

SBO

Navigating challenges. Shaping the future.

Non-financial Statement 2025



Non-financial Statement 2025

ESRS 2 – General Disclosures

The present Non-financial Statement has been prepared in accordance with § 267a UGB as part of the management report of the consolidated financial statements in compliance with the requirements of the Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG). Furthermore, the Non-financial Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD).

BP-1 General basis for preparation of the Non-financial Statement

The report was prepared on a consolidated level. The scope of the consolidation is the same as for the financial statements.

The Non-financial Statement covers SBO's upstream and downstream value chain, as described in ESRS 1 Section 5.1 "Reporting Company and Value Chain". SBO utilizes the phase-in approach provided by the ESRS for specific value chain information.

SBO has not made use of the option under ESRS 1, section 7.7 (paragraph 106(f)) to omit disclosures relating to intellectual property, know-how or innovations. All relevant data has been fully disclosed in accordance with the ESRS requirements.

BP-2 – Disclosures in relation to specific circumstances

ESTIMATES AND MEASUREMENT UNCERTAINTIES

Scope 3 emissions were calculated using a combination of the average-data method and the spend-based method. Due to the unavailability of product-specific carbon footprint (PCF) data from suppliers, the supplier-specific approach could not be applied. The emission factors used were sourced from scientific databases such as Idemat (2022), DBEIS (2020), Ecoinvent (3.9.1, 2022) and IEA (2022). The resulting accuracy of the calculation varies depending on the data source and methodology. While mass-based emission factors generally have a lower margin of uncertainty, spend-based factors can introduce greater variability due to economic fluctuations and differing price structures. In particular, for suppliers outside the EU, where reliable PCF data is rarely available, there is an increased level of uncertainty in the estimations. To further improve data quality, ongoing efforts are being made to enhance the availability of primary data through supplier engagement programs. This includes direct collaboration with suppliers, regular validation of data sources, and continuous refinement of methodologies based on the latest scientific insights.

The following parameters may involve higher levels of result and/or estimation uncertainty:

E1-6 GHG emissions in Scope 3

E5-5 Products, materials and waste by disposal/treatment method

This uncertainty is addressed by utilizing standards for waste treatment and extrapolation methods for Gender Pay Gap and Remuneration Ratio, while continuously improving data collection and validation methods.

E1-6 GHG emissions in Scope 3:

The reported numbers are based on industry-average emission factors to some extent.

E5-5 Products, materials and waste by disposal/treatment method:

Currently, there is no data available on waste quantities by disposal method at the level of individual subsidiaries or locations. This will be continuously improved over the next reporting periods. The disclosure on the recyclable share in products and packaging is based on the assumption that the steel contained in the products placed on the market can be reused or recycled 100%.

ASSUMPTIONS, APPROXIMATIONS AND ASSESSMENTS

E1-6 GHG emissions in Scope 3:

Scope 3 data is based to some extent on industry benchmarks, generalized emission factors, projected future scenarios, and estimated values for data gaps.

E5-5 Products, materials and waste by disposal/treatment method:

Waste quantities by treatment method were estimated on the basis of waste types and industry standards. Across the Group, scrap metal was classified as waste that is recycled, as it is collected separately and made available to a third party for recycling and reuse purposes. The disclosure on the recyclable share in products and packaging is also based on the assumption that the steel contained in the products placed on the market is reused or recycled 100%.

No references to information outside this report have been included, and all relevant information is fully contained in this report.

CHANGES COMPARED TO THE PRIOR YEAR

S1-16 Gender Pay Gap and Remuneration Ratio

In 2025, the methodology for calculating total remuneration in accordance with ESRS S1-16 and the gender pay gap was changed. The reason was an error identified by the Austrian Financial Reporting Enforcement Panel.

Instead of calculating the figures per company and subsequently aggregating them, the calculation is now performed centrally at Group level based on a Group-wide median income and in relation to the highest-paid person. Therefore, the comparative figure for 2024 was also adjusted. The underlying remuneration data from the local payroll systems remained unchanged.

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

Number of Executive Board members 2

Number of Supervisory Board members 5

Employees and other workers are not formally represented in the decision-making bodies at the SBO Holding level due to a lack of legal requirements, but their interests are fundamentally taken into account.

Both the Executive and Supervisory Boards of SBO have diverse professional backgrounds and experience across relevant industries. Their varied expertise serves as a strong foundation for balanced and informed decision-making as well as effective strategic oversight.

In 2025, the Executive Board comprised exclusively men, resulting in a gender distribution of 100% male and 0% female.

The Supervisory Board comprised 60% men (three men) and 40% women (two women).

Considering the Executive Board and Supervisory Board together, comprising seven members in total, the gender distribution is 71.4% male (five men) and 28.6% female (two women).

Female-to-male ratio: 1:2.5

The Supervisory Board is considered fully independent, as per the independence criteria outlined in Annex 1 of the Austrian Corporate Governance Code.

At the top executive level, both the CEO and COO take responsibility for impacts, risks and opportunities, ensuring alignment with strategic objectives. The Supervisory Board oversees these matters, providing guidance and ensuring compliance with sustainability-related priorities and objectives.

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions. The rules of procedure for the Supervisory Board govern in detail the composition, working method and tasks of the Supervisory Board, the procedure in situations of conflicts of interest, and all committees (Audit Committee, Nomination and Remuneration Committee, Sustainability Committee) and their responsibilities. The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform them about the development of business and the situation of the company and the Group companies. The focus of the discussions was on the implementation of the Group's strategic direction

and the key business transactions. As part of the key business transactions, the industrial downturn over the course of 2025 and the resulting measures were explained in detail. The opportunities and risks for the existing business model arising from the strategic realignment were presented extensively.

The members of the Supervisory Board attended all Supervisory Board meetings. Only one member was excused from one meeting. Accordingly, the members of the Supervisory Board attended 75% of the Supervisory Board meetings. The Managing Directors of the individual SBO companies and the divisional heads provide the Executive Board with analyses and recommendations on the impacts, opportunities and risks of business activities. The CEO and the COO assess this input and make strategic decisions, with responsibilities relating to impacts, risks and opportunities (IROs) reflected in various policies, including the Code of Conduct, the Whistleblowing Policy and the Ethics and Fair Trade Policy.

Responsibility for risk management is assigned to the Head of Risk Management and the Head of Compliance, whose work is monitored through regular reporting and oversight processes.

Reporting obligations for those responsible for monitoring risks are structured as follows: Risk-monitoring units are required to provide regular reports to the Executive Board, typically on a bi-annual basis or as needed for potential developments. These reports include detailed risk assessments, potential impacts, and proposed mitigation measures. Communication with the Supervisory Board occurs through periodic updates and dedicated reports. The reporting process ensures a clear flow of information to both the executive and supervisory levels, enabling informed decision-making and effective oversight of risks.

SBO uses specialized control mechanisms and procedures, such as internal audits, compliance calls and risk management, all of which are embedded into the corporate structure to effectively manage risks and opportunities.

The Supervisory Board and the Executive Board of SBO monitor key risks and opportunities through regular meetings and detailed reporting, with targets set based on strategic priorities, risk assessments and objectives. Progress towards achieving these targets is monitored using defined metrics and regular status reports; deviations are analysed and, where necessary, addressed by adjusting measures, responsibilities or timelines. As part of the ongoing analysis, the defined impacts, risks and opportunities identified through the double materiality assessment are being reviewed for potential integration into the existing risk management framework to ensure a comprehensive and aligned approach.

The Managing Directors/Executive Board possess relevant commercial as well as technical educational backgrounds and have gained significant professional experience in leadership roles, including managing strategic and operational challenges. The Supervisory Board members bring numerous expertise in areas such as corporate management, finance, technical and business administration, as well as corporate governance, sustainability, and compliance.

Diversity of the Supervisory Board	2025	2024	2023
GOV-1-21d	GOV-1 21-d, e	GOV-1-21d, e	GOV-1 21-d, e
Total number of Supervisory Board members	5	5	5
Male	3	3	3
Female	2	2	2
Proportion of independent board members (%)	100	100	80

Diversity of the Executive Board	2025	2024	2023
GOV-1 21d	GOV-1 21d	GOV-1 21d	GOV-1 21d
Total number of Executive Board members	2	2	2
Proportion male (in %)	100	100	100
Proportion female (in %)	0	0	0

Composition of the Management Board:	GOV-1-22a, GOV-1-21b	Executive Board member CEO	Executive Board member COO
Name	GOV-1-22a	Klaus Mader	Campbell MacPherson

Klaus Mader has been appointed Chairman of the Executive Board as of 1 January 2024 and was previously the Chief Financial Officer of the Group. He has been a member of the Executive Board since October 2015. Prior to joining SBO, Klaus was the Executive Vice President Finance & Administration of TYROLIT Group for over 10 years. Before that he gained significant experience at renowned companies, including Wienerberger Baustoffindustrie AG. Klaus holds a master's degree in business administration from Vienna University of Economics and Business. He is responsible for Strategy, Public Relations / Investor Relations, Risk management, ESG & Sustainability, Compliance, Finance and Accounting, Human Resources, Legal Matters and Digitalization.

Campbell MacPherson was appointed to the Executive Board for the first time as Chief Operating Officer (COO) as of 1 January 2024. He has been with SBO for over 15 years, most recently serving as the Executive Vice President of the Advanced Manufacturing & Services division. In his time with SBO, Campbell MacPherson has served in critical roles including Managing Director of SBO's subsidiaries in the UK, Vietnam for which he led the setup and the Middle East. He also held executive positions in Forth Tool & Valve Ltd. (now Proclad), Havelock Europe and the CEO role for Premier Hytemp. Campbell holds a Bachelor of Engineering in Naval Architecture & Offshore Engineering from the University of Strathclyde, Glasgow. He is responsible for Production, Supply Chain Management, Sales and Marketing, Product and Market Strategy, R&D and Innovation Management

Skills and expertise in monitoring sustainability aspects	GOV-1-23a	Access to experts	Access to experts
Relation of skills and expertise to the material IROs	GOV-1-23b	<p>When developing and implementing the corporate strategy, which encompasses both organic and acquisitive growth, the Executive Board considers sustainability aspects as well as associated opportunities and risks related to environmental, social, and governance (ESG) factors.</p> <p>For example, during an M&A process, the Executive Board evaluates the extent to which a potential transaction impacts SBO's sustainability positioning with regard to key impacts, risks, and opportunities. In this process, the Executive Board is supported by internal and external ESG experts.</p>	

Composition of the Supervisory Board:	Name	Independence	Experience	Skills and expertise in monitoring sustainability aspects
GOV-1-22a, GOV-1-21b	GOV-1-22a	GOV-1-21e	GOV-1-21c	GOV-1-23a
Chairman of the Supervisory Board	Norbert Zimmermann	Yes	<p>Norbert Zimmermann, Chairman of the Supervisory Board, has been a member of the SBO Supervisory Board since 1995. He is a renowned Austrian entrepreneur and has gained extensive management experience at companies such as Spar AG and Berndorf AG and held various Executive Board and Supervisory Board positions in the Berndorf Group, including Chairman of the Supervisory Boards at Berndorf AG and Berndorf Industrieholding AG (to date). In addition to his role as Chairman of the Supervisory Board at SBO, Norbert Zimmermann is actively involved in various foundations. Norbert Zimmermann holds a Master's degree in Commercial Sciences from the Vienna University of Economics and Business.</p>	

Deputy Chairwoman of the Supervisory Board	Brigitte Ederer	Yes	<p>Brigitte Ederer, Deputy Chairwoman of the Supervisory Board, was first elected to the SBO Supervisory Board in 2014. She was active in politics for many years in various roles, including serving as Austria's State Secretary for European Affairs. From 2000 onwards, she held executive positions within the Siemens Group in Austria and Germany. Brigitte Ederer also holds supervisory board mandates at major companies such as ÖBB Holding AG, Marinomed Biotech AG, ams-OSRAM AG, TTTech Computertechnik AG, and WEB Windenergie AG. Brigitte Ederer holds a Master's degree in Economics from the University of Vienna.</p>	Training courses
Member of the Supervisory Board	Simon William Caines Eyers	Yes	<p>Simon WC Eyers has been a member of the SBO Supervisory Board since 2024. He has worked as a manager in technology companies and investment banks such as Goldman Sachs. He was a founding partner of 4D Global Energy Advisors, a partner and advisor at Warburg Pincus International, and Chairman of Evrythng. Simon Eyers also holds supervisory board mandates in international companies, such as Technip Energies. Simon WC Eyers holds a Bachelor of Science in Electrical and Electronic Engineering from the University of Edinburgh.</p>	
Member of the Supervisory Board	Wolfram Littich	Yes	<p>Wolfram Littich has been a member of the SBO Supervisory Board since 2016. He has held various leadership positions in the banking and insurance sectors, including serving on the Executive Board of the Vienna Stock Exchange and Bank Austria. From 2001 to 2017, he was CEO of Allianz Elementar. In addition to his role at SBO, he is a member of various supervisory boards within the Berndorf Group. Wolfram Littich studied Business Administration at the Vienna University of Economics and Business and earned his Doctorate in Economics from the University of Vienna.</p>	

Member of the Supervisory Board	Sonja Zimmermann	Yes	<p>Sonja Zimmermann has been a member of the SBO Supervisory Board since 2018. She holds various executive and supervisory board positions within the Berndorf Group, including Chairwoman of the Supervisory Board at Berndorf AG and a member of the Executive Board of Berndorf Industrieholding AG. As a board member of the Berndorf Private Foundation, she is committed to education, culture, and social projects. Sonja Zimmermann furthermore holds a supervisory board mandate Bank für Tirol und Vorarlberg AG. She holds a Master of Arts in Translation and Interpreting with a focus on Commercial Sciences from the University of Vienna.</p>
---------------------------------	------------------	-----	---

G1 GOV-1 - The role of the administrative, management and supervisory bodies

The Executive Board of SBO holds both operational and strategic responsibility for corporate governance. At a strategic level, key elements include developing the strategy of SBO. SBO's Code of Conduct guides SBO's principles and practices. In coordination with the compliance team, division heads and local presidents, the Executive Board measures and aligns strategic objectives, which are then implemented and monitored at an operational level.

The Executive Board oversees corporate governance and the business conduct of the subsidiaries, ensuring alignment with SBO's strategic goals and practices. The Supervisory Board provides oversight to ensure compliance and effectiveness.

Both members of the Executive Board have expertise in corporate governance and risk management which enables them to guide SBO in alignment with CSRD and ESRS requirements.

GOV-2 - Information provided to sustainability matters addressed by SBO's administrative, management and supervisory bodies

The Senior Expert ESG and Sustainability supported by local sustainability managers, informs the Executive Board about material impacts, risks, and opportunities. The local sustainability managers collaborate to provide comprehensive analyses and ensure that sustainability-related factors are communicated. The Senior Expert ESG and Sustainability, reports, based on the provided feedback from local sustainability managers, on the effectiveness of strategies and actions. This ensures transparency and accountability of all involved parties. The results are then communicated via regular reports.

The Executive Board considers material impacts, risks, and opportunities when defining the strategy of SBO, using input from subsidiaries to guide their decisions. ESG-related impacts, risks and opportunities are initially identified through the double materiality assessment. A standardized process for systematically considering these factors in decision-making has not yet been implemented. Consideration is carried out on a case-by-case basis within the existing decision-making and planning processes.

During the reporting period, SBO's Executive Board and Supervisory Board addressed the key impacts, risks, and opportunities, including health and safety, financial risks, regulatory changes, working conditions, decarbonization measures, and the diversifi-

cation of the business model. The Executive Board implemented measures to further improve workplace safety, meet regulatory requirements, and drive the strategic development of the Company.

Health and safety (S1)

Work accidents due to inadequate safety measures.

Financial risks (E1, S4)

rising energy prices (E1); Transitional risk by phase out of fossil fuels (E1); Reduced demand due to new trends in the energy market (S4).

Regulatory changes (G1)

Incidents of corruption and bribery; Improper protection of whistleblowers.

Working conditions (S1)

High workload; Low standards regarding working conditions and job satisfaction; Work-life balance and adequate working hours; Incidents of violence and harassment at the workplace; Upskilling.

Energy (E1)

Energy consumption in production, offices and services.

Climate Change - business model diversification (E1)

Emerging new business opportunities.

GOV-3 - Integration of sustainability-related performance in incentive schemes

The remuneration system for SBO's Executive Board includes performance-based variable components linked to both financial and non-financial criteria. Non-financial criteria are partially aligned with sustainable and strategic objectives, contributing to accountability for environmental, social, and governance (ESG) priorities. For the Supervisory Board, remuneration is not linked to company performance, as per Austrian regulations.

In the reporting period 2025 SBO did not integrate sustainability-related targets into the performance measurement of the Executive Board. Performance is evaluated using qualitative criteria that align with SBO's broader strategic goals.

Variable remuneration for Executive Board members includes both financial and non-financial performance criteria. Non-financial criteria are tied to areas like ESG projects and strategic corporate development.

Due to the lack of explicit quantification of climate-related criteria within the qualitative performance criteria, the share of climate-related criteria within variable remuneration to be disclosed in accordance with ESRS E1, paragraph 13 in conjunction with ESRS 2, GOV-3 cannot be determined or disclosed.

The Nomination and Remuneration Committee of the Supervisory Board is responsible for preparing, regularly reviewing and monitoring the implementation of the Remuneration Policy for the Executive Board. The Nomination and Remuneration Committee is responsible for determining the target achievement of the performance criteria for the performance-related remuneration.

E1 GOV-3 - Integration of sustainability-related performance in incentive schemes

Climate-related factors are integrated into the compensation of the Executive Board as part of its sustainability and ESG-related responsibilities; however, they are not separately quantified. The qualitative performance criteria include strategic corporate development, ESG projects, the implementation of key initiatives, as well as market and product innovations.

In the company strategy newly presented in 2025, the Executive Board set the goal of reducing Scope 1 and Scope 2 emissions by 30% by 2030 compared to the reporting year and Scope 3 emissions by 10%. Progress is reviewed regularly. The respective targets form the basis for assessing both the Executive Board's overall performance and the individual performance of each Executive Board member.

GOV-4 - Statement on due diligence

SBO aligns its sustainability reporting with the requirements of the ESRS. Through the double materiality assessment, significant impacts, risks, and opportunities (IROs) across the value chain were identified. These findings are integrated into the Non-financial Statement to demonstrate how key ESG topics are addressed in practice.

Compliance with ESRS standards is ensured through a systematic approach that prioritizes relevant topics and ensures transparent documentation. Transparency is achieved by incorporating stakeholder feedback and clearly presenting the outcomes.

This approach ensures that the essential aspects of due diligence are incorporated into sustainability reporting and continuously improved.

Core elements of due diligence	Paragraphs in the Non-financial Statement
GOV-4-32	GOV-4-32
a) Integration of due diligence into governance, strategy and business model	GOV-1-22A, GOV-2-26A, GOV-3-29A, SBM-1-40A (Description of how due diligence is integrated into governance and strategy) MDR-P (Policies defining how due diligence is managed, including ethical frameworks, human rights, and environmental compliance)
b) Involvement of affected stakeholders in all key steps of the due diligence process	SBM-2-45A, SBM-2-45B, SBM-2-45C, SBM-2-45D (How stakeholders, including employees, suppliers, and communities, are engaged in due diligence) IRO-1, GOV-2-26A (Materiality analysis on stakeholder concerns) ESRS S1-S4: SBM-2-45, S1-SBM-2-12, S2-SBM-2-9 (How stakeholder rights, social impact, and human rights issues are integrated) MDR-P (Policies and procedures for engaging stakeholders in due diligence processes)
c) Identification/determination and assessment of negative impacts	SBM-3-48A, SBM-3-48B, SBM-3-48C, IRO-1 (Methodologies used to identify material ESG risks and opportunities) ESRS E1-E5: SBM-3-48A, SBM-3-48C (Environmental risks such as climate change, pollution, and resource use) ESRS S1-S4: SBM-3-48A (Social risks such as labor rights, supply chain risks, and discrimination)
d) Actions to counter these negative impacts	MDR-A (Actions taken to mitigate or remediate ESG risks, such as changes to supply chain policies, investment in clean technology, or improvement in social programs)
e) Tracking the effectiveness of these efforts and communication	GOV-2-26C, GOV-1-22D (Company-wide monitoring systems, internal reporting structures, and ESG disclosures) MDR-M (Specific metrics used to measure the effectiveness of due diligence actions, such as ESG impact assessments, supplier audits, and diversity ratios) MDR-T (Tracking against sustainability goals, such as net-zero by 2050, supplier ESG compliance or employee well-being initiatives)

GOV-5 - Risk management and internal controls over sustainability reporting

SBO's approach to risk management in sustainability reporting focuses on ensuring the accuracy, reliability, and transparency of disclosed data. Key components include:

- **Risk Mitigation:** SBO has implemented measures to reduce the likelihood of errors in material key figures. These include standardizing data collection processes and enhancing data verification to improve accuracy and consistency.
- **Training Programs:** Employees involved in sustainability data collection processing and reporting are provided with targeted training to enhance understanding of reporting requirements and processes.
- **Documentation and Control Loops:** SBO employs clear guidelines for collecting and validating key figures, ensuring that all data is subject to comprehensive review and control procedures before being published.

These measures help SBO align its sustainability reporting with legal requirements, thereby ensuring transparency and accountability.

SBO applies a clear process to manage and prioritize risks in sustainability reporting. This includes organizing cross-functional teams for data collection and analysis as well as carrying out validation steps to ensure the accuracy and completeness of the data. In addition, internal controls and review mechanisms are in place to ensure compliance with legal requirements and alignment with SBO's overall sustainability objectives.

Completeness and Integrity of Data:

Risk: Potential gaps or inaccuracies in sustainability data due to incomplete information from upstream or downstream value chain partners.

Planned mitigation Strategy: Establish clear communication protocols with suppliers and partners, implement fallback options such as data extrapolation based on historical data, and enhance data validation processes.

Monitoring: Regular reviews of data completeness and integrity by designated teams, with discrepancies flagged for immediate correction.

Accuracy of Estimation Results:

Risk: Challenges in ensuring precise estimates for sustainability metrics.

Planned mitigation Strategy: Develop standardized estimation methodologies and conduct periodic audits to verify accuracy.

Monitoring: Continuous evaluation through comparison of estimates with actual results over time.

Responsible persons from the areas of Compliance, Risk management, ESG or Finance report regularly to the Executive Board and the Supervisory Board through structured updates on risk management and internal control mechanisms. This ensures well-founded decision-making and the continuous improvement of sustainability reporting in line with SBO's governance framework.

SBM-1 - Market position, strategy, business model(s) and value chain

Significant product (groups) / (groups of) services	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
SBM-1-40a-i	SBM-1-40a-i	SBM-1-40a-i
Manufacturing of high-precision components	more than 10 %	yes
Sale and rental of drilling tools and well completion equipment	more than 10 %	yes
Manufacturing of non-magnetic steel collars	more than 10 %	yes
Services and repair	less than 10 %	yes

Customer groups served	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
SBM-1-40a-ii	SBM-1-40a-ii	SBM-1-40a-i
Large companies	more than 10%	yes
SMEs (small and medium-sized enterprises)	less than 10%	yes
Government sector	less than 10%	yes

Markets served	Share of turnover of SBO	Mention of (possible) negative impacts on people and the environment
SBM-1-40a-ii	SBM-1-40a-ii	SBM-1-40a-i
Middle East	more than 10%	yes
North America	more than 10%	yes
Asia	more than 10%	yes
Central and South America	less than 10%	yes
Other	less than 10%	yes
Europe	less than 10%	yes

Geographical area	Number of employees (HC)
SBM-1-40a-iii	SBM-1-40a-iii
Europe	458
North America	684
Asia-Pacific	128
Middle East	140
Others (South America, Russia)	129
Total	1539

SUSTAINABILITY TARGETS

SBO has defined specific sustainability targets, including targets for emissions reductions and diversification. Currently, there are no explicitly defined quantitative targets for individual product groups, services, customer groups or stakeholder relationships. At present, products or product groups do not explicitly contribute to achieving the sustainability targets.

STRATEGIC RELEVANCE OF SUSTAINABILITY ASPECTS

SBO's strategy includes sustainability targets. A key objective is the reduction of emissions, achieved through the transition to renewable energy, optimization of manufacturing processes and resource-efficient circular economy practices. SBO is strategically leveraging its existing technologies to penetrate adjacent industries, such as Next-generation geothermal energy, while simultaneously driving innovation with advanced products in 3D metal printing in energy transition and industrial markets. Key challenges include meeting evolving regulatory requirements, ensuring supply chain resilience and maintaining competitiveness while advancing sustainable solutions.

BUSINESS MODEL AND VALUE CHAIN

SBO is a manufacturer of high-alloy, non-magnetic steels as well as high-precision components and equipment for the energy sector and other industries. SBO delivers cutting-edge, high-performance solutions from a highly innovative product portfolio protected by strong intellectual property.

Headquartered in Ternitz, Austria, and with subsidiaries across four continents, SBO stays close to its customers and provides fast, efficient, and high-quality products and solutions. Strategic, long-standing relationships with customers and suppliers are essential to deliver industry-specific solutions of the highest quality that both increase efficiency and reduce environmental impact. With its products and services, SBO makes a significant contribution to securing the global energy supply.

SBO's value chain encompasses all key stages – from raw material sourcing to the end use of its products. Finished components are then delivered worldwide to customers in the oil and gas, geothermal, lithium and helium extraction, carbon capture & storage, defense and other industries. After their use, many of these products can be recycled or reintegrated into further industrial processes, supporting long-term operational efficiency.

Precision Technology (PT): In this division, SBO manufactures custom components with the highest accuracy – from complex steel parts to additive manufacturing solutions – for industries where precision and high performance are critical, such as the energy, aerospace, defense and semiconductor industries.

Energy Equipment (EE): In this division, SBO provides high-end equipment for horizontal and directional drilling and for well-completion in extreme onshore and offshore environments. SBO's solutions are designed for high-temperature and high-pressure conditions and are used in industries such as oil and gas, geothermal, lithium and helium extraction, and carbon capture & storage. SBO's customer-focused innovations can be rented or purchased and deliver efficiency, reliability, and sustainability across diverse industries.

SBO's production processes rely on a range of key raw materials, including steel, metal powder for additive manufacturing, aluminium, resin and hardener (for composite materials), glass fibre material, rubber, polyester, and magnesium. To ensure supply chain stability and security of supply, SBO maintains long-term relationships with its suppliers.

Outputs: SBO manufactures high-precision components and equipment, components used for directional drilling, rotary steerable systems, and well-completion products and solutions. These products are primarily used in the energy sector today, but increasingly in geothermal applications.

Customer Benefits: The products of SBO meet high performance and quality standards, providing customers with a technological edge and thus competitive advantages in their respective industry through tailored and often customer-specific designs.

Stakeholder Benefits:

- **Investors:** Benefit from revenue growth, an increase in company value, and dividends through diversification into business areas such as energy transformation and other industrial applications. Earnings and cash generation across market cycles thanks to a strong market position (niche provider).
- **Employees:** Personal development and career opportunities through innovation-driven programs.
- **Communities:** Experience reduced environmental impact through SBO's technologies as well as the company's compliance and sustainability efforts.

UPSTREAM AND DOWNSTREAM VALUE CHAIN

Upstream Value Chain: SBO's upstream value chain relies on robust relationships with suppliers of high-quality raw materials, ensuring the consistent manufacturing of its specialized products.

Downstream Value Chain: SBO works closely with its customers, offering tailored solutions to maintain high performance standards, reliability, and efficiency improvements. This collaboration significantly contributes to the overall value creation in the energy sector.

SBM-2 - Interests and views of stakeholders

SBO engages with key stakeholder groups, including customers, suppliers, banks, shareholders, and employees, through regular communication and collaboration. This includes direct exchanges with customers to address specific needs, close coordination with suppliers to strengthen supply chain reliability and foster long-term partnerships, ongoing dialogue with banks regarding financial matters, transparent communication with shareholders on strategic developments, and continuous engagement with employees to support their health, safety and professional growth.

INTEGRATING INTERESTS AND VIEWS INTO STRATEGY AND BUSINESS MODEL

SBO actively engages with its workforce to understand their interests, views, and rights, considering these insights to inform its strategy and business model while maintaining a strong commitment to respecting human rights. However, the interests and views of value chain workers, affected communities, and consumers are not fully integrated into this process, although their rights are upheld.

Stakeholder	SBM-2-45 a ii	Customers/distributors
Purpose of inclusion	SBM-2-45 a iv	Challenge own assumptions and create better results, products and services, etc.
Organisation/type of integration	SBM-2-45 a iii	Annual and quarterly meetings, stakeholder events, fairs, etc.
Consideration of the results	SBM-2-45 a v	Feedback incorporated into business offering
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Innovative products, on-time delivery, high quality, financial strength, etc.
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO's customers are critical to SBO's success. Future strategic adjustments may be made based on customer feedback.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Continue to implement feedback mechanisms to discuss operational and strategic topics
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Grow further with existing customers as well as win new clients

Stakeholder	SBM-2-45 a ii	Employees
Purpose of inclusion	SBM-2-45 a iv	Ensure employee satisfaction, improve working conditions and employee retention
Organisation/type of integration	SBM-2-45 a iii	Feedback box, dialogue with the works council, suggestion system etc.
Consideration of the results	SBM-2-45 a v	Employee surveys were conducted in selected subsidiaries. The results are discussed in management meetings and taken into account when deriving and prioritising improvement measures.
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Safe and fair working environment, development opportunities
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO continuously integrates valuable ideas for new business opportunities, which may lead to strategic adjustments in the future (e.g., through leadership meetings).
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Implement training and development workshops
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Higher employee retention

Stakeholder	SBM-2-45 a ii	Shareholder
Purpose of inclusion	SBM-2-45 a iv	Aligning with shareholder expectations for company growth, share price, dividend payment and overall financial stability of SBO
Organisation/type of integration	SBM-2-45 a iii	Annual General Meeting, Conferences, roadshows, investor calls and financial quarterly reports
Consideration of the results	SBM-2-45 a v	Input considered for strategy and financial planning
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Pursue strategies which ensure sustainable and profitable company growth
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO may refine its strategy based on constructive feedback from shareholders, particularly in the context of conferences, roadshows, and similar engagements.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Further strengthen reporting processes and enhance governance
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Maintained investor confidence and alignment with strategic goals

Stakeholder	SBM-2-45 a ii	Suppliers
Purpose of inclusion	SBM-2-45 a iv	Foster collaboration for supply chain efficiency and sustainability
Organisation/type of integration	SBM-2-45 a iii	Annual to quarterly meetings. Stakeholder events, direct communication
Consideration of the results	SBM-2-45 a v	Supplier feedback incorporated into procurement processes
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Stable relationships, sustainable procurement practices
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Continue close collaboration and maintain regular meetings to ensure ongoing alignment with supplier expectations
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	SBO's suppliers are vital value chain partners and play a crucial role in SBO's success. At this moment in time SBO does not plan to alter its strategy in response to supplier feedback.
Realisation date of the planned further steps	SBM-2-45 c ii	Within 1-5 years
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Increased reliability and sustainability in the supply chain
Stakeholder	SBM-2-45 a ii	Banks
Purpose of inclusion	SBM-2-45 a iv	Ensure alignment with financial expectations and compliance
Organisation/type of integration	SBM-2-45 a iii	Regular dialogue, financial reports, annual meetings
Consideration of the results	SBM-2-45 a v	Feedback incorporated into financial risk assessments
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Risk management, stability, and sustainability
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	While banks are key financial partners and essential to the successful execution of SBO's strategy, SBO will not adjust its strategic direction based on their input.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	Ongoing engagement with financial institutions
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Continued strong credit rating and financial reliability

Stakeholder	SBM-2-45 a ii	Authorities, politics
Purpose of inclusion	SBM-2-45 a iv	Compliance with regulations
Organisation/type of integration	SBM-2-45 a iii	Monitoring of political discourse
Consideration of the results	SBM-2-45 a v	Results used to ensure legal compliance
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Legal and regulatory adherence
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Authorities and political parties will not play a central role in shaping SBO's future strategy. However, geopolitical changes may necessitate flexible adjustments of any strategy.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	n/a
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Compliance with changing legal frameworks
Stakeholder	SBM-2-45 a ii	NGOs
Purpose of inclusion	SBM-2-45 a iv	Limited communication
Organisation/type of integration	SBM-2-45 a iii	No regular formats
Consideration of the results	SBM-2-45 a v	Not applicable
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Social and environmental considerations
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	At this moment SBO does not plan to modify its strategy based on input from NGOs
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	n/a
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Minimal direct impact
Stakeholder	SBM-2-45 a ii	Local communities
Purpose of inclusion	SBM-2-45 a iv	Support targeted local initiatives
Organisation/type of integration	SBM-2-45 a iii	Project-based collaboration
Consideration of the results	SBM-2-45 a v	Community feedback integrated into local projects
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Social impact and environmental improvement

Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	Focus on maintaining existing community engagement activities and evaluating potential new opportunities if aligned with strategic goals
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	At this moment SBO does not plan to modify its strategy based on input from local communities.
Realisation date of the planned further steps	SBM-2-45 c ii	Long-term
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Strengthened community relationships
Stakeholder	SBM-2-45 a ii	Media
Purpose of inclusion	SBM-2-45 a iv	Public relations and brand positioning
Organisation/type of integration	SBM-2-45 a iii	Press releases, media events
Consideration of the results	SBM-2-45 a v	Media feedback influences corporate image
Description of the interests of key stakeholders with regard to the corporate strategy and business model	SBM-2-45 b	Transparent communication, enhanced reputation
Adaptation of the financial year strategy or business model to the interests of stakeholders	SBM-2-45 c i	No changes
Planned adaptation of the strategy or business model to the interests of stakeholders in the future	SBM-2-45 c ii	SBO will not alter its strategy in response to media influence.
Planned steps to address the interests of stakeholders	SBM-2-45 c ii	None
Realisation date of the planned further steps	SBM-2-45 c ii	Ongoing
Expected result of the changes in strategy, business model and further steps	SBM-2-45 c iii	Improved public image and stakeholder awareness

At SBO, the executive and supervisory boards are informed about stakeholder views and interests regularly through verbal updates or reports and summaries prepared by responsible managers, ensuring these insights are considered in decision-making processes.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

SBO has identified key environmental impacts, risks, and opportunities, mainly focused on emissions and resource consumption in its own manufacturing operations and across the upstream and downstream value chain. Risks also arise from regulatory changes and market dynamics, while opportunities exist in business model diversification and advancements in the circular economy. SBO acknowledges that material impacts, risks, and opportunities significantly affect its business model, value chain, strategy, and decision-making. Current and future focus areas include emission reduction and circular economy optimization.

