Babcock Wanson Group

SUSTAINABILITY REPORT 2025

Industry does not run without heat. Steam, superheated water, hot air: these utilities are indispensable to thousands of production processes.

Worldwide, industry generates close to a quarter of direct CO_2 emissions linked to energy and industrial processes.

Heat production alone accounts for around two thirds of its energy needs and is the principal source of its combustion-related emissions.

Our business sits squarely within that tension, and it is from that tension that our purpose follows: to accelerate the sustainable energy transformation of industry.

This document is Babcock Wanson Group's first Sustainability Report. We are publishing it voluntarily, with reference to the European ESRS standards, without being required to do so by regulation today. That choice reflects a conviction: sustainability is not a disclosure exercise, it is a management discipline. It demands reliable data, dated targets and accountability assumed before our customers, our teams, our financial partners and our shareholders.

The 2025 financial year laid the foundations. We conducted our double materiality assessment and structured ESG governance at Group level. Above all, we anchored our approach in two demanding international frameworks: the United Nations Global Compact, whose ten principles we have adopted, and the Science Based Targets initiative, with which our climate commitment has been official since November 2025.

We know where the bulk of our impact lies: downstream, in the use of the equipment and solutions we install at our customers' sites and service year after year, bringing innovation and know-how to improve energy performance and decarbonise industrial processes. That is why we steer the carbon intensity of our products as a priority - down by almost a third since 2023, driven by the electrification of our ranges, the hybridisation of existing solutions and the fine-grained management of consumption at our customers' sites.

Sustainability is not limited to climate. The safety of our employees, equal opportunity, business ethics and control of our value chain are inseparable from it. Our 2026–2028 ESG action plan commits the Group to the same level of rigour in those areas.

I would like to thank the more than 1,200 employees of the Group, whose expertise gives substance to this ambition. Transforming industry is long-term work. We have begun it.



Geoffroy DURANDET
Chief Executive Officer
Babcock Wanson Group

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Babcock Wanson Group

1. Group Profile & ESG Governance

1.1 Group profile

Babcock Wanson Group, a major international player in the energy transition.

Many industrial sectors depend on substantial heat requirements to run their production processes. Industrial boilers are therefore a central element of the operational performance of industrial sites.

Babcock Wanson Group draws on the expertise of its entities - in some cases a century old - in the design and supply of thermal solutions for industrial applications, in the form of steam, hot water or hot air.

Building on this technical heritage and its constant commitment to innovation, the Group has also developed internationally recognised know-how in complementary fields with high environmental added value, notably the treatment of polluting gaseous effluents (VOCs) and water treatment solutions. This combination of industrial expertise and environmental competence enables Babcock Wanson Group to support its customers in improving their operational efficiency while contributing to the reduction of their environmental footprint.

Since 2023, Babcock Wanson Group has supported the United Nations Global Compact, confirming its commitment to human rights, labour standards, environmental protection and the fight against corruption. This membership illustrates the Group's intention to embed its activities durably within a corporate responsibility approach, consistent with its low-carbon industrial heat solutions.

PRESENCE IN

14

COUNTRIES IN EUROPE



1.1.1 Key figures

Babcock Wanson Group

+120
YEARS

336 M€
CONSOLIDATED REVENUE

6
R&D CENTERS

+1,200
EMPLOYEES

> 10,000
BOILER HOUSES INSTALLED

40% SERVICES



60% PRODUCTS

A BALANCED MIX OF PRODUCTS AND SERVICES

4,000+
MAINTENANCE CONTRACTS

1.1.2 Our organisation

Babcock Wanson Group relies on an integrated organisation, at once global and local, which the Group describes as a “glocal” model.

With an industrial footprint across Europe, the Group structures its development around a shared and harmonised vision.

This approach is built on a network of 7 complementary brands, strengthening the coherence of the offering and the depth of expertise.

Present in 14 European countries, Babcock Wanson Group benefits from a broad and diversified territorial footprint.

Its European factories constitute a solid industrial base serving a global development strategy. They enable design and engineering to be shared at European level, guaranteeing performance and a spirit of innovation.

At the same time, the organisation favours adaptation to local regulatory, energy and industrial specificities. The sales force and local teams ensure direct proximity with industrial customers. This field presence strengthens operational responsiveness and the quality of customer support.

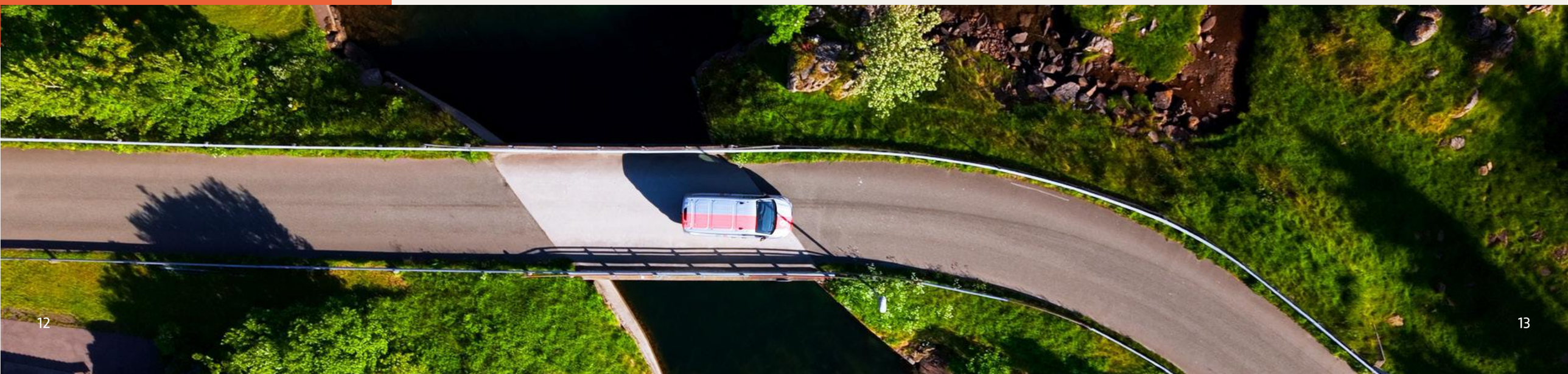
This integrated European model is a key lever of sustainable performance and value creation across all markets.

A commitment that goes well beyond the product

The Group structures its activities around two major Business Units.

The first brings together all the products of all the Group’s brands.
This organisation allows our ranges to be harmonised so as to cover the full spectrum of customer needs and available technologies. It also allows talents from different backgrounds to work in synergy, strengthening our innovation capability and our technical excellence.

The second is dedicated to services, which occupy a major place in the Group’s development strategy. With one of the most complete offerings available, a wide European network of technicians and account managers, and a high level of service and performance commitments, we position services as an essential link in the value creation chain.



Our purpose - accelerating the sustainable energy transformation of industry - engages first and foremost women and men. Behind every boiler designed, manufactured, installed or maintained there are rare skills: boilermaking, combustion, electrification of processes, maintenance of pressure equipment. These competences, in some cases passed on for a century within our brands, are the Group's primary asset.

Spread across fourteen countries, our employees embody a model based on field proximity combined with technical expertise shared across the Group: teams close to their customers, united by a common technical culture.

Our human resources policy is organised around three convictions. Safety first, a non-negotiable condition of our activity. Transmission next: our industrial know-how is built over time and shared between peers; preserving it is a strategic as much as a human issue. Openness finally, because the diversity of profiles, career paths and cultures conditions our capacity to innovate.

The energy transformation we support at our customers' sites is also our own: it changes our occupations, our skills and our organisations. Supporting everyone through that movement is our commitment.



Astrid MANQUIN
Group HR Director



1.1.3 Our vision, our mission & our purpose

OUR VISION
Driving a sustainable industry

We envisage a future in which industrial energy systems are low-carbon, hybrid and optimised throughout their life cycle, in order to deliver sustainable and competitive performance.

OUR MISSION
Supplying and optimising energy solutions and services throughout the life cycle

We design, supply and optimise integrated energy solutions and services that improve the performance and sustainability of industrial assets throughout their life cycle.

OUR PURPOSE
Accelerating the sustainable energy transformation of industry

We position ourselves as a key partner in accelerating the energy transition towards a more sustainable and more efficient industry, by optimising energy systems and their long-term performance.

Babcock Wanson Group

1.1.4 Our strategic ambitions

Provider of engineering solutions and services
We must become the undisputed European leader, combining leading product solutions, life-cycle services and long-term sustainable performance.

Trusted partner
We must become an integrated, service-oriented and data-driven energy partner, and no longer only an equipment manufacturer.

Industrial competitiveness
We must turn our engineering and industrial capabilities into a lever of industrial excellence, efficiency and sustainable cost competitiveness.

Decarbonising and creating sustainable value

The electrification of steam and hot water production for thermal applications has become a powerful and competitive lever for decarbonising industrial processes.

Through its strong brands, Babcock Wanson Group has established itself as a benchmark supplier of electric boilers for industrial use. We offer a wide range covering all needs and specificities: high-voltage electrode boilers, low-voltage immersion-heater boilers, thermal fluid systems and even thermal oxidisers.

Our boilers deliver high energy performance, with efficiencies close to 100%, and generate no pollutant emissions on site and no CO_2 emissions where the electricity is of renewable origin (under GHG Protocol rules). They also offer industrial operators the opportunity to participate in electricity grid reserve and balancing mechanisms, thereby creating new revenue streams while contributing to the stability of the electrical system.

We are also working on the development of other credible alternatives to the use of fossil fuels (green hydrogen, oxy-combustion) that will shape the industry of tomorrow.



Pushing the limits of energy efficiency

Aware that fossil fuels such as natural gas will remain indispensable to the operation of industrial boilers for a long time to come, we apply all our expertise and know-how to improving further and continuously the efficiency and energy performance of conventional gas boilers.

Our global solutions offering is part of a search for industrial performance and energy optimisation of the boiler house as a whole: micro-modulating burners, economisers, waste heat recovery, tailored water treatment - we offer a set of instruments and equipment capable of improving the efficiency of a boiler house (by up to 13% NCV).

Our range of complementary services (proactive maintenance, monitoring and digital performance tracking, personnel training) is designed to guarantee optimal operation of the boiler house over time and the measured management of its energy consumption and environmental footprint.



Hybridising heat production: a strong decarbonisation trend

Hybridisation makes it possible to switch dynamically between electricity and natural gas, thereby optimising energy consumption according to market conditions. By exploiting strategies such as spot markets and intraday optimisation, or participation in the reserve mechanism, the hybridisation of heat production becomes a key lever of competitiveness and a strategic response for decarbonising while generating real and measurable results.

Reducing pollutant emissions

Alongside its historical know-how in industrial boilers, Babcock Wanson Group has also developed recognised expertise in the treatment of gaseous effluents from industrial processes containing high concentrations of volatile organic compounds (VOCs) or solvents.

The Group offers advanced environmental solutions, notably thermal oxidation systems for VOC destruction with a reduction rate of up to 99% and a thermal efficiency of up to 96%.

We also address the issue of NOx (nitrogen oxide) emissions from gas boilers by continuously improving the performance of our low-NOx and ultra-low-NOx burners, and by developing auxiliary NOx abatement systems (GOOD LOOP - EGR technology).





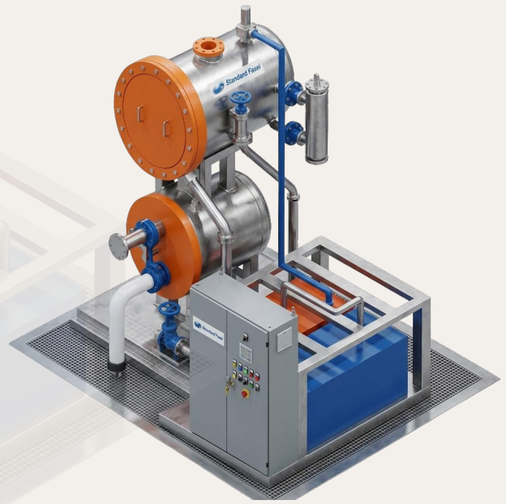
Promoting frugality and circularity

Beyond the question of energy and pollutant emissions, our customers' industrial processes generate other challenges: use of large volumes of water, solvent-laden air, and so on.

Here too, we offer recovery and reuse solutions that allow industrial operators to minimise the environmental impact of their activity and reduce their consumption of limited natural resources or sensitive products.

Our water treatment department implements solutions to reduce the primary raw water consumption of industrial sites (reduction of blowdown, condensate recovery, effluent valorisation, reuse of treated water).

