in the assembly unit at the Cologne-Porz site
CCM 3.3.	Manufacture of low carbon technologies for transport	Hydrogen tank systems
		Hydrogen engines to drive trucks in transportation logistics
CCM 3.4.	Manufacture of batteries	Futavis subsidiary: manufacture of battery management systems and components
		Manufacture of battery systems for on-highway applications
		Manufacture of battery systems for off-highway applications
CCM 3.6.	Manufacture of other low carbon technologies	Manufacture of electric drive systems, e.g. for use in construction-site vehicles and ground support equipment
CCM 3.10	Manufacture of hydrogen	Facility for manufacturing green hydrogen with solar power at the DEUTZ Spain site in Zafra (Spain)
CE 5.1.	Repair, refurbishment and remanufacturing	Refurbishment and repair of engine parts (DEUTZ Xchange) in order to extend their lifetime at the Ulm site
CE 5.3.	Preparation for re-use of end-of-life products and product components	Preparation of parts for reuse (disassembly, examination, and storage) at the Ulm site
CE 5.4.	Sale of second-hand goods	Sale of cleaned and refurbished second-hand parts
CCM 6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	Use (including leasing) of company cars with an electric, hybrid, or hydrogen drive
CCM 7.1	Construction of new buildings	Construction of a logistics hall at the Herschbach site
CE 3.1.		
CCM 7.3.	Installation, maintenance and repair of energy efficiency equipment	Replacement of conventional lighting with LED lighting at the sites in Cologne-Porz and Zafra (Spain)
		Energy-related optimization of building elements such as windows, doors, roofs, and gates
CCM 7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation and operation of electric charging stations (including PowerTree rapid charging station) at the Cologne-Porz site
CCM 7.5.	Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings	Maintenance and expansion of the energy monitoring system to include new meter points at the Cologne and Ulm sites in order to measure consumption, energy flows, and heat flows at additional points
CCM 7.6.	Installation, maintenance and repair of renewable energy technologies	Installation of a photovoltaic system on top of a factory building at the Cologne-Porz site
CCM 9.1.	Close to market research, development and innovation	Use of HVO in internal combustion engines
		Operation of internal combustion engines on test rigs where the brakes are linked to an electric drive that generates electricity
		Approval of a development test area for the use of HVO in internal combustion engines
		Use of an inhouse HVO filling station at the Cologne-Porz site

The updating of the EU Taxonomy requirements may lead to adjustments to the economic activities in the future.

The next step was to analyze the economic activities identified as taxonomy-eligible (listed above) to assess their taxonomy alignment.  See Key performance indicators, calculation rules, and technical screening criteria, p. 107 onward, for details of the requirements for taxonomy alignment.

1. Substantial contribution In an in-depth analysis, we identified a substantial contribution to two environmental objectives, namely environmental objectives (1) climate change mitigation and (4) the transition to a circular economy.

The table »Overview and assignment of taxonomy-eligible economic activities in the DEUTZ Group« indicates the extent and nature of the substantial contributions.

In 2022 and 2024, we calculated a greenhouse gas footprint (Scopes 1, 2, and 3) in order to provide evidence of the substantial contribution of the economic activities 3.2/3.4 and 3.6 to climate change mitigation. We also calculated a **product carbon footprint** for our electric 360-volt drive system, for its internal combustion engine variant (TCD 2.9), and for the TCD 6.1 as a customer project.

2. Adherence to the DNSH criteria We believe that we have a responsibility to society to play our part in protecting the environment and mitigating climate change around the world by developing innovative drive solutions for our customers. Furthermore, we strive to fulfill our responsibility in this area by continuously optimizing the processes and activities associated with our own business operations with regard to their negative impact on the environment and by continuously improving our management of resources. To this end, we have also established an environmental management system certified in accordance with the international DIN EN ISO 14001:2015 standard.

To assess whether the economic activities assigned to environmental objective (1) do no significant harm to the other environmental targets, a review was conducted pursuant to the current version and scope of Commission Delegated Regulation (EU) 2021/2139, appendices A to D, as well as on the basis of the specific requirements for each economic activity. To assess whether the economic activities assigned to environmental objective (4) do no significant harm to the other environmental targets, we conducted a review pursuant to Commission Delegated Regulation 2023/2486, appendices A to D.

2.1. Adherence to the DNSH principle for environmental objective (1) climate change mitigation Our economic activities that make a substantial contribution to the circular economy do no significant harm to environmental objective (1). By repairing and reusing second-hand and refurbished parts and components, we are actually helping to extend engine lifetimes and thereby extend their product lifecycle. This means that our customers can continue to use these engines incorporating refurbished parts for significantly longer. An analysis of our first greenhouse gas footprint revealed a reduction in carbon emissions.

2.2. Adherence to the DNSH principle for environmental objective (2) climate change adaptation We conducted a climate

risk analysis with the assistance of an external consultancy and a climatologist in order to identify the physical climate risks that are material to our taxonomy-eligible economic activities. The analysis covered the following DEUTZ sites, reflecting the location of our taxonomy-eligible economic activities: Cologne, Ulm, Aachen, Herschbach (all Germany), Sapino (Morocco), and Zafra (Spain). Future climate-related risks in the categories temperature, wind, water, and solid matter were evaluated for these sites. We took into account both chronic climate risks, i.e. those that persist over a long period of time, and acute (short-term) but severe climate risks. Four different emissions scenarios were used for the future climate outcomes: SSP2/RCP2.6, SSP2/RCP4.5, SSP4/RCP6.0, and SSP5/RCP8.5. The analysis was carried out for the current climate (2011 to 2030) and the future climate (2031 to 2050). The necessary data was taken either from the ERAS reanalysis (weather maps) or official climate models from the Intergovernmental Panel on Climate Change (IPCC) or it was compiled and processed using external hazard and risk data sets. No material physical climate risks impacting on the economic activities identified as taxonomy-eligible were ascertained.

In addition, we consider potential risks at our direct supplier locations in order, for example, to adequately take supply risks into account when selecting and evaluating suppliers.

2.3. Adherence to the DNSH principle for environmental objective (3) sustainable use and protection of water and marine resources To identify risks in connection with preserving water quality, avoiding water stress, achieving a good environmental status for watercourses and bodies of water, and avoiding the deterioration of the water status, we developed an evaluation form that sites can use to conduct a self-assessment relating to water pollution control, water supply, water disposal, and water consumption. The content of the evaluation form was based on the mandatory environmental impact assessment in accordance with the German Environmental Impact Assessment Act (UVPG). No negative impact resulting from the economic activities was ascertained.

2.4. Adherence to the DNSH principle for environmental objective (4) transition to a circular economy The vast majority of the components that we use in our production processes are designed to last for a very long time and to be capable of being refurbished/overhauled, thereby extending their useful life. The components that are made of materials such as steel, aluminum, or copper are recyclable and still have significant value at the end of their useful life.

After being recycled by a third party, the recovered materials can be used as a secondary resource in the production of new goods. For example, old batteries are added to a register of old electrical goods maintained by Stiftung Elektro-Altgeräte-Register before important raw materials are recovered from them using efficient recycling processes, namely metallurgical, chemical, and mechanical recycling processes.

Sustainable waste management is a key component of our environmental management system. Our waste, such as metal, wood, paper, cardboard, cardboard packaging, and plastic, is sold on our behalf to third parties so that it can be recycled and reused.

2.5. Adherence to the DNSH principle for environmental objective (5) pollution prevention and control We purchase components and raw materials for use in engine production that contain an extensive range of pure substances and minerals and that could cause harm to people and the environment if they are not handled properly. Some of these substances and minerals are subject to international regulations, including the regulation pertaining to the registration, evaluation, authorization, and restriction of chemicals (REACH) and the directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS).

An engine has an average of well over 300 parts, and a variety of different substances are contained in these parts and/or are used in their manufacturing process. The **Materials Compliance** function makes sure that the engines produced are continually assessed for compliance with the many environmental laws and regulations and that processes are incrementally optimized with regard to the materials and substances used. This includes introducing conformity checks in the product development process. In addition, we define materials compliance criteria to be applied when selecting production component suppliers. We have introduced an online database for materials declarations with the aim of monitoring supplier compliance with these criteria and improving the management of processes. Over time, all the materials that we process and use will be recorded in the database. This means it will include the full range of substances and minerals, and not just those that are subject to the regulation pertaining to the registration, evaluation, authorization, and restriction of chemicals (REACH) and to the directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS).


We intend to use the information on materials declarations held in our database not only to ensure compliance with the law and relevant policies but also to take steps that will help to avoid pollution caused by the use of chemicals and their placement in the market.

Furthermore, our established approach for managing hazardous substances is aimed at either avoiding hazards entirely through the use of substitutes or reducing them to a minimum as a result of technical and organizational measures.


2.6. Adherence to the DNSH principle for environmental objective (6) protection and restoration of biodiversity and ecosystems The evaluation form referred to in 2.2 also forms the basis for the analysis of risks relating to ecosystems and biodiversity. In addition to criteria for assessing the sustainable use of water resources, it also includes those that concern the protection of ecosystems and the preservation of biodiversity. No significant adverse effects on the protection of ecosystems and

biodiversity resulting from the economic activities were ascertained. None of the sites evaluated that are relevant to our taxonomy-eligible economic activities are near to areas with fragile biodiversity.