By applying the double materiality principle, SBO has analyzed all Impact, Risk, and Opportunity factors (IROs). In addition, the climate risk and vulnerability analysis has provided valuable insights, further enhancing the understanding of key climate-related risks and opportunities. SBO is strategically well-positioned to manage these challenges and leverage opportunities.

There were no significant financial impacts during the reporting year caused by IROs.

The double materiality assessment was reviewed for continued relevance in the current reporting year and adjusted in terms of content. One impact was reassessed and classified as non-material (E2 Pollution – microplastics). In addition, IROs with identified overlaps were aggregated. For selected IROs, the allocation within the value chain was further specified to correct imprecision resulting from data collection. As a result, there are now 51 impacts instead of 52, with aggregated impacts each counted as a separate impact, and an unchanged total of 21 risks and opportunities.

The IROs are subject to ESRS disclosure requirements.

LIST OF ALL MATERIAL IMPACTS SBM – 3 –48 A-H

Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concern)
List of all material impacts	Emissions from transportation, purchased raw materials and from the production of iron and steel
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Entire value chain
Details/Description	Transport-related emissions occur throughout the value chain, as products are transported from raw material suppliers to production sites and subsequently to customers. Carbon emissions and environmental pollution from steel production affect global warming and air quality.
Period	All time horizons
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material impacts	Emissions from oil and gas extracted with SBO products
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Indirect greenhouse gas emissions arising from the use of SBO products in oil and gas extraction, as the products support extraction and thereby cause additional emissions.
Period	All time horizons
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material impacts	Use of GHG intensive raw materials
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	The use of greenhouse gas-intensive raw materials in own operations leads to increased energy consumption and greenhouse gas emissions throughout the manufacturing processes.
Period	All time horizons
Topic/Sub-Topic	E1-Energy (Environmental concerns)
List of all material impacts	Energy Consumption in manufacturing, offices and services
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Energy consumption at SBO sites worldwide in production, offices and services increases the company's carbon footprint and leads to additional local environmental impacts, in particular due to the provision of energy from fossil sources. This results in higher energy-related emissions and other environmental impacts associated with energy generation and use.
Period	All time horizons

Topic/Sub-Sub-Topic	E2 Pollution of air and soil (Environmental matters)
List of all material impacts	Air pollution from global industrial processes, from the production of iron and steel, from mining operations for nickel, copper, chromite and other raw materials, from transportation, and soil pollution from mining for nickel, copper, chromite and other raw materials
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	The impacts are linked to the strategy and business model because SBO sources key raw materials and intermediate products, in particular steel, through an upstream supply chain. Environmental impacts from raw material extraction, steel production and transportation are therefore directly linked to SBO's procurement strategy, supplier selection and global logistics.
Period	All time horizons
Topic/Sub-Sub-Topic	E3-Water consumption (Environmental concerns)
List of all material impacts	Water usage
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Entire value chain
Details/Description	Water consumption is linked to the strategy and business model because water is a necessary input in SBO's manufacturing processes and these processes are part of the core operations. This is particularly relevant in regions with water scarcity, as site selection, production planning and operational processes determine the extent to which local water resources are used.
Period	All time horizons
Topic/Sub-Sub-Topic	E3-Water discharges in the oceans (Environmental concerns)
List of all material impacts	Liquid pollutant discharges in the ocean
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Discharges of liquid pollutants into the sea in the context of downstream oil and gas projects in which SBO products are used can adversely affect the marine environment. This can harm marine life and ecosystems, in particular in the event of incidents or insufficient operating and protective measures. Although compliance with legal requirements is expected from major downstream operators and SBO is not aware of any violations to date, a long-term risk to marine biodiversity and marine ecosystems remains.
Period	Long-term

Topic/Sub-Sub-Topic	E4-Land-use change, fresh water-use change and sea-use change (Environmental concerns)
List of all material impacts	Change in land use for mining, freshwater use for production, change in marine use for product use
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Changes in land, freshwater and marine use arise in the upstream and downstream value chain, in particular due to mining for the extraction of raw materials, the use of freshwater in production and the application of products in maritime operating environments. This can result in land conversion, impacts on natural habitats and disruption of ecosystems, including through interventions in forest areas, changes in water availability and conflicts of use in marine areas. These impacts are predominantly long-term as they are linked to the life cycle of mining activities and downstream use.
Period	Long-term

Topic/Sub-Sub-Topic	E4-Climate Change (Environmental concerns)
List of all material impacts	Use of product for extraction of oil and gas
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	The use of SBO products in drilling and completion activities in the downstream value chain supports the extraction and production of fossil fuels. This enables or intensifies activities that are associated with additional greenhouse gas emissions and contribute to climate change. The impact persists across all time horizons as long as the products are used in oil and gas projects. It means that, through the use of its products, SBO indirectly contributes to the continuation of the fossil value chain and the business model remains linked to the fossil fuel industry.
Period	All time horizons

Topic/Sub-Sub-Topic	E4-Land degradation: Desertification: Soil sealing (Environmental concerns)
List of all material impacts	Drilling activities causing impact on ecosystems
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Downstream value chain
Details/Description	Drilling and production activities in which SBO products are used in the downstream value chain can contribute to soil degradation and land take in sensitive ecosystems. This can impair vegetation cover and habitats, weaken local ecosystem functions and cause additional disturbances, such as noise, through associated operating activities.
Period	All time horizons

Topic/Sub-Sub-Topic	E4-Pollution (Environmental matters)
List of all material impacts	Pollution along the value chain with impacts on biodiversity
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Pollution along the value chain can arise from emissions and waste from manufacturing, transportation and product use and can thereby adversely affect biodiversity. Pollutants in air, water and soil can place stress on habitats, impair ecosystem quality and contribute to a decline in species and populations.
Period	All time horizons
Topic/Sub-Sub-Topic	E5-Resources inflows, including resource use
List of all material impacts	Resource consumption for manufacturing and dependence on primary raw materials
Type of sustainability impact	Negative impacts (actual and potential)
Concentration in the value chain	Upstream value chain and own operations
Details/Description	Resource consumption in manufacturing and dependence on primary raw materials lead to high use of natural resources and to waste from production processes. The use of material-intensive materials such as steel increases the environmental impact because additional interventions and emissions occur in the provision of raw materials. Through recycling processes and the use of recycled materials, the need for new raw materials can decrease and environmental impacts can be reduced. This remains limited due to the continued need to purchase primary raw materials. For people and the environment, this means pressure on ecosystems and resource availability. For the business model, inefficient resource use creates cost, sourcing and reputational risks. At the same time, resource efficiency and recycling can strengthen resilience and sustainability.
Period	All time horizons
Topic/Sub-Sub-Topic	E5-Resources inflows, including resource use (Environmental concerns)
List of all material impacts	Inefficient use of raw materials and resources
Type of sustainability impact	Negative impact (potential)
Concentration in the value chain	Upstream value chain and own activities
Details/Description	Inefficient use of raw materials and other material resources in manufacturing processes, as well as in the use of production and office space, leads to unnecessarily high material consumption and increased volumes of waste. This increases the need for primary raw materials, which can exacerbate resource scarcity and increase pressure on upstream raw material extraction and supply chains. For people and the environment, this means greater use of natural resources and additional stress on ecosystems due to higher demand for raw materials and disposal. For the business model, this results in rising material costs.
Period	All time horizons

Topic/Sub-Sub-Topic	E5-Waste (Environmental concerns)
List of all material impacts	Waste from own processes in regions Asia, Middle East, Central and South America
Type of sustainability impact	Negative impact (potential)
Concentration in the value chain	Own activities
Details/Description	<p>Waste from SBO's own manufacturing processes at sites in Asia, the Middle East, and Central and South America can lead to pollution of soil, water and the local environment if separation, storage or disposal are inadequate. This can adversely affect ecosystems and have a negative impact on residents and employees due to deteriorating environmental quality. SBO is directly responsible for the generation of this waste, while contracted service providers can also influence the actual environmental impacts during disposal. The generation and type of this waste are directly linked to SBO's business model because it arises as a result of ongoing manufacturing processes at the sites and is determined by production procedures, material use and process design. The actual impacts are also linked to the procurement and operating strategy because the selection, management and control of external waste disposal service providers are part of operational value creation and help determine whether environmental impacts are avoided or exacerbated.</p>
Period	All time horizons
Topic/Sub-Sub-Topic	S1-Collective bargaining, including rate of workers covered by collective agreements (Employee and social concerns)
List of all material impacts	Missing collective bargaining
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	<p>A lack of collective bargaining or low coverage by collective agreements in individual subsidiaries can weaken employees' collective representation and limit their ability to enforce fair working conditions. This can favour unequal treatment in terms of wages, working hours or additional benefits and reduce perceived fairness within the company. For employees, this can potentially mean limited participation rights. The impact is directly linked to SBO's strategy and business model, as employment relations and the design of employment conditions are part of operational HR and site management in the subsidiaries. The decision on how working conditions are regulated locally, for example through collective agreements, works agreements or internal policies, is therefore closely linked to the Group's organisational and governance structure and the management of an internationally distributed workforce.</p>
Period	All time horizons

Topic/Sub-Sub-Topic	S1-Child labor (Respect for human rights)
List of all material impacts	Incidents of child labor
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities
Details/Description	Child labour is a severe human rights violation and can lead to exploitation, as well as permanently impair the health, development and educational opportunities of affected children. The potential impact is linked to SBO's strategy and business model because the company employs people through its sites and subsidiaries and is therefore responsible for lawful, age-appropriate employment practices within its own HR management. The Code of Conduct and compliance management are intended to prevent this risk and ensure compliance with human rights standards. No cases are known at SBO or in the value chain.
Period	All time horizons
Topic/Sub-Sub-Topic	S1-Diversity (Employee and social concerns)
List of all material impacts	Incidents of discrimination at the workplace
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Discrimination in the workplace can lead to an unfair, exclusionary or hostile working environment and impair the psychological safety and well-being of affected employees. This can reduce motivation, collaboration and performance and increase the risk of conflicts and staff turnover. The link to SBO's strategy and business model lies in the fact that SBO shapes working conditions in its own operations, in particular through leadership, day-to-day collaboration and HR policies such as recruitment, development and remuneration.
Period	All time horizons
Topic/Sub-Sub-Topic	S1-Employment and inclusion of persons with disabilities (Employee and social concerns)
List of all material impacts	Inclusion of persons with disabilities
Type of sustainability impact	Positive impact (actual)
Concentration in the value chain	Own activities
Details/Description	The employment and integration of people with disabilities creates an inclusive working environment and promotes equal opportunities and fair participation. Employees benefit from more accessible working conditions, individual support and a culture that strengthens diverse perspectives. For stakeholders, this has a positive effect on current and potential employees, their relatives and representative bodies, as access, participation and employability are improved. The link to SBO's strategy and business model arises because employing people with disabilities concerns the design of SBO's own workplaces and the organisation of work.
Period	All time horizons

Topic/Sub-Sub-Topic	S1-Forced labor (Respect for human rights)
List of all material impacts	Incidents of forced labor
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities, with consideration of the broader regional context
Details/Description	Forced labour is a severe human rights violation and can lead to exploitation, deprivation of liberty, harm to health and severe psychological distress for those affected, in particular in regions with elevated labour rights risks. Even though SBO applies strict internal policies and compliance standards, an inherent risk remains when activities take place in countries or environments with an increased risk of forced labour. The link to the business model arises because SBO deploys workers at its sites and organises work, depending on the country also through external personnel, agencies or subcontractors. Where and how SBO staffs its activities therefore shapes whether employees could potentially be subject to undue pressure or enter relationships of dependency.
Period	All time horizons

Topic/Sub-Sub-Topic	S1-Gender equality and equal pay for work of equal value (Respect for human rights)
List of all material impacts	Gender inequality
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Gender inequality and a lack of equal pay for work of equal value can undermine equal opportunities, fair career development and promotion prospects and lead to disadvantages for certain groups of employees. This can reduce job satisfaction and motivation and reinforce an unfair working environment, also driven by regional cultural norms and employment practices. For stakeholders, this particularly affects employees and potential female applicants, as trust in fairness and organisational mobility is influenced. The impact is linked to how SBO organises its workforce. Pay systems, job evaluations and promotion processes are part of internal management and are implemented in the companies. Even though no cases have been identified to date, a fundamental risk remains that must be addressed through clear policies, transparency and controls.
Period	All time horizons

Topic/Sub-Sub-Topic	S1-Health and safety (Respect for human rights)
List of all material impacts	Work incidents
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Work accidents in production facilities and in field service can lead to injuries, adverse health effects and, in extreme cases, permanent damage. In addition to the direct impacts on those affected, uncertainty, stress and declining morale can strain the working environment and team performance. Stakeholders particularly affected include employees and their families. Supervisory authorities and customers may also impose increased requirements for safety evidence. The link to SBO's strategy and business model arises because occupational safety is directly shaped by how SBO manufactures and provides field services. Plant and equipment, work resources, work organisation and the specific on-site procedures determine how activities are carried out and how likely accidents are to occur or how severe they are.
Period	All time horizons
Topic/Sub-Sub-Topic	S1-Measures against violence and harassment in the workplace (Respect for human rights)
List of all material impacts	Incidents of violence and harassment at the workplace
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Violence and harassment in the workplace can severely impair employees' well-being and psychological safety and lead to stress, anxiety, illness and resignations. In addition, corporate culture is damaged when trust, respect and collaboration are lost. For stakeholders, this primarily affects employees and managers, but it can also trigger labour law proceedings and regulatory attention. The link to SBO's strategy and business model lies in the fact that the working environment at SBO is created within its own operations and is shaped by leadership and day-to-day collaboration at the sites.
Period	All time horizons
Topic/Sub-Sub-Topic	S1 – Adequate wages (Respect for human rights)
List of all material impacts	Purchasing power of employees
Type of sustainability impact	Positive Impact (actual)
Concentration in the value chain	Own activities
Details/Description	Adequate wages increase employees' purchasing power and improve their financial and overall well-being, including for temporary agency workers where they are included in the remuneration framework. This can have a positive effect on the local environment because higher disposable incomes strengthen demand for goods and services. Stakeholders who benefit most are employees and their households, and indirectly also local communities and service providers. The link to SBO's strategy and business model lies in the fact that SBO determines wage and remuneration structures in its own operations and thus directly influences the income situation of employees at its sites.
Period	All time horizons

Topic/Sub-Sub-Topic	S1-Training and skills development (Employee and social concerns)
List of all material impacts	Upskilling
Type of sustainability impact	Positive Impact (actual)
Concentration in the value chain	Own activities
Details/Description	Training and skills development through internal programmes, on-the-job training and learning initiatives strengthen employees' capabilities, increase job satisfaction and improve career and development opportunities. This enhances employability and supports a positive social benefit because qualifications remain valuable in the labour market over the long term. Stakeholders who benefit most are employees and managers through improved performance, collaboration and prospects. For the business model, continuous training promotes productivity, capacity for innovation and adaptability to technological and market-related changes and thus strengthens competitiveness and employee retention.
Period	All time horizons

Topic/Sub-Sub-Topic	S2-Working conditions and equal treatment (Respect for human rights)
List of all material impacts	Inadequate housing, non-living wages, gender inequality, violence and harassment in the workplace, work accidents, discrimination in the workplace, and inadequate water supply and wastewater disposal
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	Human rights impacts may occur in the value chain, including inadequate housing conditions, non-living wages, discrimination, gender-based unequal treatment, work accidents, violence or harassment, and a lack of access to clean water and sanitation. These impacts can significantly impair the health, safety, dignity, equal opportunities and quality of life of affected individuals and exacerbate social inequalities. Those primarily affected are workers in the value chain and their households. The link to SBO's strategy and business model lies in the fact that SBO sources raw materials, intermediate products and services worldwide for its own production and service delivery. The topic is therefore directly linked to procurement and to the selection of and cooperation with suppliers, in particular where elevated labour rights risks exist in certain countries or industries.
Period	All time horizons

Topic/Sub-Sub-Topic	S2-Child labor (Respect for human rights)
List of all material impacts	Incidents of forced labour and child labour
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	<p>Forced labour and child labour are severe human rights violations that can lead to exploitation, deprivation of liberty and harm to health, as well as long-term impairment of the development, education and life prospects of those affected. Even though SBO has not identified any cases within the company or among value chain partners to date and key suppliers and customers have high compliance standards, a fundamental risk remains, in particular in sourcing or business relationships in regions with weaker enforcement of labour rights. For stakeholders, this primarily affects employees and vulnerable groups in the value chain, as well as customers, investors and authorities who may impose increased requirements for evidence, controls and remediation. The link to SBO's strategy and business model lies in the fact that SBO sources raw materials, intermediate products and services worldwide for its own production and service delivery. The topic is therefore directly linked to procurement and to the selection of and cooperation with suppliers, in particular where elevated labour rights risks exist in certain countries or industries.</p>
Period	All time horizons
Topic/Sub-Sub-Topic	S3-Economic, social and cultural rights of communities (Respect for human rights)
List of all material impacts	Incidents of inadequate water supply and wastewater disposal, lack of food security and inadequate housing in regions Asia, Africa and Central and South America, restrictions on land and resource rights, inadequate community security
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	<p>In certain regions, affected communities may face risks due to structural poverty and weak governance. These risks can manifest in lack of food security, inadequate housing conditions, lack of access to clean water and sanitation, and inadequate physical security. In addition, land-related impacts, such as restrictions on land and resource rights, can lead to conflict, displacement or loss of livelihoods. For people, this can potentially result in significant impairments to health, safety, dignity and social stability, in particular for vulnerable groups and in conflict-prone environments. The link to SBO's strategy and business model lies in the fact that SBO operates in different countries through its own sites as well as through projects and supply chains and is therefore embedded in local conditions. Where SBO operates and how activities are implemented on the ground determine whether and to what extent points of contact with affected communities arise and whether land- or resource-related impacts can be triggered or exacerbated.</p>
Period	All time horizons

Topic/Sub-Sub-Topic	S3-Freedom of assembly (Respect for human rights)
List of all material impacts	Harassment of human rights defenders, suppression of freedom of assembly and the right to freedom of expression in Saudi Arabia, Russia and Vietnam
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Upstream and downstream value chain
Details/Description	In Russia, Saudi Arabia and Vietnam, there are elevated human rights risks for affected communities, in particular due to restrictions on freedom of assembly and expression and the intimidation, persecution or imprisonment of human rights defenders. This situation can increase fear and self-censorship, weaken civil society engagement and, in practice, make access to grievance and remedy mechanisms more difficult. This creates reputational and compliance risks for the business model. In addition, business relationships may be strained if SBO's activities in these countries are associated with the human rights restrictions in place there.
Period	All time horizons
Topic/Sub-Sub-Topic	G1-Corruption and bribery (Combating corruption and bribery)
List of all material impacts	Incidents of corruption and bribery
Type of sustainability impact	Negative impacts (actual)
Concentration in the value chain	Own activities
Details/Description	Incidents of corruption and bribery can distort decision-making processes, undermine fairness and integrity within the company and weaken the trust of employees and business partners in compliant corporate governance. This increases the risk that procurement, sales or administrative decisions are not made on the basis of objective criteria and that internal control systems are circumvented. For stakeholders, this particularly affects employees, customers, suppliers and authorities, as transparency and equal treatment may be impaired. For the business model, this creates significant risks due to legal sanctions, exclusion from tenders, financial losses and reputational damage. Effective preventive measures, including the Code of Conduct, controls, training and the whistleblowing system, strengthen governance and a culture of compliance.
Period	All time horizons

Topic/Sub-Sub-Topic	G1-Protection of whistle-blowers
List of all material impacts	Improper protection of whistle-blowers
Type of sustainability impact	Negative impacts (potential)
Concentration in the value chain	Own activities
Details/Description	<p>Inadequate protection of whistleblowers can result in potential misconduct, breaches of rules or illegal practices not being reported and therefore remaining undetected for longer. This weakens corporate culture, reduces trust in fairness and integrity and can deter affected individuals from raising concerns without fear of disadvantage. For stakeholders, this particularly affects employees and other value chain actors who rely on secure reporting channels. For the business model, this leads to increased compliance and liability risks, potential financial losses and reputational damage. Effective whistleblowing mechanisms strengthen transparency, prevention and long-term integrity.</p>
Period	All time horizons

LIST OF ALL MATERIAL RISKS AND OPPORTUNITIES

Topic/Sub-Sub-Topic	E1-Climate change adaptation (Environmental concerns)
List of all material risks and opportunities	Emerging new business opportunities
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	SBO strategically leverages its existing technologies to succeed in adjacent areas such as next-generation geothermal energy. At the same time, advanced processes and products in 3D metal printing are being further developed. This opportunity supports the strategy of gradual diversification into high-growth industries and strengthens the long-term development of the business model beyond the core business.
Time horizon	Long-term
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material risks and opportunities	Rising taxes on GHG-Emissions
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Operating costs related to manufacturing and logistics may increase due to rising carbon prices and taxes on GHG emissions. This increases the cost base and margin pressure in own operations. The risk influences the business model by placing greater focus on efficiency measures, emissions reductions and adjustments to pricing and procurement strategies.
Time horizon	Medium to long-term
Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material risks and opportunities	Damages caused by extreme weather events and natural disasters
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Impacts on facilities and supply chain disruptions may increase due to extreme weather events and natural disasters. This increases the need for more frequent risk assessments, higher insurance premiums and potential downtime and consequential costs. The risk influences the business model by requiring greater prioritisation of resilience measures, site and contingency planning and safeguarding of supply capability.
Time horizon	Medium to long-term

Topic/Sub-Sub-Topic	E1-Climate change mitigation (Environmental concerns)
List of all material risks and opportunities	Transitional risk by phase out of fossil fuels
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Direct impacts on the sales of components for the oil and gas industry may arise from the phase-out of fossil fuels. This can put demand and revenue in the existing core business under pressure and create a need to adjust capacities and the portfolio. The risk influences the business model by accelerating diversification towards lower-carbon technologies and strengthening the strategic focus on new markets and applications.
Time horizon	Medium to long-term
Topic/Sub-Sub-Topic	E1-Energy (Environmental concerns)
List of all material risks and opportunities	Rising energy prices
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Rising energy prices increase manufacturing costs in own operations. This reinforces the promotion of energy efficiency programmes and the use of renewable energy to limit cost risks. The risk influences the business model by prioritising efficiency improvements and the transition of energy supply as key levers to safeguard competitiveness.
Time horizon	Short to medium-term
Topic/Sub-Sub-Topic	E3-Water (Environmental concerns)
List of all material risks and opportunities	Water shortages and bottlenecks at manufacturing sites
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Operational facilities may be affected by water scarcity and shortages if water availability at production sites is restricted. This creates risks to the continuity of production, for example through operational limitations, delays or additional efforts to secure supply. The risk influences the business model by placing greater focus on measures to improve water efficiency, site resilience and safeguarding critical resources.
Time horizon	All time horizons

Topic/Sub-Sub-Topic	E3-Water (Environmental concerns)
List of all material risks and opportunities	Increasing water scarcity in the upstream value chain (mining sites, steel-manufacture)
Type of financial impact	Risk
Concentration in the value chain	Upstream value chain
Details/Description	Water scarcity can affect suppliers in the upstream value chain, in particular in mining and steel production. This creates a risk of operational disruptions and supply shortages that can impact material availability, schedules and costs. The risk influences the business model by requiring stronger supply chain safeguarding, diversification of sourcing and more active supplier management.
Time horizon	All time horizons
Topic/Sub-Sub-Topic	E5-Circular economy (Environmental concerns)
List of all material risks and opportunities	Promoting circular economy practices through better product life cycle management
Type of financial impact	Opportunity
Concentration in the value chain	Entire value chain
Details/Description	Product design and supply chain management are further developed through improved product life cycle management to promote circular economy practices. This improves the sustainability of the product offering, for example through longer service life, improved reparability and more efficient use of materials. The opportunity influences the business model by strengthening strategic positioning through a more sustainable portfolio and supporting differentiation and customer requirements across the product life cycle.
Time horizon	All time horizons
Topic/Sub-Sub-Topic	E5-Resources inflows, including resource use (Environmental concerns)
List of all material risks and opportunities	Increasing use of recycled materials
Type of financial impact	Opportunity
Concentration in the value chain	Upstream/downstream value chain
Details/Description	Upstream sourcing of raw materials is supplemented by increased use of recycled materials. This can reduce raw material costs and lower the carbon footprint. The opportunity influences the business model by aligning the material strategy more strongly towards circularity, improving security of supply and supporting positioning with regard to customer requirements and regulation.
Time horizon	All time horizons

Topic/Sub-Sub-Topic	S1-Equal treatment and opportunities for all (Employee and social concerns)
List of all material risks and opportunities	Equal opportunities for heterogeneous teams and working groups
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	Talent acquisition and retention are supported by equal opportunities for diverse teams and work groups. This strengthens the promotion of diversity and innovation. The opportunity influences the business model by increasing employer attractiveness, improving team performance and creating the basis for sustainable growth through qualified employees.
Time horizon	Short-term
Topic/Sub-Sub-Topic	S1-Health and safety (Respect for human rights)
List of all material risks and opportunities	Lack of health and safety measures
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Employees' well-being at production sites may be impaired by inadequate health and safety measures. This increases operational risks as well as the costs of compliance, for example through additional measures, audits or regulatory requirements. The risk influences the business model by requiring stricter safety standards, consistent implementation and investments in prevention and training to safeguard productivity and operational safety.
Time horizon	Short to medium-term
Topic/Sub-Sub-Topic	S1-Health and safety (Respect for human rights)
List of all material risks and opportunities	Work accidents due to inadequate safety measures
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Work accidents due to inadequate safety measures can lead to injuries and operational disruptions in manufacturing processes. As a provider of high-quality products and services, SBO places great importance on health and safety in all activities. However, risks may arise if implementation is insufficient. The risk influences the business model by requiring additional investments and organisational measures in occupational safety, training and controls. In the event of incidents, it can also lead to downtime, additional costs and reputational impacts.
Time horizon	Short to medium-term

Topic/Sub-Sub-Topic	S1-Working conditions (Respect for human rights)
List of all material risks and opportunities	Low standards regarding working conditions and job security
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	Low standards in working conditions and workplace safety can impair employee satisfaction and retention. This increases the risk of staff turnover, absenteeism and recruitment effort, which can negatively affect operational continuity. The risk influences the business model by creating a greater need for binding standards, consistent implementation and continuous improvement of working conditions to avoid work-related disruptions and consequential costs.
Time horizon	Short to medium-term
Topic/Sub-Sub-Topic	S1-Working conditions (Respect for human rights)
List of all material risks and opportunities	High standards of working conditions and job security
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	High standards for working conditions and workplace safety support employee satisfaction and retention. This improves employee retention and operational efficiency, for example through lower staff turnover, fewer absences and more stable processes. The opportunity influences the business model by strengthening employer attractiveness and increasing organisational performance through reliable, safe working conditions.
Time horizon	Short to medium-term
Topic/Sub-Sub-Topic	S1-Working conditions (Respect for human rights)
List of all material risks and opportunities	High workload
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	High workloads can increase operational risks and lead to employee fatigue. This can reduce productivity and work quality and increase the risk of errors and downtime. The risk influences the business model by creating additional needs for capacity planning, work organisation and preventive health measures to maintain performance and process stability.
Time horizon	Short to medium-term

Topic/Sub-Sub-Topic	S1-Working conditions (Respect for human rights)
List of all material risks and opportunities	Adequate working hours
Type of financial impact	Opportunity
Concentration in the value chain	Own activities
Details/Description	Appropriate working hours promote employee satisfaction and retention. This improves employees' performance and productivity, including through reduced overload and more stable availability. The opportunity influences the business model by strengthening employer attractiveness and supporting the reliability of operations through sustainable work organisation.
Time horizon	Short to medium-term
Topic/Sub-Sub-Topic	S2-Health and safety (Respect for human rights)
List of all material risks and opportunities	Incidents of health risks through pollutants for workers in mining industries
Type of financial impact	Risk
Concentration in the value chain	Upstream value chain
Details/Description	Incidents involving health risks from pollutants for workers in mining can occur in suppliers' operations. This creates risks to supply chain continuity, for example through disruptions, delays or constraints in the provision of raw materials. The risk influences the business model by increasing requirements for supplier management, due diligence and safeguarding critical sources of supply.
Time horizon	All time horizons
Topic/Sub-Sub-Topic	S2-Working conditions (Respect for human rights)
List of all material risks and opportunities	Opportunity to report grievances
Type of financial impact	Opportunity
Concentration in the value chain	Downstream/upstream value chain
Details/Description	The ability to report grievances is supported by grievance mechanisms in the supply chain. This increases transparency and accountability by enabling risks and violations to be identified and addressed at an earlier stage. The opportunity influences the business model by strengthening due diligence, reducing compliance risks and supporting the stability of supplier and customer relationships.
Time horizon	All time horizons

Topic/Sub-Sub-Topic	S3-Communities' civil and political rights (Respect for human rights)
List of all material risks and opportunities	Transportation and logistics risk due to political disturbances
Type of financial impact	Risk
Concentration in the value chain	Downstream/upstream value chain
Details/Description	Transport and logistics risks due to political unrest can disrupt the supply chain and sales. This increases the risk of delays and interruptions that can affect delivery schedules, availability and costs. The risk influences the business model by requiring stronger resilience measures, alternative transport and sourcing options and more robust distribution planning.
Time horizon	All time horizons
Topic/Sub-Sub-Topic	S4-Consumers and end- users
List of all material risks and opportunities	Reduced demand due to new trends in the energy sector
Type of financial impact	Risk
Concentration in the value chain	Downstream value chain
Details/Description	Changing consumer preferences and new trends in the energy sector can lead to lower demand in the downstream value chain. This can put sales volumes and revenue in existing application areas under pressure. The risk influences the business model by accelerating diversification into new industries and requiring a stronger alignment of the portfolio with growing, future-proof markets.
Time horizon	All time horizons
Topic/Sub-Sub-Topic	G1-Corruption and bribery (Combating corruption and bribery)
List of all material risks and opportunities	Lack of anti-corruption standards
Type of financial impact	Risk
Concentration in the value chain	Own activities
Details/Description	A lack of anti-corruption standards increases the risk of corruption and bribery within governance processes. This creates an increased risk of reputational damage as well as financial penalties and other legal consequences. The risk influences the business model by significantly increasing the need for clear anti-corruption standards, effective controls and a lived culture of compliance to mitigate risks.
Time horizon	All time horizons

E1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

IDENTIFICATION OF CLIMATE-RELATED RISKS

Climate-Related Physical Risks

- Damages caused by extreme weather events and natural disasters: Includes risks like storms, floods, and other extreme weather phenomena that can disrupt operations or damage infrastructure.