We also recover, where possible, the solvents present in industrial emissions in order to reintroduce them directly into the process. Our patented technology makes it possible to recover up to 98% of solvents while reducing thermal consumption by 40% compared with a conventional system (X-CSR patent).



Our customers no longer simply ask us to produce steam: they ask us to help them decarbonise without giving up their competitiveness. That requirement is what shapes our offering today.

We approach it realistically. Electrification is a powerful lever, and we have made it a pillar of our portfolio; but we also know that fossil energies will remain present in industry for several more years. Our responsibility is therefore twofold: to support those who can switch to electric, hybrid or alternative fuels, and to continue pushing the efficiency limits of existing installations for those who cannot yet do so. Every point of efficiency gained means tonnes of CO2 avoided.

Our conviction is that environmental performance and economic performance must progress together.

A boiler that makes it possible to take part in grid reserve mechanisms, a solvent recovered and reinjected into the process, water reused rather than discharged: these are all measurable gains, for the planet as much as for our customers' operating accounts.

That is the meaning of our purpose - accelerating the sustainable energy transformation of industry - and it is what guides each of our product developments.



Charles TETARD
VP Business Unit Products

1.2 ESG governance

ESRS reference: ESRS 2 - GOV-1, GOV-2, GOV-3, GOV-4, GOV-5

The Group's CSR governance is embedded at the highest levels of decision-making in order to guarantee alignment between financial performance and sustainable value creation.

1.2.1 Governance structure



1.2.2 Supervision & strategic steering

Supervisory Board

The Supervisory Board plays a central role in the oversight of sustainability matters. It ensures that ESG considerations are integrated into the Group's strategy and that strategic direction remains consistent with long-term commitments. It is regularly informed of ESG progress, risks and opportunities through updates provided at least twice a year.

COMEX - Executive Committee

The Executive Committee (COMEX) carries operational responsibility for the CSR strategy. It integrates sustainability matters into key decisions - investments, industrial performance, innovation - and steers ESG indicators on a regular basis.

Quarterly	3 KPI	SBTi · LTIFR · EcoVadis
ESG reporting frequency	COMEX ESG MbO objectives	Key indicators tracked

Bringing quality, health and safety, environment and corporate responsibility together within a single department is not an incidental organisational choice.

These subjects share one and the same requirement: facts, methods, evidence. The safety of an employee on a worksite and the reliability of an emissions data point belong to the same discipline.

In a business where the essential part of our footprint occurs at our customers' sites, during the use of the equipment we design, sustainability cannot remain a peripheral function. It engages the design of our products, the way we purchase, manufacture and intervene.

Our role is therefore not to carry the Group's sustainability alone, but to make it manageable: translating commitments into trajectories, trajectories into indicators, and those indicators into concrete decisions - in the factories, the branches and the support functions. That is the purpose of the ESG steering committee and of the network of referents that connect Group strategy to local execution.



Arnaud BREUZARD
Group QHSE and CSR Director

1.2.3 Group CSR Department

The Group CSR Department defines the ESG roadmap, steers its execution and reports on it to the COMEX. It structures the policies and frameworks applicable to all subsidiaries, consolidates and strengthens the reliability of non-financial performance data, and coordinates regulatory compliance, in particular with regard to the CSRD.

Key roles - Group CSR Department

- Structuring policies and frameworks: climate, safety, responsible procurement, etc.
- Consolidating and strengthening the reliability of non-financial data
- Preparing and coordinating CSRD compliance
- Leading internal stakeholders - SteerCo, zone referents, working groups

1.2.4 BWG ESG SteerCo - how it works

BWG ESG SteerCo- How it works	
Cadence	Quarterly meetings + monthly check-ins between sessions
Participants	ESG Director + regional ESG referents (FR, DACH, IT, Nordic countries, Benelux)
Top-down flow	Shared vision and strategy · Global objectives and trajectories · Overall budget
Bottom-up flow	Execution plans · Progress against objectives · Centralised ESG data · CAPEX/OPEX
Reporting	Quarterly updates to the COMEX & Supervisory Board
Agenda	8 ESG pillars: Governance · Carbon · HSE · Responsible Procurement · DEI · Ethics · Environment

The ESG SteerCo is the central coordination mechanism between Group strategy and local execution. It operates on a quarterly cadence with intermediate monthly check-ins, ensuring a two-way flow of information between Group level and the geographic zones.

1.2.5 CSR referents network

Operational anchoring

Network of CSR Representatives by Geographic Region

To ensure efficient deployment adapted to local specificities, the Group relies on a network of CSR referents distributed by geographic zone and by activity.

- Translating the CSR roadmap at local level
- Ensuring the upward flow of data and initiatives
- Raising awareness and mobilising field teams
- Adapting actions to the regulatory and operational issues specific to each zone

5
Zones covered
2025/26

2027
Deployment
planned 2027

FR - DACH - IT - Nordics - Benelux
Referents deployed
(5/6)

1.2.6 Working groups & alignment of incentives

Thematic working groups

cross-functional expertise by strategic priority

Cross-functional working groups are set up according to the Group's strategic priorities. They bring together business experts from different entities.

- Deepening technical subjects
- Defining operational action plans
- Accelerating the deployment of initiatives
- Sharing lessons learned between entities

Alignment of incentives

Variable remuneration linked to ESG performance

In order to strengthen the integration of ESG matters into overall performance, part of the variable remuneration of the Group's executives and managers is linked to the achievement of non-financial objectives:

- Occupational safety: lost-time injury frequency rate (LTIFR)
- Environmental performance: reduction of GHG emissions (SBTi trajectory)
- Specific ESG indicators from the action plan



1.2.7 Mobilising the teams

All employees are involved through awareness-raising actions and the integration of ESG matters into business practices, ensuring concrete and lasting implementation of the strategy.

Safety Week
Annual - 1,200 people reached

BW Academy
E-learning on corruption risk + Code of Conduct*

HSE SteerCo
Quarterly - all countries

DEI Charter
Promotion of the Group DEI Charter during disability week

** defined in 2025 / deployed in 2027*

1.2.8 Group Ethics Committee

Created in February 2025, the Group Ethics Committee is a cornerstone of the strengthening of the organisation's integrity and ethical practices. It meets twice a year to supervise and steer the Group's ethical policies and practices, and reports on its work to the Supervisory Board.

Twice a year
Meeting cadence

5 functions
General Counsel · HR Director · CFO · CSR Director · Zone Director

Supervisory Board
Reporting of irregularities

Main missions
Group Ethics Committee

- Ensuring the deployment of the Group's anti-corruption action plan
- Supervising the implementation of and compliance with ethical policies: Business Integrity Policy, Code of Ethics, Manager's Authorisation Guideline
- Maintaining a register of irregularities, the findings of which are escalated to the Supervisory Board
- Assessing the ethical, cultural and reputational values of targets in M&A transactions

The detailed operation of the Committee, the anti-corruption framework (Sapin II Act) and the whistleblowing mechanisms are developed in the ESRS G1 chapter - Business Conduct (§8.3).

This network fosters a decentralised and pragmatic approach to sustainability, while guaranteeing the overall coherence of the actions undertaken.

2. Value Chain

The Group's value chain covers upstream activities, own operations and downstream activities - from the supply of steel to the end of life of the equipment.

Understanding the value chain is the foundation of the Group's double materiality assessment (ESRS 2 - IRO-1). It makes it possible to identify, for each link, the most significant ESG impacts, risks and opportunities, together with the stakeholders concerned.

Babcock Wanson Group's business model is articulated around eleven stages spread across three links: upstream (procurement, transport), own operations (R&D and design, manufacturing, subcontracting, sales, delivery, installation) and downstream (services, use and end of life).

The use phase of the equipment concentrates the bulk of the Group's carbon footprint (99.88%), which directs the decarbonisation strategy primarily towards the energy efficiency of the products (Scope 3).

The ESG matters identified for each link feed directly into the Group's double materiality matrix (dedicated chapter).



2.1 Value chain mapping

UPSTREAM

Procurement

Strategic and standard purchasing - steel, valves, instrumentation, pumps, etc.

Upstream transport

External logistics providers - raw materials & components to the factories

OWN OPERATIONS

R&D & Design

New efficient or low-carbon products (electric boilers, low-NOx burners, etc.)

Manufacturing

Pressure vessels · assembly · testing - 6 factories: FR (2), IT, DE, NO, NL

Subcontracting

Outsourced special products

Sales

Definition of and response to customer needs - industrial boiler house solutions, VOC oxidisers, solvent recovery units, water treatment units, etc. - 100 countries

Delivery

External providers - parcel carriers, trucks, abnormal loads, ships

Installation

BW technicians on customer sites; local subcontractors (certain customers)

DOWNSTREAM

Services

The entire equipment life cycle servicing contracts, maintenance, repair, rental, training

Use

Service life: 30 to 50 years
99.98% of the carbon footprint

End of life

Managed by the customer: scrapping; steel recycling (90% worldwide)

Main ESG matters

UPSTREAM

Value chain workers
Responsible procurement
Energy
Pollution
Resources
Biodiversity
Circular economy

OWN OPERATIONS

BW workforce
Health & safety
Working conditions
Training
Quality of working life
Diversity
Ethics & compliance
Environmental performance of sites

DOWNSTREAM

Customers & users
Product safety
Energy performance
Use-phase emissions
Maintenance
Repairability
End of life

14 Countries International presence	**6 factories** EU production	**10,000** Boilers in service	**30 - 50 years** Service life	**90%** Customers in Europe	**+1,200** Employees

3. Double Materiality Assessment

ESRS reference: ESRS 2 - IRO-1, IRO-2, SBM-1 to SBM-3

3.1 Methodology

In accordance with CSRD requirements, BWG conducted a double materiality assessment (DMA) in 2024 covering all of the Group's activities and its value chain.

This exercise is the foundation of the 2026–2028 sustainability roadmap.

3.1.1 Scoring principles

Indicator	Scoring formula	Threshold
Negative impacts	(Scale + Scope + Remediability) / 30 × Likelihood	> 30%
Positive impacts	(Scale + Scope) / 20 × Likelihood	> 30%
Risks / Opportunities	Level × Likelihood / 100	> 30%

3.1.2 Review cycle

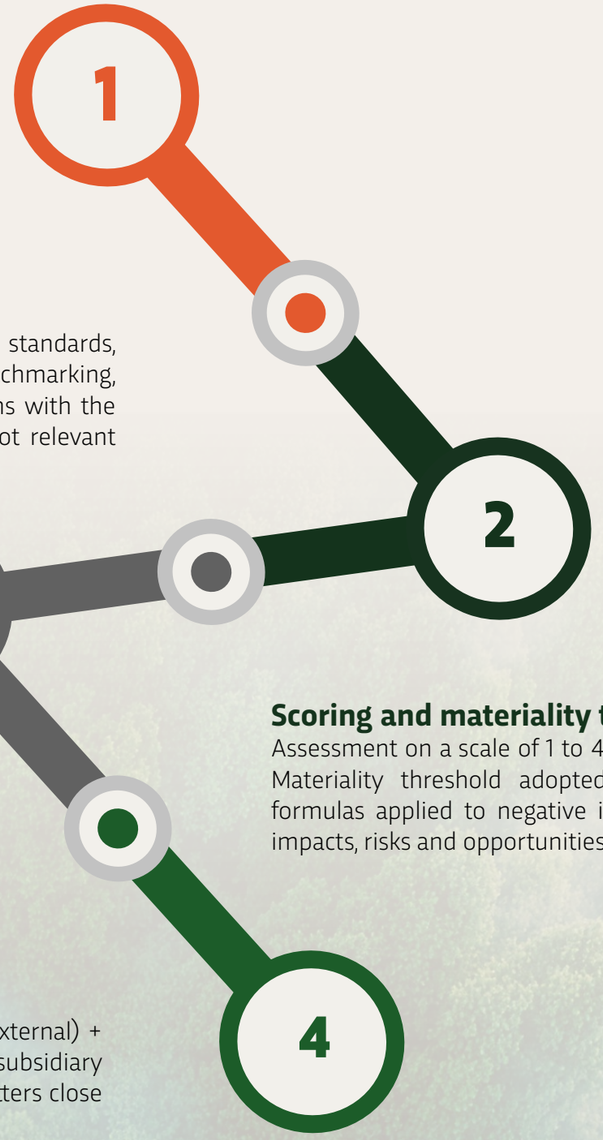
The double materiality assessment is reviewed on a three-year cycle (the next review is scheduled for the 2027 financial year), or earlier in the event of a significant change in the Group's scope, business model, regulatory environment or geopolitical context. IROs close to the materiality threshold (25–30%) are monitored annually by the CSR Management Committee, which may decide to reclassify them as material matters or to keep them under watch.