3. Adherence to the minimum safeguards A responsible approach to business, including in relation to human rights, bribery and corruption, taxation, and fair competition, is a high priority for us and therefore firmly enshrined in our management systems, policies, and strategies. This is also reflected in the content of various internal organizational policies and our groupwide codes of conduct for employees, suppliers, and other business partners. The codes are based on the **German Supply Chain Due Diligence Act (LkSG)**, the **UN Universal Declaration of Human Rights**, the ILO's fundamental conventions, the **OECD Guidelines for Multinational Enterprises**, the **UN Guiding Principles on Business and Human Rights**, the ten principles of the **United Nations Global Compact (UNGC)**, and other sources.


Regular classroom-based courses and annual compliance training are provided to ensure that our employees understand the content of the code of conduct and that they act in accordance with pertinent laws and regulations. The various modules include anti-corruption, antitrust law, health and safety in the office, and the **German General Equal Treatment Act (AGG)** and non-discrimination.  See also 'Corporate governance declaration and corporate governance report', p. 18 onward.


With regard to taxation, we have established a system for managing tax compliance that is designed to ensure lawful conduct in relation to tax matters and to minimize and avoid financial risk, reputational risk, and consequences under criminal law that could arise in the event of unlawful behavior.


As a member of the United Nations Global Compact, we attach particular importance to respect for human rights and measures to combat corruption. We have adopted a human rights code in order to emphasize our zero-tolerance approach to human rights abuses. The code applies to our employees, suppliers, and business partners alike.  See also 'Corporate governance declaration and corporate governance report', p. 18 onward, and Purchasing and procurement, p.44 onward.

To identify, as far as possible, any behavior that violates laws or regulations and to immediately put a stop to any proven misconduct, we have provided a publicly accessible whistleblowing system on our website for the purposes of reporting suspected violations of our codes of conduct. Every suspected violation is documented in a uniform way and treated in accordance with the groupwide **compliance** policy.

We have various instruments at our disposal that allow us to identify and evaluate any negative effects on our business activities, supply chains, and business relationships. For example, we conduct quarterly risk inventories for our business activities that also cover risks relating to human rights, bribery and corruption, taxation, and fair competition. We have implemented an IT-based business partner compliance tool that enables us to respond appropriately and at an early stage to matters such as

suspected money laundering, anti-competitive practices, the financing of terrorism, corruption, or bribery on the part of our business partners. The tool provides a web-based self-declaration form that business partners are asked to fill out and then checks both the company itself and the members of its governing and supervisory bodies as well as the beneficial owners against up-to-date sanctions lists. On the basis of the information obtained, the business partners are classified using an internal DEUTZ risk model and, if required, action is taken to minimize risks or even terminate an existing business relationship.  See also 'Corporate governance declaration and corporate governance report', p. 18.

In addition, we use a tool that draws on publicly accessible information so that we can monitor suppliers on an ongoing basis. Compliance with our supplier code of conduct is also checked during **on-site audits**.  See also 'Purchasing and procurement', p. 44 onward.

If any negative or detrimental effects were to be identified, e.g. regarding human rights, bribery and corruption, taxation, and fair competition, we would take action to stop or reduce them and to avoid them in the future. Implementation of the measures above, and the outcomes, would be tracked. Using a suitable channel, we would also communicate the way in which negative effects are dealt with and, where appropriate, would initiate or support remedial action for confirmed violations, including those relating to human rights, bribery, and corruption. In relation to negative effects attributable to our suppliers, we publish a declaration of principles pursuant to LkSG on an ad hoc basis, but at least once a year, on our website. The declaration includes a description of how we fulfill our due diligence obligations regarding human rights and the environment, the results of the regular risk analyses, and the implementation of preventive and remedial measures aimed at minimizing risk.  See also 'Purchasing and procurement', p. 44 onward.

Based on the information in this section, we conclude that we satisfy the criteria for the minimum safeguards. Moreover, we have not identified any violations relating to the aforementioned topics in connection with our business activities. Consequently, there have been no convictions in court in respect of such violations.

Our taxonomy-aligned economic activities encompass those taxonomy-eligible economic activities that verifiably satisfy all criteria in Article 3 of the EU Taxonomy Regulation.  See 'Key performance indicators, calculation rules, and technical screening criteria', p. 107 onward.

We do not engage in any economic activities related to nuclear power and the use of natural gas.¹⁰⁷

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

The following tables show our proportion of total revenue, total CapEx, and total OpEx associated with the economic activities that are taxonomy-eligible pursuant to the EU Taxonomy Regulation and, based on the analysis and checking process described above, can be considered taxonomy-aligned.

¹⁰⁷ Standard templates for the disclosure referred to in Article 8(6) and (7)
Template 1 Nuclear and fossil gas related activities

Proportion of revenue in 2024 attributable to goods or services that are associated with taxonomy-aligned economic activities

2024 financial year		Year		Substantial contribution criteria						DNSH criteria (do no significant harm)									
Economic activities	Code ¹⁰⁸	Revenue	Proportion of revenue, 2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A.1.) or taxonomy-eligible proportion of revenue (A.2.), 2023	Enabling activity category	Transitional activity category
		Currency €	%	Y; N; N/EL ¹⁰⁹	Y; N; N/EL ¹¹⁰	Y; N; N/EL ¹¹¹	Y; N; N/EL ¹¹²	Y; N; N/EL ¹¹³	Y; N; N/EL ¹¹⁴	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
Environmentally sustainable activities																			
A.1. (taxonomy-aligned)																			
Manufacture off batteries	CCM 3.4	1,963,174.00	0.11	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.11	E	
Repair, refurbishment and remanufacturing	CE 5.1	37,779,208.88	2.08	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Preparation for re-use of end-of-life products and product components ¹¹⁵	CE 5.3	37,779,208.88	2.08	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Sales of second-hand goods	CE 5.4	37,779,208.88	2.08	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		115,300,800.64	6.35	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.11		
Of which: enabling			100.00%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100.00	E	
Of which: transitional			0.00%	0%						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL ¹¹⁶	EL; N/EL ¹¹⁷	EL; N/EL ¹¹⁸	EL; N/EL ¹¹⁹	EL; N/EL ¹²⁰	EL; N/EL ¹²¹										
Manufacture of other low-carbon technologies	CCM 3.6	433,073.00	0.02	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01		
Revenue from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		433,073.00	0.02	100%	0%	0%	0%	0%	0%								0.01		
A. Revenue from taxonomy-eligible activities (A.1 + A.2)		115,733,873.64	6.37	0%	0%	0%	0%	0%	0%								0.12		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue from taxonomy-non-eligible activities		1,697,930,807.71	93.63																
TOTAL		1,813,664,681.35	100.00																

¹⁰⁸ Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).

¹⁰⁹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹⁰ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹¹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹² N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹³ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹⁴ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹¹⁵ The distribution of the turnover figures for economic activities 5.1, 5.3 and 5.4 (each with 33.33%) is based on the total turnover achieved (Service XChange).

¹¹⁶ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹¹⁷ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹¹⁸ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹¹⁹ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹²⁰ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹²¹ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of revenue / total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	0.11	0.02
CCA	0	0
WTR	0	0
CE	6.24	0
PPC	0	0
BIO	0	0

Proportion of CapEx in 2024 attributable to goods or services that are associated with taxonomy aligned economic activities

2024 financial year	Year			Substantial contribution criteria						DNSH criteria (do no significant harm)									
Economic activities	Code ¹²²	CapEx Currency €	Proportion of CapEx, 2024 %	Climate change mitigation Y; N; N/ _{sub}	Climate change adaption Y; N; N/EL ¹²⁴	Water Y; N; N/EL ¹²⁵	Pollution Y; N; N/EL ¹²⁶	Circular economy Y; N; N/EL ¹²⁷	Biodiversity Y; N; N/EL ¹²⁸	Climate change mitigation Y/N	Climate change adaption Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y/N	Taxonomy-aligned (A.1.) or taxonomy-eligible proportion %	Enabling activity category E	Transitional activity category T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	1,071,775.00	0.58	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.92	E	
Manufacture of batteries	CCM 3.4	543,608.75	0.30	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.58	E	
Manufacture of oxygen	CCM 3.10	294,691.00	0.16	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
New building	CCM 7.1																		
	CE 3.1	4,377,346.23	2.37	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Lighting with LED lamps, energetic optimization of buildings	CCM 7.3	996,666.00	0.54	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.30	E	
E-charging station installation	CCM 7.4	2,578.00	0.00	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.05	E	
Maintenance and expansion of the energy monitoring system (electricity meter) to determine consumption levels	CCM 7.5	20,101.00	0.01	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01	E	
Installation of a photovoltaic system	CCM 7.6	80,526.00	0.04	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.61	E	
CapEx from environmentally sustainable activities (taxonomy-aligned) (A1)		7,387,291.98	4.00	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	3.47		
Of which: enabling			100.00%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100.00	E	
Of which: transitional			0.00%	0%						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL;N/EL ¹²⁹	EL;N/EL ¹³⁰	EL;N/EL ¹³¹	EL;N/EL ¹³²	EL;N/EL ¹³³	EL;N/EL ¹³⁴										
Use of company cars with an electric, hybrid, or hydrogen drive	CCM 6.5	294,652.00	0.16	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.18		
CapEx from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		294,652.00	0.16	100%	0%	0%	0%	0%	0%								0.00		
A. CapEx from taxonomy-eligible activities (A.1 + A.2)		7,681,943.98	4.16	100%	0%	0%	0%	0%	0%								3.65		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx from taxonomy-non-eligible activities		176,767,098.39	95.84																
TOTAL		184,449,042.37	100.00																

¹²² Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).