Climate-Related Transition Risks

- Rising taxes on GHG-Emissions: Financial impact from increasing carbon taxes or regulatory costs.
- Transitional risk by phase-out of fossil fuels: Risks associated with changing regulations and market demands as economies shift to renewable energy.
- Rising energy prices: Increased operational costs due to the rising cost of energy, particularly from fossil fuel sources.

The resilience analysis in combination with the double materiality analysis covered the value chain, including suppliers and customers – from sourcing to end-of-life management. SBO started its resilience analysis in 2023 and finalized it in 2024. The assessment applied climate scenarios (RCP 2.6, RCP 4.5, and RCP 8.5) to evaluate short-term (2030), medium-term (2050), and long-term (2100) risks and opportunities. It focuses on physical risks like extreme weather and water scarcity, as well as transition risks such as regulatory changes and carbon pricing. The results will support SBO's strategy and adaptation measures to enhance resilience. The exact financial effects of physical and transition risks have not yet been fully quantified, but the relevant risks and mitigation measures are being considered as part of the ongoing analysis.

Short-term (2030): To address immediate risks and opportunities affecting current operations and strategies.

Medium-term (2050): To evaluate mid-range impacts and align with global climate goals and regulatory trends.

Long-term (2100): To assess long-lasting physical risks, such as sea-level rise and chronic climate impacts, ensuring long-term strategic resilience.

The resilience analysis revealed key climate-related risks and opportunities. Transition risks, such as rising carbon taxes, and physical risks like extreme weather events emphasize the importance of proactive risk management and long-term strategic planning. The results were also included in SBO's planned climate protection measures including electricity from renewable sources and operational optimizations.

Strategic Integration

Development of a long-term decarbonization pathway to minimize regulatory and market-driven transition risks.

Investment Decisions

Consideration of climate scenarios (RCP 2.6, 4.5, 8.5) in risk assessment.

Investments in energy from renewable sources, energy efficiency measures, and climate-friendly technologies.

Mitigation Measures

Reduction of CO₂ intensity through measures to increase the use of energy from renewable sources and improve energy efficiency.

Scenario analyses for the early identification of financial impacts of climate-related risks.

Uncertainties in the Resilience Analysis

Data Gaps in the Value Chain: Limited availability of detailed supplier-level climate impact data.

Climate Scenario Variability: Differences in projections under RCP 2.6, 4.5, and 8.5 scenarios create challenges in long-term planning.

Evolving Regulations: Uncertainty regarding future regulatory frameworks and carbon pricing mechanisms.

Ability to adjust or adapt strategy and business model to climate change

SBO considers climate-related risks in strategic decisions, investments, and operational processes. Site-specific measures, such as infrastructure improvements and energy efficiency initiatives, contribute to increasing resilience to physical risks. Climate scenario analyses (RCP 2.6, 4.5, 8.5) support long-term risk assessment, although uncertainties in projections and regulatory developments present challenges. Potential impacts on the supply chain are monitored, and adjustments to evolving market and regulatory conditions are made gradually. SBO continues to refine its measures to enable the most effective possible adaptation to climate risks.

In the short term, SBO's strategy focuses on enhancing energy efficiency and increasing the use of electricity from renewable sources, which strengthens resilience against transition risks. While medium- and long-term plans are still in development, SBO continuously evaluates risks and opportunities to ensure adaptability.

E4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

BIODIVERSITY IMPACT ASSESSMENT

The majority of SBO's operating sites are not located within or near biodiversity-sensitive areas. Three sites require attention due to their proximity to key biodiversity areas or protected zones:

Schoeller-Bleckmann do Brasil Ltda. (Brazil - Macae): Located near a biodiversity hotspot.

DSI PBL de Mexico S.A. de C.V. (Mexico - Villahermosa): Situated near a Ramsar site.

DSI FZE Services Private Limited (India - Mumbai): Located near urban biodiversity zones.

The activities at these locations are limited in size and include tool rental only, with no manufacturing. In India, SBO maintains only administrative operations, with no direct involvement in manufacturing. Most of SBO's operating sites have no significant negative impacts on biodiversity or ecosystems, as they are located on appropriately designated properties and comply with all legal requirements. The evaluation is based on an initial analysis and is still being refined to ensure a more comprehensive assessment. While no significant negative risks have been identified so far, further analysis may provide additional insights.

SBO's operating sites have no significant material negative impacts on biodiversity or ecosystems. In the double materiality analysis SBO has identified material negative impacts across the value chain, primarily linked to land-use change, pollution and ecosystem disruption.

No impact on individual species or their population size stemming from activities in our operational area could be identified.

S1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Interaction with strategy and business model

The fact that SBO operates in countries where incidents related to workplace discrimination, gender inequality and inadequate health and safety measures cannot be fully ruled out has led to the identification of corresponding material negative impacts and related risks in the double materiality assessment. Material positive impacts and opportunities include initiatives to promote diversity, the inclusion of people with disabilities, high standards in working conditions, and training and development programmes. Material positive impacts on SBO's own employees arise in particular from comprehensive training and development programmes aimed at improving employees' skills and career opportunities, and from initiatives to promote diversity by ensuring equal opportunities for all.

Several material impacts, risks and opportunities relating to SBO's own workforce are directly linked to the company's business model and strategic direction. SBO's activities, which require the use of machinery and technical equipment, are associated with material negative impacts and risks related to work accidents, injuries, and health and safety. To meet global requirements and maintain efficiency, shift work and extended working hours may be necessary. This can lead to material negative impacts and risks related to workload and appropriate working hours. SBO's strategic focus on market leadership and high-precision manufacturing is linked to material opportunities through training programmes that improve employees' skills and career prospects. SBO's Code of Conduct provides for non-discrimination and equal opportunities and reflects the ambition to promote a diverse and inclusive workforce. The positive impacts of training and diversity initiatives are, in principle, accessible in all regions in which SBO operates. Depending on the region of operation and labour market conditions, however, they may take effect to varying degrees.

Employee-related impacts, risks and opportunities are closely linked to SBO's corporate strategy and business model. Negative impacts and risks related to health and safety could disrupt operations if not mitigated, underlining the need for continuous adaptation of the business model. Health and safety risks and issues relating to appropriate working hours are reviewed to identify and implement improvement measures. SBO has also developed an understanding that certain groups of people and types of work may be more exposed, in particular employees and external workers in production areas involving machinery operation, noise and physical strain, and shift or night work.

Affected groups and boundaries

All employees potentially affected by material impacts are listed in ESRS 2 under the description of the value chain (SBM-1) and the list of stakeholders (SBM-2). All material impacts affect both own employees and relevant categories of non-employees.

Systemic classification

The identified impacts, risks and opportunities affecting SBO's employees are primarily systemic in nature and reflect industry-wide or regional characteristics. Health and safety risks are systemic and typical of production environments with machinery and technical equipment and are addressed through targeted safety measures. Challenges related to the appropriateness of working hours arise from shift work, which is common in the industry, and extended working hours when required. Risks related to diversity are also systemic in regions with limited legal protection. As part of the double materiality assessment, SBO developed a comprehensive understanding of negative impacts, risks and opportunities affecting employees, value chain partners and the environment through systematic processes and structured analysis. Through the materiality assessment, SBO gained a deeper understanding of risks for certain groups and is aware of the challenges that disadvantaged groups may face in order to promote inclusion and equal treatment across the workforce. A dedicated safety officer is appointed at each site to continuously monitor workplace safety and address safety concerns. Regular safety reviews and direct feedback from employees in production environments ensure that risks related to noise, equipment and physical strain are identified and effectively mitigated.

Coverage in ESRS 2

The material impacts, risks and opportunities relating to the own workforce were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities reported there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S1. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S1.

There is no significant risk of forced labour among SBO's own employees, including temporary agency workers or self-employed persons who work mainly for SBO. Likewise, there is no significant risk of child labour among SBO's own employees, including temporary agency workers or self-employed persons who work mainly for SBO. These topics were nevertheless assessed as material as part of the double materiality assessment because, under the assessment logic, the potentially very high severity of harm in the event of an incident can lead to materiality even if the likelihood of occurrence is assessed as low.

S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Interaction with strategy and business model

The identified material impacts include negative impacts related to health and safety, unfair labour practices and wage inequalities in upstream parts of the value chain. Workers in upstream value chain activities, such as mining, are potentially exposed to hazardous conditions, including fine dust exposure and inadequate safety measures. Negative impacts from forced labour and child labour may occur in countries with weak labour rights standards where raw materials are sourced by suppliers. Non-living wages in certain upstream regions impair workers' ability to cover basic living costs.

Processes for systematically identifying and assessing these impacts include regular exchange with suppliers on risks and the application of established due diligence frameworks (e.g. OECD guidelines) to assess compliance with labour rights and to identify high-risk regions or suppliers. The identification of negative impacts is based on industry best practices, sector-specific risk assessments and publicly available data, rather than on direct engagement with stakeholders or specific groups of workers.

These impacts are directly linked to SBO's global reliance on its value chain. The procurement of critical materials such as steel is an integral part of the business model, making the related working conditions materially relevant. SBO is aware that both the Company itself and partners in the value chain operate in countries where incidents related to unfair labour practices, wage inequalities or inadequate health and safety measures cannot be fully ruled out. This underscores the importance of SBO's zero-tolerance policy towards child labour, discrimination against workers and unequal pay for equal work, as set out in SBO's Code of Conduct. SBO's commitment to addressing these challenges is anchored in its corporate responsibility policies. SBO addresses identified shortcomings through responsible sourcing practices, clear supplier requirements and measures to improve working conditions along the value chain. In the 2025 reporting year, a separate Code of Conduct for business partners was also developed and adopted. Full roll-out across the value chain is planned for the coming year.

Affected worker groups in the value chain

Workers in raw material extraction: Workers in mining and other raw material sourcing processes may be exposed to negative impacts related to health and safety due to hazardous working conditions and inadequate safety standards. The degree of exposure is particularly high in regions with insufficient legal protection.

Workers in manufacturing and processing: Workers in supplier operations involved in processing raw materials, e.g. in iron and steel production, may be exposed to negative impacts related to pollution exposure and inadequate health and safety measures. In addition, wage disparities exist in some regions.

Downstream workers in drilling operations: Workers involved in drilling activities in the downstream value chain where SBO products are used are exposed to negative impacts related to hazardous working conditions, environmental exposure and potential accidents. The degree of exposure is particularly high in regions with limited regulatory oversight.

Logistics and distribution workers: Workers involved in transporting SBO products to customers (drivers, warehouse staff, shipping personnel) are exposed to negative impacts such as long working hours, insufficient rest periods and safety risks in handling and transport.

Systemic classification

Certain workers in the value chain are particularly vulnerable to negative impacts. Migrant workers, especially in raw material extraction or manufacturing, face language barriers, limited knowledge of labour rights and increased dependence on employers, which increases the risk of exploitation or unsafe working conditions. Female workers, particularly in manufacturing or logistics, are in some cases exposed to negative impacts and risks of discrimination, unequal pay or harassment. In addition, there are heightened safety concerns for workers in regions with weak occupational safety protections or high environmental risks, e.g. when handling hazardous materials or during drilling operations. SBO is aware that incidents related to fair work, discrimination, harassment, wage inequality or inadequate health and safety measures cannot be fully ruled out. This underlines the importance of clearly addressing these issues in line with the Code of Conduct and consistently implementing the zero-tolerance policy.

The identified negative impacts and risks are linked to certain geographical regions and raw materials. Parts of Southeast Asia, Africa and South America are known for labour rights violations, particularly due to inadequate enforcement of labour laws. In mining, nickel, copper and chromite are particularly affected, as extraction in regions with weak regulatory oversight can facilitate negative impacts related to forced labour, and child labour is also an issue in some mining areas, particularly in economically disadvantaged regions with high poverty rates and limited access to education. Negative impacts include systemic issues in nickel, copper and chromite mining, including forced labour, inadequate health and safety measures and environmental degradation in countries with weak regulatory frameworks. Further negative impacts relate to inadequate housing conditions and non-living wages in certain regions, affecting health, safety and compliance with adequate working hours and contributing to social instability. In addition, there are persistent negative impacts related to workplace accidents at production and extraction sites due to a lack of safety precautions, particularly in high-risk environments such as mining and heavy industry. Violence, harassment and discrimination can occur as systemic issues in parts of the supply chain, especially in regions with weak labour protection. Gender inequality, discriminatory labour practices and unequal access to opportunities can occur in parts of the supply chain where labour rights are poorly enforced. Water scarcity and poor water management practices in certain regions can be associated with health risks and reduced occupational safety.

Coverage in ESRS 2

All workers in the value chain potentially affected by material impacts are considered in the ESRS 2 disclosures under SBM-1 (description of the value chain) and SBM-2 (list of stakeholders). All relevant workers are included in the scope of disclosure.

The material impacts, risks and opportunities relating to workers in the value chain were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities disclosed there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S2. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S2. Opportunities arise from improving working conditions and ethical sourcing practices, strengthening reputation and enhancing supply chain resilience through targeted measures. Certain groups within the value chain, such as workers in high-risk regions or industries, are exposed to local challenges and occupation-specific hazards. Opportunities such as improving safety standards and working conditions can directly benefit these groups by helping to reduce negative impacts and promote fair and safe employment practices.

S3 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Interaction with strategy and business model

SBO is aware of the importance of considering material impacts (including emissions, resource use and other environmental matters with potential impacts on local communities) and of understanding how the resulting material risks and opportunities relate to the corporate strategy and business model. Material negative impacts on affected communities include environmental pollution from emissions from transport, industrial processes and raw material extraction; impacts from land and resource use such as soil degradation, mining activities and land-use change; as well as environmental impacts of raw material extraction that can disrupt ecosystems and impair the health and livelihoods of local communities. Further negative impacts may arise from workplace issues in the upstream and downstream value chain, including forced labour, child labour, inequality and inadequate wages, as well as from unmet basic needs such as limited access to water, sanitation, housing and food security. Human rights violations, including the suppression of freedom of expression, harassment of human rights defenders and a lack of community safety, may have adverse effects in certain regions. Positive impacts related to affected communities arise from other material topics, in particular through the reduction of greenhouse gas emissions and the transition to sustainable operations, through recycling and resource efficiency, and through efforts to employ people with disabilities. Based on the double materiality assessment, no additional stand-alone material positive impacts were identified for S3 that would need to be presented separately beyond the positive effects reported under other topics.

Affected communities

Nearby communities are communities living close to sites, plants and physical facilities and may be affected by emissions, noise or disruptions caused by SBO's activities. Value chain communities are communities along the upstream or downstream value chain, such as those affected by the activities of suppliers or the logistics network, and may experience material impacts due to activities that are critical to SBO's business operations. Vulnerable groups include communities with limited access to basic services, indigenous peoples, or those that are particularly susceptible to impacts due to their socio-economic status. Communities near supplier operations may be exposed to environmental pressures such as air or water pollution from production processes. Communities affected by logistics and distribution may experience noise pollution, traffic disruptions or increased emissions. Communities near drilling operations may be affected by air and water pollution, noise pollution and potential land-use conflicts. In addition, health risks from exposure to hazardous substances and accidents such as oil spills can pose further challenges. Many of these communities depend on local ecosystems for their livelihoods and are therefore particularly vulnerable to environmental disruption.

Systemic classification

The identified negative impacts are largely systemic and typical for industries that depend on raw material extraction. These include inadequate accommodation, inadequate nutrition, suppression of freedom of association and expression, violations of land and resource rights, security aspects, as well as challenges related to water supply and wastewater management. The double materiality assessment identified transport and logistics aspects that may be caused by political unrest. Although these are not exclusively linked to affected communities, they can impair supply chain stability and operational resilience in certain regions. Based on the double materiality assessment under ESRS 2 IRO-1, no specific communities were identified as particularly vulnerable to negative impacts. Should future assessments indicate risks to communities due to factors such as geographical isolation, limited social services, or cultural and ecological constraints, SBO will analyse and report on these comprehensively. Based on the double materiality assessment, no specific groups of affected communities were identified that face particular risks or opportunities or that differ from the impacts on communities in general.

Coverage in ESRS 2

SBO ensures that all materially affected communities identified through the double materiality assessment are included in the disclosures required by ESRS 2. At present, the communities listed are consistent with the description of the value chain (SBM-1) and the list of stakeholders (SBM-2). No discrepancies were identified between the material impacts on affected communities and their presentation in these sections of ESRS 2. The material impacts, risks and opportunities relating to affected communities were identified as part of the double materiality assessment and are fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM 3, paragraph 48. The material impacts, risks and opportunities disclosed there are assigned to the respective ESRS topics and therefore also include all material impacts, risks and opportunities for S3. Beyond the items disclosed in the central list, no further material impacts, risks or opportunities were identified for S3.

S4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Interaction with strategy and business model

The transition towards renewable energy and decarbonisation represents a material risk for SBO, as it affects demand for components for the oilfield service industry. The need for global security of energy supply and the continued dependence on crude oil and, in particular, natural gas will sustain demand in the long term. This was also reflected by the International Energy Agency in its current World Energy Outlook 2025, where it pointed to increasing demand for oil and gas over the coming decades. The International Energy Agency currently assumes that 90% of investments by companies in oil and gas exploration and production are directed towards compensating for declining production rates ("decline rate") and thus merely serve to maintain the current status quo. At the same time, oil and gas production is becoming increasingly complex and requires advanced technologies in order to meet rising demand. SBO's high-performance solutions provide the Company with a competitive advantage in challenging environments. This positions SBO as a key supplier even in a changing energy landscape. At the same time, SBO is diversifying its business by strategically leveraging its existing technologies to expand into adjacent industries such as next-generation geothermal energy, lithium and helium extraction, carbon capture & storage, defence, and aerospace, while also driving innovation with advanced products in 3D metal printing for the energy transition and other industries. The material risk of lower demand due to new trends in the energy sector is directly linked to SBO's strategic positioning in the oilfield service industry as well as its ongoing diversification into adjacent industries. SBO addresses the changing market environment by leveraging its technological strengths in demanding applications and by further developing its portfolio to strengthen the adaptability of its business model.

Coverage in ESRS 2

The material risk relating to S4 was identified as part of the double materiality assessment and is fully presented in the central list of material impacts, risks and opportunities in accordance with ESRS 2 SBM-3, paragraph 48. Beyond the content presented in the central list, no further material impacts, risks or opportunities were identified for S4.

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

IDENTIFYING IMPACTS, RISKS AND OPPORTUNITIES AND ASSESSING THEIR MATERIALITY

The identification and assessment of impacts, risks and opportunities (IRO) in the reporting year 2024 was carried out in accordance with the double materiality principles pursuant to the methodological requirements of ESRS 1. The process integrates (i) financial materiality (effects of sustainability matters on SBO's financial position and performance) and (ii) impact materiality (impacts of SBO on the environment, society and stakeholders).

SBO has implemented a process to identify, assess, prioritise and monitor potential and actual impacts on people and the environment. The assessment is based on SBO's value chain and covers upstream, own operations and downstream activities. In doing so, SBO explicitly considers both impacts from its own operations (e.g. emissions or resource consumption) and impacts linked to business relationships along the value chain.

As part of the double materiality assessment and the value chain presented, IROs were identified that are linked to business activities, business relationships and geographic locations and represent an increased risk of adverse impacts. Company-specific information and assumptions were used to support an external expert assessment and to distinguish between material and non-material impacts. Key assumptions include alignment with internationally recognised frameworks (including the EU Taxonomy and IPCC climate scenarios) to ensure robust and consistent assessments.

Process for identification, assessment and prioritisation

Step 1: Identification and context analysis

Based on SBO's value chain, potential and actual impacts, both positive and negative, were identified across upstream, own operations and downstream activities. IROs arising from SBO's own operations as well as from business relationships were captured.

Step 2: Stakeholder engagement

SBO conducted consultations with relevant stakeholder groups to understand their perspectives and assess potential impacts on them. The process focused on stakeholders linked to SBO's activities, business relationships and value chain. Interviews were conducted with selected stakeholders, including employee representatives, customers, suppliers, banks and investors. These discussions addressed topics from the CSRD framework. Stakeholders were asked to provide feedback on key topics and to rate their significance using a predefined scale. The results were used to refine the assessment of material impacts.

Step 3: Assessment in functional workshops

Workshops with the responsible functions were held to assess the identified topics in terms of their positive and negative impacts, risks and opportunities. The assessment considered both potential and actual effects, depending on the respective topic.

Step 4: External methodological support and validation

External experts were engaged to support the process, provide methodological guidance and validate the results. Their involvement ensured that stakeholder perspectives were accurately captured and integrated into SBO's double materiality assessment.

Step 5: Consistency check and final approval

SBO analysed the interlinkages between impacts and the resulting risks and opportunities. First, material impacts were identified and assessed; on this basis, the specific risks and opportunities for SBO were derived. The results were then reviewed to ensure they are consistent with the identified impacts, risks and opportunities. Final approval of the assessment was granted by SBO's Executive Board.

Assessment logic - Impact materiality (Impact Materiality)

A methodological double materiality assessment was carried out to identify and assess both negative and positive impacts from an "inside-out" perspective. Key parameters such as severity, scope/extent and irremediability were considered and rated on a predefined scale from 1 to 5, where 5 represents the highest severity for the respective parameter. SBO assesses potential and actual impacts, both positive and negative, using a structured methodology aligned with ESRS 1, section 3.4 on impact materiality. The assessment is based on three parameters: severity, scope/extent and irremediability. These parameters are rated on a predefined scale from 1 to 5.

Severity (1–5)

- 1 = minor
- 2 = moderate
- 3 = significant
- 4 = severe
- 5 = catastrophic

Scope/Extent (1–5)

- 1 = limited
- 2 = concentrated
- 3 = medium
- 4 = far-reaching
- 5 = global/total

S1 (own workforce) – Scope/Extent (1–5)

- 1 = 10–29% of the own workforce
- 2 = 30–49% of the own workforce
- 3 = 50–69% of the own workforce
- 4 = 70–89% of the own workforce
- 5 = 90–100% of the own workforce

Irremediability (1–5)

- 1 = remediable in the short term with little effort
- 2 = remediable, but resource-intensive (time/cost)
- 3 = only partly remediable (medium term, with significant effort)
- 4 = hardly remediable (long term, with lasting effects)
- 5 = not remediable/irreversible

Cut-off threshold for material impacts (Cut-off)

An IRO in the area of impact materiality is classified as material if the determined impact score reaches or exceeds the defined cut-off threshold. The cut-off threshold is 2.7 (impact score \geq 2.7).

Assessment logic - Financial materiality

SBO applies a structured process to identify, assess, prioritise and monitor risks and opportunities with potential financial effects, conducted as part of the double materiality assessment in accordance with ESRS 1. First, a risk inventory is created that identifies company-specific risks and opportunities. The assessment is based on two parameters: extent of damage (i.e. financial impact) and probability of occurrence, which are rated on a predefined scale from 1 to 5 (1 = lowest extent of damage, 5 = critical). Probabilities of occurrence are underpinned by defined percentage intervals (internally defined). In addition, SBO's dependencies on ecosystem services were considered, such as local water consumption at operating sites as well as social capital. These dependencies directly contributed to the identification and assessment of specific risks and opportunities.

Extent (1–5)

- 1 = negligible (very low)
- 2 = low
- 3 = medium
- 4 = high
- 5 = very high

Probability (Probability)

- 0.2 = unlikely
- 0.4 = possible
- 0.6 = likely
- 0.8 = very likely
- 1.0 = almost certain

Cut-off threshold for material financial risks and opportunities (Cut-off)

An IRO in the area of financial materiality is classified as material if the determined financial score reaches or exceeds the defined cut-off threshold. The cut-off threshold is 2.7 (financial score \geq 2.7).

Decision-making process and control procedures

Final approval of the assessment was granted by SBO's Executive Board, thereby confirming the materiality of these impacts, risks and opportunities. Currently, sustainability risks at SBO are handled separately from other risk categories under a dedicated approach. The integration of the processes for identifying, assessing and managing sustainability-related impacts and risks into SBO's overarching risk management system has been initiated. While ESG risks are currently assessed using a specific scale focused on non-financial aspects, their classification has been aligned with financial thresholds to ensure comparability. SBO

plans to further harmonise the assessment methods and to fully integrate ESG risks as a central element of the risk management framework in the coming years. SBO uses the same process to identify and manage ESG opportunities as it does for ESG risks.

Data sources and tools

SBO used a combination of internal and external data sources to assess impacts, risks and opportunities. Internal data include the number of employees and purchasing volume. External sources include indices such as the OECD and UNICEF social index as well as environmental tools such as the Water Risk Filter and the WWF Biodiversity Risk Filter.

E1 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

EFFECTS ON CLIMATE CHANGE

SBO's climate-related impacts primarily result from emissions across the entire value chain. Material sources include transport emissions, emissions from the procurement and use of raw materials, and emissions from manufacturing at the operating sites. In addition, emissions arise from oil and gas production carried out using SBO's equipment. To assess and manage these impacts, SBO applies a structured double materiality assessment (DMA) process that considers both financial materiality (the influence of climate-related factors on the Company's performance) and impact materiality (SBO's influence on climate change and the environment).

Identification and assessment of climate-related risks and opportunities

Climate-related risks and opportunities are assessed through data collection, stakeholder engagement and analyses, taking into account regulatory developments, market trends and physical climate risks. The analysis covers both transition and physical risks and also identifies potential opportunities.

Physical climate risks – approach, scenarios and data basis

The identification and assessment of climate-related physical risks in SBO's own operations and the value chain followed a systematic process. This included analysing the potential impacts of extreme weather events, temperature fluctuations and other climate-related phenomena on assets, the supply chain and logistics. SBO assessed risks in the upstream value chain (e.g. disruptions in raw material extraction) as well as risks in the downstream value chain, including impacts on distribution channels. Climate modelling tools and historical data were used to identify geographic and operational hotspots. The objective is a comprehensive risk assessment to mitigate potential disruptions and strengthen the resilience of the value chain.

When assessing physical climate risks, high-emissions climate scenarios such as RCP 8.5 (or SSP5-8.5) were included in order to reflect severe consequences if insufficient climate mitigation measures are implemented. In addition, climate scenarios reflecting different greenhouse gas emission levels are used (IPCC RCP 2.6, RCP 4.5 and RCP 8.5). Relevant regional climate projections based on these emission pathways are also included in the analysis (localised climate models and region-specific datasets) to appropriately reflect geographic differences (temperature trends, precipitation patterns, extreme weather events).

Gross risks, exposure and methodological limitations in the value chain

For SBO, the assessment of gross physical risks considers the potential exposure of assets and business activities to climate-related hazards such as extreme weather events and long-term environmental changes. The focus is on specific operating sites, drilling and completion processes and the dependence on specific materials due to their geographical distribution and climate-sensitive locations. SBO documents challenges in assessing risks across the entire upstream and downstream value chain (including suppliers and waste management systems), but recognises the importance of these assessments for operational resilience. As detailed data for the entire value chain are only available to a limited extent, SBO focuses on localised assessments for core activities.

Time horizons, taxonomy approach and transparency on exclusions

To meet the CSRD reporting requirements, the identification and assessment of climate-related hazards was carried out over short-, medium- and long-term time horizons. The process followed a standardised approach using the climate hazards table in accordance with the EU Taxonomy (Annex A, Annex 1, Delegated Act 2021/2139). Where robust climate data were available, these were used. For hazards with limited data availability (e.g. wildfires or specific wind-related risks), qualitative assessments were required or the hazards could not be included due to a lack of reliable data. Exclusions and methodological limitations were transparently documented.

Short-, medium- and long-term time horizons were clearly defined and linked to the expected life cycle of SBO's assets, strategic planning horizons and capital allocation plans. The time horizons correspond to the years 2030 (short term), 2050 (medium term) and 2100 (long term) and are aligned with IPCC scenarios for climate risk assessments.

Results of physical risk analysis and assessment methodology

To quantify exposure, a site-specific localisation approach was applied using geographic coordinates and risk mapping tools. Risks such as flooding, heavy rainfall, storms, extreme temperatures and droughts were considered. The vulnerability of individual sites was analysed using vulnerability matrices; risks were classified according to severity and probability on a scale from 1 to 6. The analysis shows that sites are affected to varying degrees. Flooding and strong winds in particular can cause structural damage and operational disruptions; rising temperatures can increase the likelihood of production outages (e.g. due to overloading of cooling systems). Financial impacts vary by site and scenario. Increased repair costs and potential downtime were identified as material risk factors. To mitigate risks, adaptation measures were defined, including increased infrastructure resilience, optimisation of cooling and drainage systems and adjustments to operational processes.

Transition risks and opportunities – status and further development

From SBO's perspective, climate-related transition risks and opportunities across operations and the value chain were assessed in line with the TCFD recommendations. These risks arise in particular from regulatory changes, shifts in customer preferences towards lower-emission technologies and new societal and market expectations; potential cost increases due to stricter emissions regulations were also considered. As part of an initial screening process, transition events were identified across short-, medium- and long-term time horizons (2030/2050/2100). SBO has not performed scenario analysis for transition risks. The detailed assessment of exposure to transition risks (including probability, magnitude and duration) is under development. SBO is in the process of identifying assets and business activities that may be incompatible with the transition to a net-zero emissions economy or require significant effort to achieve such compatibility. SBO recognises the importance of aligning long-term risks with climate policy objectives (EU Green Deal, net-zero emissions by 2050); a framework for a comprehensive assessment of these risks is being developed and will be implemented in future reporting cycles.

Link to financial reporting

SBO recognises the importance of aligning climate scenarios and financial reporting in order to adequately capture physical climate risks and opportunities. The sustainability report contains a detailed assessment of potential ESG-related risks, including possible impacts and corresponding management approaches. Financial reporting takes ESG-related risks into account, in particular in relation to long-term assets (property, plant and equipment as well as intangible assets including goodwill and other intangible assets). Supplementary explanations are provided in the notes to the consolidated financial statements.

E2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

POLLUTION

As part of the materiality analysis, SBO conducted an assessment of its own sites for pollution-related risks, considering both physical and transition risks. Additionally, the analysis covered upstream and downstream activities across the entire value chain to ensure a comprehensive evaluation in accordance with EU Taxonomy and CSRD requirements. Recognized materiality assessment methods were applied to identify and evaluate relevant risks, including impact materiality assessments and the use of quantitative thresholds and qualitative evaluations. The analysis was based on scientific foundations and stakeholder inputs to ensure a well-founded and objective assessment of material risks. SBO primarily relied on internal stakeholder engagements and external guidance. The perspectives of affected communities were not specifically included in the assessment process. Future evaluations may consider broader stakeholder engagement as regulatory requirements and best practices evolve.