3.1.3 The four steps of the assessment



Stakeholder mapping :
Identification of all stakeholders affected by or interested in the Group's activities, from upstream to downstream of the value chain. The environment and biodiversity were treated as silent stakeholders.

Identification of matters :
List derived from the ESRS standards, supplemented by sector benchmarking, general frameworks and discussions with the project team. Matters that were not relevant were set aside.

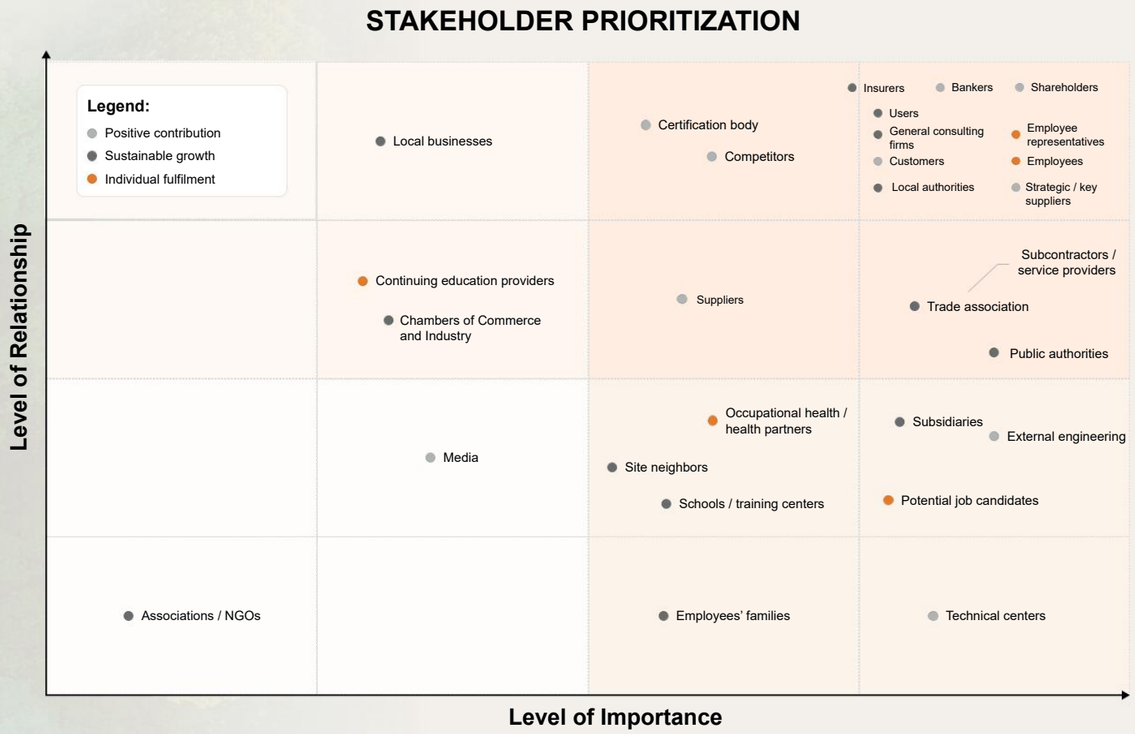


Scoring and materiality thresholds :
Assessment on a scale of 1 to 4 (low to critical). Materiality threshold adopted: 30%. Specific formulas applied to negative impacts, positive impacts, risks and opportunities.

Stakeholder consultation :
Individual interviews (internal and external) + online questionnaire with site and subsidiary directors. Focus group to review matters close to the threshold.

3.2 Stakeholder mapping

The matrix below presents the prioritisation of the stakeholders identified along two dimensions: level of importance (horizontal axis) and level of relationship with BWG (vertical axis). This mapping guided the prioritisation of consultations as part of the DMA.



Stakeholders with both a high level of importance AND a high level of relationship (upper right quadrant) were consulted as a priority: employees, employee representatives, strategic suppliers, customers, shareholders and financial partners.

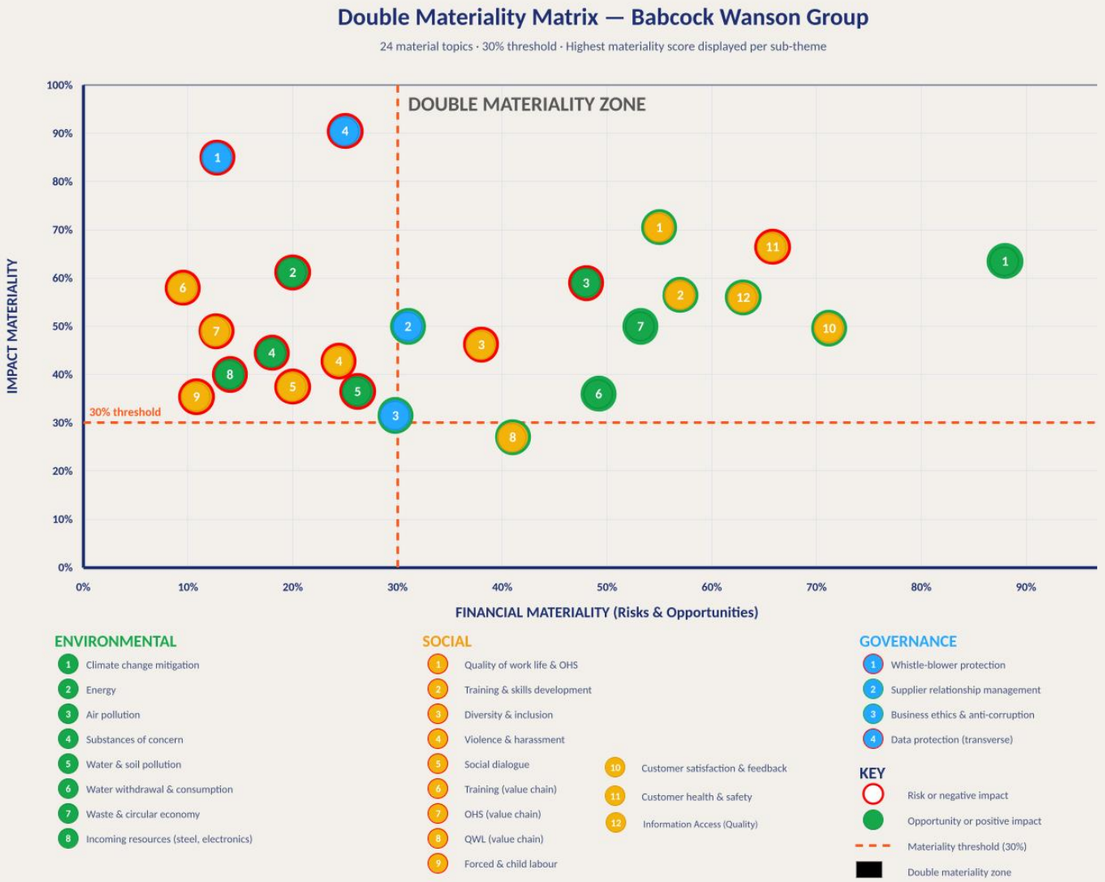
3.3 Double materiality matrix

3.3.1 Results of the double materiality assessment

The final matrix includes 24 material matters: 8 environmental matters, 12 social matters and 4 governance matters - the latter group including one cross-cutting, entity-specific matter, data protection. The material matters identified are presented along two axes: impact materiality (horizontal) and financial materiality (vertical). The double materiality zone (upper right corner) brings together the matters that are a priority for BWG. The matrix positions each material sub-topic according to its impact materiality (effects of the Group and its value chain on the environment and on stakeholders, on the x-axis) and its financial materiality (risks and opportunities for the Group, on the y-axis).



Each matter is identified by a number referring to the legend by pillar; the outline of the dot indicates the nature of the highest score (red: risk or negative impact; green: opportunity or positive impact).
The double materiality assessment conducted in 2024 made it possible to evaluate 129 impacts, risks and opportunities (IROs) across all the ESRS standards. Following scoring by internal and external stakeholders, 58 IROs emerged as material (30% threshold), covering 8 of the 10 topical standards and 26 sub-topics. Biodiversity (E4) and affected communities (S3) do not present a direct material matter for the Group.



3.3.2 Reading the matrix

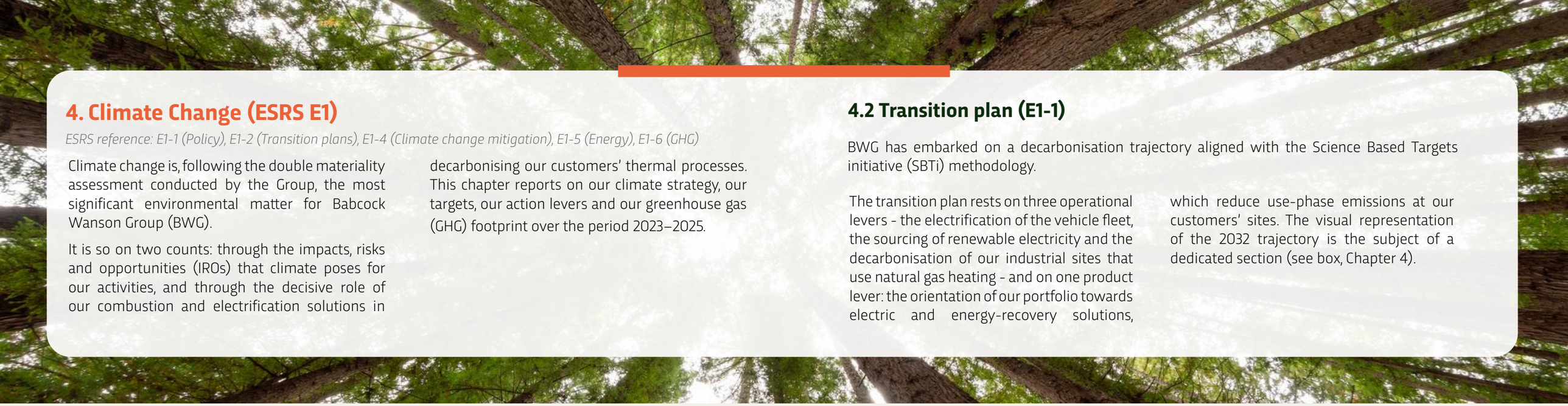
Four zones structure the reading: double materiality (matters that are both impactful and financially significant - upper right quadrant), impact materiality only (upper left quadrant), financial materiality only (lower right quadrant), and non-material matters.

The most structuring matters for the Group are concentrated in the double materiality zone: climate change mitigation, quality of working life & occupational health and safety, customer health & safety, customer satisfaction, training, and circular economy.

3.3.3 Simplified summary of material matters

The table below summarises the material matters by ESG pillar, specifying the type of materiality and the rating level: Major (> 50%), Strong (40–50%), Medium (< 40%).

ESRS	Material matter	Type of materiality	Level
ENVIRONMENT			
E1	Climate change mitigation	Double materiality	●●● Major (> 50%)
E1	Energy	Impact materiality	●●● Major (> 50%)
E2	Air pollution	Double materiality	●●● Major (> 50%)
E2	Substances of concern	Impact materiality	●● Strong (40–50%)
E2	Water and soil pollution	Impact materiality	● Medium (< 40%)
E3	Water withdrawal & consumption	Double materiality	● Medium (< 40%)
E5	Waste & circular economy	Double materiality	●● Strong (40–50%)
E5	Input resources (steel, electronics)	Impact materiality	● Medium (< 40%)
SOCIAL			
S1	Quality of working life & occupational health and safety	Double materiality	●●● Major (> 50%)
S1	Training & skills development	Double materiality	●●● Major (> 50%)
S1	Diversity & inclusion	Double materiality	●● Strong (40–50%)
S1	Social dialogue	Impact materiality	● Medium (< 40%)
S1	Violence & harassment	Impact materiality	●● Strong (40–50%)
S2	Health and safety of value chain workers	Impact materiality	●● Strong (40–50%)
S2	Training of value chain workers	Impact materiality	●●● Major (> 50%)
S2	Quality of working life in the value chain	Financial materiality	●● Strong (40–50%)
S2	Forced labour & child labour	Impact materiality	● Medium (< 40%)
S4	Customer health & safety	Double materiality	●●● Major (> 50%)
S4	Access to information (quality)	Double materiality	●●● Major (> 50%)
S4	Customer satisfaction & feedback	Double materiality	●● Strong (40–50%)
GOVERNANCE			
G1	Whistleblower protection	Impact materiality	●●● Major (> 50%)
G1	Supplier relations	Double materiality	●● Strong (40–50%)
G1	Ethics & anti-corruption	Double materiality	● Medium (< 40%)
—	Data protection (cross-cutting)	Impact materiality	●●● Major (> 50%)



4. Climate Change (ESRS E1)

ESRS reference: E1-1 (Policy), E1-2 (Transition plans), E1-4 (Climate change mitigation), E1-5 (Energy), E1-6 (GHG)

Climate change is, following the double materiality assessment conducted by the Group, the most significant environmental matter for Babcock Wanson Group (BWG).