¹²³ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁴ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁵ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁶ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁷ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁸ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹²⁹ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹³⁰ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹³¹ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹³² EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹³³ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹³⁴ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of CapEx / total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	4.00	0.16
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Proportion of OpEx in 2024 attributable to goods or services that are associated with taxonomy aligned economic activities

2024 financial year	Year		Substantial contribution criteria							DNSH criteria (do no significant harm)							Taxonomy-aligned (A.1.) or taxonomy-eligible proportion of revenue (A.2.), 2023	Enabling activity category	Transitional activity category
Economic activities	Code ¹³⁵	OpEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards			
		Currency €	%	Y; N; N/EL ¹³⁶	Y; N; N/EL ¹³⁷	Y; N; N/EL ¹³⁸	Y; N; N/EL ¹³⁹	Y; N; N/EL ¹⁴⁰	Y; N; N/EL ¹⁴¹	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities																			
Manufacture of renewable energy technologies																			
	CCM 3.1	493,865.61	0.43	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	11,358,962.00	9.81	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11.59	E	
Manufacture of low carbon technologies for transport																			
	CCM 3.3	1,864,782.00	1.61	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Manufacture of batteries	CCM 3.4	13,444,390.00	11.61	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.56	E	
Close to market research, development and innovation	CCM 9.1	26,275.00	0.02	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00	E	
OpEx from environmentally sustainable activities (taxonomy-aligned) (A1)		27,188,274.61	23.48	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	18.15		
Of which: enabling			100.00	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Of which: transitional			0.00	0%						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible, but not environmentally																			
				EL;N/EL ¹⁴²	EL;N/EL ¹⁴³	EL;N/EL ¹⁴⁴	EL;N/EL ¹⁴⁵	EL;N/EL ¹⁴⁶	EL;N/EL ¹⁴⁷										
Manufacture of equipment for the production and use of hydrogen	CCM 3.6	5,562,849.00	4.80	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.50		
Use of company cars with an electric, hybrid, or hydrogen drive	CCM 6.5	52,497.00	0.05	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03		
OpEx from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		5,615,346.00	4.85	100%	0%	0%	0%	0%	0%								9.53		
A. OpEx from taxonomy-eligible activities (A.1 + A.2)		32,803,620.61	28.33	100%	0%	0%	0%	0%	0%								27.68		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx from taxonomy-non-eligible activities		82,993,989.26	71.67																
TOTAL		115,797,609.87	100.00																

¹³⁵ Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).

¹³⁶ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹³⁷ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹³⁸ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹³⁹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹⁴⁰ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹⁴¹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.

¹⁴² EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹⁴³ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹⁴⁴ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹⁴⁵ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹⁴⁶ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

¹⁴⁷ EL – eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of OpEx / total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	23.48	4.85
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Quantitative breakdown of CapEx (€)Delegated Act
2021/2178

Annex I Art. 1.2.3.2. a

Economic activity	Additions to property, plant and equipment	Additions to property, plant and equipment	Additions through right-of-use assets
3.2	1,071,775.00	0.00	0.00
3.4	529,709.00	0.00	0.00
3.1	294,691.00	0.00	0.00
6.5	294,652.00	0.00	0.00
7.1	4,377,346.23	0.00	0.00
7.3	986,356.00	0.00	0.00
7.4	2,578.00	0.00	0.00
7.5	20,101.00	0.00	0.00
7.6	80,526.00	0.00	0.00
Total	7,657,734.23	0.00	0.00

Quantitative breakdown of OpEx (€)Delegated Act
2021/2178

Annex I Art. 1.2.3.3. a

R&D costs	32,724,848.61
Building renovation measures	0.00
Non-capitalized leases	0.00
Maintenance and repair	52,497.00
Total	32,777,345.61

Social information

The Company's workforce

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business mode

As part of our materiality analysis, we identified a significant negative impact on our employees' health and safety. We have not identified any sustainability-related risks and opportunities in the 'Social' area.

i Hazardous working conditions due to non-compliance with legal and internal Company regulations and standards as well as a lack of precautions in the area of health and safety in the workplace can have negative impacts on employee health. This negative impact affects all employees of the DEUTZ Group as well as external workers who work for us at our sites.

We have not currently identified any negative impacts from the transition to a more environmentally friendly, climate-neutral economy on our own workforce.

Impacts	Type and extent of impact	Link to business model	Impact trigger	Expected time horizon of impact
Negativer Beitrag auf die eigene Belegschaft durch deren potenzielle Gesundheitsgefährdung (Arbeitssicherheit)	Negative potential impact on the workforce	Inherent part of our business model and our business activities as a manufacturing company	Effects arise directly from DEUTZ	Short-term (> 1 year)

The issue of health hazards is already influencing our corporate strategy and occupational safety strategy. For example, occupational health and safety already formed part of the sustainability strategy we established in 2019. For this reason, we have always worked to improve our health precautions in the workplace, including before it was identified as a material impact as part of our double materiality analysis. As part of a continuous improvement process, the impact identified as significant will consequently also be taken into consideration in the future strategic development of occupational safety. In the 2024 reporting year, for example, awareness-raising measures such as our mandatory compliance training on occupational safety in the office were held again. We have also strengthened behavior-oriented safety measures and the involvement of safety officers in day-to-day business.

We intend to review the resilience of our strategy and our business model as part of our strategic development in relation to occupational safety and to introduce the necessary measures so that we are in a position to manage the material impact of this issue. To this end, in the current financial year we plan to analyze the resilience of our strategy and business model in terms of our related capability. We will publish the results of the aforementioned analysis in our sustainability statement for the 2025 financial year.

The potential negative impact we have identified on our own workforce is directly related to our strategy or derives directly from our business model. As a manufacturing company, experience has shown that we cannot completely rule out potential health hazards, especially work-related accidents, and particularly in the production area. Nevertheless, the fact that

negative impacts may arise does not mean that we have to adjust our business model or our corporate strategy. On the other hand, we are continuously developing our occupational safety strategy.

According to our double materiality analysis, risks and opportunities do not arise from the impacts and dependencies associated with our own workforce. When examining our strategy and business model, we were also unable to identify any risks or opportunities in relation to our own workforce.

The information disclosed in this sustainability statement on health hazards relevant to occupational safety was analyzed exclusively in relation to our own area of business.

In principle, all employees working at our sites, in other words, not only our own employees but also self-employed persons or persons provided by third-party companies, may be affected by work-related health hazards and their negative impacts. As our measures to prevent health hazards are workplace-related and not person-related, the prevention measures described below also cover external employees, unless otherwise stated.

The significant negative impact we have identified is common and widespread in manufacturing companies like ours.¹⁴⁸

We have not identified any significant positive impacts or significant risks and opportunities for our Company. At present, we do not have any transition plans to reduce the negative impact on the environment and to realize more environmentally friendly and climate-neutral activities. To this extent, we are currently unable to make a well-founded statement as to whether the continuation of our climate change mitigation efforts would exert

¹⁴⁸ We base this statement on a comparison of accident figures between the various employers' liability insurance associations; source: <https://www.dguv.de/de/zahlen-fakten/au-wu-geschehen/au-1000-vollarbeiter/index.jsp>.

any material impacts on our workforce, such as through restructuring or job losses, or whether opportunities would arise, such as through retraining or the creation of new jobs as part of the transformation of our product portfolio. In the 2024 reporting year, there were neither significant opportunities nor significant risks caused by internal or external climate change mitigation efforts and in relation to our own workforce.

Our production facilities and assembly plants are located in Germany, Morocco, Spain, and the USA. With regard to our own business area or our activities as well as the countries or geographical areas where our production and assembly activities are realized, we are not aware of any significant risks in relation to forced or child labor based on our human rights-related risk analyses. See also our remarks about human rights-related risk analyses under ESRS S1-1 20. a) to c), ESRS S1-1 21. and 22. Furthermore, we do not consider our production activities to entail risky activities, in other words, those that are associated with an increased risk of forced or child labor.

In order to develop an understanding of the extent to which people with certain characteristics and/or areas of activity may be more at risk than others in terms of potential health hazards, we use our monthly accident statistics, which include an analysis or classification by area.

Our main negative impacts relate to all our employees. In other words, they are independent of age, location, and area of activity. Even if, on the basis of the above statistics, it can be assumed that workers in the manufacturing areas are exposed to a greater health risk than workers in administrative areas, we have not excluded any group of workers, as the right to physical integrity is one of the fundamental rights of every human being.

Impact, risk and opportunity management

Disclosure Requirement S1-1 – Policies related to the Company's workforce

We do not currently have a formalized IRO-specific policy in place in relation to the management of our identified material negative potential impact on our own workforce. As far as the current 2025 reporting year is concerned, we intend to draw up an IRO-specific policy. To this end, we have defined an ambition level for 2024 for the occupational safety area, among other areas. This serves as the starting point for the operationalization of our sustainability strategy, which has been further developed in this regard and is derived from our key IROs.