SBO identified material pollution impacts at its manufacturing sites, particularly related to emissions and waste streams. In the upstream value chain, resource extraction and material processing are key pollution sources, while downstream value chain impacts are tied to waste management and recycling. Business activities with material impacts include manufacturing processes, waste handling, and upstream value chain procurement of raw materials. These findings are integrated into SBO's ongoing risk and opportunity assessments.

E3 IRO-1 - Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

WATER AND MARINE RESOURCES

SBO has evaluated its operations and value chain to identify impacts, risks, and opportunities related to water and marine resources. SBO utilized the World Resources Institute's Aqueduct Water Risk Atlas to assess water stress levels at its facilities. These assessments informed SBO's strategies to mitigate water-related risks and capitalize on opportunities within its operations and supply chain.

SBO has consulted relevant stakeholder groups as part of its assessment of water and marine resource impacts, risks, and opportunities. Engagement has primarily been conducted via internal stakeholders, including suppliers and experts. These efforts aim to ensure a comprehensive understanding of impacts while addressing material issues identified in the value chain. SBO is currently not applying the LEAP approach.

E4 IRO-1 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

BIODIVERSITY

SBO has assessed actual and potential biodiversity and ecosystem impacts across its operations and value chain. The assessment uses structured criteria based on ESRS guidance, focusing on severity, scope, and irremediability. Impacts are analyzed, differentiating regions with diverse standards. SBO integrates stakeholder input and scientific data to evaluate materiality, emphasizing ecosystem changes due to resource use and waste generation. The approach aligns with CSRD and SASB frameworks to ensure comprehensive impact analysis and reporting.

Dependencies on biodiversity and ecosystems at its own sites and across its upstream and downstream value chains are not fully assessed. Future evaluations may consider key criteria such as the extent of potential damage, probability of occurrence, and dependencies on ecosystem services like pollination.

SBO conducted a double materiality assessment to evaluate biodiversity-related risks and impacts, using scientific literature, global reports, and environmental studies. Key sources included the IPCC AR6 Synthesis Report (2023), European Environment Agency reports, UNEP studies, and research on habitat destruction and biodiversity loss from National Geographic, Science Advances, and the Royal Society B.

The assessment covered transitory and physical biodiversity risks, such as habitat destruction from mining, deep-sea drilling impacts, invasive species spread through shipping, and pollution across SBO's value chain. Additional insights were taken from studies on shipping traffic (Nature Sustainability) and offshore drilling safety (ScienceDirect).

While these sources provided a broad understanding of biodiversity risks, SBO has not yet conducted a dedicated, in-depth analysis to quantify these risks, nor has it analyzed any systemic risks. SBO is currently evaluating whether further assessments are needed to strengthen risk monitoring and mitigation efforts.

SBO has not yet conducted consultations with affected communities.

SBO's materiality assessment has identified significant biodiversity-related impacts stemming from upstream value chain activities.

These include:

Land-use change associated with mining operations: Mining activities upstream contribute to habitat loss and alterations in land use, which can significantly impact local ecosystems and biodiversity.

Freshwater use and sea-use change (upstream and downstream value chain): The extraction and manufacturing processes involve substantial freshwater use, creating potential stress on local water resources and aquatic ecosystems.

Pollution along the value chain: Pollution from upstream value chain operations, including industrial waste and emissions, affects biodiversity by contaminating ecosystems and reducing habitat quality.

These impacts demonstrate clear dependencies and potential consequences for ecosystems and, indirectly, for local communities relying on these resources. SBO has not identified any negative impacts within our own operations; therefore, no mitigation measures are planned. However, this will continue to be analyzed as part of our ongoing assessment process. A detailed list of SBO's locations relevant to this assessment can be found in SBM-3-16.

E5 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

RESOURCE USE AND CIRCULAR ECONOMY

SBO aligns its practices with EU Taxonomy and CSRD requirements. The development and integration of additional tools such as Material Flow Analysis (MFA) or Product Environmental Footprint (PEF), to comprehensively assess actual and potential impacts, risks, and opportunities across its operations and value chain are currently not planned. To date, SBO has not carried out a systematic review of its assets and activities to identify and assess material impacts, risks and opportunities related to resource use and the circular economy. The current assessment is based on a qualitative review of the material stages of the value chain—particularly material sourcing, own production and end-of-life management—as well as on available information from procurement, production and waste management.

Manufacturing facilities use high-grade metals and alloys, with opportunities in improving material efficiency. Waste management handles scrap metals and manufacturing residues, supporting circular economy efforts. Product lifecycle services focus on refurbishing, remanufacturing, and recycling tools and components to extend their use and reduce waste.

SBO emphasizes the strategic importance of high-grade steel, alloys, and other specialized materials, which are integral to the manufacturing of precision components. These materials are indispensable due to their unique mechanical and chemical properties, ensuring optimal performance in demanding and extreme environments. SBO remains committed to securing a reliable supply of these essential resources while actively exploring opportunities to enhance resource efficiency and recyclability in line with general circular economy principles.

SBO is committed to continuous improvement rather than maintaining a business-as-usual approach. By proactively enhancing supply chain efficiency, SBO can unlock new opportunities upstream in the value chain. Downstream in the value chain, a

stronger focus on recyclability and circular economy practices can help optimize waste management costs and ensure regulatory compliance, reinforcing long-term sustainability and resilience.

The transition to a circular economy basically presents both opportunities and risks for SBO. While further expenditures in product redesign and infrastructure for material recovery may enhance these efforts, the company already has strong foundations in place. Ongoing improvements in supply chain management and stakeholder collaboration will help optimize circular practices while minimizing operational complexities.

Upstream Value Chain (Material Procurement): The highest resource usage during the sourcing of raw materials, particularly high-grade metals and alloys. Risks at this stage include supply chain disruptions, environmental impacts from mining, and reliance on external suppliers.

Manufacturing (Own Operations): Negative impacts, such as energy consumption, emissions, and waste generation (including hazardous waste), are most concentrated in manufacturing processes.

Downstream value chain (End-of-Life Management): The downstream stage involves waste management, including the disposal and recycling of used components.

SBO has not conducted specific consultations with affected communities regarding resource inflows, resource outflows, and waste management.

G1 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

SBO approaches the identification and assessment of material impacts, risks, and opportunities in business conduct matters by integrating location, activity, sector, and transaction structure as key evaluation criteria. This process aligns with the materiality analysis conducted under ESRS 2 and IRO-1 requirements. SBO identified corporate governance as material through stakeholder engagement and sector-specific evaluations, assessing its significance across various geographic locations and business activities. This determination was guided by factors such as regulatory requirements, operational activities, and stakeholder priorities, ensuring a comprehensive understanding of governance-related risks and opportunities. Further refinements to clearly link ESRS G1 and ESRS 2 criteria may enhance the transparency of this process.

IRO-2 - Disclosure Requirements in ESRS covered by SBO's sustainability statements

SBO determines material information to be disclosed in alignment with the requirements of ESRS 1, section 3.2. The materiality assessment process involves evaluating impacts, risks, and opportunities (IROs) against predefined thresholds and criteria. These thresholds are established by considering stakeholder expectations, regulatory requirements, and alignment with frameworks such as GRI and ISSB. SBO reconciles identified IROs with the specific ESRS disclosure points to ensure compliance with both general and company-specific reporting obligations. In cases where material sustainability aspects are not yet fully addressed, SBO commits to disclosing the gaps and defining a timeframe.

IRO-2 - 56 - LIST OF DISCLOSURE REQUIREMENTS FOLLOWED

ESRS Code	Disclosure requirement	Page	Incorporation by reference
IRO-2-56	IRO-2-56	IRO-2-56	BP-2-16
ESRS 2			
BP-1	General basis for preparation of sustainability statements	2	
BP-2	Disclosures in relation to specific circumstances	2	
GOV-1	The role of the administrative, management and supervisory bodies	4	
GOV-2	Information provided to and sustainability matters addressed by SBO's administrative, management and supervisory bodies	9	
GOV-3	Integration of sustainability-related performance in incentive schemes	10	
GOV-4	Statement on due diligence	11	
GOV-5	Risk management and internal controls over sustainability reporting	12	
SBM-1	Strategy, business model and value chain	14	
SBM-2	Interests and views of stakeholders	17	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	22	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	51	
IRO-2	Disclosure requirements in ESRS covered by SBO's sustainability statement	60	

ESRS Code	Disclosure requirement	Page	Incorporation by reference
E1			
GOV-3	Integration of sustainability-related performance in incentive schemes	10	
E1-1	Transition plan for climate change mitigation	83	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	42	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	54	
E1-2	Policies related to climate change mitigation and adaptation	83	
E1-3	Actions and resources in relation to climate change policies	83	
E1-4	Targets related to climate change mitigation and adaptation	87	
E1-5	Energy consumption and mix	91	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	93	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phasing-In	
E2			
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	56	
E2-1	Policies related to pollution	101	
E2-2	Actions and resources related to pollution	101	
E2-3	Targets related to pollution	101	
E3			
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	57	
E3-1	Policies related to water and marine resources	102	
E3-2	Actions and resources related to water and marine resources	102	
E3-3	Targets related to water and marine resources	102	
E3-4	Water consumption	103	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phasing-In	
E4			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	105	
SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	44	
IRO 1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	57	
E4-2	Policies related to biodiversity and ecosystems	107	
E4-3	Actions and resources related to biodiversity and ecosystems	107	
E4-4	Targets related to biodiversity and ecosystems	107	

ESRS Code	Disclosure requirement	Page	Incorporation by reference
E5			
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	58	
E5-1	Policies related to resource use and circular economy	108	
E5-2	Actions and resources related to resource use and circular economy	108	
E5-3	Targets related to resource use and circular economy	108	
E5-4	Resource inflows	109	
E5-5	Resource outflows	111	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phasing-In	
S1			
SBM-2	Interests and views of stakeholders	17	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	45	
S1-1	Policies related to own workforce	116	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	120	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	121	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	122	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	128	
S1-6	Characteristics of SBO's employees	129	
S1-7	Characteristics of non-employee workers in SBO's own workforce	131	
S1-8	Collective bargaining coverage and social dialogue	132	
S1-9	Diversity metrics	132	
S1-10	Adequate remuneration of employees in line with applicable benchmarks	133	
S1-12	Persons with disabilities	133	
S1-14	Health and safety metrics	134	
S1-15	Work-life balance metrics	Phasing-In	
S1-16	Compensation metrics (pay gap and total compensation)	134	
S1-17	Incidents, complaints and severe human rights impacts	135	
S2			
SBM-2	Interests and views of stakeholder	17	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47	
S2-1	Policies related to value chain workers	141	
S2-2	Processes for engaging with value chain workers about impacts	142	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	144	

ESRS Code	Disclosure requirement	Page	Incorporation by reference
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	145	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	147	
S3			
SBM-2	Interests and views of stakeholders	17	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49	
S3-1	Policies related to affected communities	148	
S3-2	Processes for engaging with affected communities about impacts	148	
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	148	
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	149	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	150	
S4			
SBM-2	Interests and views of stakeholders	17	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	50	
S4-1	Policies related to consumers and end-users	151	
S4-2	Statement in case the undertaking has not adopted a general process to engage with consumers and/or end-users	151	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	152	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	152	
G1			
GOV-1	The role of the administrative, supervisory and management bodies	9	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	60	
G1-1	Corporate culture and business conduct policies and corporate culture	153	
G1-3	Prevention and detection of corruption and bribery	157	
G1-4	Confirmed incidents of corruption or bribery	160	

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
ESRS 2								
GOV-1	Board's gender diversity	§21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		material	4
GOV-1	Percentage of board members who are independent	§21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	4
GOV-4	Statement on due diligence	§30	Indicator number 10 Table #3 of Annex 1				material	11
SBM-1	Involvement in activities related to fossil fuel activities	§40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		material	14
SBM-1	Involvement in activities related to chemical production	§40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to controversial weapons	§40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to cultivation and production of tobacco	§40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
E1								
E1-1	Transition plan to reach climate neutrality by 2050	§14				Regulation (EU) 2021/1119, Article 2(1)	material	83
E1-1	Undertakings excluded from Paris-aligned Benchmarks	§16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book[1]Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		material	83

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-4	GHG emission reduction targets	§34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	87
E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	§38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				material	91
E1-5	Energy consumption and mix	§37	Indicator number 5 Table #1 of Annex 1				material	91
E1-5	Energy intensity associated with activities in high climate impact sectors	paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				material	91
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	§44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	93
E1-6	Gross GHG emissions intensity	paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	93
E1-7	GHG removals and carbon credits	§56				Regulation (EU) 2021/1119, Article 2(1)	not material	n/a
E1-9	Exposure of the benchmark portfolio to climate-related physical risks	§66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		material	n/a

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	§66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material	n/a
E1-9	Location of significant assets at material physical risk	§66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			material	n/a
E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	§67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 §34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			material	n/a
E1-9	Degree of exposure of the portfolio to climate-related opportunities	§69			Delegated Regulation (EU) 2020/1818, Annex II		material	n/a
E2								
E2-4	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	§28		Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			not material	
E3								
E3-1	Water and marine resources	§9		Indicator number 7 Table #2 of Annex 1			material	102
E3-1	Dedicated policy	§13		Indicator number 8 Table 2 of Annex 1			material	102

Disclosure requirement	Datapoint	Para-graph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E3-1	Sustainable oceans and seas	§14	Indicator number 12 Table #2 of Annex 1				material	102
E3-4	Total water recycled and reused	§28 (c)	Indicator number 6.2 Table #2 of Annex 1				material	103
E3-4	Total water consumption in m3 per net revenue on own operations	§29	Indicator number 6.1 Table #2 of Annex 1				material	103
E4								
SBM-3 – E4	Activities related to sites located in or near biodiversity-sensitive areas negatively affect these areas where conclusions or necessary mitigation measures have not been implemented or are ongoing	§16 (a) i	Indicator number 7 Table #1 of Annex 1				material	44
SBM-3 – E4	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	§16 (b)	Indicator number 10 Table #2 of Annex 1				material	44
SBM-3 – E4	Own operations affect threatened species	§16 (c)	Indicator number 14 Table #2 of Annex 1				material	44
E4-2	Sustainable land / agriculture practices or policies	§24 (b)	Indicator number 11 Table #2 of Annex 1				material	107
E4-2	Sustainable oceans/ seas practices or policies	§24 (c)	Indicator number 12 Table #2 of Annex 1				material	107
E4-2	Policies to address deforestation	§24 (d)	Indicator number 15 Table #2 of Annex 1				material	107
E5								
E5-5	Non-recycled waste	§37 (d)	Indicator number 13 Table #2 of Annex 1				material	111
E5-5	Hazardous waste and radioactive waste	§39	Indicator number 9 Table #1 of Annex 1				not material	

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S1								
SBM-3 – S1	Risk of incidents of forced labor	§14 (f)	Indicator number 13 Table #3 of Annex I				material	45
SBM-3 – S1	Risk of incidents of child labor	§14 (g)	Indicator number 12 Table #3 of Annex I				material	45
S1-1	Human rights policy commitments	§20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				material	116ff
S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	§21			Delegated Regulation (EU) 2020/1816, Annex II		material	116ff
S1-1	Processes and measures for preventing trafficking in human beings	§22	Indicator number 11 Table #3 of Annex I				material	116ff
S1-1	Workplace accident prevention policy or management system	§23	Indicator number 1 Table #3 of Annex I				material	116ff
S1-3	Grievance/complaints handling mechanisms	§32 (c)	Indicator number 5 Table #3 of Annex I				material	121ff
S1-14	Number of fatalities and number and rate of work-related accidents	§88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	134
S1-14	Number of days lost to injuries, accidents, fatalities or illness	§88 (e)	Indicator number 3 Table #3 of Annex I				material	134
S1-16	Unadjusted gender pay gap	§97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	134
S1-16	Annual Total Compensation	§97 (b)	Indicator number 8 Table #3 of Annex I				material	134
S1-17	Incidents of discrimination	§103 (a)	Indicator number 7 Table #3 of Annex I				material	135

Disclosure requirement	Datapoint	Para-graph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S1-17	Non-respect of UNGPs on Business and Human Rights and OECD	§104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		material	135
S2								
SBM-3 – S2	Significant risk of child labor or forced labor in the value chain	§11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				material	47
S2-1	Human rights policy commitments	§17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				material	141ff
S2-1	Policies related to value chain workers	§18	Indicator number 11 and n. 4 Table #3 of Annex 1				material	141ff
S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	§19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	141ff
S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	§19			Delegated Regulation (EU) 2020/1816, Annex II		material	141ff
S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	§36	Indicator number 14 Table #3 of Annex 1				material	145
S3								
S3-1	Human rights policy commitments	§16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				material	148
S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	§17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	148

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S3-4	Human rights issues and incidents	§36	Indicator number 14 Table #3 of Annex 1				material	149
S4								
S4-1	Policies related to consumers and end-users	§16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				material	151
S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	§17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material	151
S4-4	Human rights issues and incidents	§35	Indicator number 14 Table #3 of Annex 1				not material	152
G1								
G1-1	United Nations Convention against Corruption	§10 (b)	Indicator number 15 Table #3 of Annex 1				material	153
G1-1	Protection of whistle-blowers	§10 (d)	Indicator number 6 Table #3 of Annex 1				material	153
G1-4	Fines for violation of anti-corruption and anti-bribery laws	§24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		material	160
G1-4	Standards of anti-corruption and anti-bribery	§24 (b)	Indicator number 16 Table #3 of Annex 1				material	160

Environmental Information

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation)

As part of the European Commission's 2025 Omnibus Initiative I, Commission Delegated Regulation (EU) 2026/73, published in the Official Journal on 8 January 2026, also amended Commission Delegated Regulation (EU) 2021/2178 on Article 8 of the EU Taxonomy Regulation (EU) 2020/852. This results in a reduction in the scope of the reporting templates and, subject to certain conditions, relief in the assessment of covered economic activities as well as financings and investments. Article 4 of Delegated Regulation (EU) 2026/73 provides, as a transitional provision, that for financial years starting between 1 January and 31 December 2025, entities may disclose information pursuant to the EU Taxonomy Regulation in the version applicable on 31 December 2025. SBO makes use of this transitional provision and therefore, as at 31 December 2025, reports under the previous requirements. As uncertainties in the legal interpretation of certain parts of the provisions remain, SBO refers, where considered appropriate, to the European Commission's interpretations as published in its notices in the Official Journal.

THE EU TAXONOMY REGULATION AT A GLANCE

The European Green Deal aims to achieve a green transformation to help the EU become climate-neutral by 2050. Article 8 of the EU Taxonomy Regulation, Regulation (EU) 2020/852, sets the course for greater transparency on sustainability measures. It covers only those economic activities that are explicitly listed in the relevant delegated acts. In the manufacturing sector, the focus is primarily on emissions-intensive industries. However, the supplier industry has not yet been adequately taken into account. Significant innovations take place in the supplier industry that can make an important contribution to climate neutrality. The EU Taxonomy standardises the definition of environmental sustainability and serves as guidance for investment decisions. Companies must classify their economic activities in accordance with the criteria of the Regulation. If economic activities can be allocated to one or more potentially sustainable activities, they are considered "taxonomically eligible". If they also meet the criteria for a "substantial contribution", the requirements for "do no significant harm", and the "minimum safeguards", they are considered "taxonomically aligned". The EU Taxonomy Regulation requires companies to classify their economic activities based on the technical screening criteria of the relevant delegated acts. This applies in particular to the environmental objectives of climate change mitigation and climate change adaptation and, where relevant, to the other environmental objectives. These activities are assessed against the criteria for a "substantial contribution", "do no significant harm", and the "minimum safeguards". For the environmental objectives of the Taxonomy, sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO), no taxonomically eligible economic activities were identified for the 2025 reporting year based on the review performed.

Manufacturing and cross-sector activities

MANUFACTURE OF IRON AND STEEL (ENVIRONMENTAL OBJECTIVE: CLIMATE CHANGE MITIGATION)

An economic activity in this category is a transitional activity within the meaning of Article 10(2) of the EU Taxonomy Regulation. SBO is a manufacturer of non-magnetisable, corrosion-resistant steels. Production takes place in a joint process with the main supplier. This specific type of process split has developed historically and is partly reflected in joint patents. The main supplier produces customised raw materials in close coordination with SBO. Cold forging and further processing are carried out by SBO.

The EU Taxonomy is a dynamic framework whose requirements remain subject to adjustments and new interpretations. The FAQs published on 5 March 2025 (C/2025/1373) interpret economic activity CCM 3.9 in such a way that products that have been reshaped or further processed after melting and casting, for example by cold forging, are not to be reported under 3.9. Based on these findings, SBO does not report any revenue, CAPEX or OPEX under economic activity 3.9 Manufacture of iron and steel.

The product portfolio in the Energy Equipment segment, including tools and equipment for drilling and completion of oil, gas and geothermal wells, could not be allocated to any of the economic activities listed in Annex I of Delegated Regulation (EU) 2021/2139. The company is not engaged in gas extraction or processing. Therefore, no activities at SBO sites fall under the Taxonomy categories CCM or CCM 4.29 to 4.31. This assessment was reviewed again for the 2025 financial year and confirmed.

In the 2025 financial year, SBO also carried out infrastructure and cross-sector activities. The EU Taxonomy Regulation not only classifies core economic activities in terms of environmental sustainability. It also takes into account certain capital expenditure and operating expenses in areas such as renewable energy, buildings or vehicle fleets. The following economic activities are relevant for SBO and all fall under the environmental objective of climate change mitigation.

TRANSPORT BY MOTORCYCLES, PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (CCM 6.5)

In particular, the acquisition, financing, rental, leasing and operation of vehicles of classes M, N or L are taxonomy-eligible. In this specific case, this activity is relevant with regard to CAPEX and OPEX in connection with the vehicle fleet that are relevant for SBO.

TRANSPORT OF GOODS BY ROAD (CCM6.6)

The acquisition, financing, leasing, rental and operation of vehicles of classes N1, N2 or N3 for the transport of goods by road that fall under the EURO VI standard Level E or its successor are taxonomy-eligible. In this specific case, this activity is relevant with regard to CAPEX and OPEX in connection with SBO's own delivery trucks.

CONSTRUCTION OF NEW BUILDINGS AND RENOVATION OF EXISTING BUILDINGS (CCM 7.1 && 7.2)

Individual construction and civil engineering works or preparation thereof are taxonomy-eligible.

INSTALLATION, MAINTENANCE AND REPAIR OF ENERGY-EFFICIENT DEVICES (CCM 7.3)

Individual renovation measures that consist of the installation, maintenance or repair of energy-efficient devices are taxonomy-eligible.

INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES (CCM 7.6)

Taxonomy-eligible are the installation, maintenance and repair of renewable energy technologies on-site. For SBO, this activity is particularly important in connection with the installation of photovoltaic systems at its own locations.

ACQUISITION OF AND OWNERSHIP OF BUILDINGS (CCM 7.7)

The acquisition of real estate and the exercise of ownership of these properties is a taxonomy-eligible activity. In addition to ownership, capitalized usage rights to rented buildings can also represent taxonomy-eligible CapEx. For SBO, the activity is particularly important with regard to administrative and operational buildings.

TAXONOMY-ALIGNMENT FOR FINANCIAL YEAR 2025

An economic activity is considered taxonomically aligned if it is taxonomically eligible and meets the criteria for a substantial contribution, the requirements to do no significant harm and the minimum safeguards. In addition to the already reported Taxonomy-aligned activity 7.3, installation, maintenance and repair of energy-efficient equipment, SBO assessed and reported further relevant activities in accordance with the extended Taxonomy framework. The inclusion of additional environmental objectives resulted in an expanded review of potentially taxonomically eligible activities, in particular in the context of resource efficiency and circular economy.

Minimum social safeguards

In order to achieve taxonomy-alignment, SBO must ensure that, in addition to the two criteria "substantial contribution" and "do no significant harm", the economic activities under consideration are carried out in compliance with Article 18 of the Taxonomy Regulation. Taking into account the Final Report on Minimum Safeguards of the Platform on Sustainable Finance published in October 2022, SBO focuses on the topics of human rights, bribery / corruption, taxes and fair competition. The following aspects were taken into account in detail:

HUMAN RIGHTS

Business is conducted in compliance with the catalog of internationally recognized human rights. There is a Code of Conduct that requires managers and employees to take appropriate measures to detect, prevent and mitigate possible and actual human rights violations. There have been no convictions related to human rights violations.

BRIBERY / CORRUPTION

SBO has set up a whistleblowing service that ensures protected communication channels and enables incidents of bribery/corruption to be reported on its own online platform. In addition, there are group-wide guidelines and a zero-tolerance policy regarding bribery, fraud and any form of corruption.

TAXES

In the course of the SBO Group's economic activities, tax expenses arise in various forms worldwide. Sales taxes, corporate taxes, taxes related to wages and salaries, etc. mean that SBO's economic activities make economic contributions in individual countries. SBO does not pursue an aggressive tax policy. The location of the individual companies follows exclusively the local economic activities in the respective industrial centers. In Note 25 of the Notes to the 2025 consolidated financial statements, the reconciliation to the effective group tax rate is presented.

FAIR COMPETITION

SBO promotes compliance with the relevant competition rules through the Group-wide Code of Conduct, clearly defined behavioural requirements and the option to report potential breaches via protected channels. In addition, SBO adopted a dedicated Code of Conduct for Business Partners this year, which specifies expectations towards suppliers and other relevant third parties. The implementation and embedding of the Business Partner Code of Conduct is planned as the next step. For SBO, fair competition means not entering into or carrying out cartels, anti-competitive business practices or agreements that exploit or expand market dominance or market power. It also means not engaging in anti-competitive mergers and acquisitions. This applies in particular where such conduct involves fixed prices, bid rigging, production restrictions or quotas, or the allocation of markets by assigning customers, suppliers, territories or business areas.

KEY PERFORMANCE INDICATORS (KPI)

On this basis, the following key figures are shown:

INFORMATION IN %	TURNOVER	CAPEX	OPEX
Taxonomy-eligible overall	0.0	13.7	1.9
Not taxonomy-eligible overall	100.0	86.3	98.1
Taxonomy-aligned overall	0.0	0.0	0.0
Not taxonomy-aligned overall	100.0	100.0	100.0

Financial year	2025		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")										
(1) Economic Activities	(2) Code	(3) Turnover	(4) Proportion of Turnover, year 2025	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) turnover, year 2024	(19) Category enabling activity	(20) Category transitional activity	
Text	TEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	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 (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0.0%	0	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y				
Of which enabling	0	0.0%	0	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y		E		
Of which transitional	0	0.0%	%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y			T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
			EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%											
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%							0.0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities	455,267	100.0%																		
TOTAL	455,267	100.0%																		

Financial year	2025		Substantial contribution criteria										DNSH criteria ("Does Not Significantly Harm")						
(1) Economic Activities	(2) Code	(3) CAPEX	(4) Proportion of CAPEX, year 2025	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1) or -eligible (A.2), CAPEX, year 2024	(19) Category enabling activity	(20) Category transitional activity
Text	TEUR	%	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	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 (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment																			
CCM 7.3	0	0.0%	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.6%		
Of which enabling		0	0.0%	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
Of which transitional		0	0.0%	0	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	644	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.6%		
Freight transport services by road	CCM 6.6	125	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.1%		
Construction of new buildings	CCM 7.1	1,124	1.6%	EL	EL	N/EL	N/EL	EL	N/EL								3.3%		
Renovation of existing buildings	CCM 7.2	763	1.1%	EL	EL	N/EL	N/EL	EL	N/EL								2.1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	16	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.2%		
Acquisition and ownership of buildings	CCM 7.7	6,676	9.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								9.3%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9,350	13.7%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%								20.6%		
A. CAPEX of Taxonomy-eligible activities (A.1+A.2)		9,350	13.7%	13.7%	0.0%	0.0%	0.0%	0.0%	0.0%								21.2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities		58,992	86.3%																
TOTAL		68,342	100.0%																

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

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

TURNOVER SHARE / TOTAL
TURNOVER

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	0%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CAPEX SHARE / TOTAL CAPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	13.7%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OPEX SHARE / TOTAL OPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	1.9%
CCM	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

DETAILED EXPLANATIONS

The calculation of the Key Performance Indicators (KPI) is carried out in accordance with Annex 1 of Commission Delegated Regulation (EU) 2021/2178.

INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS TO AVOID DOUBLE COUNTING AND GENERAL PROCEDURES

SBO's consolidated financial statements as at 31 December 2025 were prepared in accordance with the principles of the IFRS Accounting Standards and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Details of the accounting policies applied are presented in the notes to the SBO consolidated financial statements. The principles of the IFRS consolidated financial statements for determining revenue, CapEx and OpEx form the basis for deriving the Taxonomy KPIs. To avoid double counting, only revenue from external customers was considered when capturing revenue, enabling a simple and transparent reconciliation to consolidated revenue. In the 2025 financial year, SBO reports no revenue under EU Taxonomy economic activities. For the CapEx KPI, screening was performed at individual entity level and then transferred to the consolidated value of the SBO Group. For OpEx, screening was carried out at individual entity level followed by aggregation, with intra-group recharges excluded in advance to avoid an inappropriate increase in the KPI. In general, it should be noted that, when deriving non-eligible, eligible and aligned revenue, CapEx and OpEx, a clear allocation to individual economic activities was possible and no allocation key was used. This also enabled the exclusion of potential double counting of revenue, CapEx and OpEx across different economic activities.

CALCULATION OF TURNOVER KPI

The revenue KPI for FY2025 was calculated as the share of net turnover from goods or services, including intangible assets, associated with taxonomy-aligned economic activities (numerator), divided by total net turnover (denominator). In FY2025, no taxonomy-aligned revenues were recorded. The denominator corresponds to the consolidated revenue for the period from 1 January to 31 December 2025 as presented in SBO's 2025 consolidated financial statements. To determine the numerator, screening was carried out at entity level, followed by allocation to non-eligible, eligible or aligned economic activities. As explained earlier in this report, SBO no longer treats revenue from the sale of high-alloy non-magnetisable stainless steels as taxonomically eligible. Therefore, the revenue KPI for the 2025 financial year is zero. Total revenue for the 2025 financial year amounted to TEUR 455,267 and is presented in the consolidated income statement under "Revenue". More detailed information on revenue can be found in note 21 to the consolidated financial statements.

CALCULATION OF CAPEX KPI

This KPI is defined as Taxonomy-aligned CapEx (numerator) divided by consolidated capital expenditure. The denominator comprises the consolidated additions to property, plant and equipment and intangible assets during the financial year under review, before depreciation and revaluations, including those resulting from revaluations and impairments for the respective financial year, and excluding changes in fair value. The denominator also includes additions to property, plant and equipment and intangible assets resulting from business combinations, as well as right-of-use assets in accordance with IFRS 16. The denominator of TEUR 68,342 is calculated as total additions to property, plant and equipment and intangible assets of TEUR 63,631, less additions to prepayments of TEUR 378, plus transfers from prepayments of TEUR 5,089. As a result of the business combination with 3T Additive Manufacturing Limited, additions totaling TEUR 5,866 were recognized. Further details are provided in Notes 8, 9, and 35 to the Notes to the consolidated financial statements. Non-eligible, eligible and aligned investments could be clearly identified and allocated to the respective economic activities. Therefore, no allocation key was used.

CALCULATION OF OPEX KPI

This KPI is defined as taxonomically eligible and taxonomically aligned operating expenditure in the numerator divided by total operating expenditure as defined by the EU Taxonomy in the denominator. The denominator comprises direct, non-capitalised costs relating to research and development, building renovation measures, short-term leasing, maintenance and repair, and all other direct expenditure related to the day-to-day servicing of property, plant and equipment by the company or by third parties to whom activities are outsourced that are necessary to ensure the continued and effective functioning of these assets. Across the Group, the operating expenditure listed above was reviewed against the EU Taxonomy to determine whether it could be allocated to a taxonomically eligible and taxonomically aligned economic activity. The Group-wide standardised presentation scheme for non-capitalised operating expenditure, which is also included in the consolidated income statement, formed the starting point for the screening. Taxonomically eligible and taxonomically aligned OpEx could be clearly identified and allocated to the respective economic activities. Therefore, no allocation key was used.