It is so on two counts: through the impacts, risks and opportunities (IROs) that climate poses for our activities, and through the decisive role of our combustion and electrification solutions in decarbonising our customers' thermal processes. This chapter reports on our climate strategy, our targets, our action levers and our greenhouse gas (GHG) footprint over the period 2023–2025.

Methodological note

Scope: 14 countries, 33 sites and 7 brands, on an operational consolidation basis. Method: GHG Protocol, inventory produced on the Tennaxia platform. Scope 2 is reported under both the location-based and the market-based approach. Category 3.11 (use of sold products) is estimated on the basis of the products placed on the market during the year and their use-phase emissions over their service life. Values are expressed in tonnes of CO_2 equivalent (tCO_2e).

4.1 Climate change as a material matter

The double materiality assessment identifies climate as material both from the angle of impact and from that of financial risks and opportunities.

Impact side

The bulk of our footprint lies downstream, during the use phase of the equipment sold (category 3.11), where the energy consumed by our boilers and generators determines our customers' emissions.

Risk side

Regulatory transition (carbon pricing, efficiency standards, reporting requirements) and the shift in demand towards low-carbon solutions shape our market.

Opportunity side

The energy transition of industry is the principal growth driver of our electric and energy-recovery offering.

4.2 Transition plan (E1-1)

BWG has embarked on a decarbonisation trajectory aligned with the Science Based Targets initiative (SBTi) methodology.

The transition plan rests on three operational levers - the electrification of the vehicle fleet, the sourcing of renewable electricity and the decarbonisation of our industrial sites that use natural gas heating - and on one product lever: the orientation of our portfolio towards electric and energy-recovery solutions, which reduce use-phase emissions at our customers' sites. The visual representation of the 2032 trajectory is the subject of a dedicated section (see box, Chapter 4).

4.3 Climate policy (E1-2)

The Group's climate policy is sponsored at the highest level (Supervisory Board and COMEX) and translated into the 2026–2028 ESG Plan, whose "Carbon" pillar sets the reduction ambitions. It is relayed in each zone by an ESG referent and is backed by performance commitments under sustainable financing (Sustainability-Linked Loan, SLL). The related policies - energy, responsible procurement, mobility - contribute to the same trajectory.

This policy is formalised in the Group Climate Policy (BWG-POL-CLI-01), which is binding on all employees, subcontractors and third parties acting on behalf of BWG, at all sites and subsidiaries worldwide. It sets out the allocation of responsibilities.

Executive Management carries overall responsibility and annual reporting to the Supervisory Board; the CSR Department steers the SBTi commitment and GHG accounting; the subsidiaries translate this into local climate action plans aligned with Group targets. The policy also requires the climate criterion to be integrated into product design, eco-design and life cycle assessment, manufacturing processes, fleet management, site consumption and purchasing decisions.

4.4 Climate targets (E1-4)

The Group has set itself reduction targets for the 2030–2032 horizon:

Target	Scope	Horizon	Ambition	Unit
Absolute reduction, Scope 1 + 2	Operational emissions	2032	– 38%	tCO_2e
Intensity reduction, Scope 3	Value chain	2032	– 50%	$ktCO_2e$ / €m revenue and / MW installed
Renewable electricity	Sites & operations	2030	100%	% of electricity consumed

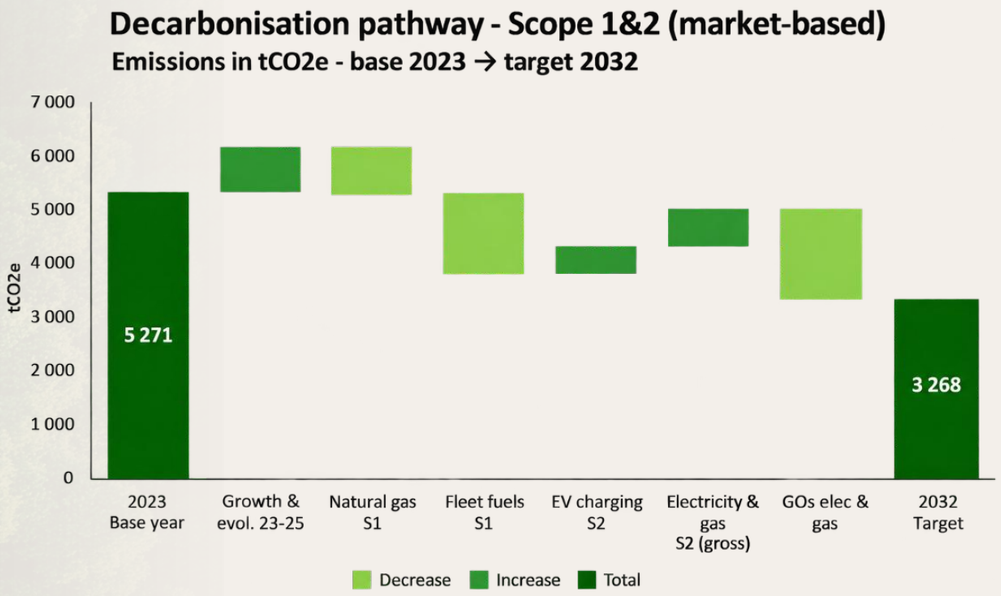


Figure 1 - Decarbonisation trajectory, Scopes 1 & 2 (market-based)

The waterfall chart above illustrates a reduction trajectory of –4.2%/year on Scopes 1+2, i.e. –38% between 2023 and 2032, consistent with the Near-Term target of the Climate Policy (BWG-POL-CLI-01). This trajectory represents a best-case / maximum decarbonisation potential the definitive pace and sequencing will depend on the techno-economic capabilities, which will be refined as the ongoing decarbonisation studies progress (notably the thermal decarbonisation of complex industrial sites).

It is precisely in order to allow the time needed for that refinement and for verification of the techno-economic feasibility of the various decarbonisation plans that the Group is targeting submission of its trajectories to the SBTi by the end of 2026.

4.5. Decarbonisation actions and levers (E1-3)

4.5.1 Electrification of the fleet

The vehicle fleet (category 1.2 - mobile sources) is the largest contributor to Scope 1, with 2,638 tCO_2e in 2025, i.e. close to 60% of direct emissions. An electrification programme covering the entire fleet (527 vehicles, 12 countries) has been launched, together with phased switchover scenarios aligned with the –38% Scope 1+2 target for 2032. Its effect will materialise progressively over the period 2026–2032.

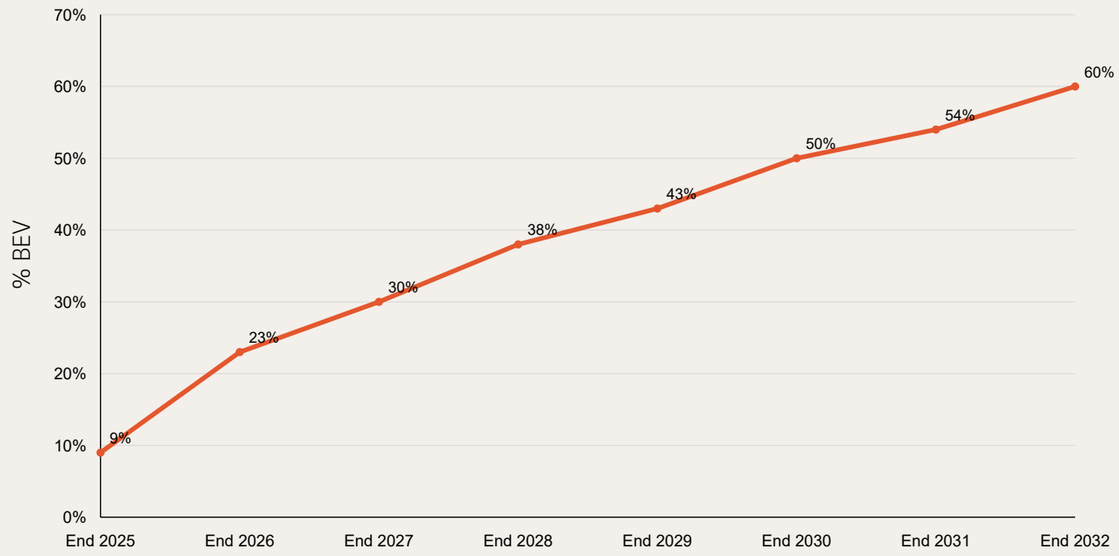


Figure 2 - Share of electric vehicles in the fleet, 2025–2032

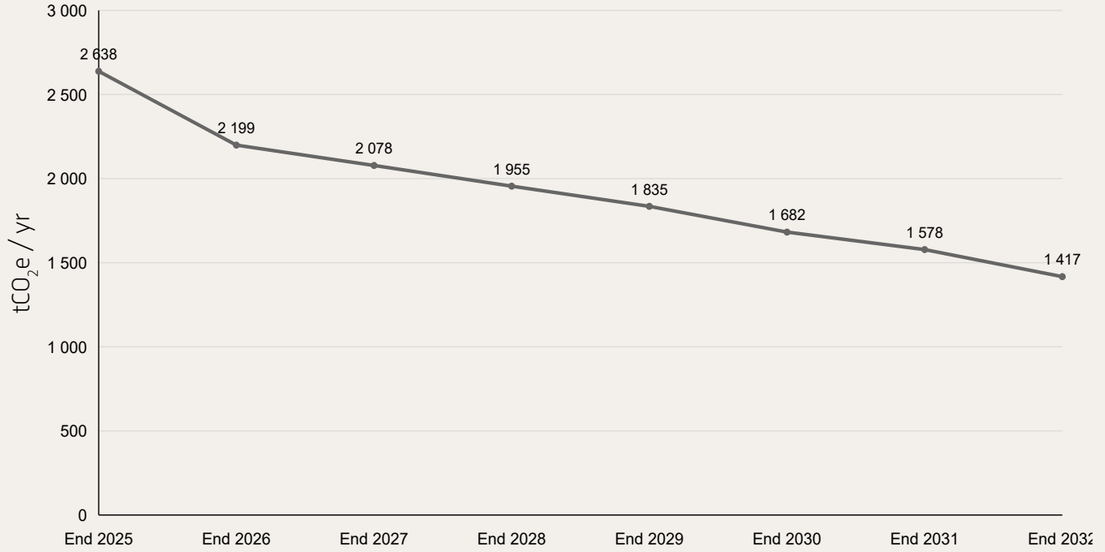


Figure 3 - CO_2 emissions of the vehicle fleet, 2025–2032

Beyond the reduction of Scope 1 emissions (fleet: 2,638 tCO_2e in 2025 → 1,417 in 2032) the electrification of the fleet eliminates at source the local emissions of nitrogen oxides and particulates from the vehicles concerned - a co-benefit for air quality that will be documented as the programme progresses and will be the subject of a dedicated review at the next update of the double materiality assessment.

4.5.2 Renewable electricity

Renewable electricity sourcing targets 100% coverage by guarantees of origin from 2030. Its effect is already striking on market-based Scope 2, which falls from 1,307 tCO_2e (2023) to 205 tCO_2e (2025), i.e. –84%. Location-based Scope 2 falls for its part by 23% compared with the 2023 baseline year (409 vs 534 tCO_2e): this decrease reflects a non-negligible reduction in grid electricity purchased, made possible by the progressive deployment of photovoltaic panels for self-consumption - first and foremost at the German site of Köthen (VKK).

The gap between the two approaches is precisely what materialises the value of our green energy purchasing policy; the decrease in the location-based figure, for its part, attests to a real reduction in the volumes consumed.

4.5.3 Industrial decarbonisation

Beyond the fleet and green energy purchasing, BWG is decarbonising its production sites themselves - workshop heating, thermal processes and buildings - through photovoltaic self-consumption, the conversion of heating systems and site-by-site decarbonisation studies.

A. Photovoltaic self-consumption and thermal decarbonisation of the sites

Solar self-consumption is in operation at the Köthen site (VKK, Germany), where it is already reducing grid electricity consumption. It has been approved for the new Nérac factory (France, delivery mid-2026) and remains under study for the Cavenago site (Italy), whose market-based Scope 2 has in any event already been brought down to 4 tCO_2e by green coverage.