In 2021, the **Integrated Management System (IMS)** established by DEUTZ in Germany was expanded to include occupational health and safety. For this purpose, a matrix certification according to the globally valid DIN EN ISO 45001 standard was conducted, starting with the Cologne locations. This describes the requirements for an effective and efficient occupational health and safety management system, which includes the prevention of

accidents at work. A successful DIN EN ISO 45001 monitoring audit of our German sites was conducted in 2024. The production site in Zafra, Spain, has been certified in accordance with DIN EN ISO 45001 since 2019.

Our DIN-EN-ISO-45001 certification is published on our Company website.

We have set out our commitments in the area of human rights policy in a Group-wide Code of Human Rights. This documents our most important human rights principles, including those relating to employee rights, forced labor and child labor, and reaffirms our agreement with the content of international conventions and declarations such as the **United Nations Guiding Principles on Business and Human Rights**, the **UN Universal Declaration of Human Rights**, and the **ILO core labor standards**.¹⁴⁹

Our Code of Human Rights is available to employees on the intranet and to external third parties on our Company's website.

We have established the following processes and mechanisms to monitor compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises in relation to our own business operations:

We regularly conduct risk analyses in accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG) in order to identify human rights-related risks in our own business area. Here, we pursue a three-stage approach:

1. Risk identification using an established information tool that enables continuous abstract monitoring based on internal and external data sources, including reports on labor practices and human rights issues.
2. Conducting meetings with experts in areas such as corporate compliance, occupational safety, human resources, and internal auditing.
3. Risk identification at DEUTZ AG and at all foreign subsidiaries by means of an LkSG-specific questionnaire.

Our LkSG declaration of principles, which is updated at least once a year and contains the results of the aforementioned risk analyses, is publicly available on our Company's website

People from our own workforce are involved via the works councils elected they elect. Direct dialog occurs in the context of works meetings. For further information, see Disclosure Requirement SBM-2 – Interests and views of stakeholders, p. 87 onward. Moreover, compliance training for employees includes awareness-raising and training on human rights issues. [For further information, see p. 122.](#)

¹⁴⁹ The issue of human trafficking and the age aspect are currently not explicitly mentioned in our Code of Human Rights, although there is no reason for this.

In order to effectively remedy and/or enable remedial action in the event of negative impacts on human rights, every (reported) suspected case is recorded in accordance with uniform and binding Company-wide guidelines and handled in accordance with a set of Group-wide compliance organization guidelines, for the implementation of which the entire Board of Management is responsible. Potentially serious breaches are investigated by a Compliance Committee set up specifically for this purpose, which comprises the Chief Compliance Officer, the Head of Legal Affairs, the Head of Corporate Audit, and the Head of Human Resources.

In the event of confirmed suspicions or violations, we take proportionate and appropriate measures. If a violation is attributable to a DEUTZ employee, labor law and/or disciplinary measures follow in accordance with internal regulations.


At present, we do not have a specific policy aimed at the elimination of discrimination (including harassment), promoting equal opportunities, and other ways to advance diversity and inclusion. However, we have established various measures aimed at preventing or eliminating discrimination based on race, ethnic origin, skin color, gender, sexual orientation, gender identity, disability, religion, political opinion, national origin, and social background, as well as harassment, and at promoting equal opportunities. Examples include our aforementioned Group-wide Code of Human Rights,¹⁵⁰ internal development programs specifically for female junior managers such as a cross-mentoring program, our talent program that is specifically oriented towards female talent, targeted measures to promote women in the area of recruitment, and our 'InDEUTZ' initiative founded in 2024, which is specifically committed to diversity, equity and inclusion (DE&I) within our Company.


In addition, decisions in recruitment procedures should be made exclusively on the basis of applicants' professional qualifications, and no differences should exist in pay between women and men. For most DEUTZ employees, gender-specific salary differences for equivalent jobs are ruled out from the outset in any case, as they are subject to a binding collective pay agreement.

In order to emphasize our efforts to create an equality-friendly management culture, we signed the Diversity Charter in 2021 and regularly participate in its initiatives, such as the annual Diversity Day.

As far as our workforce in Germany is concerned, we are subject to the political and regulatory obligation under Section 154 of the German Social Security Code (SGB) IX to fill at least five percent of our jobs with employees with severe disabilities or equivalent status. The Company has no further internal obligations.

The particular interests of employees with disabilities or equivalent status are monitored and protected by the disabled persons' representative and an inclusion officer. Performing a similar role to that of the works council of DEUTZ AG, the disabled

persons' representative ensures that DEUTZ AG adheres to the laws, collective pay agreements, and works agreements that are in place for disabled employees. DEUTZ also appointed an Equality Officer in 2024.  For further information, see Disclosure Requirement SBM-2 – Interests and views of stakeholders, p. 87 onward.

In order to help our employees to ensure that they are generally not guilty of any legal or regulatory violations, they are required to complete annual **compliance** training in the form of e-learning courses or to participate in face-to-face events. In addition to fixed modules such as 'Occupational health and safety in the office', the training program also includes annually changing modules such as relating to Germany's **General Act on Equal Treatment Act (AGG)** as well as 'Equal treatment'.  For further information, see 'Corporate governance declaration and Corporate Governance Report', p. 18.

Disclosure Requirement S1-2 – Processes for engaging with the Company's own workforce and workers' representatives about impacts

We do not currently have a formalized IRO-specific approach in place to manage the impacts we have identified in relation to our workforce. To this extent, there is also no procedure in place for involving people from our own workforce and employee representatives in relation to actual and potential IRO-specific impacts.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for the Company's workforce to raise concerns

We do not currently have a formal process in place for conducting or participating in IRO-specific remediation activities.

Our employees have access to various reporting channels, which can also be used anonymously, through which they can express concerns in connection with employee matters – as well as in relation to any other topics: Firstly, they can contact their line manager, the Chief Compliance Officer, the Compliance Officers, the HR department, the Company employee representatives, and the Inclusion Officer and/or Equal Opportunities Officer directly. Secondly, a publicly accessible whistle-blower system exists on our website that we have set up ourselves. In addition, information can be reported by e-mail, post, or fax.

In order to be able to process complaints relating to employee matters effectively, every complaint is recorded in accordance with uniform and binding Company-wide guidelines and handled in accordance with a Group-wide organizational guidelines, for which the Chief Compliance Officer bears overall responsibility. Potentially serious breaches are investigated by a Compliance Committee set up specifically for this purpose, which comprises the Chief Compliance Officer, the Head of Legal Affairs, the Head of Corporate Audit, and the Head of Human Resources.

At present, a procedure is not in place to ensure the effectiveness of the aforementioned channels.

¹⁵⁰ The issue of human trafficking and the age aspect are currently not explicitly mentioned in our Code of Human Rights, although there is no reason for this.

We support the availability of channels for reporting complaints relating to employee concerns in the workplace by ensuring that the digital reporting channels are available around the clock. The whistleblower system can be accessed both via the Company website and the intranet. Moreover, the direct contact persons are available at any time without the need for an appointment.

At present, we do not have a procedure in place to determine whether our own employees are aware of, and trust, the existing reporting and grievance mechanisms.

No individual who in good faith raises concerns or addresses actual or suspected misconduct or reports such matters through our aforementioned reporting channels should or will be penalized or punished in any way or under any circumstances. This also applies if the notification subsequently proves to be unfounded. Discrimination, intimidation, and hostility based on a tip-off or report will be investigated and punished in the same manner as other incidents. This is also set out in our general Code of Conduct.

ESRS S1-4 – Actions related to material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches

Although we do not currently have a formalized IRO-specific approach in place to manage the material potential negative impact we have identified in relation to our own workforce, we are constantly working to initiate and implement measures aimed at continuously improving the health and safety of our employees in the workplace.

As a DIN-EN-ISO-45001-certified company, we implement comprehensive measures to promote our employees' health and safety. Our occupational health and safety management system is based on preventive, systematic, and continuous improvement processes to minimize risks and ensure a safe working environment.

Although not all locations are certified to this standard, more than 70% of our employees are covered by its application.

Actions taken in the reporting year and planned for the future		Scope of key actions in terms of activities and geography of upstream and/or downstream value chain	Time horizon for implementation of actions
Internal DIN-EN-ISO-45001 inspection	Regular internal audits	Cologne, Herschbach, Ulm (Germany), Zafra (Spain)	Annually (Zafra); rolling at all locations every three years
Risk assessments	Observe risks in occupational health and safety and derive measures	Group-wide	Annual audit as well as in the event of process changes and new processes/systems
Safety inspections	Observe risks in occupational health and safety and derive measures	Cologne, Herschbach, Ulm (Germany)	At least once a quarter per plant section
Accident analyses	Derivation of improvements	Group-wide	Occasion-related for every reportable accident
Safety training	Employee awareness-raising	All DEUTZ employees and external workers working on the Company premises	General safety instruction and instruction on hazardous substances at least once a year/ External workers receive safety instruction on site
Near-accident management	Derivation of improvements	Group-wide	Every critical near miss / compilation of one-pagers
Emergency plan and emergency drills	Derive improvements / raise employee awareness	Group-wide	For new installations and as repetition without a fixed interval
First aider and fire safety assistant training	Employee awareness-raising	Group-wide	Every two years
Occupational Safety Committee	Derivation of improvements/ raise employee awareness	Cologne, Herschbach, Ulm (Germany)	At least once a quarter per plant section

No actual material effects were identified in the IRO assessment, as a consequence of which no remedial measures had to be taken in this context.