CHANGES IN TAXONOMY-ELIGIBLE KPIs COMPARED TO THE PRIOR PERIOD

Turnover: No change compared to the prior year.

CAPEX: In absolute terms, taxonomically eligible CapEx increased from MEUR 8.0 in 2024 to MEUR 9.3 in 2025. Due to the increase in the denominator from MEUR 37.5 in 2024 to MEUR 68.3 in 2025, the percentage share of taxonomically eligible CapEx decreased from 21.2 % in 2024 to 13.7 % in 2025. The majority of taxonomically eligible CapEx in 2025 relates to the expansion in the Middle East and the Relining Center in Houston. The related acquisition of buildings and the entering into new lease agreements under IFRS 16 are reported under economic activity 7.7 "Acquisition and ownership of buildings".

OPEX: In 2025, taxonomically eligible OpEx of 1.9 % is reported. This represents a slight decrease compared to 2024, when taxonomically eligible OpEx amounted to 2.8 %. R&D expenditure continues to represent the largest share of taxonomically eligible OpEx.

E1 Climate Change

E1-1 - Transition plan for climate change mitigation

E1-1 - 17 - CLIMATE TRANSITION PLAN

SBO is developing a transition plan for climate change mitigation and will conduct a comprehensive analysis of all necessary components. As part of this process, SBO is committed to aligning its climate targets with internationally recognized frameworks and is actively working towards joining the Science Based Targets initiative (SBTi). Although the specific SBTi standard for the oil and gas sector had not been published as of 2025, SBO is already focusing on defining climate targets that support and advance its sustainable business strategy.

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

E1-MDR-P - 62 & 65 & E1-2 - 25

SBO is in the process of developing a comprehensive ESG framework, as no standalone framework has been established to date. ESG aspects have so far been addressed in overarching policies such as the Code of Conduct and the company strategy. The introduction of a standalone ESG framework is being implemented step by step, as content, responsibilities and processes must be aligned across the Group, integrated into existing management and control systems, and implemented in the operating units.

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

E1-MDR-A - 62

SBO is in the process of designing its climate transition plan and is currently developing measures to implement the planned decarbonisation steps. The evaluation of the CapEx and OpEx required to implement these measures has not yet been completed, which is why this information cannot currently be disclosed. The measures and the climate transition plan will be published once the financial assessments have been completed and final internal alignment has taken place.

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

MDR-T - 80 A -J

These targets will be integrated into the climate transition plan that is currently being developed and is expected to be finalized over the coming years. The plan focuses on climate mitigation and energy efficiency, with particular emphasis on reducing emissions across Scopes 1, 2 and 3, lowering energy consumption, and transitioning to energy from renewable sources.

by 2030:

30% reduction in Scope 1 and 2 emissions.

10% reduction in Scope 3 emissions.

by 2050:

Achieve net-zero emissions across Scope 1, 2, and 3, aligned with the Paris Agreement.

DEFINED TARGET LEVELS AND MEASUREMENT APPROACH

The target is relative, as it is expressed as a percentage reduction compared to a baseline.

The targets are stated in metric tons of CO₂ equivalent (tCO₂e), which is the standard unit for measuring greenhouse gas (GHG) emissions.

SCOPE**Upstream Value Chain Activities:**

Raw Material Procurement: Emissions related to the extraction and transportation of raw materials used in manufacturing. Supply Chain Emissions: Emissions from suppliers, including those associated with the procurement of raw material.

Downstream Value Chain Activities:

Product Use: Emissions associated with the use of SBO's products, such as components for drilling and well completion, stem from the consumption of extracted resources.

End-of-Life and Disposal:

Emissions from the disposal or recycling of products at the end of their life cycle.

Geographical Areas:

The target addresses all geographical regions where SBO operates.

The base year for SBO's GHG emissions reduction targets is 2022. This year serves as the reference for measuring the targeted reduction of Scope 1 and Scope 2 emissions, a 30% reduction by 2030, and Scope 3 emissions, a 10% reduction by 2030. The base year 2022 was selected because it represents SBO's business activities under normal operating conditions without material one-off effects. Representativeness was ensured by confirming that 2022 is comparable with the current reporting year in terms of organisational structure, consolidation scope and material emission sources.

The target period extends until 2050, with an interim milestone set for 2030.

The targets were defined through a comprehensive assessment of potential measures and their expected impacts. This process involved identifying feasible actions and evaluating their effectiveness in reducing emissions and contributing to overall sustainability goals.

In addition to the internal evaluation, we also conducted a thorough screening of the climate-related targets and strategies of our key suppliers and customers. This approach ensures that our targets are aligned with broader value chain expectations and supports a coordinated effort towards achieving shared sustainability objectives.

SBO's environmental targets are aligned with the long-term goal of achieving net-zero emissions. At present, it is formally not possible to fully align with SBTi standards because sector-specific guidance for the oil and gas industry was still not available in 2025. SBO has set its targets to the best of its knowledge and belief. Compatibility with the official SBTi framework will be reassessed once the sector standard is published. At this stage, the 2030 milestone targets are not yet aligned with the SBTi framework.

Stakeholders were not involved in the target-setting process for material sustainability matters during the reporting period. This was due to the ongoing development of our internal frameworks and strategies. SBO recognizes the importance of stakeholder engagement and plans to actively involve relevant stakeholders in future target-setting processes to ensure their perspectives are integrated into our sustainability goals.

SBO's environmental targets are newly established, and no changes have been made to the targets, corresponding metrics, measurement methodologies, assumptions, or data collection processes. As a result, there are no adjustments affecting comparability over time.

As the targets have been set this year, they are in the early stages of implementation, and no measurable progress has been recorded. Further details are provided in Table E1-6.

E1-4 - GHG EMISSION REDUCTION TARGETS

Consistency between targets and GHG inventory limits

The GHG emission reduction targets are consistent with the GHG inventory boundaries.

Decarbonization levers Scope 1 & 2 in tCO₂e:

The reduction values in Scope 1 and 2 are derived from reported consumption data and the resulting emissions. They result from the transition to electricity from renewable sources and the replacement of gas heating systems and gas-powered machinery.

Electrification: 3,762 tCO₂e

Use of renewable energy: 8,516 tCO₂e

Decarbonization levers Scope 3 in tCO₂e:

SBO's decarbonization levers in Scope 3 are based on estimates derived from the respective Scope 3 category, as the exact measures within the value chain cannot yet be precisely quantified due to significant dependencies on the actions of our value chain partners. The main focus lies on purchased materials within Scope 3.1, with "Material efficiency and consumption reduction" primarily referring to the more sustainable production of steel.

Fuel switching: 11,337 tCO₂e

Material efficiencies and consumption reduction: 60,274 tCO₂e

Energy efficiencies: 5,826 tCO₂e

Other: 2,885 tCO₂e

Consideration of Climate Scenarios in Decarbonization Strategy & External verification:

SBO is in the early stages of analyzing various climate scenarios to identify relevant environmental, social, technological, market, and policy-related developments. Our targets have not been externally verified, and our 2030 goal is not fully aligned with the 1.5°C trajectory. While our reduction ambitions are based on a detailed internal assessment and an evaluation of measures across our value chain, further refinement will be necessary to ensure full compatibility with internationally recognized climate pathways.

E1-4-AR 30B - PLANS TO ADOPT NEW TECHNOLOGIES AND THE ROLE OF THESE TO ACHIEVE ITS GHG EMISSION REDUCTION TARGETS

SBO manufactures components used in carbon capture & storage (CCS) applications; however, CCS is not considered part of our own emissions reduction strategy and is therefore not quantified or included in this context.

E1-4 Targets

Addressed material (sub-) topic	MDR-T-80a	Climate protection
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 1 & 2 emissions by 30 % compared to 2022 by 2030.
Target level	MDR-T-80b	-30
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO ₂ e	E1-4-34a	9,550 tCO ₂ e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO ₂ , HFC, SF6, PFC, CH4, N2O, NF3)
Included scopes	E 1-4-34b	Scope 1 & 2 (market-based)
For GHG reduction targets (only for Scope 3 targets):	E 1-4-34b	N/A
Included Scope 3 subcategories	E 1-4-34b	N/A
Allocation per scope	E 1-4-34b	Scope 1 & 2
Included share of scopes and total emissions	E 1-4 34b	Scope 1 & 2
Target scope in terms of business activities	MDR-T-80c	Own activities
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	13,643 tCO ₂ e
Target period	MDR-T-80e	2030
Milestones or interim targets	MDR-T-80e	None

Addressed material (sub-) topic	MDR-T-80a	Climate protection
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 3 emissions by 10% compared to 2022 by 2030.
Target level	MDR-T-80b	-10
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO ₂ e	E1-4-34a	80,321 tCO ₂ e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO ₂ , HFC, SF6, PFC, CH4, N2O, NF3)
Included scopes	E 1-4-34b	Scope 3
Included Scope 3 subcategories	E 1-4-34b	All
Allocation per scope	E 1-4-34b	Scope 3
Included share of scopes and total emissions	E 1-4 34b	Scope 3
Target scope in terms of business activities	MDR-T-80c	Upstream and downstream value chain
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	89,246 tCO ₂ e
Target period	MDR-T-80e	2030
Milestones or interim targets	MDR-T-80e	None

Addressed material (sub-) topic	MDR-T-80a	Climate protection
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 1 & 2 emissions by 90% compared to 2022 by 2050.
Target level	MDR-T-80b	-90
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO ₂ e	E1-4-34a	1,364 tCO ₂ e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO ₂ , HFC, SF ₆ , PFC, CH ₄ , N ₂ O, NF ₃)
Included scopes	E 1-4-34b	Scope 1 & 2 (market-based)
Included Scope 3 subcategories	E 1-4-34b	N/A
Allocation per scope	E 1-4-34b	Scope 1 & 2
Included share of scopes and total emissions	E 1-4 34b	Scope 1 & 2
Target scope in terms of business activities	MDR-T-80c	Own activities
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	13,643 tCO ₂ e
Target period	MDR-T-80e	2050
Milestones or interim targets	MDR-T-80e	None

Addressed material (sub-) topic	MDR-T-80a	Climate protection
Addressed material IRO	MDR-T-80a	Greenhouse gas emissions
Addressed policy	MDR-T-80a	Transition plan for climate protection (Climate Transition Plan - in development)
Title of the target	MDR-T-80a	SBO plans to reduce its absolute Scope 3 emissions by 90 % compared to 2022 by 2050.
Target level	MDR-T-80b	-90
Absolute or relative target	MDR-T-80b	Relative target
Target unit	MDR-T-80b	%
Target value in tCO ₂ e	E1-4-34a	8,925 tCO ₂ e
Included greenhouse gases	E 1-4-34b	All seven Kyoto gases (CO ₂ , HFC, SF6, PFC, CH4, N2O, NF3)
Included scopes	E 1-4-34b	Scope 3
Included Scope 3 subcategories	E 1-4-34b	All
Allocation per scope	E 1-4-34b	Scope 3
Included share of scopes and total emissions	E 1-4 34b	Scope 3
Target scope in terms of business activities	MDR-T-80c	Upstream and downstream value chain
Target scope in terms of geographical areas	MDR-T-80c	Global
Target base year	MDR-T-80d	2022
Target baseline value	MDR-T-80d	89,246 tCO ₂ e
Target period	MDR-T-80e	2050
Milestones or interim targets	MDR-T-80e	None

E1-5 - Energy consumption and energy mix

E1-5 – 36–38 & AR 34 - ENERGY CONSUMPTION AND ENERGY MIX

E1-5 - 39 - ENERGY

Energy consumption and energy mix	2024	2025
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	5,787	7,445
Fuel consumption from natural gas (MWh)	10,730	11,539
Fuel consumption from other fossil sources (MWh)	-	-
Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)	14,378	15,058
Total consumption of fossil energy (MWh)	30,896	34,042
Share of fossil energy sources of total energy consumption (in %)	60	65
Consumption from nuclear sources (MWh)	5,748	1,474
Share of consumption from nuclear sources of total energy consumption (in %)	11	3
Fuel consumption for renewable sources, including biomass (MWh)	-	-
Consumption from purchased or received electricity, heat, steam and cooling and from renewable sources (MWh)	13,553	14,929
Consumption of self-generated renewable energy other than fuels (MWh)	1,365	1,716
Total consumption of renewable energy (MWh)	14,917	16,645
Share of renewable sources of total energy consumption (in %)	29	32
Total energy consumption (MWh)	51,562	52,179
Own energy generation	2024	2025
Self-generated energy from fossil sources (MWh)	-	-
Self-generated energy from renewable sources (MWh)	1,996	2,317

E1-5 - 40 – ENERGY INTENSITY PER NET REVENUE

Energy intensity per net revenue	2024	2025	Change to previous year (in %)
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/currency unit)	92	115	25

E1-5 - 41 - TOTAL ENERGY CONSUMPTION FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS

The total energy consumption from activities in high climate impact sectors amounts to 52,179 MWh.

E1-5 - AR 38B - NET REVENUE FROM ACTIVITIES IN HIGH CLIMATE IMPACT SECTORS AND OTHER THAN HIGH CLIMATE IMPACT SECTORS

The net revenue is reported in the sales section of the profit and loss statement.

E1-5 - 42 - HIGH CLIMATE IMPACT SECTORS

SBO is a manufacturer and equipment supplier in the energy industry and beyond. Operating in this sector, SBO's activities, especially the manufacturing of components like drilling and completion equipment, contribute to a carbon footprint due to energy consumption and emissions from manufacturing processes.

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

	Retrospective				Milestones and target years		
	Base Year	2024	2025	Change to previous year (in %)	2030	2050	Annual % target/ Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO ₂ eq)	4,180	4,120	4,178	1.41%	2,926	418	-3%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0.00%	-	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	11,647	12,086	11,266	-6.78%	8,153	1,165	-3%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	9,463	9,210	8,859	-3.81%	6,624	946	-3%
Significant scope 3 GHG emissions							
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	89,246	106,249	92,967	-13%	80,321	8,925	-3%
1 Purchased goods and services	57,813	66,386	55,585	-16%			
2 Capital goods	6,473	9,680	10,741	11%			
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	3,658	3,971	3,843	-3%			
4 Upstream transportation and distribution	1,243	3,391	2,854	-16%			
5 Waste generated in operations	3,691	3,877	3,715	-4%			
6 Business travelling	2,599	3,264	3,173	-3%			
7 Employee commuting	2,084	2,450	2,391	-2%			
8 Upstream leased assets	0	0	0	0%			
9 Downstream transportation	5,611	6,554	2,623	-60%			
10 Processing of sold products	5,466	5,778	7,294	26%			
11 Use of sold products	0	0	0	0%			
12 End-of-life treatment of sold products	607	896	749	-16%			
13 Downstream leased assets	0	0	0	0%			
14 Franchises	0	0	0	0%			
15 Investments	0	0	0	0%			
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ eq)	105,073	122,455	108,411	-11%			
Total GHG emissions (market-based) (tCO ₂ eq)	102,889	119,579	106,004	-11%			

GHG intensity per net revenue	2024	2025	Change to previous year (in %)
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/Monetary Unit)	218	233	9%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/Monetary Unit)	213	233	9%

E1-6 - 46 - GUIDELINES FOR DISCLOSING GHG EMISSIONS IN ACCORDANCE WITH ESRS 1

The system boundaries for calculating the Corporate Carbon Footprint include all locations that SBO directly controls

E1-6 - 47 - DISCLOSURE REQUIREMENTS FOR SIGNIFICANT CHANGES IN REPORTING UNDERTAKING AND VALUE CHAIN IMPACT ON GHG EMISSIONS COMPARABILITY

The organisational boundaries were largely maintained compared to the prior year. In the reporting year 2025, however, 3T Additive Manufacturing Limited was acquired and included in the reporting boundary, meaning the consolidation scope, from the acquisition date. No other companies, investments or sites were acquired or sold, and no additional Scope 3 categories were included.

E1-6 - AR 39 B - DISCLOSURE OF METHODOLOGIES, SIGNIFICANT ASSUMPTIONS AND EMISSIONS FACTORS USED TO CALCULATE OR MEASURE GHG EMISSIONS

In preparing the Corporate Carbon Footprint (CCF) report, SBO applies methodologies, emission factors, and assumptions aligned with the Greenhouse Gas Protocol.

Scope 3 emissions were calculated for the first time in 2023 using a combination of the average-data and spend-based methods. Emission factors were derived from sources such as Ecoinvent, Idemat, and DBEIS, while data gaps were addressed through plausible assumptions, such as estimating product weights or using average employee commuting data.

SBO is actively engaging with suppliers and investing in improved data management tools and employee training to enhance accuracy and transparency in future emissions reporting.

E1-6 – AR 42 C – GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TOTAL GHG EMISSIONS

The consolidation results of other companies are not relevant for calculating SBO's gross greenhouse gas emissions, as only emissions from the SBO consolidation scope and the related Scope 1, Scope 2, and Scope 3 activities are taken into account.

E1-6 – 51 – DISCLOSURES ON SCOPE 3 GHG EMISSIONS

SBO has verified the significance of all 15 Scope 3 categories, but certain categories were considered not relevant for the GHG-calculation. Specifically, Scope 3.8 (leases of assets) was excluded, as SBO does not lease warehouses or similar assets in its upstream value chain. Additionally, Scope 3.11 and 3.13, which relate to the energy consumption of SBO products, were not applied, as SBO's sold and rented products do not directly require electricity or fossil fuels for their use. Further exclusions include Scope 3.14 (franchises), as SBO does not grant franchise licenses, and Scope 3.15 (investments), since all subsidiaries are fully consolidated in both the financial and sustainability reports.

For the remaining Scope 3 categories, emissions were calculated using the average data method and spend-based method due to the limited availability of supplier-specific carbon footprint data, particularly from suppliers outside the EU. In the future, SBO aims to obtain more detailed supplier-specific information to improve the accuracy of these calculations.

E1-6 – AR 46 H-I – CONSOLIDATED GROUP

An internal summary of the calculation approaches for each scope is available in the CCF report. It includes a detailed breakdown of the methodologies used for each Scope category (Scope 1, 2, and 3), including the use of the average data method and spend-based method for Scope 3 emissions. It also highlights the data sources, such as emission factors from reputable databases (e.g., DBEIS, Ecoinvent, Idemat) and the approach to estimating emissions for specific categories where data was unavailable.

For auditors, detailed documentation of the calculation method, data sources, and other relevant aspects, such as assumptions and estimations, is available. This ensures transparency and allows the auditor to verify the accuracy and completeness of the emissions calculations in line with Greenhouse Gas (GHG) Protocol standards.

E1-6 – 55 – AR 55 – RECONCILIATION OF NET REVENUE

The net revenue is reported in the sales section of the profit and loss statement.

E1-MDR-M - Metrics relating to material sustainability aspects

E1-MDR-M-77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS, AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total energy consumption related to own operations	ESRS metric	The sum of energy consumption from fossil, nuclear, and renewable sources is calculated by aggregating data from energy meters, as well as energy bills. Each subsidiary delivers energy consumption per energy source. Data is consolidated at group level for each KPI. For the majority of energy consumption, energy mix is available, only few estimations were required.
Total energy consumption from fossil sources	ESRS metric	The sum of energy consumption from fossil sources is calculated by aggregating data from energy meters, as well as energy bills. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from coal and coal products	ESRS metric	SBO does not directly generate energy by using coal, however electricity purchased include electricity generated by coal, therefore energy/electricity bills are used as a source. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from crude oil and petroleum products	ESRS metric	Energy consumption from crude oil is based on diesel and petrol, as well as fuel oil (light and heavy) consumption. SBO does consume diesel and petrol, mostly used for company vehicles. Data from each subsidiary is categorized and then aggregated on group level, ensuring all values are standardized translated into MWh. For most of the fuel consumed, energy bills are used as data sources, in few cases estimations are used.
Fuel consumption from natural gas	ESRS metric	The sum of energy consumption from natural gas is calculated by collecting data on various natural gas products, including propane, butane, natural gas, liquefied petroleum gas (LPG), liquefied natural gas (LNG), and compressed natural gas (CNG) from energy bills and energy meters, categorizing this data, and aggregating the consumption figures for each product type into a total, ensuring all values are in the same unit (e.g., MWh).
Fuel consumption from other fossil sources	ESRS metric	Currently there is no fuel consumption from other fossil sources.
Share of fossil energy in total energy consumption	ESRS metric	Share of fossil energy is calculated by dividing the total energy consumption from fossil sources by the total energy consumption.

Total energy consumption from nuclear sources	ESRS metric	Total energy consumption from nuclear sources is used in a few locations and is calculated in megawatt-hours (MWh), by aggregating energy mixes from the invoice of electricity suppliers. Data is consolidated on group level for each KPI.
Share of nuclear energy in total energy consumption	ESRS metric	Share of nuclear energy is calculated by dividing the total energy consumption from nuclear sources by the total energy consumption.
Total energy consumption from renewable sources	ESRS metric	Total renewable energy consumption is assessed using data from consumption of self-generated renewable energy and purchased renewable energy. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Fuel consumption from renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources	ESRS metric	Currently SBO does not consume a material amount of energy of such sources.
Consumption of self-generated non-fuel renewable energy	ESRS metric	Data gathered from various sources, including energy production reports, utility invoices, and renewable energy monitoring systems. Data is consolidated on group level for each KPI.
Share of renewable energy in total energy consumption	ESRS metric	Share of renewable energy is calculated by dividing the total energy consumption from renewable sources by the total energy consumption.
Consumption of purchased or acquired electricity	ESRS metric	Data is sourced from energy bills and energy meters for each subsidiary. Data is consolidated on group level for each KPI.
Consumption of purchased or acquired heat	ESRS metric	SBO consumes only a non-significant amount of acquired heat through district heating. Data is sourced from energy bills and energy meters for each subsidiary. Data is consolidated on group level for each KPI.
Consumption from purchased or acquired cooling	ESRS metric	Not applicable
Consumption from purchased or acquired steam	ESRS metric	Not applicable
Non-renewable energy production	ESRS metric	Not applicable
Renewable energy production	ESRS metric	Data on renewable energy production is collected with energy production reports, utility invoices, and renewable energy monitoring systems. Currently, renewable energy is produced with PV-systems in a few subsidiaries. Each subsidiary delivers energy consumption per energy source. Data is consolidated on group level for each KPI.
Energy intensity of activities in high climate impact sectors (total energy consumption per net revenue)	ESRS metric	Data from total fossil energy consumption is divided by net revenue of the reporting year.

Gross Scope-1-GHG-Emissions	ESRS metric	Data were collected based on invoices for natural gas and petrol/diesel consumption. In few cases, mileage and average consumption were used for company vehicles. Emission factors from IEA 2021 and AIB 2021 were used.
Gross Scope-2-GHG-Emissions (location-based)	ESRS metric	Gross Scope 2 GHG emissions (location-based) are calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol) – Scope 2 Guidance. This approach focuses on the average emission factors of the grid in the geographical locations where electricity is consumed. In the absence of specific local emission factors, country or region-wide averages are applied.
Gross Scope-2-GHG-Emissions (market-based)	ESRS metric	Gross Scope 2 GHG emissions (market-based) are calculated based on information from the electricity provider.
Total GHG emissions based on location	ESRS metric	The sum of Gross Scope 1, Gross location-based Scope 2 GHG emissions and Total gross indirect (Scope 3) GHG emissions
Total GHG emissions market-based	ESRS metric	The sum of Gross Scope 1, Gross market-based Scope 2 GHG emissions and Total gross indirect (Scope 3) GHG emissions
Greenhouse gas intensity (location-based)	ESRS metric	Data from total GHG emission (location-based) is divided by net revenue of the reporting year.
Greenhouse gas intensity (market-based)	ESRS metric	Data from total GHG emission (market-based) is divided by net revenue of the reporting year.
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	ESRS metric	The sum of indirect emission from Scope 3.1-3.15
Scope 3.1 Purchased goods and services	ESRS metric	The raw materials were assigned to mass-based emission factors from Idemat. In accordance with the average-date method weights (metric tons) purchased of those raw materials were collected from each group company and multiplied by the emission factor ("EF") outlined above to derive total CO ₂ e emissions. For other goods and services purchased, for which no information on weight were available or the average data method was not applicable (e.g. services such as expenses for insurance or IT-support for example), the spend based method was applied.
Scope 3.2 Capital goods	ESRS metric	The spend based method was applied. The spend-based emission factors were taken from the DEFRA 2022 database.
Scope 3.3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	ESRS metric	The upstream emissions of fuels like petrol, diesel and ethanol but also district heating and electricity were considered. The upstream electricity emissions were assessed location based. The respective emission factors for the consumption of natural gas, petrol, diesel and district heating were taken from the Ecoinvent database and the respective emission factor for bio ethanol from Ecoinvent. The emission factors for the upstream electricity emissions were calculated based on IEA and Ecoinvent database.

Scope 3.4 Upstream transportation and distribution	ESRS metric	Data on emissions could not be directly derived by information received from carriers, therefore the average data method based on tonne-kilometre (tkm), or in other words the distance-based method was applied. The individual type of transport and the relevant EF from the Ecoinvent database per tonne-kilometre was used to derive the CO ₂ e emissions of this Scope. If distances/mileage was not available directly from shipping documents, online sources such as Google Maps or Searates.com were used to derive mileage from the supplier to the relevant SBO location.
Scope 3.5 Waste generated in operations	ESRS metric	CO ₂ e emissions were derived by multiplying the weight disposed by emission factors. The emissions caused by the disposal of waste were determined using emission factors from the Ecoinvent database. Liquid waste was also measured in metric tons. One of SBO's major "waste category" is metal scrap in the form of metal chips, stemming from the turning and milling operations. Those metal chips are sold to third parties / scrap dealers and therefore are regarded as secondary products and not as waste. As a result, metal chips sold are excluded from scope 3.5 and considered under scope 3.12 instead.
Scope 3.6 Business travelling	ESRS metric	The spend-based emission factors were taken from the DBEIS database and adjusted for exchange rate and inflation. The air-travel data were taken from DEFRA.
Scope 3.7 Employee commuting	ESRS metric	Average headcount by group company was used as a basis to determine CO ₂ e emissions stemming from employee commuting. Depending on the location / region of group company average emissions per employee according to data basis (Jayakrishnan et al 2023) were applied.
Scope 3.8 Upstream leased assets	ESRS metric	Non-significant amounts of leased assets were directly considered in Scope 1 emissions.
Scope 3.9 Downstream transportation	ESRS metric	The location of the customer is defined as the boundary of accounting for Scope 3.9 inventory is set here. The individual type of transport and the relevant EF from the Ecoinvent database (version 3.9.1, 2022) per tonne-kilometre was used to derive CO ₂ e emissions of this Scope. If distances/mileage were not available directly from shipping documents, online sources such as Google Maps or Searates.com were used to derive mileage from SBO to the relevant customer location.
Scope 3.10 Processing of sold products	ESRS metric	This scope category includes emissions from processing / manufacturing of sold raw materials (non-magnetic steel) by third parties, subsequent to the sale by SBO. Third parties will apply machining services to manufacture finished goods, so the main source of additional energy required is electricity. SBO estimates the required average kWh to manufacture the final product and multiplies this with the related emission factor for electricity. The emission factor was based on location-based emissions for electricity of the SBO company that sells the bar to a third party.
Scope 3.11 Use of sold products	ESRS metric	SBO products sold (metal/steel components and downhole drilling tools) do not directly require energy such as fossil fuels or electricity to be used by SBO's customers.

Scope 3.12 End-of-life treatment of sold products	ESRS metric	As part of the calculation model, the emissions from the disposal of the manufactured products were also evaluated using emission factors from the Ecoinvent database.
Scope 3.13 Downstream leased assets	ESRS metric	SBO products rented to customers (downhole drilling tools such as drilling-motors, circulation tools or rotary steerable systems) do not directly require energy such as fossil fuels or electricity to perform their services.
Scope 3.14 Franchises	ESRS metric	Not applicable
Scope 3.15 Investments	ESRS metric	Not applicable, as all group companies are fully consolidated.
Percentage of GHG Scope 3 calculated using primary data	ESRS metric	Currently SBO does not use primary data, as those are not available from suppliers yet. However SBO is working closely with major suppliers to receive primary data in the future.

E2 Pollution

E2-1 - Policies related to pollution

E2-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO currently has no specific policies related to pollution. The reason for this is that, while pollution has been identified as a material topic in the course of the double materiality assessment, it requires further evaluation and alignment with the company's strategy before dedicated policies can be established. SBO is currently assessing these areas further to determine the need for specific policies in the future.

E2-2 - Actions and resources related to pollution

E2-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO uses small quantities of certain substances in its manufacturing processes. These include oils and other materials that are commonly used in industrial production. Due to proper handling of the low quantities used, additional detailed reviews were not conducted until now.

E2-3 - Targets related to pollution

E2-MDR-T -72 - TARGETS

SBO currently has no specific targets set under E2 Pollution, as these topics have so far been addressed within a broader framework. Due to new regulatory requirements, SBO is currently in the analysis process to assess the need for specific targets.

E3 Water and marine resources

E3-1 - Policies related to water and marine resources

E3-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

Measures to improve water efficiency are an integral part of SBO's overall sustainability efforts, in particular in subsidiaries facing water scarcity. To adequately address water scarcity risks at SBO's own production sites, site-specific approaches are currently being assessed.

Considering that SBO's subsidiaries employ around 1,500 people on four continents, with each subsidiary averaging fewer than 100 employees, there is currently no need for a specific concept to mitigate water scarcity risks affecting suppliers in the upstream value chain, such as in mining and steel production.

E3-1 - 13 - WATER STRESS AREAS

SBO operates sites in regions with water scarcity. To address the related risks, we record water consumption by site and continuously monitor developments. Site-specific water management concepts are being assessed.

E3-2 - Actions and resources related to water and marine resources policies

E3-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO has prioritized addressing immediate and direct environmental impacts within its operations, which is why specific actions for marine resource protection and upstream water scarcity management have not been implemented.

E3-3 - Targets related to water and marine resources

E3-MDR-T - 72 - TARGETS

SBO has not defined any specific water management targets. However, it will evaluate whether setting such targets is necessary.

E3-4 - 29 Water consumption and water intensity ratio

KPI	2025	2024	Unit
Total water consumption	60,234	86,674	m ³
Total water consumption in areas at water risk, including areas of high-water stress	4,271	3,819	m ³
Total water recycled and reused	122,790	156,953	m ³
Total water stored	399	875	m ³
Changes in water storage	-476	-	m ³
KPI	2025	2024	Unit
Water intensity ratio	132	155	m ³ /mio € net revenue

E3-4 - 28 - CONTEXTUAL INFORMATION ON WATER DATA

Methods used include scenario analysis to evaluate water risk impacts, data collection from operational sites. Significant assumptions consider stable supply chain operations and alignment with broader sustainability goals, such as resource efficiency and compliance with ESRS requirements.

Local context, including water stress and community needs, is factored into evaluations to ensure relevance and feasibility. SBO assesses water-related metrics primarily through direct measurements and third-party data, including water bills, meter readings, and subsidiary-level data collection, which is aggregated at the group level.

The analysis of high-water-stress areas is conducted using the Aqueduct (WRI) tool. In our analysis, we have identified water stress at our locations in Saudi Arabia and Dubai.

Data on recycled and reused water is based on third-party records. Water storage data is derived from the capacity of storage units at each location.