At Cavenago, a thermal decarbonisation study will be carried out on the basis of the site's actual gas consumption. The study will assess scenarios for electrification and conversion to a heat pump coupled with self-consumption via on-site solar generation. The quantified results will feed the site's decarbonisation trajectory and will be incorporated into this chapter when they are received.

B. The new Nérac factory

The new Nérac factory, which replaces a site built in the 1950s and extended up to the early 1970s, illustrates the Group's low-carbon industrial approach. Where the current site is heated by gas, the new building will be heated by heat pump, eliminating a significant share of stationary combustion (category 1.1). It combines photovoltaic self-consumption, building management systems (BMS/CTM) for fine-grained control of consumption, and a demanding level of energy performance: RE2020 for the office area and RT2012 - 10% for the factory area.

Designed according to current state of the art and sized for the climatic conditions of 2050, it constitutes a reference site for CSRD reporting and sustainable financing.

Focus - Sustainability of the new Nérac factory (delivery mid-2026)

Life cycle assessment: LCA of the project completed, ~10,000 tCO_2eq over the life cycle.
Thermal performance: simulations with 2050 climate projections, pointing towards reinforced insulation and ventilation (factory RT2012 - 0%, offices RE2020).
Decarbonised heating: heat pump at the new site (vs gas heating at the current site).
Energy: photovoltaic self-consumption + green electricity purchases with guarantees of origin; controlled through BMS/CTM.
Water: rainwater harvesting reused for sanitary facilities and watering; closed-loop water use for boiler pressure tests and trials.
Biodiversity & soils: plant species adapted to future climatic conditions and a large planted area reducing soil sealing.
Local supply chain: design and execution entrusted to locally established firms.



C. Energy sufficiency

Energy-saving actions complement the supply-side levers, notably the rationalisation of thermal uses at the production sites. Energy audits were carried out during 2025 at the Nérac and Köthen factories; they made it possible to understand better the structure of our energy consumption and to identify our first reduction levers, translated into Energy-saving plans. At Köthen, the audit highlighted significant potential on the radiant heating equipment, and a Energy-saving plan (reduction in the number of emitters and improved control) has been launched for 2026.

Natural gas consumption nevertheless remains on an upward trend over the period (from 7.6 GWh GCV in 2023 to 9.2 GWh in 2025), which explains the increase in stationary combustion (category 1.1). This rise stems essentially from the increase in forging activity at Köthen and from longer production hours (occasional moves to three-shift operation), which mechanically increases the heating requirements of the manufacturing workshops.

It therefore reflects first and foremost a ramp-up in activity; the challenge is to decouple the carbon trajectory from it, through the dedicated efficiency plan and the progressive conversion of heating systems.

4.6 Energy consumption and mix (E1-5)

In 2025, the Group's energy consumption stood at 24.6 GWh, split between vehicle fleet fuels (11.3 GWh, i.e. 46%), site natural gas (9.2 GWh, 37%) and electricity (4.2 GWh, 17%).

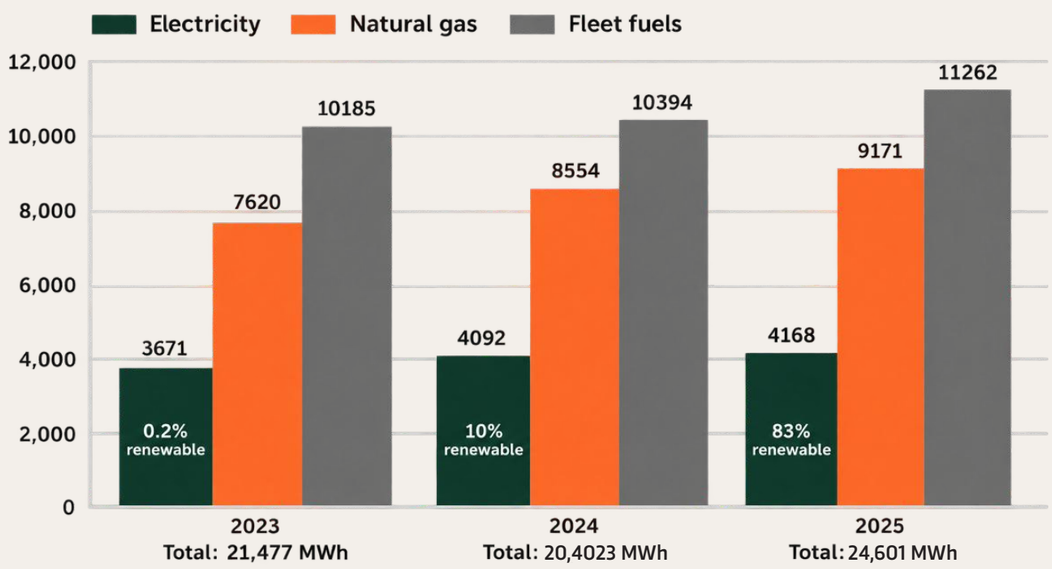


Figure 4 - Group energy consumption by vector, in MWh (2023–2025).
Source: consolidated carbon footprint. Fuels converted into energy (petrol: 9.5 kWh/l; diesel: 10.6 kWh/l, GCV); electricity: grid purchases and guarantees of origin, photovoltaic self-consumption (405 MWh) and electric vehicle charging.

Three lessons emerge from this consolidation. First, the renewable share of electricity rises from less than 1% in 2023 to 83% in 2025, under the combined effect of geographically matched guarantees of origin and of the photovoltaic self-consumption deployed at Köthen (VKK): this is the main driver of the fall in market-based Scope 2 described in §4.5.2. VKK's photovoltaic self-consumption made it possible to observe a 23% decrease in location-based Scope 2 at Group level.

Second, fleet fuels remain the Group's largest energy item, which confirms the priority given to the fleet electrification programme (§4.5.1).

Third, the increase in natural gas (+20% compared with 2023) - of which the VKK sites account for 42% of 2025 volumes - reflects the ramp-up in industrial activity and underlines the importance of the thermal decarbonisation plan for the factories (§4.5.3).

4.7 Gross GHG emissions (E1-6)

4.7.1 Scopes 1 and 2 - operational emissions

Operational emissions (Scopes 1) increase slightly over the period, mainly under the effect of the integration of VKK and of activity growth. Scope 1 reaches 4,401 tCO_2e in 2025 (+11% vs 2023), dominated by the fleet (2,638 tCO_2e) and stationary combustion (1,750 tCO_2e). Conversely, market-based Scope 2 collapses thanks to green energy (205 tCO_2e, –84%).

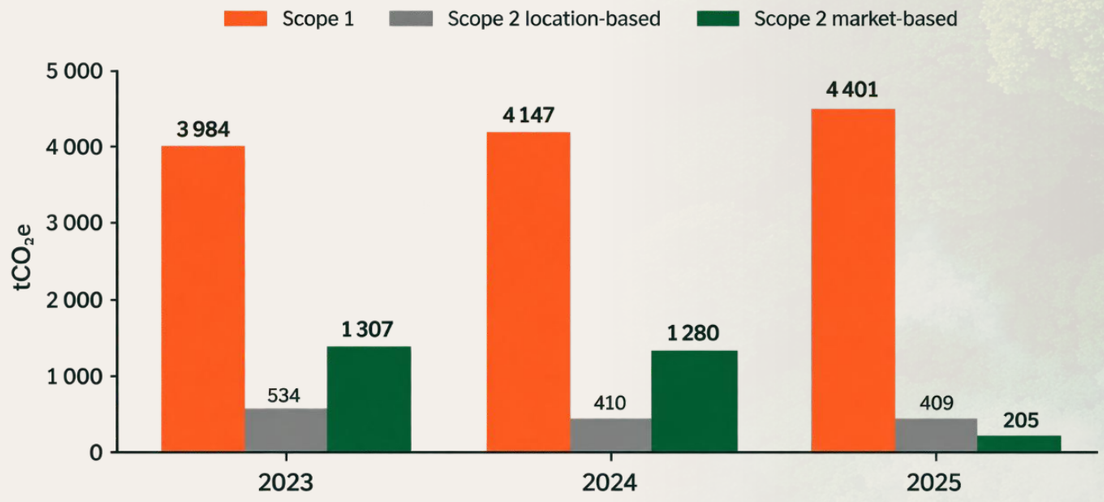


Figure 5 - Trend in Scope 1 & 2 emissions, 2023–2025 (tCO2e)"

4.7.2 Scope 3 - boundary and reading

Scope 3 represents almost the whole of the Group's footprint: 28.3 million tCO_2e in 2025. It is very largely dominated by category 3.11 - use of sold products, which concentrates 99.88% of it.

To allow an intelligible reading of the other categories, 3.11 is analysed separately (§4.7.4) and the charts below present Scope 3 excluding 3.11.

4.7.3 Scope 3 excluding 3.11

Excluding the use phase, Scope 3 stands at 32,867 tCO_2e in 2025 (–8% vs 2023). It is dominated by purchased goods and services (category 3.1), which account for two thirds of it.

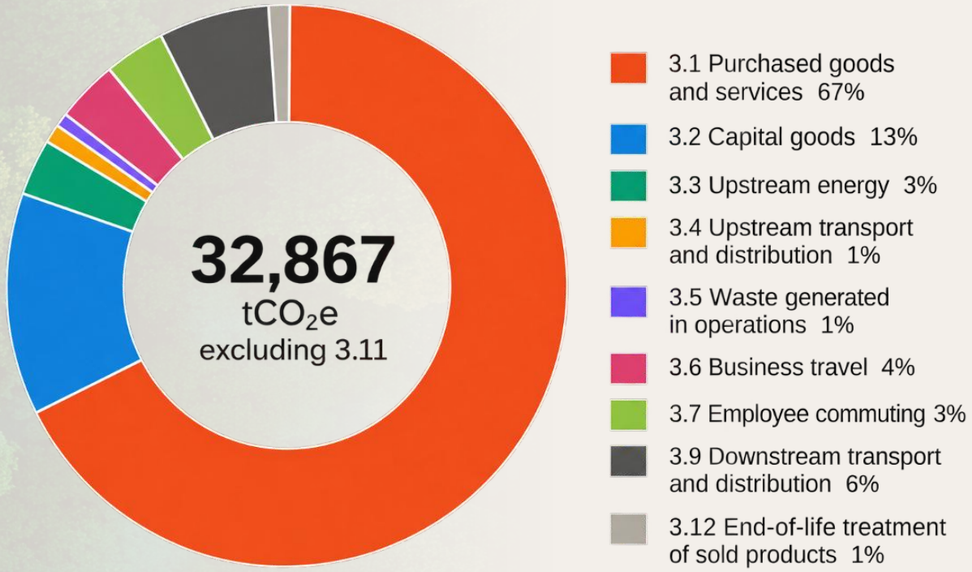


Figure 6 - Breakdown of Scope 3 excluding 3.11 by category, 2025 (tCO_2e)

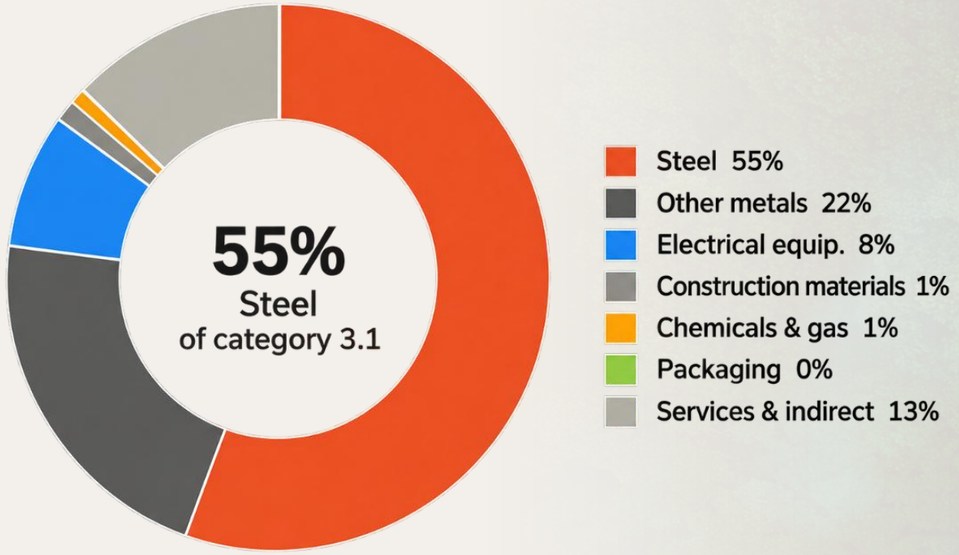


Figure 7 - Focus on category 3.1 (purchased goods & services) - the weight of steel, 2025

4.7.4 Scope 3.11 - use of sold products

This category covers the greenhouse gas emissions generated over the entire operating life of the thermal equipment (boilers and burners) that Babcock Wanson Group places on the market each year. It is by far the Group's most significant emissions category, and the principal lever through which the design of our products influences the decarbonisation of our customers.