We do not consider the investment and operating costs required to implement the aforementioned actions to be significant in relation to the total investment and operating costs, as a consequence of which we do not report them separately.

We do not have an IRO-specific process through which we determine which actions are necessary and appropriate to respond to the negative impact we have identified on our workforce. When implementing our occupational safety measures, we currently rely primarily on compliance with the requirements of the DIN EN ISO 45001 standard for occupational health and safety.

To date, we have monitored and evaluated the effectiveness of our measures and initiatives in relation to achieving improvements in the area of occupational safety on the basis of the accident frequency (**Recordable Incident Rate; 'RIR'**). [For further information](#), see p. 128.

Our DIN EN ISO 45001-certified management system ensures that significant risks for our employees are minimized and opportunities are exploited in a targeted manner. Occupational health and safety is a top priority, which is why, for example, regular risk assessments, safety inspections and training courses are conducted. To promote a good work-life balance, we rely on flexible and mobile working time models and programs to promote mental and physical health, among other measures.

To ensure long-term employee retention, we offer attractive remuneration systems, extensive training programs and cooperation with educational institutions to secure skilled workers. The digitalization of training measures and the automation of physically demanding activities create additional development opportunities. Through annual audits and continuous feedback, we are constantly optimizing our measures to ensure a safe and motivating working environment.

As part of its IRO assessment, DEUTZ has not identified any actual material impact in connection with its own workforce. To this extent, no remedial measures had to be taken.

For more information about our measures and/or initiatives aimed at achieving a positive impact on our workforce, please see our disclosures on ESRS 2 SBM-2 – Interests and views of stakeholders, p. 87 onward and page 124 onward.

DEUTZ has established a Group-wide Code of Human Rights that is binding not only for employees, but also for the Company itself, in order to thereby avert being either in breach of human rights or complicit in human rights violations, thereby causing significant negative effects on its workforce. [For further information](#), see p. 126 onward. In addition, the Works Council and the employee representatives on the Supervisory Board ensure that employees' interests are taken into consideration in business decisions and that socially acceptable solutions are found in the event of decisions that have or could have a negative impact on the workforce. [For further information](#), see Disclosure Requirement SBM-2 – Interests and views of stakeholders, p. 87

Occupational health and safety management at DEUTZ AG is organized by DEUTZ SICHERHEIT Gesellschaft für Industrieservice mbH as part of safety management. Its original business activity consists of implementing the aforementioned

occupational safety measures on an ongoing basis, for which no separate financial resources are required.

Disclosure Requirement S1-5 – Targets related to managing material negative impacts

To date, we have used the Recordable Incident Rate (RIR) to track the effectiveness of the aforementioned actions to manage material negative impacts in the area of occupational safety and have also set ourselves targets for continuous improvement as part of the sustainability strategy we established in 2019.

In the 2024 reporting year, we decided to track the effectiveness of our occupational safety measures in future using the Lost Time Injury Rate (LTIR). However, we do not currently have any specific targets, nor do we track the effectiveness of our IRO-specific measures in any other way. We intend to define specific targets in the current 2025 financial year as part of the further development of our sustainability strategy and its operationalization, and will publish them in our sustainability statement for the 2025 financial year.

S1-6 – Characteristics of the Company's employees

	Gender	Number of employees (head count)	2024 ¹⁵¹	Country	Number of employees (head count)
				Germany	3,213
2024	Female	733		Spain	574
	Male	4,382		USA	563
	Other	0			
	n.a.	0			
	Total number of employees	5,115			

2024				
Female	Male	Other ¹⁵²	n.a.	Total
Number of employees (head count)				
733	4,382	0	0	5,115
Number of employees with permanent employment contracts (number of individuals)				
713	4,200	0	0	4,913
Number of employees with fixed-term employment contracts (number of individuals)				
21	180	0	0	201
Number of on-call staff (number of individuals) ¹⁵³				
0	2	0	0	2

A total of 373 of our employees left the Company in the 2024 reporting year. The employee turnover rate amounted to 7.30% in the reporting period.

The above data are stated as the number of individuals. The total figures in the table above reflect the average figures for the reporting period. For this purpose, the sum of the quarterly figures was divided by four.

DEUTZ generally manages short-term peaks in employment resulting from unplanned increases in production volumes by offering flexible employment arrangements in the form of fixed-term employment contracts and temporary employment. Due to the decrease in production volumes caused by the economic downturn, DEUTZ has allowed the majority of fixed-term employment contracts to expire, which explains their low proportion of the Group's workforce.

The total number of our employees by number of persons and compositions by gender and country for countries in which we have 50 or more employees who accounted for at least 10% of our total number of employees cannot be reconciled with the information in the consolidated financial statements in chapter 35. A comparison is not possible as the number of employees is stated in FTEs (full-time equivalents) in both the management report and in the notes to the financial statements. Employee figures can be found in the management report on page 45.

Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

2024	
Total number of reported cases of discrimination ¹⁵⁴	4
Number of complaints submitted via channels through which DEUTZ employees can raise concerns ¹⁵⁵	12

We are not aware of any complaints concerning our Company that have been submitted to national contact points for multinational OECD companies.

The total amount of significant fines, sanctions, and compensation payments in connection with the incidents and complaints listed in the table above amounted to €0.00 in the 2024 reporting year.

2024	
Number of severe human rights incidents ¹⁵⁶	0
<i>of which violations of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and/or the OECD Guidelines for Multinational Enterprises</i>	
	0

The total amount of significant fines, sanctions, and compensation payments in connection with the incidents and complaints listed in the table above amounted to €0.00 in the 2024 reporting year.

¹⁵¹ Countries where 50 or more people were employed, accounting for at least 10% of our total headcount.

¹⁵² Gender as specified by the employees themselves.

¹⁵³ The information about on-call staff relates to the locations in Russia and Slovenia.

¹⁵⁴ The disclosures include, subject to the relevant privacy regulations, work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in each case in the entire reporting period. This includes incidents of harassment as a specific form of discrimination.

¹⁵⁵ Including complaint mechanisms.

¹⁵⁶ Human rights incidents involving forced labor, human trafficking, and/or child labor.

S1-14 – Health and safety metrics

	Employees	External workers ¹⁵⁷
Percentage of individuals covered by the health and safety management system ¹⁵⁸	71.46%	n.a.
Fatalities as a consequence of work-related injuries and illnesses	0	n.a.
Number of reportable accidents at work	87	n.a.
Ratio of reportable accidents at work ¹⁵⁹	0.1191	n.a.
Number of notifiable work-related illnesses	n.a. ¹⁶⁰	n.a.
Days lost due to work-related injuries and fatalities as a result of occupational accidents and work-related illnesses and resulting fatalities	n.a. ¹⁶¹	n.a.

¹⁵⁷ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

¹⁵⁸ DIN-EN-ISO-45001-certified management system; percentage calculated on a headcount basis.

¹⁵⁹ LTIR 2024 without the number of notifiable work-related illnesses.

¹⁶⁰ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

¹⁶¹ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

Entity-specific disclosures

Research & innovation

Material impacts, risks, and opportunities and their interaction with strategy and business model

Our materiality analysis has identified significant IROs in the area of research and innovation (R&I) that are of key importance to DEUTZ.

Our activities in the R&I area and the resultant further development of the product and service portfolio are significant in terms of environmental and social impacts as well as financial opportunities as defined by the ESRS. Research & Innovation in the Classic segment is aimed in particular at reducing the emissions of the combustion engines on offer and at thereby making the products sold by DEUTZ more environmentally and climate-friendly in the downstream value chain – in other words, in operation at the end customer – than would be the case without ongoing research and innovation. In the Green segment (renamed New Technology as part of the new DEUTZ Solutions segment from the 2025 financial year onwards), R&I is building a product portfolio that, by offering hydrogen combustion engines and electric drives, will enable virtually or locally emission-free operation of the drives in the respective application areas.

In connection with R&I, we have identified three significant environmental and social impacts and three significant financial opportunities, which are explained below.


Negative environmental impacts due to one-dimensional research & development (R&D): To date, DEUTZ has only generated positive results in the Classic segment, in other words, in its traditional business with combustion engines and related services, and here again largely with diesel engines. The Green segment is making losses as revenue from the alternative drives on offer is still very low, while considerable R&D costs, in particular, are incurred. In the short term, focusing business activities and consequently research and development on traditional combustion engines would thereby boost earnings. At the same time, such one-dimensional R&D measures would have negative long-term impacts on the environment, as DEUTZ, a leading supplier of drives in the off-highway sector, would no longer be a driver of innovation and a provider of alternative drive solutions for these applications.

Reducing emissions by avoiding fossil fuels: Positive impacts derive from the fact that DEUTZ's R&D activities enable it to offer products that do not require fossil fuels for operation, thereby reducing greenhouse gas emissions and exhaust gases that are harmful to health. Both electrified drives and combustion engines powered by fuels such as HVO or synthetic fuels play a role in this context.