E3-MDR-M - Metrics relating to material sustainability aspects

E3-MDR-M -77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total water consumption	ESRS metric	Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on the group level.
Total water consumption in areas at water risk, including areas of high-water stress	ESRS metric	Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on group level. Each location was mapped with Aqueduct (WRI) to assess which location is in an area of high-water stress. The total water consumption of those locations was used to calculate total water consumption in areas with water risk.
Total water recycled and reused	ESRS metric	Data on water recycling is based on bills of a third party measuring the amount of recycled water procured and recycled. Data is collected on the level of each subsidiary and then aggregated on group level.
Total water stored	ESRS metric	Data on water storage is based on the size of water storage units in each location that stores water. Data is collected on the level of each subsidiary and then aggregated on the group level.
Changes in water storage	ESRS metric	Currently it is estimated that there are no changes in water storage.
Water intensity ratio	ESRS metric	Revenue for water intensity was aligned with financial reporting. Data on total water consumption is based on water bills from third parties as well as meter readings for groundwater consumption. Data is collected on the level of each subsidiary and then aggregated on the group level.

E4 Biodiversity and ecosystems

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

E4-1 – 13 A – ASSESSING THE RESILIENCE OF THE BUSINESS MODEL AND STRATEGY

SBO has analyzed and assessed physical, transition and systemic risks related to biodiversity and ecosystems as part of our materiality assessment and risk and opportunity analysis. A full resilience analysis has not been carried out.

E4-1 – 13 B – SCOPE OF RESILIENCE ANALYSIS

SBO has considered its operational sites and locations with significant environmental interactions, focusing on areas where our own activities intersect with critical ecosystems, in the risk assessment for biodiversity risks.

Upstream and downstream activities in the value chain have been partially considered, particularly for suppliers and partners operating in areas of ecological sensitivity. For upstream value chain, raw material extraction sites and for downstream value chain, product life cycle impacts were prioritized.

The site analysis of biodiversity risks was conducted only for SBO's own operational sites, not for the value chain. Since the final application of our products is not fully known, we have assumed that the primary biodiversity risk arises from the activities themselves rather than specific end-use locations.

Associated Risks:

Key risks include potential habitat degradation, regulatory non-compliance, and reputational impacts due to operations or partnerships in biodiversity-sensitive areas.

Future efforts will focus on enhanced data collection and collaboration with stakeholders across the value chain to deepen risk analysis and mitigation.

E4-1 – 13 C – MAIN ASSUMPTIONS

Raw material sourcing and downstream value chain product lifecycle impacts are assumed to have potential biodiversity risks, especially in regions with fragile ecosystems. Climate change effects, such as temperature shifts and habitat loss, are assumed to exacerbate biodiversity risks in certain operational and supply chain regions.

The assumption that biodiversity risks exist in upstream raw material sourcing and downstream product lifecycle impacts is based on widely recognized scientific findings and environmental reports. Studies such as the IPCC AR6 Synthesis Report (2023), European Environment Agency research on raw material sourcing, and UNEP pollution and health assessments highlight the significant ecological impacts of mining activities, land-use changes, and pollution. Additionally, reports from Nature Sustainability, National Geographic, and the Royal Society B emphasize the long-term biodiversity risks associated with industrial activities, including habitat destruction, invasive species spread via global supply chains, and pollution from fossil fuel use. These sources collectively support the conclusion that SBO's upstream and downstream activities have potential biodiversity-related risks.

E4-1 - 13 D - TIME HORIZONS USED

For biodiversity-related impacts, risks, and opportunities, the double materiality analysis considered multiple time horizons: short-term (<1 year), medium-term (2-5 years), and long-term (5-10 years).

E4-1 - 13 E - RESULTS OF THE RESILIENCE ANALYSIS

The analysis identified risks related to operations and value chain activities, including habitat disruption and ecosystem degradation. Resilience measures include adherence to environmental standards and engagement with stakeholders to minimize impacts. Certain operations and supply chain activities depend on natural resources sourced from regions at ecological risk. For example, raw material extraction (e.g. steel) and energy-intensive activities are directly linked to ecosystems. Transition risks include potential changes in environmental legislation (e.g., stricter biodiversity regulations), shifts in market demand for sustainable products, and reputational risks from non-compliance or ecosystem harm. These may impact operational costs and stakeholder trust.

E4-1 - 13 F - STAKEHOLDER INVOLVEMENT

Stakeholders were not specifically consulted about biodiversity-related risks. SBO considers to expand stakeholder engagement in this area in the coming years. Stakeholder engagement on biodiversity may be prioritized based on proximity to operations, supply chain relevance, and expertise in biodiversity and ecosystem preservation. Future engagement may focus on directly affected stakeholders, including local communities and environmental groups, to ensure comprehensive risk identification.

E4-1 - 14 - REFERENCE TO INFORMATION ACCORDING TO ESRS 2 SBM-3

The assessment of biodiversity risks and the resilience of our strategy and business model has been partially addressed in our materiality analysis. This assessment forms part of our broader environmental and governance considerations. While biodiversity-specific risks are recognized, there is no need for a formal policy. Further detailed analysis is considered to enhance SBO's understanding and reporting in alignment with ESRS 2 SBM-3 requirements.

E4-2 - Policies related to biodiversity and ecosystems

E4-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO has not implemented a standalone biodiversity policy, as there are no significant impacts on biodiversity from its own operations. The need for such a policy will be reassessed if future developments require it.

E4-3 - Actions and resources related to biodiversity and ecosystems

E4-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO is committed to broader environmental goals such as emissions reduction, which also contribute to biodiversity protection. Biodiversity has not been addressed as a standalone priority within the ESG framework, resulting in no specific actions currently in place for it. So far, the topic has been integrated into broader environmental initiatives rather than being managed separately.

E4-4 - Targets related to biodiversity and ecosystems

E4-MDR-T - 72 - TARGETS

SBO has not set specific biodiversity targets due to the lack of significant impacts from its own operations. The relevance of biodiversity targets will be reviewed if operational or regulatory conditions change.

E5 Resource use and circular economy

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

E5-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO is actively advancing recyclable product designs, resource efficiency optimization, and collaboration with suppliers to increase the use of recycled materials. Therefore, there is currently no need for a formal policy specifically addressing ESRS E5 – Resource Use and Circular Economy.

E5-2 - Actions and resources in relation to resource use and circular economy

E5-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO has initiated several measures that address key aspects of resource use and circular economy. These include efforts to optimize resource efficiency and collaborate with suppliers to increase the use of recycled materials. The absence of a fully integrated approach is due to ongoing assessments aimed at deepening the understanding of specific impacts, risks, and opportunities.

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

E5-MDR-T -72 - TARGETS

SBO monitors progress through ongoing assessments of material impacts, risks, and opportunities. This includes evaluating resource efficiency improvements, tracking waste reduction efforts, and assessing collaborations with suppliers on increasing recycled material use.

These measures ensure continuous progress and provide a basis for setting future targets. At this stage, no specific targets have been set, as the company is still in the process of analyzing the most effective measures to implement.

E5-4 - Resource inflows

KPI	2025	2024	Unit
Overall total weight of products and technical and biological materials used during the reporting period	13,536	14,337	tons
Percentage of biological materials (and biofuels used for non-energy purposes) that are sustainably sourced	0	0	%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	6,474	7,303	tons
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	48	51	%

E5-4 - 32 - METHODS FOR CALCULATING THE DATA

SBO uses a combination of direct measurements and estimations to calculate data related to resource use and the circular economy, ensuring compliance with CSRD reporting standards and maintaining transparency in its disclosures.

Direct Measurements: Key resource consumption data, including energy usage and material inputs, are recorded using robust internal monitoring systems. These systems are managed and verified by operational teams to ensure accuracy, reliability, and consistency across all reporting activities. **Estimations:** In cases where direct measurements are not feasible—such as supplier-provided data—estimations are applied based on recognized industry standards, historical data, and material specifications.

All reported usage data reflect materials in their original state and are presented without further adjustments.

E5-4 - AR 22 - TRANSPARENCY ON SOURCING FROM BY-PRODUCTS/WASTE STREAM

SBO integrates materials derived from by-products and waste streams into its operations wherever feasible, reinforcing its commitment to resource efficiency and circular economy principles.

Metal Offcuts: Metal scrap is reused by third parties and fed into new production processes, which significantly minimizes waste and optimizes material use. Recycled steel is integrated into manufacturing processes, reducing reliance on primary raw materials and supporting sustainable resource management. Waste heat recovery systems are deployed in production facilities to improve energy efficiency and reduce overall energy consumption. These measures are an integral part of SBO's sustainability strategy and enable the reduction of material waste, improved resource utilization, and alignment with CSRD requirements regarding transparency and accountability in resource use and circular economy practices.

E5-4 - AR 25 - AVOIDANCE OF DOUBLE COUNTING IN CASE OF OVERLAPPING OF THE CATEGORIES OF REUSE AND RECYCLING

SBO reports on the recycling category, as reuse is not tracked or reported in our current processes. Recycling Definition: Recycling refers to the recovery and reprocessing of materials to be used in new applications, which alters the material's original properties. For example, scrap steel from our operations is collected and melted to create new steel products.

Avoiding Double Counting: Since reuse is not reported, there is no overlap or risk of double counting between these categories. Recycling activities are recorded independently and consistently, ensuring compliance with CSRD requirements and maintaining transparency in our reporting. Should reuse reporting become relevant in the future, SBO will establish clear definitions and tracking mechanisms to differentiate it from recycling.

CATEGORY OF RESOURCE INFLOW	DESIGNATION OF THE RESOURCE INFLOW	CRITICAL SUBSTANCES/ RARE EARTHS	UTILISATION OF RESOURCE INFLOWS
E5-4-30	E5-4-30	E5-4-30	E5-4-30
Raw materials/materials	steel	No	Upstream value chain and own activity
Raw materials/materials	metal powder	No	Upstream value chain and own activity
Raw materials/materials	aluminium	Yes	Upstream value chain and own activity
Raw materials/materials	resin and hardener	No	Upstream value chain and own activity
Raw materials/materials	fiber glass	No	Upstream value chain and own activity
Raw materials/materials	rubber products	No	Upstream value chain and own activity
Raw materials/materials	polyester products	No	Upstream value chain and own activity
Raw materials/materials	magnesium	Yes	Upstream value chain and own activity
Packaging	plastic	No	Own activity
Packaging	wood	No	Own activity

E5-5 - Resource outflows

MOST IMPORTANT PRODUCT GROUPS	PRODUCT CON-CEPTUALISATION ACCORDING TO CIRCULAR PRINCIPLES	CIRCULAR PRINCIPLE USED	FULFILMENT OF THE CIRCULAR-ORIENTED TURNOVER	REPAIRABILITY RATING SYSTEM
E5-5-35	E5-5-35	E5-5-35	E5-5-35	E5-5-36b
Manufactured parts such as MWD/LWD Tools	Yes	Recycling	No circular-oriented turnover	No
NON-MAG MATERIAL (SOLID and DRILLED BARS)	Yes	Recycling	No circular-oriented turnover	No
DRILLING MOTORS & MOTOR SPARE PARTS	Yes	Repairability	No circular-oriented turnover	No
CIRCULATION TOOLS	Yes	Repairability	No circular-oriented turnover	No
ROTARY STEERABLE TOOLS	Yes	Repairability	No circular-oriented turnover	No
OTHER DOWNHOLE TOOLS	Yes	Repairability	No circular-oriented turnover	No
PLUGS	No	Not applicable	No circular-oriented turnover	No
OTHER WELL COMPLETION EQUIPMENT	No	Recycling	No circular-oriented turnover	No

E5-5 - 36C-37 - RATES OF RECYCLABLE CONTENT IN PRODUCTS & TOTAL AMOUNT OF WASTE

Rates of recyclable content in...	2025	2024	Unit
... products	72	75	%
... products packaging	-	-	%
Waste	2,025	2,024	Unit
Total waste generated	12,484	13,396	metric tons
Total hazardous waste	1,053	1,493	metric tons
Total radioactive waste	-	-	metric tons
Hazardous waste diverted from disposal	-	-	metric tons
Hazardous waste diverted from disposal due to preparation for reuse	-	-	metric tons
Hazardous waste diverted from disposal due to recycling	-	-	metric tons
Hazardous waste diverted from disposal due to other recovery operations	-	-	metric tons
Non-hazardous waste diverted from disposal	2,757	4,205	metric tons
Non-hazardous waste diverted from disposal due to preparation for reuse	-	-	metric tons
Non-hazardous waste diverted from disposal due to recycling	2,757	4,205	metric tons
Non-hazardous waste diverted from disposal due to other recovery operations	-	-	metric tons
Hazardous waste directed to disposal	1,053	1,493	metric tons
Hazardous waste directed to disposal by incineration	-	-	metric tons
Hazardous waste directed to disposal by landfilling	1,053	1,493	metric tons
Hazardous waste directed to disposal by other disposal operations	-	-	metric tons
Non-hazardous waste directed to disposal	8,673	7,698	metric tons
Non-hazardous waste directed to disposal by incineration	-	-	metric tons
Non-hazardous waste directed to disposal by landfilling	8,673	7,698	metric tons
Non-hazardous waste directed to disposal by other disposal operations	-	-	metric tons
Non-recycled waste	9,726	9,191	metric tons
Percentage of non-recycled waste	78	69	%

E5-5 – 38 – RELEVANT WASTE STREAMS & MATERIALS CONTAINED IN WASTE

SBO identifies the following waste streams as relevant to its activities:

Metal Shavings and Offcuts: Generated during the precision machining of high-alloy and stainless-steel components. These are collected for reuse or recycling.

Industrial Scrap Steel: Residual steel material from production processes, reintegrated into recycling streams.

Waste Oils and Lubricants: Resulting from machine operations, treated and disposed of according to environmental regulations.

Packaging Waste: Includes materials such as wooden boxes, plastic wrapping, and cardboard used for transporting components.

Hazardous Waste: Limited quantities from operational processes, such as used solvents and chemicals, are managed responsibly.

Composite waste: This mainly arises during the processing and disposal of composite materials. Due to their material composition, they are difficult to recycle and require specialised disposal procedures.

Office Waste: Generated from administrative operations, including paper, cardboard, and electronic waste. Office waste is sorted and recycled where possible, following local waste management regulations.

SBO ensures these waste streams are monitored, with an emphasis on recycling and resource recovery, in line with its circular economy commitments.

E5-5 – 40 – METHODS FOR CALCULATING THE DATA

SBO utilizes a combination of direct measurements and estimations to calculate waste quantities and resource outflows, ensuring data accuracy while accommodating operational differences across sites.

Direct Measurements:

Production Waste: Where available, calibrated weighing systems are used at collection points to directly measure waste streams such as metal offcuts, packaging waste, and hazardous materials.

Resource Outflows: Quantities of sold products and related packaging materials are recorded using shipping documentation, including delivery notes and invoices, to ensure precise tracking of materials leaving the organization.

Estimations:

In facilities where weighing systems are not in place, waste quantities are estimated based on production data, material usage rates, and historical records. Industry-specific benchmarks are also applied where relevant to ensure consistency. For irregular or minor waste streams, estimations are used based on operational records and similar past activities.

E5-MDR-M - Metrics relating to material sustainability aspects

E5-MDR-M - 77 D - CURRENCY SPECIFICATION FOR METRICS

SBO uses the presentation currency specified in its financial statements for all monetary measurements. This ensures consistency across sustainability reporting and financial disclosures, providing stakeholders with clear and comparable information.

E5-MDR-M -77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total weight of technical and biological materials used during the reporting period	ESRS metric	Data on the total weight of materials used is based on the total weight of materials procured in the reporting period. Data is collected on the level of each subsidiary and then consolidated on the group level.
Percentage of biological materials (and biofuels used for non-energy purposes) sourced from sustainable sources.	ESRS metric	Currently no materials that qualify as certified biological materials are procured.
The absolute weight of secondary reused or recycled components, secondary intermediate products, and secondary materials used in the manufacture of the company's products and services, including packaging.	ESRS metric	The percentage of reused or recycled steel is calculated for each product category and subsumed to a general number for recycled steel on a group level. This recycling rate is then contrasted with the total weight of steel used to calculate the weight of reused or recycled materials.
Percentage of secondary reused or recycled components, secondary intermediate products, and secondary materials.	ESRS metric	The absolute weight of recycled or reused materials (based on recycled steel) is divided by the total weight of materials used on a group level.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total waste generated	ESRS metric	Waste data is collected by waste type. Data is collected at each subsidiary and then consolidated at Group level.
Waste by hazardous and non-hazardous waste and treatment type	ESRS metric	Waste data is collected by waste type. Treatment methods are estimated depending on the type of waste. The total quantity of scrap metal is considered as sent for recycling, as it is collected separately for the purpose of reuse and recycling. Waste data is collected at each subsidiary level and subsequently consolidated at group level.
Non-recycled waste	ESRS metric	The absolute weight of waste that is not diverted to recycling is consolidated at Group level.
Percentage of non-recycled waste	ESRS metric	The absolute weight of non-recycled waste is divided by the total weight of waste at Group level.
Total amount of hazardous waste	ESRS metric	Waste data is collected by waste type, split into hazardous and non-hazardous waste. Hazardous waste data is collected at each subsidiary and then consolidated at Group level.
Total amount of radioactive waste	ESRS metric	Waste data is collected by waste type, split into hazardous and non-hazardous waste. Currently, there is no radioactive waste.

S1 Own Workforce

S1-1 - Policies related to own workforce

S1-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

A standalone, comprehensive S1 framework in the sense of a separate Group-wide overarching framework document that consolidates all material S1 topics in a single document does not exist. This is because SBO addresses Group-wide minimum requirements through existing overarching frameworks and deliberately organises the detailed design of selected topics in a decentralised manner in order to appropriately reflect local needs and operational requirements.

SBO's subsidiaries employ around 1,500 employees across four continents, with each subsidiary averaging fewer than 100 employees. Accordingly, SBO defines overarching frameworks in key areas such as IT, Compliance, HR and ESG, while enabling subsidiaries to implement local processes tailored to their specific needs in order to achieve maximum effectiveness.

In addition, SBO has company-wide frameworks such as the Code of Conduct, the Whistleblowing Policy and the Ethics Policy, which provide clear requirements for its local subsidiaries. These policies are described in ESRS G1 and cover, among other things, the following key topics:

Diversity, equal opportunities and non-discrimination: The principles of fairness and equal treatment are reflected in the Code of Conduct and the Ethics Policy.

Training and skills development: Training initiatives are carried out locally in the subsidiaries. Therefore, it is not necessary to establish a formal policy.

Employee engagement: Structured processes for employees as well as mechanisms for regularly measuring satisfaction and incorporating feedback are managed at subsidiary level.

Reason for the absence of frameworks:

As described above, SBO has established overarching policies in key areas while empowering subsidiaries to introduce local processes tailored to their specific needs to ensure maximum effectiveness.

Planned actions:

SBO is aware of the importance of aligning its policies with the requirements of ESRS S1 to ensure comprehensive reporting and consistent practices across all subsidiaries where relevant and effective. SBO will assess the need for meaningful actions to further strengthen Group-wide practices, taking into account local requirements and operational needs.

S1-MDR-P - 65 A - KEY CONTENT

Group-wide policies: Code of Conduct, Ethics Policy, Whistleblowing Guideline - These policies are described in ESRS G1.

Addressed IRO's: Child labor, Diversity, Inclusion of persons with Disability, Forced labor, Gender equality, Health and safety, Measures against violence and harassment, Adequate wages

S1-1 - 19 - GUIDELINES WITH REGARD TO THE OWN WORKFORCE ACCORDING TO ESRS 2-MDR-P

Overall, SBO is committed to fostering a safe, inclusive, and growth-oriented working environment for all employees. Tailored initiatives are designed to support specific workforce groups, such as diversity programs for apprentices aimed at increasing female representation in management, as well as health and safety standards.

S1-1 - 20 - RELEVANT HUMAN RIGHTS OBLIGATIONS FOR ITS OWN WORKFORCE

SBO's policies demonstrate a clear commitment to respecting and protecting human rights in accordance with international standards. This includes compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. SBO's Code of Conduct outlines specific actions to respect internationally recognized human rights and ensures compliance with legal and regulatory frameworks in areas such as labor, health, and safety.

SBO's general approach to protecting human rights and workers' rights within its own workforce is rooted in adherence to international frameworks, including the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. SBO commits to ensuring equal opportunities, fair treatment, and the elimination of discrimination based on factors such as race, gender, age, or union membership. It also upholds fair wages, respects freedom of association, and actively works to prevent child labor and forced labor across all operations.

To implement these commitments, managers and employees are tasked with identifying, preventing, and mitigating potential negative human rights impacts. SBO's Code of Conduct, which applies globally, forms the foundation for these efforts, emphasizing ethical practices, transparency, and accountability. This approach ensures a consistent and comprehensive framework to protect human and workers' rights throughout the organization.

SBO's general approach to involving employees and their representatives in human rights and workers' rights within the organization is based on clear commitments and open dialogue. Operational managers and employees are actively involved in identifying, preventing, and mitigating human rights risks through regular assessments and compliance training. Employee representatives, where present, play a crucial role in addressing workplace concerns and contributing to the development of fair policies. Furthermore, SBO encourages direct communication between employees and the compliance management team to address any grievances or infringements related to human rights. This collaborative approach ensures that employee input is considered and that policies remain aligned with their needs and international human rights standards.

If human rights violations are identified, SBO engages in a dialogue with affected parties to seek remedies. Actions may include corrective measures such as revised policies, employee retraining, or disciplinary actions against individuals responsible for violations. The approach is designed to address and rectify the issue promptly and effectively. This systematic approach ensures that SBO addresses human rights violations effectively and aligns with international standards and its Code of Conduct.

S1-1 - 21 - ALIGNMENT OF POLICIES WITH RELEVANT INTERNATIONALLY RECOGNIZED INSTRUMENTS, INCLUDING THE UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

SBO's policies align with several internationally recognized frameworks, including the OECD Guidelines for Multinational Enterprises, the UN Global Compact Principles, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These commitments ensure compliance with global standards on human rights, fair labor practices, and ethical conduct. SBO employs a structured compliance management system derived from ISO 37301 but not certified Compliance Management Systems, ensuring adherence to these principles. Key processes include regular internal audits, training programs for managers and employees, and a whistleblowing system to report violations. The Group Compliance Department oversees compliance monitoring, supported by Local Compliance Coordinators, and reports directly to the Executive Board.

S1-1 - 22 - CONSIDERATION OF THE TOPICS OF HUMAN TRAFFICKING, FORCED LABOR AND CHILD LABOR IN THE POLICIES

SBO explicitly addresses the topics of human trafficking, forced labor, and child labor within its Code of Conduct. These policies align with international frameworks such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Global Compact Principles. SBO maintains a zero-tolerance policy in this area, ensuring strict compliance across its operations.

The majority of SBO's customers and a lot of SBO's supplier are publicly listed companies, which are also required to comply with relevant legal regulations.

S1-1 - 23 - POLICIES OR MANAGEMENT SYSTEMS RELATED TO THE PREVENTION OF OCCUPATIONAL ACCIDENTS

The topic of occupational accidents is of paramount importance for SBO. Subsidiaries have their own local regulations, and in all manufacturing companies as well as other relevant companies, dedicated HSE managers monitor implementation and compliance to ensure workplace safety.

S1-1 - 24 A - SPECIFIC APPROACHES TO ELIMINATE DISCRIMINATION, PROMOTE EQUAL OPPORTUNITIES, OR OTHER WAYS TO PROMOTE DIVERSITY AND INCLUSION

SBO is committed to the principles of equal opportunities and equal treatment in employment and ensures that no discrimination occurs on the grounds of ethnicity, skin colour, gender, religion, political opinion, nationality, social origin, age, disability, pregnancy, marital status, sexual orientation or trade union activity. In addition, measures are in place to prevent and combat harassment, intimidation and defamation in the workplace. The policy addresses discrimination in particular with regard to ethnicity and ethnic origin or skin colour, gender, sexual orientation or gender identity, disability, age, religion, political opinion, nationality and social origin. It also considers other forms of discrimination covered by EU and national law. These commitments are set out in the Code of Conduct, which promotes equal opportunities and the treatment of all employees without discrimination on these and other grounds.

SBO's Code of Conduct addresses vulnerable groups by promoting diversity, equality and inclusion within the workforce. SBO's Code of Conduct explicitly prohibits discrimination on the grounds of ethnicity, gender, religion, social origin or any other status. Particular emphasis is placed on creating opportunities for underrepresented groups, such as women in manufacturing or management, and on ensuring safe working conditions for all employees.

SBO has not defined any additional specific policy commitments or separate support measures for particularly vulnerable groups within its own workforce. Instead, it pursues a Group-wide uniform approach of equal treatment and non-discrimination based on the Code of Conduct and the related compliance policies.

The policies apply to employees at all levels, promote gender diversity and support vulnerable groups in regions where additional challenges may exist, such as discriminatory practices or inadequate occupational health and safety.

SBO has implemented comprehensive procedures to prevent and combat discrimination within its workforce, as set out in the Code of Conduct and in corporate reporting. Discrimination risks are monitored through compliance assessments and reporting mechanisms. Employees can confidentially report incidents via the whistleblowing system, which ensures anonymity and protection against retaliation. All reported cases are thoroughly investigated, and appropriate remedial actions are taken to resolve issues and prevent recurrence. Diversity and inclusion are actively promoted by supporting equal opportunities regardless of gender, ethnicity, religion or other characteristics.

S1-2 - Processes for engaging with own workers and workers' representatives about impacts

S1-2 - 27 - INVOLVING THE WORKFORCE AND ITS PERSPECTIVES

SBO considers employee feedback into decision-making processes and the development of impactful initiatives. Employees' insights are gathered through various channels, including interviews and discussions with works councils, ensuring their voices contribute to continuous improvement. Employee input is actively considered during regular team meetings and on an ad-hoc basis.

As part of the company's suggestion system, employees' proposals for process improvements are incentivized. These include not only quality and rationalization initiatives but also areas such as environmental protection, occupational safety, and workplace improvements.

For example, following employee initiatives to improve working conditions during the hot season in affected regions, SBO implemented additional air conditioning units and optimized overtime regulations. Furthermore, in coordination with employees, SBO has intensified training and development programs, which have strengthened employees in their professional growth and fostered their long-term commitment to the company.

These proactive measures underscore SBO's commitment to fostering an engaging, supportive, and inclusive work environment that aligns with its strategic objectives and addresses sustainability impacts.

The resources allocated to this topic primarily involve personnel, as the subsidiaries have dedicated HR representatives and, in some cases, works councils responsible for employee engagement.

Regular dialogue between employees, employee representatives and management provides a platform to discuss relevant topics.

Involvement mechanisms include informing employees about actions and decisions, consulting representatives on concerns, and enabling co-determination in relevant matters. Involvement primarily happens at the site level, but inputs are also integrated into group-wide policies. Employee involvement happens on an ongoing basis.

SBO's Group Compliance Department, under the direct supervision of the Executive Board, holds operational responsibility for implementing and overseeing compliance-related processes, which include diversity and inclusion. This Group Compliance role is embedded as part of the broader compliance management system, which includes functions such as Regional Compliance Managers and Local Compliance Coordinators. These roles ensure that local managers and employees are informed, trained, and supported on relevant compliance topics. Furthermore, SBO's commitment to non-discrimination and equal opportunity aligns with international frameworks such as the OECD Guidelines and the UN Global Compact.

Where SBO's subsidiaries have a Works Council, agreements are established to regulate relevant workplace matters.

SBO evaluates employee involvement on local subsidiary level through surveys, feedback systems, and performance reviews. Metrics like staff turnover and retention are analyzed, and over 31,932(2024: 51,022) training hours were recorded in 2025 to support employee growth. Feedback helps address concerns and guide improvements, ensuring alignment with workforce needs.

S1-2 - 28 - STEPS TAKEN TO GAIN INSIGHTS INTO THE PERSPECTIVES OF THE MOST VULNERABLE/DISADVANTAGED PEOPLE IN THEIR OWN WORKFORCE

SBO recognizes the importance of protecting vulnerable groups and is committed to addressing their needs within its workforce. Diversity and inclusion are integral to SBO's organizational approach. To date, there have been no reported cases related to this issue within SBO.

S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3 - 32 A - E - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES

SBO is committed to responsible workforce management and continuously works to identify and address potential risks. Risks are considered as part of ongoing discussions and operational reviews. Measures to improve working conditions or update policies are taken as needed. Employees can raise concerns through established channels, and SBO aims to foster open communication to ensure transparency and accountability. Potential impacts and corresponding mitigation measures, as well as their effectiveness, are regularly discussed during quarterly compliance calls. Awareness of S1 risks, impacts, and opportunities is continuously strengthened in this context. In case of acute risks, these topics are specifically addressed, appropriate measures are derived and learnings are shared to ensure continuous improvements.

SBO ensures open communication channels for employees to raise concerns or provide feedback. These channels include internal platforms, a dedicated whistleblowing system with an option for anonymity or direct communication with Line Manager or HR. These initiatives are aimed at fostering a transparent and supportive working environment.

The whistleblowing system, accessible via SBO's website, allows employees to report concerns confidentially, maintaining the privacy of the reporter unless disclosure is required by law or internal investigation procedures.

SBO has a defined procedure for handling employee complaints, which is outlined in its compliance framework. Complaints are monitored by the Compliance team, which ensures proper documentation and resolution.

SBO ensures the accessibility of grievance channels for all employees, including those without regular access to online platforms. The whistleblowing system is designed to be available both online and through alternative channels, such as local compliance coordinators, to guarantee accessibility across all workforce segments.

SBO monitors issues raised by employees through formal processes established in its Whistleblowing Guideline. These processes ensure that complaints can be submitted anonymously and that handling aligns with compliance standards. To track progress, complaints are documented, and outcomes are reported internally.

S1-3 - 33 - KNOWLEDGE AND TRUST OF YOUR OWN WORKFORCE IN THE STRUCTURES OR PROCESSES

SBO ensures that employees are aware of the available structures and processes for raising concerns. Information is communicated through established internal channels, and employees are encouraged to provide feedback. Efforts are made to foster trust in these mechanisms by maintaining open dialogue, ensuring transparent communication about available reporting channels, providing anonymous reporting options and offering continuous feedback on raised concerns. SBO takes steps to protect individuals in the value chain who raise concerns by ensuring confidentiality and safeguarding against retaliation. These protections extend to all stakeholders, including employee representatives in the value chain, to encourage the safe and open reporting of grievances.

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

S1-MDR-A - 62 - REASONS FOR THE LACK OF ACTIONS

During the reporting period, no specific Group-wide measures or programmes were defined for the material topics relating to SBO's own workforce. The following sections explain the reasons for the absence of such measures.

Diversity, equal opportunities and non-discrimination are addressed Group-wide through the Code of Conduct, which sets out binding principles on equal treatment and non-discrimination.

Adequate wages and working conditions are of central importance to SBO and are addressed through corresponding principles in the Code of Conduct. There are no structured Group-wide measures or programmes for systematic implementation, consistent management and ongoing monitoring across all Group companies.

Freedom of association and collective bargaining are explicitly respected by SBO, and where employee representation bodies are established, SBO maintains regular and constructive dialogue with works councils and trade unions. Against this background, no additional Group-wide measures beyond existing practices have been defined to date, as no specific need has currently been identified.

S1 – HEALTH AND SAFETY

S1-MDR-A - 68 A - KEY ACTIONS AND EXPECTED RESULTS

SBO complies across the Group with international health and safety standards to ensure a safe and healthy working environment. The measures implemented aim to prevent work accidents, minimise risks arising from non-compliance with safety regulations and promote employee well-being.

These measures directly support the SBO Code of Conduct by embedding high standards in day-to-day operations and ensuring a sustainable improvement of working conditions. They contribute to achieving key corporate objectives, such as preventing fatal work accidents and promoting a safe and healthy working environment for all employees. SBO's health and safety measures apply to all sites within the Group. These measures ensure that workplace safety standards are consistently implemented and monitored across all facilities.

Stakeholders affected by these measures include employees, who benefit directly from improved workplace safety and training programmes. In addition, suppliers, customers and local communities benefit indirectly through improved operating standards, risk management practices and a strengthened relationship with SBO as a responsible partner. These measures contribute to SBO's overall commitment to promoting a safe and sustainable working environment.

SBO's health and safety measures are part of an ongoing commitment and have no defined end date, as they are continuously monitored, reviewed and adapted to evolving standards and requirements. Audits, training and policy updates are carried out annually.