A. Calculation methodology

Scope 3.11 emissions are modelled bottom-up, product by product, from the thermal capacity sold during the year and projected over the entire operating life of each product. For each unit, the annual energy delivered is combined with the relevant emission factor, then multiplied by the expected service life:

Focus 3.1 - the weight of steel. Within purchasing, steel is by far the leading contributor (12,253 tCO_2e, i.e. 55% of category 3.1 in 2025). Together with the other metals, metallic raw materials concentrate close to 77% of purchasing emissions. It is therefore the principal lever for eco-design and responsible procurement, aside from the work on the efficiency of our solutions, the use phase accounting for more than 99% of environmental impact (see Chapter 5.1 on eco-design).

CO_2 emissions = Output × Operating hours × Average load × Emission factor × Service life

Output : nominal useful thermal output of the appliance (kW).

Operating hours : annual operating hours declared for customer use (h/year). Average load - average load factor over the operating year (%).

Emission factor : for electric equipment, the factor of the electricity mix of the customer's country; for gas equipment, the combustion factor of the fuel ($kgCO_2e/kWh$). The factors are reviewed by Deloitte and managed in the Group's carbon platform.

Service life : operating life of the product: 30 years (electric boilers), 15 years (fossil-fuel boilers and burners), 1 year (rental fleet).

Two technology families therefore follow two distinct accounting logics. Electric solutions are driven by the carbon content of the customer's electricity grid - geography is therefore decisive; gas solutions are driven by combustion and are independent of the grid. All data are established on a location-based and attributional basis.

B. Carbon intensity performance

Since absolute Scope 3.11 emissions vary with annual sales volume, performance is steered through carbon intensity, normalised both by revenue and by the thermal capacity manufactured. Compared with the 2023 baseline year, both indicators improve markedly in 2025.

Indicator	2023 (baseline)	2025	Reduction
Carbon intensity per revenue ($ktCO_2e$ / €m)	147.5	99.3	–32.7%
Carbon intensity per capacity manufactured ($ktCO_2e$ / MW)	14.33	10.05	–29.9%

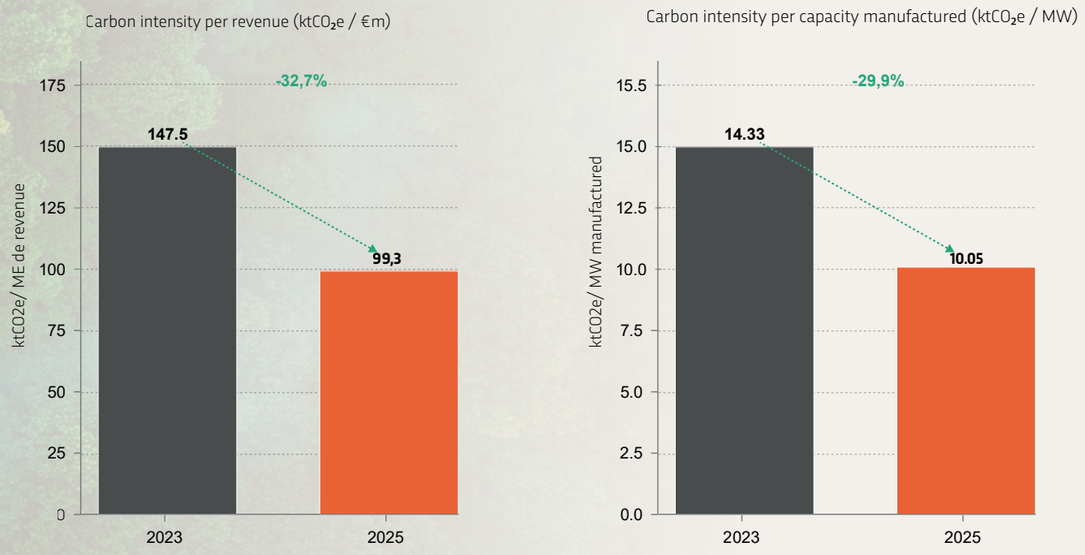


Figure 8 - Life-cycle emissions baseline.
KPI scope aligned with the Sustainability-Linked Loan / SBTi framework (VKK excluded, 2023 baseline year). Both trajectories are ahead of the Group's linear reduction trajectory.

C. Electric solutions vs conventional fossil-fuel solutions avoided emissions

The two technology families diverge sharply once they are expressed per unit of installed capacity. On a per-operating-year basis, the electric solutions delivered in 2025 present approximately 42% of the carbon intensity of conventional fossil-fuel solutions.

Indicator 2025	Conventional fossil	Electric	Gap
Average carbon intensity (tCO_2e / MW·year)	768	321	–58%
Avoided emissions vs a gas alternative ($ktCO_2e$ / year)	-	681	-

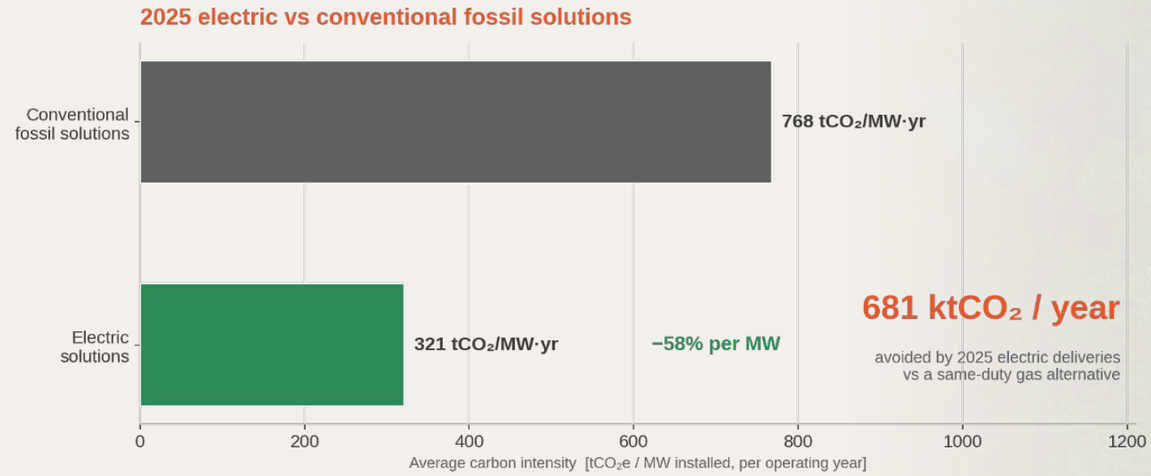
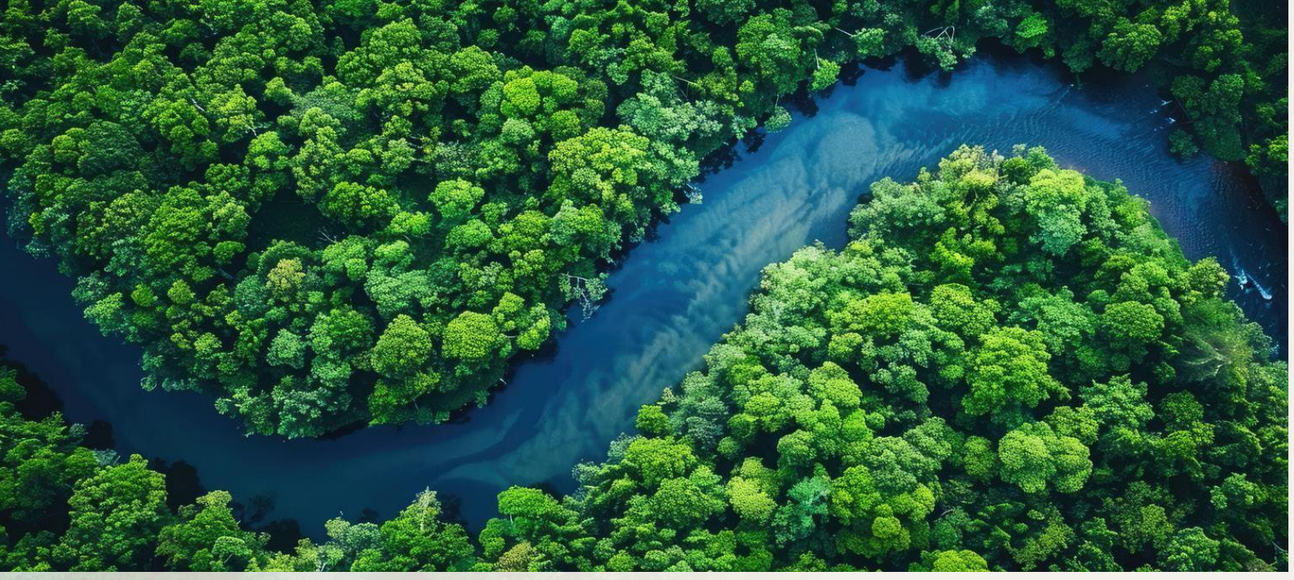


Figure 9 - Average carbon intensity [tCO_2e / MW installed, per operating year].
Full Scope 3.11 boundary · gas counterfactual at 0.24 $kgCO_2/kWh$ · different service lives (30 years electric vs 15 years fossil), annual basis.

Measured against a gas counterfactual at equivalent service, the electric equipment placed on the market in 2025 should avoid around 681 $ktCO_2e$ per year over its operating life. In accordance with the GHG Protocol, these avoided emissions are reported separately from the Group's Scope 3.11 inventory and are not deducted from it.

The electric advantage reflects both the technology and the low carbon content of the grids in the customer geographies served in 2025; work is under way to substantiate the product's own contribution through customer usage data.



4.7.5 Summary of the 2023–2025 footprint

Item (tCO_2e)	2023	2024	2025
Scope 1	3,964	4,147	4,401
of which 1.1 stationary combustion	1,512	1,686	1,750
of which 1.2 mobile sources (fleet)	2,452	2,443	2,638
Scope 2 - location-based	534	410	409
Scope 2 - market-based	1,307	1,280	205
Scope 3	42,289,099	25,901,851	28,308,345
of which 3.11 use of products	42,253,379	25,869,358	28,275,479
Scope 3 excluding 3.11	35,720	32,493	32,867
Total (market-based)	42,294,370	25,907,278	28,312,951

The volatility of the total is entirely driven by category 3.11 (product mix); excluding 3.11, the footprint is stable and trending downwards.

Scope 1 - 2025

4 401

▲ +11 % vs 2023

Scope 2 market-based - 2025

205

▲ -84 % vs 2023

Scope 3 excl. 3.11 — 2025

32 867

▲ -8 % vs 2023

of which steel (cat. 3.1) — 2025

12 253

▲ +11 % vs 2023

4.8 Reading by industrial site and by zone

4.8.1 Operational emissions by factory

At the level of the main production factories, operational emissions (Scope 1 + market-based Scope 2) directly reflect the effect of green energy. Parat Flekkefjord thus falls from around 624 to 26 tCO_2e between 2023 and 2025, as a result of the switch to green electricity with guarantee-of-origin certificates.