Knowledge transfer and positive synergy effects through networks and partnerships: DEUTZ is involved in various bodies and initiatives aimed at sustainable industrial transformation in our areas of activity and at promoting political and social support for sustainable drive solutions. DEUTZ also cooperates bilaterally and in consortia with other industrial companies. This can help to ensure that advanced and consequently less environmentally and climate-damaging engines become established more quickly worldwide and that alternative drive systems are developed and produced more rapidly and successfully by pooling knowledge and financial resources.

In-house initiative to design a low-emission engine: Low-emission engines developed by DEUTZ represent a financial opportunity, as they are likely to be in high demand worldwide and would consequently be a significant driver of revenue and earnings. Demand is likely to be driven both by the private sector and society as well as by political decisions.

Growth through development in the hydrogen area: DEUTZ's R&D activities in the hydrogen area present a financial opportunity that can be realized if hydrogen combustion engines become established as an environmentally and climate-friendly alternative in both the on- and off-highway sectors. Such a trend depends, for example, on the expansion of the necessary infrastructure, the supply of green hydrogen, and regulatory issues.

Growth through the Green segment:¹⁶² Future growth in the Green segment represents a financial opportunity for DEUTZ.  For further information, see 'Strategy and objectives', p. 35. For example, our customers in the construction machinery, material handling, and agricultural machinery application areas are in the midst of a fundamental, long-term transformation towards greater climate neutrality, as a consequence of which demand for alternative drive solutions is increasing. For this reason, a very high probability exists that a corresponding product and service portfolio in the Green segment will have a positive impact on revenue and earnings.

The following table shows our R&I-related impacts and how they relate to our business model:

¹⁶² DEUTZ adjusted its previous segmentation as of January 1, 2025. While the Company's operating activities were still divided into the DEUTZ Classic and DEUTZ Green segments in the 2024 financial year, segment reporting now comprises the DEUTZ Engines & Services and DEUTZ Solutions segments. In addition to alternative drive systems, the DEUTZ Solutions segment comprises those business activities that extend beyond the production and servicing of engines and are located in markets where DEUTZ controls both technology and servicing. The DEUTZ Solutions segment will comprise the DEUTZ New Technology (formerly DEUTZ Green) and DEUTZ Energy divisions.

Impacts ¹⁶³	Type and extent of impacts	Link to business model	Impact trigger	Expected time horizon of impact
Negative contribution to climate change through one-dimensional R&D, especially in further development of the combustion engine	Negative actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Positive contribution to climate change mitigation through potential GHG emission reductions by avoiding fossil fuels (P)	Positive potential impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Positive contribution to industry transformation through potential knowledge transfer and positive synergy effects through networks and partnerships (P)	Positive potential impact on the environment and society	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)

The main risks and opportunities relating to R&I that arise from our business activities can have financial impacts on our financial position. For this reason, our focus is on proactively minimizing risks and exploiting opportunities in order to limit negative

financial impacts while at the same time leveraging long-term opportunities and realizing resultant potentials. The following table shows the financial impacts of the risks and opportunities identified as material.

Risks/opportunities (including risks for which an adjustment of carrying amounts is required in the next reporting period)	Current financial impacts of opportunities/risks	Expected financial effects of the impacts (short, medium and long term) ¹⁶⁴	Expected time horizon of impact ¹⁶⁵
Financial benefit through increase in market share through the 'Green' segment	> €75 million	n.a.	n.a.
Financial benefit through increased market share in the hydrogen sector	> €75 million	n.a.	n.a.
Financial benefit through increased market share in the area of low-emission engines	€50 - 75 million	n.a.	n.a.

The main R&I-related IROs identified will be taken into consideration in the further development of our corporate strategy in the future. We will establish processes to ensure the additional consideration of relevant impacts, risks, and opportunities in decision-making processes.

We aim to effectively manage significant R&I-related impacts and risks and optimally leverage significant opportunities. To this end, we will review our strategy and business model in the current financial year in terms of their resilience to R&I-related risks. We intend to publish the results of this analysis in our sustainability statement for the 2025 financial year.

Policy in connection with research & innovation

The strategic focus of R&I at DEUTZ addresses the aforementioned impacts and opportunities. In its product range, and consequently also in its research and development, DEUTZ is generally pursuing the policy of gradually approaching the goal of climate-neutral off-road drives through a technology-neutral approach, as envisaged in the Company's Dual+ strategy. As a consequence, we are continuing to develop and offer both

combustion engines that are more efficient than their predecessors and more environmentally friendly to operate thanks to the use of alternative fuels, as well as electrified drive solutions. DEUTZ is thereby meeting the different performance requirements and demands on refueling and charging times in the respective application areas of the engines without neglecting a product range that is prospectively significantly more climate-friendly.

This policy is implemented via R&D activities across the entire Group, in other words, the related activities relate to both the Classic segment and the Green segment. This can also include upstream and downstream sections of the value chain, such as suppliers and customers.

Responsibility for implementing the concept lies at Board of Management level, and here largely with the Chief Technology Officer (CTO), to whom the Technology and Product Development & Technical Customer Interface functions are assigned. As corporate acquisitions and/or partnerships also play or can play a role in the implementation of this policy, the CEO is also directly

¹⁶³ (A) = actual, (P) = potential.

¹⁶⁴ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

¹⁶⁵ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

involved with the Mergers & Acquisitions and Strategy & Transformation functions.

The Dual+ strategy reflected in the policy is communicated to managers and all employees throughout the Group, in particular by the Strategy & Transformation department with the support of Corporate Communications. This takes place both regularly and on an ad hoc basis via face-to-face and digital management meetings as well as 'town hall meetings' for the entire workforce.

Policies in connection with research & innovation

DEUTZ Classic segment: The portfolio of combustion engines in the Classic segment is being continuously developed, with a focus on innovative, more fuel-efficient, and environmentally friendly diesel engines. The entire diesel engine program was approved for the use of e-fuel in 2021, as a consequence of which it can be operated on carbon-neutral basis when using this regeneratively produced synthetic fuel. As a member of the eFuel Alliance, DEUTZ is committed to the industrial expansion and promotion of the worldwide production and use of e-fuels. In 2022, all DEUTZ engines of EU emission Stage V were approved for operation with paraffinic diesel fuels such as HVO. The use of HVO fuels significantly improves the carbon footprint of DEUTZ engines.

Our latest newly developed diesel engines are more environmentally friendly than their predecessor series in various respects. For example, the DEUTZ TCD 3.9 engine developed in partnership with John Deere, whose development was completed in 2024 and which will go into series production in 2025, is a low-emission engine platform that is already suitable for HVO fuel and can also be easily expanded to run on re-fuels and hydrogen. In the 2024 reporting year, DEUTZ realize considerable investments in the development of the DEUTZ TCD 3.9 engine.¹⁶⁶

DEUTZ's research and development activities in 2025 will also focus on the further development of the MDEG and HDEP medium- and heavy-duty engine series as part of the partnership with Daimler Truck agreed in 2023 and the supplementary transaction with Rolls-Royce Power Systems concluded in 2024. This is further evidence that DEUTZ is focusing not only on the increased development of a green product portfolio but also on the optimization and further development of classic engines, as envisaged in the Dual+ strategy.

The partnership with Indian agricultural technology group TAFE agreed in mid-2024 includes the licensed production of DEUTZ engines with a displacement of 2.2 and 2.9 liters by TAFE Motors for use in the Group's tractors. This makes DEUTZ a partner for TAFE for the future Indian Trem Stage V emission stage and will complement and strengthen the Group's engine range across emission standards in the future. The partners are also examining

the possibility of expanding the cooperation to include alternative drive systems. Following the signing of the agreement, the partners began preparatory measures for the start of production in India.

In December 2024, DEUTZ agreed to acquire a 50% interest in the company HJE Emission Technology, which develops and produces exhaust gas aftertreatment systems for internal combustion engines. This also involves DEUTZ assuming strategic and operational management as well as the consolidation of HJS Emission Technology within the DEUTZ Group. The transaction, which was completed in January 2025, brings DEUTZ further technology and production expertise in the important area of exhaust gas aftertreatment to make combustion engines even cleaner and more efficient.

DEUTZ Green segment (New Technology)¹⁶⁷: DEUTZ is building an emission-free product ecosystem with the Green segment. At present, the range encompasses electric technologies and hydrogen combustion engines. The E-DEUTZ strategy initiated in 2017 is aimed at a scalable product range of electric drives and fast-charging solutions for specific customer requirements in the off-highway sector. With the DEUTZ E360 Electric System, the 360-volt system that will be ready for series production in 2023, we offer a turnkey solution for the electrification of a wide range of applications. Pilot projects with customers include mini excavators, concrete pumps, and cleaning vehicles. In addition to the development of new electrified vehicles and machines by customers, DEUTZ is also focusing on retrofitting, where existing diesel vehicles are converted to an electric drive; the current focus here is on airfield equipment. Since 2024, DEUTZ has been offering the DEUTZ PowerTree, a complete off-highway fast charging station for charging electrically powered machines and construction site vehicles. Overall, considerable research and development expenditures were realized in the electrical technologies area in the 2024 reporting year.