For SBO, satisfied and motivated employees are its greatest asset. Therefore, SBO is committed to mitigating potential impacts that must be reported under ESRS S1.

Health and safety: Ensuring safe working conditions by complying with international safety standards, for example OHSAS, as well as regular safety training and risk assessments to minimise work accidents and health hazards.

PROGRESS

Health and Safety:

SBO expanded its health and safety programs by conducting regular risk assessments, providing safety trainings across all locations, and aligning workplace practices with international safety standards such as OHSAS. In 2025, HSE will be a key focus area within the "Compliance Future Fit" program, where the entire group will collaboratively address essential group-wide compliance priorities, including health, safety, and environmental (HSE) topics.

FINANCIAL RESOURCES

SBO invests directly in areas such as health, safety, training, and human rights, covering training, equipment, audits or compliance.

SBO is evaluating the need for specific allocation of capital expenditures (CAPEX) and operating expenses (OPEX) to the action plans under ESRS S1.

SBO is evaluating the need for the exact allocation of future funds, including capital expenditures (CAPEX) and operating expenses (OPEX), for the action plan under ESRS S1.

S1-4 – 38 A – D PREVENT, MITIGATE OR REMEDY MATERIAL ADVERSE IMPACTS ON THE COMPANY'S OWN WORKFORCE

SBO's actions under ESRS S1 explicitly target the prevention and mitigation of negative impacts on its own workforce. Key measures include ensuring workplace safety through adherence to OHSAS standards, conducting regular risk assessments, and providing health and safety trainings. Additionally, actions addressing human rights, such as the whistleblowing mechanisms, aim to mitigate risks like discrimination, harassment, and other violations within the workforce. These efforts are designed to proactively address potential negative impacts while fostering a safe work environment.

SBO is taking several actions to remedy situations for those affected by its material impacts:

Workplace Health and Safety: SBO ensures adherence to international safety standards, conducts regular risk assessments, and provides targeted safety trainings to employees. These measures directly address workplace risks and prevent accidents or injuries.

Human Rights Protections: SBO implements anti-discrimination and harassment policies, establishes grievance mechanisms (such as a whistleblowing system), and conducts awareness training for employees. These actions ensure employees' rights are protected and concerns are addressed promptly.

These actions are integrated into SBO's broader company strategy to address and mitigate material impacts while fostering a safe, inclusive, and supportive environment for all stakeholders. Progress is regularly measured and documented by the Compliance team. The measures described are embedded as annual routine processes and are carried out on a recurring basis.

SBO's actions under ESRS S1 also target positive impacts. These include promoting employee development via training and upskilling opportunities, and strengthening employee engagement through inclusive practices and grievance mechanisms.

SBO places great importance on providing its workforce with diverse career opportunities. Training and education efforts are appropriately rewarded. Apprentices regularly demonstrate outstanding performance in competitions, reflecting the high quality of training provided. Progress is recorded and tracked in a decentralised manner. The measures are implemented on an ongoing basis.

Furthermore, employee concerns and grievances are handled with the utmost care, diligence, and confidentiality, ensuring appropriate actions are taken when necessary.

The effectiveness of SBO's actions and initiatives is tracked and evaluated through structured monitoring and reporting processes:

Key Performance Indicators (KPIs): Metrics such as Lost-Time Injury Rates (LTIR), training participation rates, and employee satisfaction scores are regularly monitored to evaluate the impact of health and safety programs, training initiatives, and workforce engagement. In some subsidiaries, employee satisfaction scores are also tracked separately.

Feedback Mechanisms: Employee surveys, grievance systems, and consultation with employee representatives provide qualitative insights into the effectiveness of actions. This feedback is integrated into decision-making and future planning.

Sustainability Reporting: Progress is reported annually as part of SBO's sustainability report, aligned with ESRS standards. This includes updates on key actions, outcomes, and any identified gaps. These measures ensure that actions and initiatives are continuously refined to achieve meaningful results for SBO's workforce.

S1-4 - 39 - PROCEDURE FOR IDENTIFYING THE MEASURES TO BE TAKEN FOR CERTAIN ACTUAL OR POTENTIAL ADVERSE EFFECTS ON ITS OWN WORKFORCE

SBO uses a structured set of procedures to determine necessary and appropriate actions to address specific actual or potential negative impacts on its workforce.

Risk Assessments: Regular assessments are conducted to identify potential risks, such as workplace safety hazards or labor rights violations. These assessments focus on both operational practices and workforce conditions.

Grievance Mechanisms: Employees have access to whistleblowing systems and other reporting channels to raise concerns about negative impacts, such as discrimination, harassment, or unsafe conditions. These inputs are systematically reviewed by the compliance team.

Stakeholder Consultations: SBO engages with employees, their representatives, and other relevant stakeholders to gather insights into workforce-related issues. This collaboration helps prioritize and define appropriate responses.

Compliance Monitoring: Internal audits and reviews ensure adherence to policies like the Code of Conduct, Ethics Policy and the Compliance Management Policy. Non-compliance triggers corrective actions to address identified gaps.

These procedures enable SBO to proactively address negative impacts while ensuring alignment with its broader policies and values.

S1-4 - 40 A - B - MEASURES TO MITIGATE THE MATERIAL RISKS ARISING FROM THE EFFECTS AND DEPENDENCIES RELATED TO ITS OWN WORKFORCE

SBO's approach to mitigating material workforce-related risks is fully integrated into its overall Risk Management System (RMS). Identified risks are systematically assessed, documented within the standardized risk management process, and continuously monitored as part of the company's annual risk evaluation and reporting to the Executive and Supervisory Boards.

SBO's actions target the promotion of opportunities for its workforce. Key initiatives include:

Employee Training and Development: SBO offers training programs to enhance skills, foster career advancement, and prepare employees for future industry challenges. This supports both individual development and organizational resilience.

Diversity and Inclusion: SBO is committed to fair treatment and equal opportunities, creating a strong foundation for greater workforce inclusivity and addressing underrepresentation in certain roles.

Safe and Supportive Work Environment: By ensuring compliance with health and safety standards and maintaining grievance mechanisms, SBO promotes an environment where employees can thrive and contribute effectively.

These actions align with SBO's long-term strategic goals, fostering a motivated and empowered workforce while supporting sustainable growth.

S1-4 - 41 - MEASURES TO AVOID MATERIAL NEGATIVE IMPACTS ON THE WORKFORCE

SBO's commitment to preventing negative impacts on its workforce includes a range of measures to promote a safe, inclusive and supportive working environment. Key initiatives include:

Compliance with labour rights and standards: SBO complies with international labour guidelines to ensure fair and equitable treatment of employees.

Compliance training: Regular training is provided for shopfloor employees and HR staff to ensure compliance with company policies and legal requirements.

Enhanced health and safety measures: SBO implements safety measures, including regular risk assessments, safety training and health promotion measures such as fitness programmes.

Employee engagement and feedback: Establishing feedback channels and conducting employee surveys to measure satisfaction and address areas for improvement.

Professional development opportunities: Provision of training, mentoring and coaching programmes to support professional growth and skills development.

S1-4 – 42 – EFFECTIVENESS OF ACTIONS

SBO assesses the effectiveness of actions by setting specific targets aligned with its policies and strategic objectives.

Health and Safety: Reduction in Lost-Time Injury Rates (LTIR) and achieving zero workplace fatalities.

S1-4 – 43 – ALLOCATION OF FUNDS AND TRANSPARENT PRESENTATION OF HANDLING

SBO allocates a variety of measures to manage material impacts effectively, ensuring alignment with its sustainability goals and workforce well-being. Key resources include:

Safety Training and Equipment: Training sessions are conducted to educate employees on workplace safety, complemented by investments in safety equipment and systems to mitigate risks.

Health and Wellness Programs: Initiatives such as health checks and fitness programs are offered to promote employee health and address physical and mental well-being.

Professional Development: SBO invests in training and development programs, providing employees with opportunities for upskilling and career growth.

Engagement and Recognition: Feedback mechanisms and communication channels are in place to ensure employee voices are heard. Recognition programs reward outstanding contributions and foster a positive work culture.

S1-4 – AR 43 – MEASURES TO MITIGATE NEGATIVE IMPACTS ON WORKERS RESULTING FROM THE TRANSITION TO A GREENER, CLIMATE-NEUTRAL ECONOMY

The transition to a greener, net-zero emission economy presents both opportunities and challenges for SBO. On the one hand, emerging industries may drive the adoption of new technologies and processes, requiring role adjustments. On the other hand, they may create new job opportunities and necessitate the development of new skills to meet evolving operational demands. SBO is committed to supporting its employees throughout this transition, ensuring that SBO remains a leading provider of precision components and equipment.

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5 - 44 - REDUCING THE NEGATIVE IMPACT ON WORKERS

Health and Safety: Achieving a reduction in Lost-Time Injury Rates (LTIR) and maintaining zero workplace fatalities.

Diversity and Inclusion: Setting goals to enhance the representation of underrepresented groups.

S1-MDR-T - 81 B - TRACKING THE EFFECTIVENESS OF POLICIES AND MEASURES RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBO tracks the effectiveness of its concepts and measures concerning material impacts, risks, and opportunities. This is achieved through:

Quantitative Monitoring: Metrics such as participation in training programs, Lost-Time Injury Rates (LTIR), and diversity ratios are regularly assessed to understand progress in key areas.

Audits and Assessments: Periodic internal audits evaluate compliance with policies like the Code of Conduct ensuring alignment with broader ESG objectives.

This approach allows SBO to maintain accountability and improve outcomes while working towards formalizing measurable targets in the future.

Established Methods for Tracking Effectiveness: SBO focuses on continuous monitoring through compliance audits, employee feedback, and alignment with existing policies like the Code of Conduct.

Qualitative and Quantitative Indicators include:

Qualitative: consultation with employee representatives, and feedback collected through structured channels.

Quantitative: Metrics such as participation in training programs, diversity ratios, Lost-Time Injury Rates (LTIR), and compliance with established safety and human rights guidelines.

Reference Period: Progress is typically measured over an annual reporting cycle, aligned with SBO's sustainability and operational reviews. This ensures consistent tracking and comparability across reporting periods.

S1-5 - 47 A - SETTING THE TARGETS

Targets relating to SBO's own workforce are defined either centrally (for executive positions) or decentrally at the level of the respective subsidiaries, depending on the employment level. Target setting is based on Group-wide uniform guiding principles, taking into account local conditions, locally prioritised topics, and internal data and feedback (e.g. from performance reviews, local surveys or dialogue formats with employee representative bodies, where applicable). The definition and approval of targets is carried out centrally for executive positions or in accordance with the subsidiary's local governance.

S1-5 - 47 B - TRACKING TARGET PERFORMANCE

Tracking progress towards target achievement is also carried out centrally or decentrally at the respective subsidiaries, depending on the employment level. The responsible functions at SBO Holding level or within the local entities monitor developments using appropriate metrics and internal reporting processes and derive the measures required in the event of deviations.

S1-5 - 47 C - IDENTIFY INSIGHTS OR OPPORTUNITIES FOR IMPROVEMENT

Consultations with Employee Representatives: Structured discussions with employee representatives ensure that workforce perspectives are incorporated into decision-making and performance evaluations.

Feedback Mechanisms: Channels such as suggestion boxes, QR-code reporting systems, and feedback sessions enable employees to propose improvements and share ideas.

S1-6 - Characteristics of the undertaking's employees

S1-6 - 50-51 - CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Gender	2025	2024
Male	1,308	1,370
Female	231	226
Other	0	0
Not reported	0	0
Total employees	1,539	1,596

Country	Number of employees 2025 (headcount)
Austria	337
USA	662

Country	Number of employees 2024 (headcount)
Austria	387
USA	706

12/31/2025

	FEMALE	MALE	OTHER (*)	NOT DISCLOSED	TOTAL
Number of employees (headcount / FTE)	231	1,308	0	0	1,539
Number of permanent employees (headcount / FTE)	231	1,307	0	0	1,538
Number of temporary employees (headcount / FTE)	0	1	0	0	1
Number of non-guaranteed hours employees (headcount / FTE)	0	0	0	0	0

KPI	2025	2024	Unit
total number of employees who have left the undertaking (reporting period)	513	450	HC
employee turnover rate (reporting period)	25	22	%

KPI	2025	2024	Unit
Non employees* within own workforce	89	91	HC

S1-6 - 50 D - METHODS AND ASSUMPTIONS

SBO generates data on the number of employees through HR management systems and payroll records that track permanent and temporary employment contracts across all subsidiaries. This data collection is decentralized and regularly updated to ensure accuracy and consistency. Those collected data is then sent to the headquarters, where it is consolidated.

The employee figures at the end of the reporting period are reported as actual headcount as of the reporting date, rather than as an average. This method ensures that the figures reflect the most accurate and up-to-date representation of SBO's workforce at the end of the reporting period. Temporary or project-based employees are included based on their employment status on the reporting date, ensuring consistency across all reporting categories.

Specific background information is necessary to provide context for the workforce data:

Employee Turnover: SBO operates in a highly cyclical industry, where employee fluctuation is not uncommon. Additionally, variations in turnover rates may result from regional labor market conditions or project-based employment in certain locations.

Employment Types: The composition of the workforce includes permanent, temporary, and subcontracted employees. Understanding the proportion of each category is essential to interpret overall headcount and workforce dynamics accurately.

Geographical Distribution: Workforce data is influenced by the global presence of SBO, with differences in employment conditions, regulations, and cultural practices impacting the numbers across regions.

Sector-Specific Factors: As SBO predominantly operates in the oil and gas industry, workforce dynamics may also be impacted by industry-specific trends, such as cyclical demand or shifts towards sustainability-related initiatives.

A cross-reference is made between the total number of employees reported and the most representative figures in the financial statements. The workforce data aligns with disclosures in the financial reports, particularly those related to personnel expenses and headcount trends. This ensures consistency between sustainability reporting and financial reporting, providing a clear and accurate overview of SBO's workforce as it relates to operational and financial performance.

S1-7 - Characteristics of non-employee workers in the undertaking's own workforce

S1-7 - 55 A - CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S WORKFORCE

KPI	2025	2024	Unit
Non employees* within own workforce	89	91	HC

S1-7 - 55 B - METHODS AND ASSUMPTIONS

SBO generates data on external workers, such as subcontractors, freelancers, or temporary agency workers, in the form of contractor records and operational reports at site level. These systems track the number of non-employees engaged at various locations and for specific projects.

Non-employees at SBO are typically reported as headcount rather than full-time equivalents (FTEs). This approach reflects the total number of individuals engaged with the organization, regardless of the number of hours worked. The number of non-employees at the end of the reporting period is reported as HC as of the reporting date.

There is no specific background information necessary.

S1-7 - 57 - BASIS FOR ESTIMATING THE NUMBER OF NON-EMPLOYEES

SBO has data on non-employees. This information is collected through vendor management systems, site-level operational reports, and contractor agreements. The data is tracked to ensure accurate reporting and alignment with project requirements. Estimates are generally not used, as the data is based on actual records maintained by project managers and HR systems.

S1-8 - Collective bargaining coverage and social dialogue

S1-8 - 60 A - EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

KPI	2025	2024	Unit
Percentage of employees covered by collective bargaining agreements	92	85	%

S1-8 - 60 B -C, 63 A & B- SHARE AND SCOPE OF COLLECTIVE BARGAINING AGREEMENTS WITHIN AND OUTSIDE THE EUROPEAN ECONOMIC AREA AND WORKPLACE REPRESENTATION WITHIN THE EUROPEAN ECONOMIC AREA

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0 – 19%			
20 – 39%			
40 – 59%			
60 – 79%			
80 – 100%	Austria	USA	Austria

No change compared to the prior year.

S1-9 - Diversity metrics

S1-9 - 66 A - GENDER DISTRIBUTION IN TOP MANAGEMENT

KPI	2025	2024	Unit	2025	2024	Unit
Top management gender distribution						
Male	16	14	HC	89	87	%
Female	2	2	HC	11	13	%
Other	0	0	HC	0	0	%
Not reported	0	0	HC	0	0	%

KPI	2025	2024	Unit
Employees <30 years old	228	239	HC
Employees 30 – 50 years old	915	959	HC
Employees >50 years old	396	398	HC
TOTAL	1,539	1,596	Headcount

S1-9 - AR 71 - DEFINITION OF TOP MANAGEMENT

SBO defines top management as the Executive Board members, division heads, and managing directors who report directly to the Executive Board.

S1-10 - Adequate remuneration of employees in line with applicable benchmarks

SBO ensures that all employees receive adequate remuneration in accordance with applicable wage regulations and benchmarks. The lowest wages within the company are aligned with the minimum or adequate wage requirements set forth by national legislation, collective agreements, or internationally recognized standards.

S1-12 - Persons with disabilities

S1-12 - 79 – PERCENTAGE OF PERSONS WITH DISABILITIES AMONGST THE EMPLOYEES

KPI	Value	Unit
Persons with disabilities amongst employees total *)	1	%

*) 2024: 1%

S1-12 - AR 76 - CONTEXTUAL INFORMATION

SBO collects data about people with disabilities using its HR management systems and employee self-reporting mechanisms, ensuring compliance with local data protection regulations. Employees can voluntarily disclose disabilities through confidential reporting channels, which are used for compliance and inclusion initiatives.

Definition of Disabilities: SBO adopts definitions provided by local legislation in the countries where it operates. These definitions align with international frameworks, such as the UN Convention on the Rights of Persons with Disabilities, but variations may exist due to local legal interpretations.

S1-14 - Health and safety metrics

S1-14 - 88 - HEALTH AND SAFETY METRICS

SBO discloses the percentage of its workforce covered by a certified health and safety management system on a headcount (HC) basis,

KPI	Unit	2025	2024
People in own workforce* who are covered by the undertaking's health and safety management system**	%	37	19
Fatalities as a result of work-related injuries and work-related ill health for own workforce	Count	0	0
Fatalities as a result of work-related injuries and work-related ill health for other workers working on undertaking's sites	Count	0	0
Recordable work-related accidents for own workforce	Count	23	21
LTIR	Ratio	1.6	6.3
Cases of recordable work-related ill health for own workforce	Count	0	0
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health for own workforce	Count	145	340
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health for other workers working on undertaking's sites	Count	0	0

S1-16 - Compensation metrics (pay gap and total compensation)

S1-16 - 97 C - BACKGROUND INFORMATION NEEDED TO UNDERSTAND THE DATA

The methods applied include analyses of pay structures and the integration of relevant financial data. Objective factors influencing data collection include, in particular, the type of work performed and the country of employment. Regional differences in collective bargaining systems and labour law frameworks are taken into account accordingly.

The disclosed gender pay gap reflects influencing factors such as the type of employment, for example full-time or part-time employment. Currency and exchange rate fluctuations and differences in remuneration structures between geographic locations can affect the comparability of remuneration data.

In the 2025 financial year, the calculation of total remuneration in accordance with ESRS 2 S1-16 was adjusted compared to the prior year following an error identified by the Austrian Financial Reporting Enforcement Panel. While in 2024 the pay ratio was first calculated per Group company and then aggregated into a Group-wide factor, taking into account the respective number of employees, the calculation for 2025 and for the comparative year 2024 was performed based on a Group-wide determination of median income and a subsequent calculation of the factor relative to the highest-paid individual within the Group. The underlying remuneration data continue to come unchanged from the local payroll systems of the respective companies. Data were collected to ensure comparability and aggregated in accordance with a uniform Group-wide calculation logic.

In the same way, the calculation of the gender pay gap in 2025 was adjusted. Instead of determining it decentrally in the individual companies and aggregating it at Group level, it was changed to a central calculation based on a Group-wide data set. As a result, the comparative figure for 2024 was adjusted. Apart from this methodological change, there were no material changes to the underlying data sets during the reporting period. All data collected were processed consistently and in line with established internal procedures.

S1-16 – 97 A & 98 – GENDER PAY GAP

KPI	Unit	2025	2024
Gap in pay between undertaking's female and male employees	%	7	16
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	Rate	26	30

Following a methodological adjustment to the calculation, the key figures disclosed in the non-financial statement were reviewed and corrected retrospectively. For the 2024 reporting year, the gender pay gap was reported as 8% and the ratio of total remuneration, highest to median total remuneration, as a factor of 8. Applying the updated methodology results in a gender pay gap of 16% and a total remuneration ratio of a factor of 30 for 2024. The adjustment ensures consistent application of the methodology and an appropriate presentation of the key figures.

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

S1-17 – 102 INFORMATION ON WORK-RELATED INCIDENTS, COMPLAINTS AND HUMAN RIGHTS VIOLATIONS, AS WELL AS RELATED FINES AND SANCTIONS

During the reporting period, SBO recorded no confirmed cases of discrimination, including harassment, within the company. To identify, address, and prevent discrimination, SBO has implemented robust systems and ensures compliance with its Code of Conduct and relevant policies. Internal stakeholders, in particular employees, are the primary focus of anti-discrimination measures, while external stakeholders, such as contractors, are also covered through broader policy commitments. SBO applies a zero-tolerance approach to discrimination and harassment and has clear procedures for reporting, investigating, and resolving incidents, including anonymous reporting channels. The effectiveness of these measures is continuously evaluated by monitoring the use and outcomes of grievance mechanisms.

S1-17 – 103 NUMBER OF INCIDENTS OF DISCRIMINATION, INCLUDING HARASSMENT

During the reporting period, one discrimination case was reported and it was not substantiated. No significant fines, sanctions or compensation payments were recorded.

S1-MDR-M - Metrics in relation to material sustainability aspects

S1-MDR-M - 77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

S1-6

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of employees (headcount) and breakdown by gender	ESRS metric	Data on employees were collected from each subsidiary and then aggregated on group level, including a breakdown by gender. Gender is based on the information provided by employees.
Total number of employees (headcount) and by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees	ESRS metric	Data on employees were collected from each subsidiary and then aggregated on group level. Each country, in which there are more than 50 employees that represent at least 10% of the total number of employees, is displayed in the table.
Total number of employees by contract type and by gender	ESRS metric	Data on contract types of employees were collected from each subsidiary and aggregated on group level. The data was further broken down by gender.
The total number of employees who have left the undertaking during the reporting period	ESRS metric	The number of people leaving the company includes terminations, dismissals, retirements and other forms of employees leaving the company voluntarily or involuntarily. Data on employees leaving the company during the reporting year was collected from each subsidiary and aggregated on group level.
The rate of employee turnover in the reporting period	ESRS metric	Terminations in the reporting period divided by Total headcount (31.12.2024) plus recruitments in the reporting period

S1-7

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of non-employees in the undertaking's own workforce	ESRS metric	Data on headcount of non-employees was collected from each subsidiary as of the reporting date and then consolidated on group level.

S1-8

LIST OF METRICS USED	ESRS OR SBO-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees covered by collective bargaining agreements	ESRS metric	Data on the percentage of employees covered by collective bargaining agreements is collected from each subsidiary and then aggregated on group level.
Percentage of employees in the European Economic Area ("EEA"), covered by collective bargaining agreements for each country with significant employment	ESRS metric	Data on the percentage of employees in the EEA covered by collective bargaining agreements is collected from each subsidiary and then aggregated on group level.
Percentage of employees outside the EEA, covered by collective bargaining agreements by region	ESRS metric	Data on the percentage of employees covered by collective bargaining agreements outside the EEA is collected from each subsidiary and then consolidated on group level.
Global percentage of employees covered by workers' representatives, reported at the country level for each EEA country where the undertaking has more than 10% of its employees	ESRS metric	Data on the percentage of employees covered by workers' representatives by specific EEA country is collected from each subsidiary and then aggregated on group level.

S1-9

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Gender distribution in management positions	ESRS metric	Data on gender distribution in management positions was collected from each subsidiary and then aggregated on group level, including a breakdown by gender. Gender is based on the information provided by employees.
Percentage of gender distribution in management positions	ESRS metric	Number of men, women, and diverse individuals divided by the total number of management positions.
Distribution of employees by age group	ESRS metric	Data on age distribution of all employees was collected from each subsidiary and aggregated on group level.

S1-10

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Countries where employees earn less than the applicable minimum wages.	ESRS-Metrik	All SBO subsidiaries pay above the national benchmarks for fair wages. Data on the lowest income category has been collected for each subsidiary. The wage level of the lowest income category was compared to the national benchmarks for fair wages.
Percentage of employees paid below the applicable wage benchmark.	ESRS-Metrik	Not applicable, as all employees are paid above the national benchmarks.

S1-12

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees with disabilities	ESRS metric	Data was collected for each subsidiary on the number of employees with disabilities. Different definitions of "disability" were applied based on location of business operation.

S1-14

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of employees in the company's own workforce covered by a certified health and safety management system based on legal requirements and/or recognized standards or guidelines.	ESRS metric	Data on the number of employees covered by a health and safety management system was collected for each subsidiary and then consolidated at the group level. It was verified whether the existing management system is based on legal requirements or recognized standards or guidelines.
Number of fatalities due to work-related injuries and occupational diseases. (own and other workforce)	ESRS metric	Data on the number of fatalities resulting from workplace accidents and occupational diseases was collected for each subsidiary and then aggregated at the group level.
Number and rate of recorded workplace accidents.	ESRS metric	The data on the number and rate of workplace accidents was collected for each subsidiary and then aggregated at the group level.
Number of recorded cases of work-related illnesses.	ESRS metric	Data on work-related illnesses was collected for each subsidiary and then aggregated at the group level.
Number of lost days due to work-related injuries and fatalities resulting from workplace accidents and occupational diseases (own and other workforce).	ESRS metric	The data on the number of lost days was collected for each subsidiary and then aggregated at the group level.
LTIR	ESRS metric	The LTIR was calculated based on the number of work-related accidents with lost time, relative to total hours worked, and aggregated at the group level.

S1-16

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Gender pay gap – total and by employee category	ESRS metric	The earnings data are collected by the respective subsidiaries and transmitted to the Group function in a standardised data structure. Based on these underlying earnings data, the gender pay gap is calculated centrally for the Group in accordance with the ESRS methodology.
Ratio of the total annual remuneration of the highest-paid individual to the median of the total annual remuneration of all employees (excluding the highest-paid individual)	ESRS metric	The data on the pay ratio are reported as underlying data by the respective subsidiaries. At Group level, the median of employees' total remuneration is determined from the full set of these data and compared with the value of the highest-paid person.

S1-17

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS AND SIGNIFICANT ASSUMPTIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Total number of incidents of discrimination, including harassment, reported during the reporting period	ESRS metric	Data on number of incidents of discrimination including harassment was collected from each subsidiary and then aggregated on group level. Data was not available for 1 subsidiary, which was excluded from calculations.
Total amount of fines, penalties, and compensation for damages as a result of the incidents	ESRS metric	Data on the total amount of fines as a result of incidents was collected from each subsidiary and then consolidated on group level.
Number of severe human rights incidents connected to the own workforce in the reporting period	ESRS metric	Data on severe human rights incidents was collected from each subsidiary and then aggregated on group level.
Total amount of fines, penalties and compensation for damages connected to severe human rights incidents in SBOs' workforce	ESRS metric	Data on the total amount of fines because of human rights incidents was collected from each subsidiary and then consolidated on group level.
Number of severe human rights incidents where SBO played a role securing remedy for those affected during the reporting period	ESRS metric	Data on severe human rights incidents where the company played a role securing remedy for those affected was collected from each subsidiary and then consolidated on group level.

S2 Workers in the Value Chain

S2-1 - Policies related to value chain workers

S2-MDR-P - 62 - REASON FOR LACK OF POLICIES

SBO has established policies and measures addressing key aspects of ESRS S2 – Workers in the Value Chain, including health and safety, non-discrimination, and fair working conditions. These are embedded in the Code of Conduct, which ensure safe working environments, equal treatment, and respect for workers' rights. While there is no specific standalone policy explicitly titled for ESRS S2, the existing framework covers the core requirements. SBO is committed to continuously reviewing and enhancing its policies to align with the evolving CSRD/ESRS standards. Policies are described in ESRS G1 and cover key topics including:

Adequate working conditions

Equality

Measures against violence and harassment.

S2-1 – 17 – HUMAN RIGHTS INCLUDING WORKERS' RIGHTS, INCLUSION AND MEASURES TO REMEDY HUMAN RIGHTS IMPACTS AND/OR ENABLE THEM

SBO has implemented comprehensive policies addressing human rights, which are embedded in the SBO Group's Code of Conduct. These policies align with internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

To ensure compliance with these standards, SBO has established processes to prevent, detect, and mitigate risks related to human rights violations across its global operations. These processes include regular assessments, internal controls, and mechanisms to address identified risks. SBO remains committed to upholding and continuously improving its adherence to these principles as part of its corporate responsibility and sustainability efforts.

SBO's strategy to protect human rights in relation to workers in the value chain is guided by internationally recognized human rights frameworks. SBO prioritizes fair labor practices, the prevention of forced labor, child labor, and discrimination, as well as ensuring safe and healthy working conditions. These principles are reflected in SBO's policies and are extended throughout its value chain by engaging with suppliers and partners to ensure alignment with human rights standards.

In line with this commitment, the vast majority of SBO's customers are publicly listed companies, which are also required to comply with relevant legal regulations.

SBO's Code of Conduct emphasizes alignment with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These policies commit SBO to preventing, mitigating, and addressing human rights violations. Future efforts will focus on integrating targeted remedial measures to strengthen SBO's human rights strategy.

S2-1 – 18 – CONSIDERATION OF THE TOPICS OF HUMAN TRAFFICKING, FORCED LABOUR AND CHILD LABOUR IN THE POLICIES

SBO maintains a Code of Conduct, which outlines general expectations for ethical behaviour and compliance with legal standards. This forms the foundation of SBO's commitment to human rights across the value chain. As part of SBO's continuous improvement efforts, it is reviewing and refining its policies to explicitly integrate these critical topics, ensuring alignment with international standards and best practices. This process reflects SBO's dedication to enhancing the integrity and sustainability of its supply chain.

S2-1 – 19 – ALIGNMENT WITH INTERNATIONALLY RECOGNIZED STANDARDS

SBO's policies are aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and reflect adherence to internationally recognized standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. These frameworks guide SBO's commitment to human rights, fair working conditions, and non-discrimination across its value chain.

SBO has implemented a reporting system for human rights violations in the supply chain, accessible via its whistleblowing and compliance platforms. Based on the review, no violations were found to contradict the UNGPs, ILO Declaration, or OECD Guidelines.

S2-2 – Processes for engaging with own workers and workers' representatives about impacts

S2-2 – 22 – INTEGRATION OF THE VIEWS OF WORKERS IN THE VALUE CHAIN INCLUDING GLOBAL FRAMEWORK AGREEMENTS OR OTHER AGREEMENTS THAT SBO HAS CONCLUDED AND EFFECTIVENESS

SBO has established mechanisms, such as the whistleblowing platform and compliance reporting systems, to enable workers in the value chain to share their views on material topics, including labor conditions and human rights. Until today no cases or feedback from workers in the value chain were reported. As a result, there were no instances where such views directly influenced decisions or actions. SBO remains committed to monitoring and incorporating feedback from workers in the value chain as part of its ongoing efforts to ensure compliance and uphold labor standards.

SBO recognizes the importance of collaboration with workers across the value chain and has therefore implemented a whistleblowing platform.

At SBO, responsibility for topics related to workers in the value chain is integrated into broader leadership roles rather than being assigned to a single dedicated position. This ensures a comprehensive and cross-functional approach to these important areas.

SBO ensures high standards for human rights in the value chain through its existing policies and practices. While no formal agreements with international trade union federations are in place, SBO continuously evaluates whether initiatives such as the Bangladesh Accord, the ACT Initiative, or partnerships with organizations like the Fair Labour Association make sense.

Existing grievance mechanisms, such as the whistleblowing platform, provide a clear channel for stakeholders to raise concerns.

During the reporting period, no findings were made, as there were no reported cases or formal agreements addressing workers' topics in the value chain. SBO is committed to evaluating mechanisms to systematically track, assess, and improve the involvement of workers in the value chain in future reporting periods.