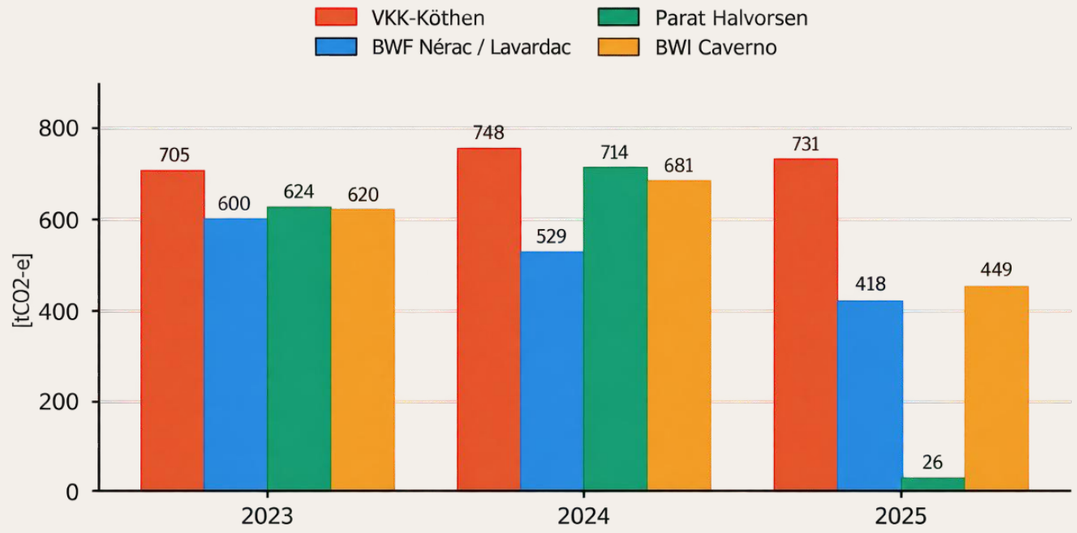


Figure 10 - Operational emissions (Scope 1 + market-based Scope 2) by factory, 2023–2025 (tCO_2e)

4.8.2 Operational emissions by geographic zone

The zones follow the Group's structure (DACH, France, UK, Nordics, Italy, Visegrád & Iberia, Benelux). France and the DACH zone concentrate the bulk of operational emissions, on account of the fleet and the industrial sites. The 2024 → 2025 decrease reflects the ramp-up of green energy in most zones.

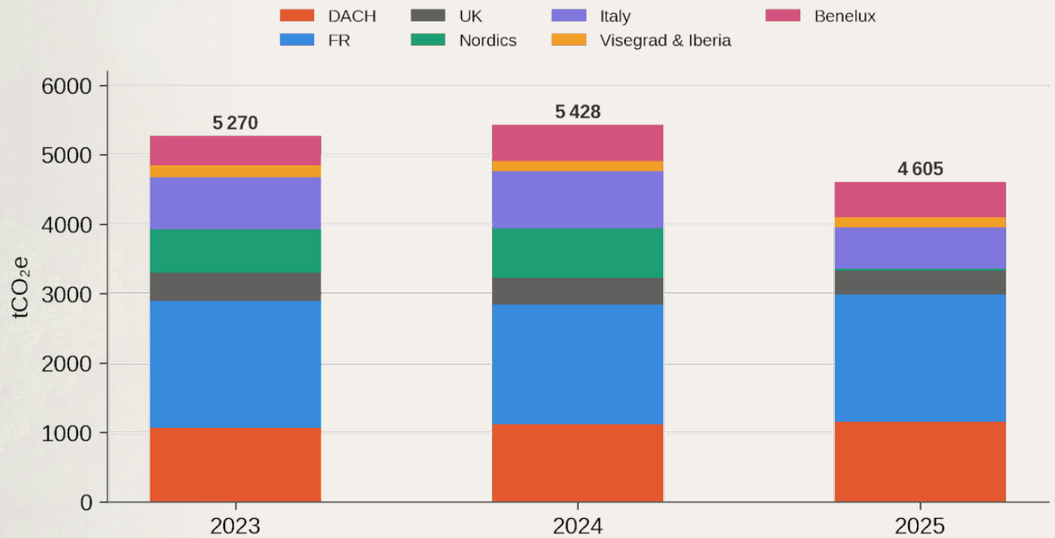


Figure 11 - Operational emissions (Scope 1 + market-based Scope 2) by zone, 2023–2025 (tCO_2e).

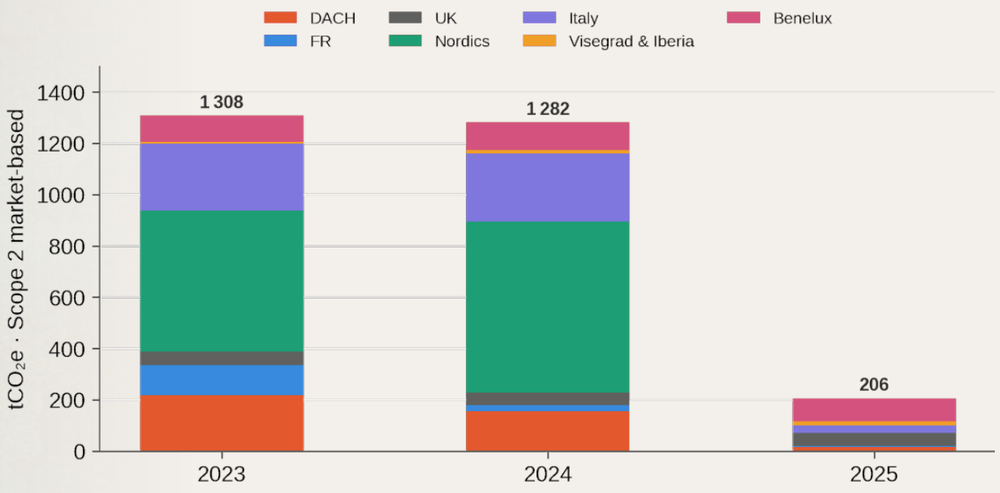


Figure 12 - Market-based Scope 2 by zone - the green energy effect, 2023–2025 (tCO_2e). Zones shown in the charts: DACH, FR, UK, Nordics, Italy, Visegrád & Iberia, Benelux.

4.9 Carbon credits and internal carbon pricing (E1-7, E1-8)

The Group makes no use of carbon credits or offsetting mechanisms to achieve its climate objectives. Its decarbonisation trajectory rests on gross emission reductions achieved within its operations and its value chain. Nor does the Group currently develop any significant greenhouse gas removal or storage project.
No internal carbon pricing mechanism is currently applied. The Group will examine the merits of introducing a shadow carbon price into the appraisal of certain significant investments, in order to integrate greenhouse gas emissions and future carbon-related risks into its capital allocation decisions.

4.10 Management of physical climate risks

A structured analysis of physical climate risks (chronic and acute hazards, exposure and vulnerability of the sites) has not yet been conducted at Group level: this action will be carried out shortly, with the objective of producing a complete mapping of the industrial sites using a TCFD-type approach and integrating its conclusions into the transition plan. An initial qualitative identification has already highlighted two points of attention:

• **Nérac (France):** the new Nérac factory, located in the ZAC Agrinove business park, sits in an area expected to experience an intensification of heatwaves, droughts and clay soil shrink-swell and, more occasionally, episodes of intense rainfall and run-off; these risks were nevertheless largely anticipated from the design stage of the site, notably through climate simulations to the 2050 horizon, reinforced insulation and ventilation, the reduction and circularity of water uses, the adaptation of the foundations and the retention of substantial planted areas.

• **PARAT (Norway):** growing risk of coastal and pluvial flooding, linked to sea level rise, storm surges and the intensification of precipitation. Potentially high exposure of quay areas, low-level equipment, networks and access routes. An NN2000 altimetric verification and local modelling are required in order to quantify precisely the level of exposure to the 2050 and 2100 horizons.

5. Environment - Pollution, Water, Circular Economy

ESRS reference: ESRS E2 (Pollution) · E3 (Water) · E4 (Biodiversity, non-material) · E5 (Circular economy)

Chapter boundary and materiality. This chapter covers the environmental topics retained as material following the Group's double materiality assessment: pollution (ESRS E2), water and marine resources (ESRS E3), resource use and circular economy (ESRS E5).

Pollution (ESRS E2): The "air pollution" matter, scored as major under double materiality, covers two distinct boundaries. The first and preponderant one concerns the nitrogen oxides (NOx) emitted downstream, during combustion in the equipment we place on the market: as with climate, the bulk of the issue lies in the use phase and the levers belong to product design (§5.3.2). The second concerns the volatile organic compounds (VOCs) from the painting operations at three of our sites - the only significant source within our own operations - and is the subject of quantified data (§5.3.3).
The Group does not yet publish an inventory of NOx emissions associated with the equipment sold, nor quantified reduction targets: the concordance table (§9.3) sets out this level of coverage. Welding fumes fall under occupational exposure of employees (§6.7) and not under emissions into the environment.

Biodiversity and ecosystems (ESRS E4) : This topic was not retained as material: the Group's activities - design, manufacture and maintenance of industrial thermal equipment, on sites that are already developed - have no significant direct dependency on or impact upon natural environments. It is therefore not the subject of dedicated disclosures, and this conclusion is re-examined at each financial year.

5.1 Eco-design and product life cycle assessment (LCA)

During the 2025 financial year, Babcock Wanson Group initiated an eco-design and product life cycle assessment (LCA) approach, conducted with the specialist consultancy APESA. This work benefited from financial support from the Nouvelle-Aquitaine Region and included a training component involving several internal functions (R&D, procurement, marketing, product lines).

The life cycle assessment of an industrial boiler presents notable methodological complexity: a bill of materials running to several hundred components, an operating life of several decades, a diversity of fuels and operating regimes, and dependency on the quality of supplier data. Reconstituting the bill of materials is the most demanding step of the exercise.

The study was conducted in accordance with the ISO 14040 and ISO 14044 standards (EF 3.1 method, cradle-to-grave boundary, functional unit of one tonne of steam produced). It confirms that **the use phase accounts for more than 99% of the climate change impact across the whole life cycle.**

The carbon performance of a piece of thermal equipment is therefore determined predominantly by its energy vector. It follows that electric equipment supplied with low-carbon electricity has **a considerably lower footprint than gas equipment:** at equivalent energy service delivered, the emissions abatement is of the order of 95% in Norway and 80% in France, depending on the carbon intensity of the national electricity grid.

The magnitude of this gap directly informs the Group's design orientations and its decarbonisation trajectory.

At the end of the assignment, the Group has **a simplified LCA calculator compliant with the ISO 14044 standard** and validated by an independent critical review, giving it the capacity to carry out its own analyses and to substantiate its environmental claims on a recognised methodological basis.

This approach falls within the framework of ESRS E5 (resource use and circular economy) and contributes to the monitoring of emissions in category Scope 3.11 (use of sold products) under ESRS E1.



5.2 Environmental management - ISO 14001

At the end of 2025, 60% of the Group's factories are ISO 14001 certified. BWG has set the ambition of raising this rate to 100% by the end of 2027. The next steps concern as a priority the BWF (Nérac) and VKK (Köthen) sites, for which the construction of an Environmental Management System (EMS) is planned over 2026–2027.

Beyond certification itself, the issue is operational: the ISO 14001 standard structures the identification and control of the actual and potential environmental impacts of each site (environmental analysis), strengthens waste and energy management, secures regulatory monitoring and compliance (ICPE in France and equivalent regimes in the other countries) and drives continuous improvement improvement shared between the factories.

It thus constitutes the environmental management foundation on which the commitments of this chapter rest.



5.3 Pollution (ESRS E2)

5.3.1 Two boundaries not to be confused

Air pollution is, alongside climate change mitigation, one of the three environmental matters scored as major under double materiality by the Group. This high score does not, however, reflect significant pressure from our factories on local air quality: it reflects the fact that our business consists in designing and selling combustion equipment whose operation at our customers' sites generates nitrogen oxides.

Our action levers are therefore first and foremost product design levers, not site operating levers.

Methodological point of attention - air pollution linked to mobile combustion

The 2024 DMA scored air pollution primarily in respect of use-phase emissions from sold products. The nitrogen oxide and particulate emissions of the Group's vehicle fleet (1.09 million litres of fuel consumed in 2025, cf. §4.5.1) were not the subject of a separate score on that account, mobile combustion having been analysed in the exercise from the climate angle (Scope 1, category 1.2). Given the volumes involved, this source appears potentially more significant than the VOC emissions from painting operations (§5.3.3). This point will be submitted to the next review of the double materiality assessment (§3.1.3).

5.3.2 Downstream air pollution - NOx performance as a design parameter

All combustion produces nitrogen oxides (NOx), the level of which depends directly on the design of the burner and the setting of the combustion - that is to say on BWG's area of responsibility, far more than on the customer's day-to-day operation of the installation. The Group acts on three levers: lowering the flame temperature (flue gas recirculation, air or fuel staging); optimising the excess air ratio and combustion control, which simultaneously improves energy efficiency and the emissions level; and, more radically, eliminating combustion at the point of use through the electrification of steam and heat production, which removes NOx, CO and particulate emissions from the boiler house. These levers underpin the low-NOx positioning of the portfolio and its ability to anticipate the progressive tightening of the requirements applicable to our customers' installations.