With the DEUTZ TCG 7.8 H2 engine, which was made ready for the market in 2021, we have the first EU Stage V-certified hydrogen combustion engine in our range. Considerable research and development expenditures were realized in connection with the hydrogen engine in the 2024 reporting year. The production-ready motor was produced for the first time in 2024 on flexible assembly line 6 for initial projects in the stationary sector as well as for rail applications. The HyCET (Hydrogen Combustion Engine Trucks) research project, which was launched in 2022 and is scheduled to run for four years, aims to demonstrate the sustainability potential of trucks with hydrogen combustion engines in transport logistics. The consortium project with several partners, led by the BMW Group, is developing two 18-tonne trucks that will use the DEUTZ TCG 7.8 H2 engine and will be tested in regular BMW Group and DEUTZ logistics operations.

¹⁶⁶ In connection with the aforementioned measures, these relate to significant expenditures given that they account for around one tenth or more of the Group-wide R&D expenditure after grants of €93.4 million. With reference to ESRS 1 7.7, DEUTZ does not provide any further financial information on the individual measures.

¹⁶⁷ DEUTZ adjusted its previous segmentation as of January 1, 2025. While the Company's operating activities were still divided into the DEUTZ Classic and DEUTZ Green segments in the 2024 financial year, segment reporting now comprises the DEUTZ Engines & Services and DEUTZ Solutions segments. In addition to alternative drive systems, the DEUTZ Solutions segment comprises those business activities that extend beyond the production and servicing of engines and are located in markets where DEUTZ controls both technology and servicing. The DEUTZ Solutions segment will comprise the DEUTZ New Technology (formerly DEUTZ Green) and DEUTZ Energy divisions.

DEUTZ is also a partner in the three-year 'PoWer' project to develop hydrogen engines for off-road applications, which was launched at the end of 2024. Here, vehicle and engine manufacturers, suppliers, and scientists have joined forces to comprehensively investigate the cross-application use of hydrogen engine powertrain concepts for construction and agricultural applications. DEUTZ firmly believes that the transformation of mobility will only succeed with the help of innovative capabilities and openness to technology. With the climate-neutral further development of combustion engine technology through the use of hydrogen, the potentials offered by all available drive technologies are being leveraged. This project was still in the start-up phase in the reporting year, with the official launch in November 2024.

Metrics in connection with research & innovation

The key metrics relating to research and innovation in the DEUTZ Group are research and development expenditure after grants, which is reported for the Group as a whole as well as for the Classic and Green segments. Budget planning ensures that the R&D department has the necessary financial resources in the respective financial year to implement the planned projects.

In the 2024 financial year, R&D expenditure after grants amounted to €93.4 million (previous year: €97.9 million). The Classic segment accounted for €63.0 million (previous year: €66.5 million) and the Green segment for €30.4 million (previous year: €31.4 million). The DEUTZ Group's R&D ratio in 2024 amounted to 5.1% (previous year: 4.7%).

Targets in connection with research & innovation

MDR-T DEUTZ has set itself various short- and medium-term goals in relation to the research- and innovation-driven transformation of its product portfolio towards climate neutrality. The short-term annual target for the implementation of the policy is controlled by the budget targets for research & development, with R&D expenditure after grants forming part of the business forecast. The corresponding budgeting ensures that the planned R&D projects are provided with the necessary financial resources. Accordingly, we are planning R&D expenditure after grants of between €90 million and €100 million for the DEUTZ Group in the 2025 financial year. In addition to series support, the focus will be on the further development of the portfolio in the <4 L engine segment, including in relation to the TAFE partnership, as well as the MDEG and HDEP engine platforms. In the alternative drives area, the focus is on the further development of the DEUTZ TCG 7.8 H2 hydrogen engine and its application areas, as well as electric drives and battery solutions. No structural changes occurred to these targets and the corresponding key metrics in the 2024 reporting year.

The forecast annual R&D expenditure with the aim of implementing the measures planned for the financial year as part

of the R&I policy is based on the Company's internal decision-making process, as a consequence of which scientific findings are only incorporated indirectly. External stakeholders are also not directly involved in setting targets.

As part of the update to the Dual+ strategy in autumn 2024, DEUTZ has also set itself the target of generating revenue of around €300 million in the New Technology segment by 2030 as part of its medium-term ambitions. Revenue in the Green segment amounted to €7.7 million in the 2024 financial year. The target quantifies DEUTZ's ambition to establish emission-free technologies in off-highway applications and thereby generate significant revenue. This is a business and financial objective that is not derived from scientific principles or stakeholder engagement.

The revenue forecast for the Green segment and, from 2025, the New Technology segment¹⁶⁸ forms part of the annual forecast report (see the Outlook section of the Annual Report); revenue is reported externally on a quarterly basis. Internally, revenue is calculated on a monthly basis and submitted to the management as part of the internal control system in order to be able to respond promptly to any anomalies and take corrective action.

Especially when considering the medium-term targets, DEUTZ emphasizes that the targeted revenue volume is dependent on dynamic and only partially foreseeable technology trends, the necessary infrastructure and availability of hydrogen, for example, and regulatory requirements in the most important sales markets. Following the substantial investment of financial resources over the past years to build up the current product portfolio in the Green segment and recently the DEUTZ New Technology division, DEUTZ will align its R&D spending in the future even more closely with market demand trends.

¹⁶⁸ DEUTZ adjusted its previous segmentation as of January 1, 2025. While the Company's operating activities were still divided into the DEUTZ Classic and DEUTZ Green segments in the 2024 financial year, segment reporting now comprises the DEUTZ Engines & Services and DEUTZ Solutions segments. In addition to alternative drive systems, the DEUTZ Solutions segment comprises those business activities that extend beyond the production and servicing of engines and are located in markets where DEUTZ controls both technology and servicing. The DEUTZ Solutions segment will comprise the DEUTZ New Technology (formerly DEUTZ Green) and DEUTZ Energy divisions.

Other information

CSRD Content Index

#	Standard	Cross-cutting/ Topic	No.	Reporting area	Designation of the DRs	Page number
1	ESRS 2	General disclosures	BP-1	General	General basis for preparation of the sustainability statement	83
2	ESRS 2	General disclosures	BP-2	General	General basis for preparation of the sustainability statement, disclosures in relation to specific circumstances - Time horizons - Value chain estimation - Sources of estimation and outcome uncertainty Disclosures in relation to specific matters - Changes in preparation or presentation of sustainability information Disclosures in relation to special circumstances - Reporting errors in prior periods Disclosures in relation to specific circumstances - Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements - Incorporation by reference - Application of phase-in provisions pursuant to Appendix C of ESRS 1	84 onward
3	ESRS 2	General disclosures	GOV-1	Governance (GOV)	The role of the administrative, management and supervisory bodies	89 onward
4	ESRS 2	General disclosures	GOV-2	Governance (GOV)	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	91
5	ESRS 2	General disclosures	GOV-3	Governance (GOV)	Integration of sustainability-related performance in incentive schemes	93
6	ESRS 2	General disclosures	GOV-4	Governance (GOV)	Statement on due diligence	94
7	ESRS 2	General disclosures	GOV-5	Governance (GOV)	Risk management and internal controls over sustainability reporting	95
8	ESRS 2	General disclosures	SBM-1	Strategy (SBM)	Strategy, business model and value chain	86 onward
9	ESRS 2	General disclosures	SBM-2	Strategy (SBM)	Interests and views of stakeholders	87 onward
10	ESRS 2	General disclosures	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	98, 101 onward, 122 onward, 129 onward
11	ESRS 2	General disclosures	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material impacts, risks and opportunities	96 onward
12	ESRS 2	General disclosures	IRO-2	Impact, risk and opportunity management (IRO)	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	99 onward
17	ESRS E1	Climate change	GOV-3	Governance (GOV)	Integration of sustainability-related performance in incentive schemes	93
18	ESRS E1	Climate change	E1-1	Strategy (SBM)	Transition plan for climate change mitigation	102
19	ESRS E1	Climate change	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	98, 101 onward, 122 onward, 129 onward
20	ESRS E1	Climate change	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	98 onward
21	ESRS E1	Climate change	E1-2	Impact, risk and opportunity management (IRO)	Policies related to climate change mitigation and adaptation	102
22	ESRS E1	Climate change	E1-3	Impact, risk and opportunity management (IRO)	Actions and resources in relation to climate change policies	102