Given SBO's position within the value chain, its influence in this area is limited. Instead, SBO considers its whistleblowing platform a key mechanism for addressing significant concerns, particularly those related to labor rights violations.

At this stage, SBO does not see an immediate need to implement additional engagement mechanisms beyond existing policies and practices. However, the company continuously evaluates its approach and remains open to further developments if deemed necessary.

S2-2 - 23 - STEPS TO GAIN INSIGHTS INTO THE PERSPECTIVES OF WORKERS IN THE VALUE CHAIN, WHO MAY BE PARTICULARLY VULNERABLE TO IMPACT AND/OR MARGINALIZED

SBO has not identified specific vulnerable groups of workers within the value chain who may be particularly affected by impacts. As a result, no specific steps have been taken in the reporting year to gain insights into their perspectives or address their needs.

S2-2 - 24 - NO GENERAL PROCEDURE FOR COOPERATION WITH THE WORKFORCE

SBO provides a whistleblowing platform accessible to all workers within the value chain, serving as a key mechanism for addressing significant concerns, particularly those related to labor rights violations.

At this stage, SBO does not see an immediate need to establish additional formal engagement procedures within the value chain. However, the company continuously evaluates its approach and remains open to further developments if required.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-3 - 27 A - D - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES

SBO's compliance and whistleblowing systems provide avenues for identifying and reporting issues. SBO does not have a formalized corporate due diligence mechanism specifically tailored to addressing material negative impacts on workers in the value chain.

SBO provides a whistleblowing platform as the primary communication channel for workers in the value chain to raise concerns or communicate their needs. This platform is managed directly by SBO and ensures confidentiality and anonymity for users. Workers can access the platform online to report issues related to labor conditions, human rights, or other concerns relevant to the value chain.

No additional mechanisms, such as trade union representation or dialogue processes, are in place. SBO plans to evaluate the adequacy of existing channels and explore opportunities for additional mechanisms, including third-party-managed systems, to enhance accessibility and effectiveness.

SBO ensures that the whistleblowing platform, as the primary communication channel for workers in the value chain, is accessible by providing online availability and confidentiality to encourage its use. The usage of specific marketing materials and direct communication with Compliance Managers shall increase the awareness of how to deal with compliance incidents.

SBO's whistleblowing platform is monitored and managed by the Head of Compliance, who oversees the tracking and progress of individual complaints and concerns. The Head of Compliance ensures that each case is processed confidentially and tracks its status until resolution. Reports on the number of complaints processed, substantiated, and resolved are maintained internally and provided to relevant committees as required.

To ensure the effectiveness of this channel, SBO relies on the Head of Compliance oversight and periodic reviews of the process. SBO is continuously improving the system.

SBO's policies are in place to protect whistleblowers from retaliation, as outlined in SBO's Whistleblowing Guideline. These protections ensure confidentiality and safeguard individuals reporting grievances. While employee representatives are not explicitly included in the protection measures, SBO adheres to its commitment to non-retaliation and plans to strengthen these mechanisms to align with best practices under ESRS standards.

Therefore, SBO does not conduct regular checks on value chain workers' awareness of grievance mechanisms, such as the whistleblowing platform.

S2-4 - Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

S2-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO adheres to all applicable legal regulations and has established internal policies and processes to ensure compliance with human rights and labor standards. While these measures are in place, SBO continuously assesses whether further actions are necessary to address specific material topics in its value chain.

Consequently, SBO evaluates potential risks on an ongoing basis and will take action if any material issues are identified.

Adequate Housing: Against the background of the previous statements, no actions have been implemented, as there has not been a single case to date of inadequate housing. Should SBO become aware of cases of inadequate housing, it will of course investigate them thoroughly.

Non-Living Wages: Against the background of the previous statements, no targeted actions exist to address living wage disparities. Should SBO become aware of cases where non-living wages are an issue, it will of course investigate them thoroughly.

Child Labor and Forced Labor: These practices are strictly prohibited under SBO's Code of Conduct. Given this, there has been no single case of child labor and forced labor. Should SBO become aware of cases with regards to Child Labor and Forced Labor, it will of course investigate them thoroughly.

Gender Equality: Diversity and inclusion are part of SBO's principles. Therefore, no targeted actions to address pay or representation disparities have been established.

Health and Safety: As health and safety standards exist, no additional actions have been implemented for industry-specific risks (e.g., mining pollutants). SBO may consider to review this area for future enhancements.

Violence and Harassment: The whistleblowing allows reporting of violence and harassment. Therefore no additional dedicated measures have been implemented.

Water and Sanitation: This topic has not been prioritized due to its limited relevance to SBO's operations. It will be monitored to determine if future action is necessary.

S2-4 – 32 & 37 – MEASURES TO PREVENT, MITIGATE OR REMEDY MATERIAL NEGATIVE IMPACTS ON WORKERS IN THE VALUE CHAIN

General policies and mechanisms such as the Code of Conduct and Whistleblowing Platform indirectly contribute to mitigating risks like discrimination, forced labor, or unsafe working conditions. On top of that, there are no targeted actions in place to address specific negative impacts in the value chain.

Future plans may include evaluating material impacts and developing dedicated measures to systematically prevent and mitigate these issues as part of SBO's broader sustainability strategy.

S2-4 - 33 A - C - PROCEDURES FOR IDENTIFYING THE MEASURES FOR SPECIFIC ACTUAL OR POTENTIAL ADVERSE IMPACTS ON WORKERS IN THE VALUE CHAIN

Current mechanisms, such as the Whistleblowing Platform, allow for the reporting of concerns, which may prompt case-by-case responses. However, no structured risk assessment or due diligence process is in place to proactively identify and address these impacts.

Existing mechanisms, such as the Code of Conduct and Whistleblowing Platform, provide a foundational framework for ethical practices. While these mechanisms exist, there is currently no formal approach or procedure specifically designed to address material impacts on workers in the value chain.

SBO is in the process of developing a Supplier Code of Conduct, which will be integrated into general purchasing practices to help mitigate risks such as non-living wages, forced labor, and inadequate working conditions.

In practice, issues of workers in the value chain reported through the Whistleblowing Platform are reviewed by the Head of Compliance, who oversees the process and ensures necessary corrective actions are implemented on a case-by-case basis.

S2-4 - 34 A - B - MEASURES TO MITIGATE MATERIAL RISKS AND TRACK EFFECTIVENESS IN THE VALUE CHAIN

SBO's current actions do not specifically target risk mitigation related to workers in the value chain. For SBO's own workforce, material risks are integrated into SBO's broader risk management process, which includes compliance monitoring and internal audits. These processes address areas such as health and safety, non-discrimination, and ethical practices.

SBO currently does not have specific actions in place that target the promotion of opportunities, or the exploitation of material opportunities related to labor in the value chain.

S2-4 - 35 - ENSURING THAT PRACTICES DO NOT CAUSE SIGNIFICANT NEGATIVE IMPACTS ON WORKERS IN THE VALUE CHAIN

SBO ensures that its own practices aim to avoid contributing to material negative impacts on employees in the value chain through adherence to its Code of Conduct and responsible business practices. There are no formalized processes in place.

S2-4 - 36 - SERIOUS PROBLEMS AND INCIDENTS RELATED TO HUMAN RIGHTS

During the reporting period, no issues or incidents of serious human rights violations were reported to SBO. The Whistleblowing Platform remains the primary mechanism for reporting such concerns, and all submissions are reviewed by the Head of Compliance. SBO remains committed to addressing any reported incidents promptly and ensuring alignment with international human rights standards.

S2-4 - 38 - ALLOCATED FUNDS FOR MATERIAL IMPACT MANAGEMENT

SBO has provided dedicated resources to manage material impacts in the value chain, including Supply Chain Managers and Compliance Officers at Group level as well as within the subsidiaries. These roles are responsible for monitoring compliance with ethical and legal standards, addressing risks and ensuring that business practices are aligned with SBO's sustainability commitments.

Supply Chain Managers are responsible for purchasing practices and carry out supplier assessments and risk assessments. The Head of Compliance manages grievance mechanisms and ensures compliance with policies, including the Code of Conduct. Together, these roles ensure a structured approach to addressing material impacts along the value chain.

Progress in the reporting period: During the reporting period, there were no material changes to roles, responsibilities or the underlying processes. Accordingly, no additional progress compared with the previous year can be reported.

S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-MDR-T - 72 - TARGETS

SBO has not established targets under ESRS S2 but monitors the effectiveness of its concepts and measures through qualitative assessments of material impacts, risks, and opportunities. This approach includes stakeholder engagement and outcome reviews, ensuring alignment with strategic goals while identifying areas for future development, including setting measurable targets.

S3 Affected Communities

S3-1 - Policies related to affected communities

S3-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO employs approximately 1,500 people worldwide on four continents, with the average number of employees per legal entity globally being fewer than 100. Against this background, the company currently has no specific policies or strategies for managing material impacts, risks, and opportunities related to affected communities. While future strategies may address different community types, there are currently gaps in identifying and managing relevant social and economic impacts. In particular, clear frameworks for considering community aspects such as social equity, regional development, or indirect socio-economic effects are lacking. Due to the company's structure, with relatively small entities, no targeted measures or strategies have been implemented to address these challenges to date.

S3-2 - Processes for engaging with affected communities about impacts

S3-2 - 24 - APPROACH TO THE INVOLVEMENT OF AFFECTED COMMUNITIES

SBO has not implemented a formal process for engaging with affected communities but recognizes the importance of fostering transparent and constructive dialogue. The company is committed to continuously evaluating its approach to stakeholder engagement and will provide updates on future developments.

S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

S3-3 - 27 A - D - GENERAL APPROACH AND PROCEDURE FOR IMPLEMENTING OR PARTICIPATING IN REMEDIES

Due to the above-explained nature of SBO's company size and business, the company has no general approach or procedure for implementing or participating in remedies. Potential material negative impacts could theoretically arise in areas such as adequate food and housing, freedom of assembly and expression, impacts on human rights defenders, land-related impacts, security-related impacts, and access to water and sanitation. In practice, no cases of such impacts have been identified within SBO's operations to date.

SBO has a whistleblower mechanism in place, which can be used to report concerns, complaints, or issues. This mechanism is accessible to internal and external stakeholders and could potentially be utilized by affected communities. The whistleblower mechanism is primarily designed for compliance and ethical issues. It could be adapted or promoted as a channel for addressing specific concerns of affected communities. SBO could enhance the whistleblower mechanism by incorporating specific options for community-related issues, such as categorizing environmental or social topics, and ensuring user-friendly access for external stakeholders.

The whistleblowing platform is currently available via the company website as well as by post, in person, by telephone, or by email.

Currently the Whistleblowing platform is used to track and monitor complaints. SBO has a responsible person that checks the Whistleblowing platform and makes sure that the complaints are forwarded to the party responsible.

S3-3 - 28 - KNOWLEDGE AND TRUST OF AFFECTED COMMUNITIES IN THE STRUCTURES OR PROCESSES

Affected communities can get access to SBO's whistleblowing platform. The trust of affected communities in these processes has not been systematically evaluated. There is no existing mechanism to collect or analyze feedback regarding their trust or satisfaction with the grievance procedures. For further details on the overall governance and structure of the whistleblowing mechanism, please refer to G1-1.

S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S3-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

No specific actions have been implemented to address the needs or concerns of affected communities systematically because there was no incident.

SBO is confident that the whistleblowing platform provides a foundation for affected communities to report incidents effectively.

S3-4 - 36 - SEVERE HUMAN RIGHTS ISSUES AND INCIDENTS CONNECTED TO AFFECTED COMMUNITIES

No incidents of human rights abuse have been reported to SBO by affected communities as of the latest reporting period.

S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S3-MDR-T - 81 - No measurable results-oriented targets available

SBO does not formulate measurable, results-oriented targets due to the ongoing development of a comprehensive framework for addressing material impacts on affected communities. The absence of robust data and structured stakeholder engagement processes has delayed target setting.

Due to the above explained nature of SBOs company size and business SBO has no formal system in place to track the effectiveness of its concepts and measures regarding material impacts, risks, and opportunities. Potential actions may be defined in the future.

SBO relies on qualitative approaches, such as internal reviews, stakeholder feedback, and ESG reporting, to track the general effectiveness of its concepts and actions.

Progress is generally measured on an annual basis, aligned with SBO's ESG reporting cycle.

S4 Consumers and End-users

S4-1 - Policies related to consumers and end-users

S4-MDR-P - 62 - REASONS FOR THE LACK OF POLICIES

SBO builds strong customer relationships by following its Code of Conduct and Fair Trade Policy, ensuring trust and ethical practices. Policies are detailed in G1.

The IRO "Reduced demand due to new trends in the energy sector" is specifically addressed in SBO's recalibrated strategy, focusing on Energy Transition such as Geothermal and Carbon Capture and Storage.

S4-1 - 16 B - APPROACH TO THE INVOLVEMENT OF CONSUMERS AND/OR END-USERS

SBO informs consumers and end-users about its actions to prevent and minimize risks through its website and other online platforms. Sustainability-related content is regularly updated to keep all stakeholders informed.

S4-2 Procedures for engaging consumers and end users with regard to impacts.

S4-2 - 22 STATEMENT IN CASE THE UNDERTAKING HAS NOT ADOPTED A GENERAL PROCESS TO ENGAGE WITH CONSUMERS AND/OR END-USERS

Structured interaction with these stakeholders has not yet been implemented through standardized procedures or defined mechanisms.

S4-3 - 25 B-C-D & 26 CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS OR NEEDS

SBO provides a whistleblowing platform as a key channel for consumers and end-users to raise concerns or report grievances confidentially. The whistleblowing system allows individuals to report issues related to business conduct, compliance violations, or ethical concerns without fear of retaliation.

To maintain accessibility, the whistleblowing platform is available online and can be accessed through SBO's official website. All submissions are reviewed systematically, and reported concerns are investigated following a structured process. SBO ensures that all cases are handled with due diligence and transparency, with appropriate corrective actions taken where necessary.

SBO periodically assesses the effectiveness of the whistleblowing platform by monitoring its usage and evaluating the resolution of reported cases. The company remains committed to strengthening this mechanism to enhance trust and encourage responsible reporting.

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

S4-MDR-A - 62 - REASONS FOR THE LACK OF ACTION

SBO is currently screening the potential for organic and acquisitive growth opportunities in growing non-O&G markets.

S4-5 - Targets Related to Addressing Material Negative Impacts, Promoting Positive Impacts, and Managing Material Risks and Opportunities

S4-MDR-T -72 - TARGET

No specific targets have been defined in this area. SBO is in the process of analyzing whether and to what extent target setting is necessary. Once this assessment is complete, SBO will derive appropriate measures and, if necessary, define relevant targets.

G1 Business conduct

G1-1 - Business conduct policies and corporate culture

G1-MDR-P - 65 - KEY ELEMENTS OF POLICIES

Addressed material (sub-) topic	MDR-P-65a	Corruption and bribery
Addressed material IROs	MDR-P-65a	Incidents of corruption and bribery Lack of anti-corruption standards
Title of the policy	MDR-P-65a	Code of Conduct
Objectives of the policy	MDR-P-65a	The objective of the Code of Conduct is to establish clear principles and guidelines for ethical behaviour, ensuring that all employees act with integrity, fairness, and in compliance with laws and regulations. It serves to promote a culture of transparency, accountability, and respect across all business operations and interactions.
Monitoring of the policy	MDR-P-65a	Regular audits, Parameters used for performance measurement, Feedback mechanisms
Scope of application in terms of business activities	MDR-P-65b	This policy is applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	US Foreign Corrupt Practices Act (FCPA); The UK Bribery Act; The Austrian Criminal Code; OECD Guidelines for Multinational Enterprises (2011 Edition); UN Global Compact
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	Website, intranet, compliance platform

Addressed material (sub-) topic	MDR-P-65a	Corruption and bribery
Addressed material IROs	MDR-P-65a	Incidents of corruption and bribery Lack of anti-corruption standards
Title of the policy	MDR-P-65a	Fair Trade Policy and Ethics Policy
Objectives of the policy	MDR-P-65a	The objective of the Fair-Trade Policy is to ensure ethical business practices by promoting fairness, honesty, and transparency in all operations. It emphasizes zero tolerance for bribery, corruption, and other forms of corporate misconduct, safeguarding compliance with laws and fostering trust with stakeholders.
Monitoring of the policy	MDR-P-65a	Regular audits, Parameters used for performance measurement, Feedback mechanisms
Scope of application in terms of business activities	MDR-P-65b	This policies are applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	US Foreign Corrupt Practices Act (FCPA); The UK Bribery Act; The Austrian Criminal Code
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	intranet, compliance platform

Addressed material (sub-) topic	MDR-P-65a	Protection of whistle-blowers
Addressed material IROs	MDR-P-65a	Improper protection of whistle-blowers
Title of the policy	MDR-P-65a	Whistleblowing Guideline
Objectives of the policy	MDR-P-65a	To provide a secure and confidential platform for employees, contractors, customers, and suppliers to report incidents, concerns, or violations related to corruption, bribery, or unethical conduct. The policy emphasizes the protection of whistleblowers and ensures transparency and accountability.
Monitoring of the policy	MDR-P-65a	Managed by the Group Compliance Management, which handles notifications, preserves confidentiality, and conducts thorough investigations. Audits and secured record-keeping are used to monitor effectiveness, with data stored securely and deleted post-investigation unless further legal action is needed
Scope of application in terms of business activities	MDR-P-65b	This guideline is applicable to SBO's own business activities and cover the upstream and downstream value chain.
Excluded business activities	MDR-P-65b	None
Scope of application in terms of geographical areas	MDR-P-65b	Global
Scope of application in terms of affected stakeholders	MDR-P-65b	Own labor force; Contractor; Customer; Suppliers
Accountability for the policy	MDR-P-65 c	Executive Board
External standards or initiatives	MDR-P-65 d	European Market Abuse Regulation (MAR); National laws related to whistleblowing protections
Involvement of stakeholders in defining the policy	MDR-P-65 e	None
Availability of the policy	MDR-P-65 f	Website, intranet, compliance platform ,

G1-1 - 9 - WAY IN WHICH THE CORPORATE CULTURE IS FOUNDED, DEVELOPED, PROMOTED AND EVALUATED

SBO establish its corporate culture through a clear Code of Conduct, which define its values, ethical principles, and expectations for employees and stakeholders. SBO develops this culture by embedding these principles in its daily operations, leadership training and employee engagement programs.

To promote its culture, SBO communicates its values and commitments via internal platforms and meetings. SBO evaluates its corporate culture through employee feedback, surveys and performance reviews, ensuring alignment with its strategic goals and stakeholder expectations.

G1-1 – 10 A – IDENTIFY, REPORT AND INVESTIGATE CONCERNS ABOUT UNLAWFUL CONDUCT OR CONDUCT THAT IS CONTRARY TO THE CODE OF CONDUCT OR SIMILAR INTERNAL RULES

SBO has established a formal mechanism for reporting misconduct, as described in the Whistleblowing Guideline. This system enables employees and other stakeholders to anonymously report concerns regarding misconduct, non-compliance, or unethical behaviour. The grievance mechanism encompasses both external regulations and internal rules, including the Code of Conduct, compliance guidelines, and other company policies that govern ethical and proper behaviour as well as any other form of misconduct.

Reports can be submitted through confidential channels. The Compliance Officer or the designated compliance team are responsible for handling and addressing these matters. A formal investigation process is in place to evaluate concerns, implement remedial actions, and ensure de-escalation where necessary. This process prioritizes confidentiality and the protection of whistleblowers.

External stakeholders, including suppliers, customers, and business partners, can also use the established communication channels to report concerns or incidents. The grievance mechanism is directed at both internal stakeholders (e.g., employees) and external stakeholders (e.g., customers, suppliers, investors, banks, and the community). It ensures that anyone connected to the organization can raise concerns about misconduct or non-compliance.

G1-1 – 10 B – EXISTENCE OF ANTI-CORRUPTION OR ANTI-BRIBERY POLICIES IN LINE WITH THE UNITED NATIONS CONVENTION AGAINST CORRUPTION

SBO has implemented a corporate governance framework, including a Code of Conduct that explicitly addresses anti-bribery and anti-corruption as part of its ethical standards.

G1-1 – 10 C PROTECTION OF WHISTLEBLOWERS

SBO has a formal whistleblowing system managed by the compliance officer or designated compliance team members, ensuring reports are handled confidentially and fairly. Employees are informed about reporting channels through onboarding materials, compliance training, and regular communications. Training is provided to all employees on the process flow, with specialized training for those handling reports to ensure whistleblowers are valued and protected from retaliation.

SBO ensures protection for whistleblowers through a dedicated whistleblowing mechanism that guarantees confidentiality and safeguards against retaliation. Employees can report anonymously, and the company ensures anonymity by using secure reporting channels and limited access to reported information. The organization is aligned with EU Directive 2019/1937 and regularly reviews its policies to maintain compliance with legal and regulatory requirements.

G1-1 - 10 E - PROCEDURES FOR FOLLOWING UP ON WHISTLEBLOWER REPORTS AND INVESTIGATING CORPORATE GOVERNANCE INCIDENTS

SBO is in the process of reviewing its policies to determine whether further alignment with the EU Directive is necessary. Any updates or adjustments to its approach will be communicated accordingly.

SBO's whistleblowing framework already facilitates secure and confidential reporting in line with the best practices. While SBO does not implement processes exceeding the requirements of EU Directive 2019/1937, SBO continuously evaluate and enhance its procedures to meet stakeholder expectations.

G1-1 - 10 G - POLICIES FOR INTERNAL ORGANIZATIONAL TRAINING ON CORPORATE MANAGEMENT

SBO conducts internal corporate governance training as part of its compliance program. These trainings are directed at all employees, focusing on leadership roles and high-risk areas such as finance, procurement, sales, and compliance. Training sessions are held during onboarding and after significant updates to policies. Key topics include anti-corruption, bribery, whistleblowing, business rules, sanction management and embezzlement prevention. This ensures that employees understand their responsibilities and act in line with SBO's ethical standards.

G1-1 - 10 H - MOST VULNERABLE FUNCTIONS RELATED TO CORRUPTION AND BRIBERY

SBO's functions most exposed to corruption and bribery include finance, compliance, purchasing and sales, particularly in regions with a high Corruption Perception Index.

G1-3 - Prevention and detection of corruption and bribery

G1-3 - 18 A - PREVENTING, DETECTING AND COMBATING ALLEGATIONS OR INCIDENTS RELATING TO CORRUPTION OR BRIBERY

SBO has a systematic procedure in place to address incidents related to the prevention of corruption and bribery. To prevent such incidents, SBO have established policies, regular employee training, and risk assessments. Cases of corruption and bribery can be reported anonymous through secure and confidential channels, such as a dedicated whistleblowing hotline and email system.

Once reported, incidents are managed through a formal process overseen by the compliance officer or a designated compliance team. This process includes thorough investigations, documentation and corrective actions to address and mitigate risks. These measures ensure both prevention and effective resolution of corruption and bribery-related issues.

G1-3 - 18 B - INVESTIGATOR OR COMMITTEE OF INQUIRY

The Compliance Management Department is responsible for investigating suspected cases of corruption or bribery and reports directly to the CEO. If a suspected case concerns the CEO, independence in the investigation is ensured by involving external auditors, independent legal counsel or an independent internal committee.

To avoid conflicts of interest, the individuals or functions conducting the investigation are fully separated from those responsible for the operational management of corruption or bribery issues, ensuring an unbiased and transparent process.

G1-3 - 18 C - PROCEDURE FOR COMMUNICATING THE RESULTS TO THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES & G1-3 - 19 - DISCLOSURE OF MISSING PROCEDURES AND FUTURE PLANS

SBO has an internal procedure in place for communicating the results of investigations into suspected cases of corruption or bribery. Once an incident has been reported, processed, and closed, the findings are formally shared with the Local Manager, Executive Board and where applicable, the Supervisory Board. This ensures transparency, accountability, and alignment with governance requirements.

G1-3 - 20 - ACCESSIBILITY OF POLICIES

SBO's policies on the prevention of corruption and bribery are relevant to employees, suppliers, customers and other key stakeholders. These policies are made accessible for employees already during onboarding via the company intranet and through public channels, such as the corporate website, for external stakeholders. Stakeholders are informed about the policies through regular internal meetings and direct communications tailored to external parties like suppliers or customers.

G1-3-21 A&B – ANTI-CORRUPTION OR ANTI-BRIBERY TRAINING

2024	Value	Unit
Functions-at-risk covered by training programmes	64	%

2025	Value	Unit
Functions-at-risk covered by training programmes	80	%

2024	At-risk functions	Managers	Other own workers
Training coverage			
Total	164	182	1,250
Total receiving training	105	93	957
Delivery method and duration			
Classroom training (average hours)	2.9	1.3	0.3
Computer-based training (average hours)	2.9	1.0	1.0
Voluntary computer-based training (average hours)	0.1	0.0	0.0

2025	At-risk functions	Managers	Other own workers
Training coverage			
Total	280	194	1,063
Total receiving training	223	156	722
Delivery method and duration			
Classroom training (average hours)	1.9	0.6	0.2
Computer-based training (average hours)	0.5	1.1	0.8
Voluntary computer-based training (average hours)	0.1	0.1	0.0

Employees in at-risk functions: 80 % (2024: 64 %) of the employees in this group have completed training on corruption prevention, company policies, and procedures for suspicion detection.

Management: 80 % (2024: 51 %) of the executives have undergone training on corruption prevention, company policies, and procedures for suspicion detection. Additionally, topics such as ethics, due diligence, safety, and contracts were covered.

All other employees: 68 % (2024: 77 %) of the employees outside the at-risk functions and management have received training on corruption prevention, company policies, and procedures for suspicion detection. Furthermore, topics such as ethics, the code of conduct, due diligence, safety, and whistleblowing systems were addressed.

G1-3-21 C – INFORMATION ABOUT MEMBERS OF SUPERVISORY AND EXECUTIVE BOARD RELATING TO ANTI-CORRUPTION OR ANTI-BRIBERY TRAINING

The SBO Executive and Supervisory Board actively participates in compliance training sessions that cover anti-corruption and anti-bribery topics or reviews the regular summaries on compliance-related matters, which include anti-bribery and anti-corruption updates.

G1-4 – Incidents of corruption or bribery Implementation and enforcement of the Code of Conduct

MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS

SBO implements the Code of Conduct Group-wide to prevent corruption and bribery and ensures compliance with it. This includes regular updates to the Code of Conduct, mandatory training for employees, ongoing communication of the requirements, compliance reviews and consistent measures in the event of violations. This reduces risks arising from unethical behaviour, legal breaches and potential reputational damage.

SBO ensures compliance through regular updates, employee training, and enforcement measures.

Expected results include:

- increased awareness
- improved compliance
- strengthened stakeholder trust

EXTENT

The Code of Conduct applies across all SBO entities. The document defines ethical expectations for suppliers and customers and ensures alignment with governance policies.

TIME HORIZONS

The Code of Conduct is continuously implemented and reviewed.

PROGRESS

SBO ensures adherence by integrating the Code of Conduct conducting periodic compliance reviews.

- Code of Conduct enforcement across all business units
- Regular policy updates to reflect new regulatory requirements
- Compliance assessments conducted to monitor adherence

FINANCIAL RESOURCES

An exact financial allocation per measure has not yet been conducted and a specific breakdown by individual measure has not yet been established.

COMPLIANCE TRAINING

MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS

Compliance training, as well as training on anti-corruption and ethical conduct, ensures that all employees and key stakeholders are informed about ethical business practices, anti-corruption policies and regulatory compliance. It reduces governance risks and promotes a corporate culture of integrity.

EXTENT

Compliance training is decentralized and conducted for employees

TIME HORIZONS

Recurring compliance training is conducted at regular intervals, with updates provided in response to regulatory changes or emerging risks.

PROGRESS

Regular assessments of training effectiveness

FINANCIAL RESOURCES

An exact financial allocation per measure has not yet been conducted.

WHISTLEBLOWING SYSTEM

MDR-A 68A – KEY ACTIONS AND EXPECTED RESULTS

SBO's whistleblowing system provides a secure and confidential platform for employees and stakeholders to report governance concerns in order to ensure transparency and ethical accountability. To this end, confidential reporting channels are made available to all stakeholders and clear investigation procedures are applied to handle reports effectively.

EXTENT

The system applies to all employees, suppliers, and business partners across SBO's operations.

TIME HORIZONS

The system is continuously maintained and improved.

PROGRESS

Regular governance audits to ensure compliance.

FINANCIAL RESOURCES

A precise financial allocation to the whistleblowing system has not yet been determined and a specific allocation per measure has not yet been conducted.

G1-4 - 25 - 24A & 26 NUMBER OF CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY & NUMBER OF CONVICTIONS AND AMOUNT OF FINES FOR VIOLATIONS OF ANTI-CORRUPTION AND ANTI-BRIBERY LAWS

KPI	2025	2024	Unit
Convictions for violation of anti-corruption and anti- bribery laws	0	0	Count
Fines for violation of anti-corruption and anti- bribery laws	0	0	€
KPI	2025	2024	Unit
Incidents involving actors in its value chain	0	0	Count

G1-MDR-M - Key performance indicators relating to material sustainability aspects

G1-MDR-M - 77B

The figures have not been externally verified. To validate the measurements, internal quality controls were carried out, including checks for data completeness, comparisons with prior year values, and plausibility checks between group companies.

LIST OF METRICS USED	ESRS OR UNDERTAKING-SPECIFIC METRICS	METHODS, SIGNIFICANT ASSUMPTIONS, AND LIMITATIONS
MDR-M-76	MDR-M-77	MDR-M-77a
Percentage of functions-at-risk covered by training programmes	ESRS metric	Functions-at-risk are considered to be management, procurement, finance & controlling and legal. Data was compiled from each subsidiary. Scope and content of trainings depends on location and was summarised accordingly. No data was available for one subsidiary, which was excluded from the calculations.
Training Coverage	ESRS metric	The coverage percentage is determined by the number of employees in these functions who completed the training in a given reporting period.
Delivery Method and Duration	ESRS metric	Training is delivered through a mix of in-person sessions, e-learning modules, and interactive workshops. Duration varies by subsidiary.
Frequency and topics covered	ESRS metric	The frequency of training varies by subsidiary and employee role. Topics covered include anti-corruption policies, bribery risk mitigation, ethical decision-making, and regulatory compliance.
Number of convictions for violations of anti-corruption and anti-bribery laws (including value chain actors)	ESRS metric	The legal departments of all subsidiaries are counting all convictions for violations of anti-corruption and anti-bribery laws, if there are any. Data is consolidated on group level.
Amount of fines for violation of anti-corruption and anti-bribery laws	ESRS metric	The legal departments of all subsidiaries are summing all fines for violations of anti-corruption and anti-bribery laws, if there are any. Data is consolidated on group level.

Ternitz, 4 March 2026

Klaus Mader

Campbell MacPherson

Executive Board

Imprint

This Non-financial Statement was prepared with the greatest possible diligence. Nevertheless, mistakes and printing errors cannot be excluded. This Non-financial Statement includes information and forecasts that are based on the future development of the SBO Group and its member companies. These forecasts represent estimates, which have been prepared based on the information currently available. Should the assumptions underlying these forecasts not realize or risks – as those described in the risk report – occur, actual results may differ from the results currently expected.

This report may not be misinterpreted as a recommendation to buy or sell shares in SBO AG.

In the interest of better readability, we refrain from simultaneously using feminine and masculine versions and use only the masculine form. All references to persons apply equally to all genders.

This English translation of the report is for convenience. Only the German version shall be binding.

Published on 19 March 2026

For further information:

SBO AG
A-2630 Ternitz / Austria, Hauptstrasse 2
Tel.: (+43) 2630 315 0
E-Mail: info@sbo.at
Internet: www.sbo.at

Imprint:

Publisher and responsible for the content: SBO AG, Ternitz

In cooperation with: Mensalia Unternehmensberatungs GmbH, Vienna
Graphic design: brand unit GmbH, Vienna
Photos: SBO AG

SBO