23	ESRS E1	Climate change	E1-4	Metrics and targets (MT)	Targets related to climate change mitigation and adaptation	102
24	ESRS E1	Climate change	E1-5	Metrics and targets (MT)	Targets related to climate change mitigation and adaptation	102
25	ESRS E1	Climate change	E1-6	Metrics and targets (MT)	Gross Scopes 1, 2, 3 and Total GHG emissions GHG Intensity based on net revenue	104
26	ESRS E1	Climate change	E1-7	Metrics and targets (MT)	GHG removals and GHG mitigation projects financed through carbon credits	not material
27	ESRS E1	Climate change	E1-8	Metrics and targets (MT)	Internal carbon pricing	not material
28	ESRS E1	Climate change	E1-9	Metrics and targets (MT)	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-In
29	ESRS E2	Pollution	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	98 onward
30	ESRS E2	Pollution	E2-1	Impact, risk and opportunity management (IRO)	Policies related to pollution	106
31	ESRS E2	Pollution	E2-2	Impact, risk and opportunity management (IRO)	Actions and resources related to pollution	106
32	ESRS E2	Pollution	E2-3	Metrics and targets (MT)	Targets related to pollution	106
33	ESRS E2	Pollution	E2-4	Metrics and targets (MT)	Pollution of air, water and soil	106
34	ESRS E2	Pollution	E2-5	Metrics and targets (MT)	Substances of concern and substances of very high	not material
35	ESRS E2	Pollution	E2-6	Metrics and targets (MT)	Anticipated financial effects from material pollution-related impacts, risks and opportunities	Phase-in
57	ESRS S1	The Company's workforce	SBM-2	Strategy (SBM)	Interests and views of stakeholders	87 onward
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59	ESRS S1	The Company's workforce	S1-1	Impact, risk and opportunity management (IRO)	Policies related to own workforce	123
60	ESRS S1	The Company's workforce	S1-2	Impact, risk and opportunity management (IRO)	Processes for engaging with own workforce and workers' representatives about impacts	124
61	ESRS S1	The Company's workforce	S1-3	Impact, risk and opportunity management (IRO)	Processes to remediate negative impacts and channels for own workers to raise concerns	124 onward
62	ESRS S1	The Company's workforce	S1-4	Impact, risk and opportunity management (IRO)	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	125 onward
63	ESRS S1	The Company's workforce	S1-5	Metrics and targets (MT)	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	126
64	ESRS S1	The Company's workforce	S1-6	Metrics and targets (MT)	Characteristics of the undertaking's employees	127
65	ESRS S1	The Company's workforce	S1-7	Metrics and targets (MT)	Characteristics of non-employee workers in the undertaking's own workforce	Phase-in
66	ESRS S1	The Company's workforce	S1-8	Metrics and targets (MT)	Collective bargaining coverage and social dialogue	not material
67	ESRS S1	The Company's workforce	S1-9	Metrics and targets (MT)	Diversity metrics	not material

68	ESRS S1	The Company's workforce	S1-10	Metrics and targets (MT)	Adequate wages	not material
69	ESRS S1	The Company's workforce	S1-11	Metrics and targets (MT)	Social protection	not material
70	ESRS S1	The Company's workforce	S1-12	Metrics and targets (MT)	Persons with disabilities	not material
71	ESRS S1	The Company's workforce	S1-13	Metrics and targets (MT)	Training and skills development metrics	not material
72	ESRS S1	The Company's workforce	S1-14	Metrics and targets (MT)	Health and safety metrics	131
73	ESRS S1	The Company's workforce	S1-15	Metrics and targets (MT)	Work-life balance metrics	not material
74	ESRS S1	The Company's workforce	S1-16	Metrics and targets (MT)	Remuneration metrics (pay gap and total remuneration)	not material
75	ESRS S1	The Company's workforce	S1-17	Metrics and targets (MT)	Incidents, complaints and severe human rights impacts	131

ESRS 2 IRO-2-56: Disclosure of all data points taken into consideration in the preparation of the sustainability statement

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS 2 GOV-1	21 (d)	Board gender diversity	x		x		ESRS 2 General disclosures	90
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		ESRS 2 General disclosures	90
ESRS 2 GOV-4	30	Statement on due diligence	x				ESRS 2 General disclosures	94
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		ESRS 2 General disclosures	87
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		ESRS 2 General disclosures	87
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		ESRS 2 General disclosures	87
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		ESRS 2 General disclosures	87
ESRS E1-1	17	Transition plan to reach climate neutrality by 2050				x	E1 - Climate change	102
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		E1 - Climate change	not material
ESRS E1-4	34	GHG emission reduction targets	x	x	x		E1 - Climate change	102
ESRS E1-5	37	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				E1 - Climate change	102
ESRS E1-5	37	Energy consumption and mix	x				E1 - Climate change	103
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impacts sectors	x	x			E1 - Climate change	103
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x		E1 - Climate change	104
ESRS E1-6	53-55	GHG emissions intensity	x		x		E1 - Climate change	104
ESRS E1-7	56	GHG removals and carbon credits				x	E1 - Climate change	not material

ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x			not material
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk	x					not material
ESRS E1-9	67 (c)	Breakdown of the carrying value of the Company's real estate assets by energy-efficiency classes		x				not material
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x			not material
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				E2 - Pollution	not material
ESRS E3-1	9	Water and marine resources	x					not material
ESRS E3-1	13	Special policy	x					not material
ESRS E3-1	14	Sustainable oceans and seas	x					not material
ESRS E3-4	28 (c)	Total water recycled and reused	x					not material
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	x					not material
ESRS 2 - SBM 3 - E4	16 (a) i	—	x					not material
ESRS 2 - SBM 3 - E4	16 (b)	—	x					not material
ESRS 2 - SBM 3 - E4	16 (c)	—	x					not material
ESRS E4-2	24 (b)	Sustainable land and agriculture practices or policies	x					not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x					not material
ESRS E4-2	24 (d)	Policies to combat deforestation	x					not material
ESRS E5-5	37 (d)	Non-recycled waste	x					not material
ESRS E5-5	39	Hazardous and radioactive waste	x					not material
ESRS 2 - SBM3 - S1	14 (f)	Risk of forced labor	x				S1 - The Company's workforce	122
ESRS 2 - SBM3 - S1	14 (g)	Child labor	x				S1 - The Company's workforce	123
ESRS S1-1	20	Commitments in the area of human rights policy	x				S1 - The Company's workforce	123 onward
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		S1 - The Company's workforce	123 onward
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				S1 - The Company's workforce	123 onward
ESRS S1-1	23	Workplace accident prevention policy or management system	x				S1 - The Company's workforce	123 onward
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				S1 - The Company's workforce	124 onward
ESRS S1-14	88 (b) & (c)	Number of fatalities and number and rate of work-related accidents	x		x		S1 - The Company's workforce	128
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				S1 - The Company's workforce	128
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x			not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x					not material
ESRS S1-17	103 (a)	Cases of discrimination	x				S1 - The Company's workforce	127
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x		S1 - The Company's workforce	127
ESRS 2 - SBM3 - S2	11 (b)	Significant risk of child labor or forced labor in the value chain	x					not material
ESRS S2-1	17	Commitments in the area of human rights policy	x					not material
ESRS S2-1	18	Policies related to value chain workers	x					not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines			x			not material

ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	x				not material
ESRS S2-4	36	Human rights issues and incidents connected to the upstream and downstream value chain	x				not material
ESRS S3-1	16	Human rights policy commitments	x				not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x		not material
ESRS S3-4	36	Human rights issues and incidents	x				not material
ESRS S4-1	16	Policies related to consumers and end-users	x				not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x		not material
ESRS S4-4	35	Human rights issues and incidents	x				not material
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x				not material
ESRS G1-1	§10 (d)	Protection of whistle-blowers	x				not material
ESRS G1-4	§10 (d)	Fines for violation of anti-corruption and anti-bribery laws	x		x		not material
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	x				not material

Assurance report of the independent german public auditor on a limited assurance engagement in relation to the group sustainability statement

To the DEUTZ Aktiengesellschaft, Cologne

ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the Group Sustainability Statement, included in section "Group Sustainability Statement" of the group management report, of DEUTZ Aktiengesellschaft, Cologne (hereinafter referred to as "DEUTZ" or "the Company") for the financial year from 1. January 2024 to 31. December 2024. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Articles 315b and 315c in conjunction with Articles 289b to 289e of the German Commercial Code (HGB) for a group non-financial statement.

References to the Group's website, contained in the Group Sustainability Statement (see appendix to this Assurance Report) are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Articles 315b and 315c in conjunction with Articles 289b to 289e HGB for a combined non-financial statement and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "ESRS 2: General Disclosures" of the Group Sustainability Statement, or
- the disclosures in the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.
- We do not express an assurance conclusion on references to the Group's Website in the Group Sustainability Statement (see appendix to this Assurance Report).

BASIS FOR THE ASSURANCE CONCLUSION AND OPINION

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of DEUTZ in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE GROUP SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of the Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

INHERENT LIMITATIONS IN PREPARING THE GROUP SUSTAINABILITY STATEMENT

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE GROUP SUSTAINABILITY STATEMENT

Our objectives are to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement, has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct

access to the sources of the value chain information.

- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

SUMMARY OF THE PROCEDURES FOR THE LIMITED ASSURANCE ENGAGEMENT BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

RESTRICTION OF USE

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

ENGAGEMENT TERMS

This engagement is based on the "Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" dated January 1, 2024, agreed with the Company as well as the „General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024, issued by the IDW (www.bdo.de/engagement-terms-conditions).

Hamburg, March 12, 2025

BDO AG Wirtschaftsprüfungsgesellschaft

sgd. Hyckel
German Public Auditor

sgd. Winkler
German Public Auditor

APPENDIX TO THE ASSURANCE REPORT: UNASSURED ELEMENTS OF THE GROUP SUSTAINABILITY STATEMENT

References to the Group's website, contained in the Group Sustainability Statement (see appendix to this Assurance Report) were not subject to our assurance engagement. The information to which these references pertain has not been substantively audited by us.