5.3.3 VOCs from painting operations

The painting of boiler shells, at three sites - Nérac, Cavenago and Köthen - is the only source of volatile organic compounds (VOCs) arising from the Group's own operations. These emissions, of the order of 2.7 tonnes in 2025 for the Group as a whole, are recorded in the GHG inventory under category 1.3 and remain of an order of magnitude well below the Group's other emission items. Nérac and Cavenago are subject to periodic regulatory measurements, the results of which are compliant; Köthen has not yet been measured, its painting activity being more limited - the measurement obligation threshold under German regulations (BImSchG/TA Luft) remains to be verified. An upgrade of the Nérac paint application line (paint booth)is planned as part of the new factory (delivery mid-2026), with VOC capture at source.

5.3.4 Water, soils and substances of concern

The Group's manufacturing activities - boilermaking, welding, assembly, hydraulic pressure testing - do not generate significant discharges of polluting substances into aquatic environments or soils. The water used for equipment testing and trials operates in a largely closed loop and sanitary and industrial effluents are discharged to collective sewerage networks. The sites are operated in compliance with the applicable authorisation or registration regimes (ICPE in France, equivalent regimes in the other countries), the monitoring of and compliance with which are structured by the ISO 14001 environmental management systems (§5.2).
No pollution incident or administrative sanction in environmental matters was recorded for the 2025 financial year.

5.4 Water and waste: controlled production flows

Monitoring the Group's carbon footprint makes it possible to quantify the water consumption and waste production of its factories and to relate them to industrial activity. Expressed relative to the capacity of the equipment delivered as well as to headcount, these intensities remain moderate:

3.5
m³ water /MW delivered - 10 m³ / FTE

353 kg
of waste / MW delivered - 0.85 t / FTE

> 80 %
main factories

< 2 %
share of hazardous waste

5.4.1 Water withdrawals

Water withdrawals (m³)	2024	2025	Var. 24/25
Nérac – Lavardac (BWF, France)	3,125	2,438	–22%
Cavenago (BWI, Italy)	2,369	2,103	–11%
Flekkefjord (PARAT, Norway)	1,386	1,324	–4%
Köthen (VKK, Germany)	3,618	3,596	–1%
Utrecht (Standard Fasel, Netherlands)	426	379	–11%
Total, 5 production factories	10,924	9,840	–10%
Group total (factories, branches and offices)	12,111	11,246	–7%

The Group withdrew 11,246 m³ of water in 2025, of which 9,840 m³ (88%) at its five main production factories. All of these volumes come from public distribution networks: the Group makes no direct withdrawal from surface water or groundwater. Uses are of three kinds - hydraulic pressure tests and equipment pressurisation trials, sanitary uses, and cleaning of installations. Water is therefore not a process input that is consumed and transformed, but a testing fluid that is very largely recirculated and returned, at the end of its use, to the collective sewerage network.
The Group's withdrawals are trending downwards over the recent period (–7% between 2024 and 2025), driven notably by sobriety efforts at the Nérac factory (–22%) as well as Cavenago and Utrecht (–11% each).

No water stress screening has been carried out to date across the Group's locations. This exercise - positioning the six industrial sites against a public framework of pressure on the resource - will be conducted in 2026 and its conclusions integrated into this chapter, in line with the expectations of ESRS E3.

5.4.2 Waste production

The Group produced 961 tonnes of waste at its five main factories in 2025: Köthen (585 t), Nérac – Lavardac (219 t), Flekkefjord (97 t), Cavenago (35 t) and Utrecht (25 t). This tonnage is very largely composed of metal offcuts from cutting and forming operations: metals - steel and other metals combined - account for 804 tonnes, i.e. 84% of the total, and are directed straight to recycling channels. Adding packaging (wood, cardboard, paper) and plastics, the flows directed towards material recovery channels reach around 93% of the tonnage produced. This structure is characteristic of a boilermaking activity: the waste consists not of process residues but of unused raw material, whose residual value itself ensures that it is directed towards recycling.

The share of hazardous waste remains very low, of the order of 2% of total tonnage, reflecting the low harmfulness of the flows generated.

5.5 Resource use and circular economy

5.5.1 The Group's approach

Babcock Wanson Group designs and manufactures a complete range of industrial thermal equipment - electric boilers, combustion boilers, burners, process heating equipment, environmental solutions for VOC treatment or recycling, water treatment solutions - intended for intensive use over several decades. For assets of this kind, circularity is built in from the design stage and extends through the services that accompany the equipment across its whole life cycle: durability and repairability, frugality in resource use, usage-based models and end-of-life recovery. This approach applies to all of the Group's products; electric boilers, presented in a focus box at the end of the chapter, are a particularly accomplished illustration of it.



5.5.2 Designing durable and repairable equipment

Extending the service life of equipment is the primary lever of circularity. The Group's products are based on proven technologies and a design that favours longevity, robustness and a limited number of moving parts, a guarantee of reliability and maintainability.
The repairability of our equipment is a distinctive strength. Beyond maintenance structured at several levels - predictive, preventive and corrective - and the guaranteed availability of spare parts, the Group has boilermaking services able to intervene directly at customer sites to repair the equipment in place. This capability favours repair over replacement, extends the service life of installations and avoids the premature scrapping of assets that still hold value. At end of life, the design aims at the potential reuse of certain components and the recyclability of materials.

5.5.3 Material efficiency and local anchoring of production

Control of material intensity is addressed from the design stage, by limiting superfluous components and the consumables associated with operation. In addition, the Group's production is spread across six European industrial sites - two in France, as well as sites in Italy, Germany, Norway and the Netherlands. This footprint, as close as possible to the markets served, helps shorten supply chains, reduce transport-related emissions and support regional industrial ecosystems.

5.5.4 Usage-based models: boiler rental

The Group offers a boiler rental proposition that extends the logic of the circular economy by separating use from ownership of the equipment. This offering responds to several situations:

– Planned shutdowns or emergency support for customers in difficulty, in order to ensure production continuity when an installation is unavailable.

– Standby boilers without investment (CAPEX), for customers wishing to secure their operations without tying up capital.

– Deferral of investment decisions, for customers still considering their future equipment, who thereby have access to a transitional solution.

By allowing the same piece of equipment to serve several customers in succession, rental increases the usage intensity of assets and is a concrete illustration of the functional economy.

Focus - Electric boilers

The electrification of steam production pushes resource sufficiency to its maximum, by eliminating a number of items of equipment and consumables linked to combustion:

– **Material efficiency:** direct connection to the medium-voltage grid avoids the installation of an 7 isolation transformer, a component heavy in raw materials.

– **No combustion:** no fuel storage, no flue gas treatment, no chimney, and therefore less equipment and associated maintenance.

– **Chemical-free water treatment:** the proprietary process eliminates chemical consumables and operates in a closed loop, with no wastewater discharge (link to ESRS E3).

– **Compact design**: installed capacity per unit of floor area is maximised, limiting the land footprint.

5.5.5 Articulation with ESRS E5 requirements

ESRS E5 requirement	Contribution of our activities
Resource inflows	Material frugality at the design stage; elimination of equipment and consumables (notably on electric boilers); local production and short supply chains
Resource outflows – products	Durability and longevity of the equipment; high repairability (multi-level maintenance, on-site boilermaking); recyclability at end of life
Circular models	Rental and standby boilers without CAPEX; asset pooling; functional economy

6. Own Workforce (ESRS S1)

ESRS reference: S1-1 (Policies), S1-9/12 (DEI), S1-13 (Training), S1-14 (OHS), S1-6 to S1-17 (Data)

The people of Babcock Wanson Group (BWG) are the central resource of its industrial model. Spread across 6 production sites and a network of sales and service subsidiaries in 14 countries, they bring together occupations in design, boilermaking manufacture, installation and maintenance of pressure equipment. These activities expose employees to significant physical risks and make health and safety, job quality and respect for human rights doubly material matters for the Group.

This chapter presents, in accordance with the ESRS S1 standard, the policies, actions and indicators relating to the entity's own workforce for the financial year ended 31 December 2025.

Material matters identified (double materiality assessment)
The Group's double materiality assessment retained the following matters as doubly material for the entity's own workforce:

• **Occupational health and safety -** major potential negative impact (accidents, occupational illnesses) and operational and reputational risk.

• **Working conditions and job quality -** job stability, social dialogue, work-life balance.

• **Equal treatment and diversity -** gender balance, equality between women and men, inclusion of disability, non-discrimination.

• **Training and skills development -** employability and transmission of industrial know-how.

6.1 Policies relating to the workforce (S1-1)

Respect for and promotion of employees' rights rest on a foundation of policies formalised at Group level:

• **Social and Human Rights Policy (BWG-POL-SOC-01):** covering the six Labour & Human Rights sub-topics (child labour, forced labour, discrimination, health and safety, working time, remuneration), it is based on the fundamental ILO conventions, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines.

• **Group Code of Conduct:** the common reference on business ethics, anti-corruption and professional conduct.

• **Safety Charter and 10 Golden Rules:** prevention framework applicable to all employees and on-site subcontractors.

• **Commitment to the United Nations Global Compact:** adherence to the ten principles, the first six of which relate to human rights and labour rights.

• **Group CSR Policy (BWG-POL-CSR-01):** framework policy covering all of the Group's thematic policies (HSE, Social & Human Rights, business integrity), revised in 2026 and aligned with the ESRS topics.
• Group HSE Policy: commitments on health, safety and environment, applied across all of the Group's sites, branches and worksites.

• **Business Integrity Policy (BWG-POL-GOV-01):** business integrity requirements applicable to all employees - prevention of corruption, conflicts of interest, gifts and hospitality, sanctions and export control (cf. Chapter 8).

In health and safety, several of the Group's industrial sites are ISO 45001 certified (notably Utrecht, Cavenago and Flekkefjord) and the objective is certification of all manufacturing factories by the end of 2026.

6.2 Social dialogue, voice and whistleblowing mechanism (S1-2, S1-3)

BWG involves its employees in the management of the matters that concern them through employee representative bodies, the HSE services, and participation in safety workshops and toolbox talks. Social dialogue is organised at the level of each entity according to national legal frameworks.

In 2025, the Group decided to set up a European Works Council (EWC), a transnational dialogue body bringing together the Group's central management and employee representatives from the various European countries of operation.

The EWC will be tasked with informing and consulting these representatives on subjects with transnational impact: Group strategy and results, restructurings, major investments and industrial projects, technological developments, employment, skills and work organisation, as well as health, safety and environment policies. Initiated in 2025, the constitution process - appointment of the Special Negotiating Body and then negotiation of the constitutive agreement - continues in 2026 with a view to the effective establishment of the EWC by the end of 2026, with a first annual plenary meeting. This new body will strengthen, at European level, the coherence of social dialogue and of the Group's HR messaging, in addition to the representative bodies existing in each country.

A whistleblowing mechanism allows any employee, subcontractor or third party to report an alleged breach of human rights, ethics or safety. Whistleblower protection has been identified by the Group as a point of vigilance, the under-reporting of at-risk situations remaining an area for improvement (cf. the Health & Safety section).

This Group reporting channel, named **BeSignal,** will be accessible online at https://babcockwanson-group.besignal.com/ during 2026. It guarantees the confidentiality of the whistleblower's identity and of the facts reported, in accordance with Directive (EU) 2019/1937 and its national transpositions. Its operation and deployment are detailed in Chapter 8 (§8.3).

6.3 Workforce characteristics (S1-6, S1-7)

At 31 December 2025, the Group had 1,224 employees (physical headcount), compared with 1,170 at 31 December 2024, i.e. a net increase of +54 people (+4.6%) through organic growth. Excluded from the 2025 indicators are the employees arising from the acquisition of Chr. Møller - Denmark - in June 2025, and ACT Andaluces - Spain - in September 2025. These companies have 20 and 21 employees respectively.

Workforce breakdown

Indicator (headcount)	2025
Total workforce (31/12)	1,224
Recruitments during the year	191
Departures during the year	137
Full-time employees	1,122
Part-time employees	102
Employees on permanent contracts	1,190
Employees on fixed-term / non-permanent contracts	34

Permanent contracts represent around 97% of the workforce and full-time positions around 92%, which reflects the employment stability characteristic of an industrial group. Turnover remains moderate (137 departures for an average workforce of around 1,197 people, i.e. ≈ 11%).

6.4 Diversity, equity and inclusion (S1-9, S1-12)

BWG's workforce remains very largely male, reflecting the demographics of the industrial occupations of boilermaking and maintenance. Gender balance and inclusion are an area for progress identified in the Group's social policy.

Indicator	Unit	2025
Women (headcount)	no.	224
Share of women in the workforce	%	≈ 18.3%
Women (full-time equivalent)	FTE	196.2
Men (full-time equivalent)	FTE	965.1
Employees with a disability	no.	40

Age pyramid :

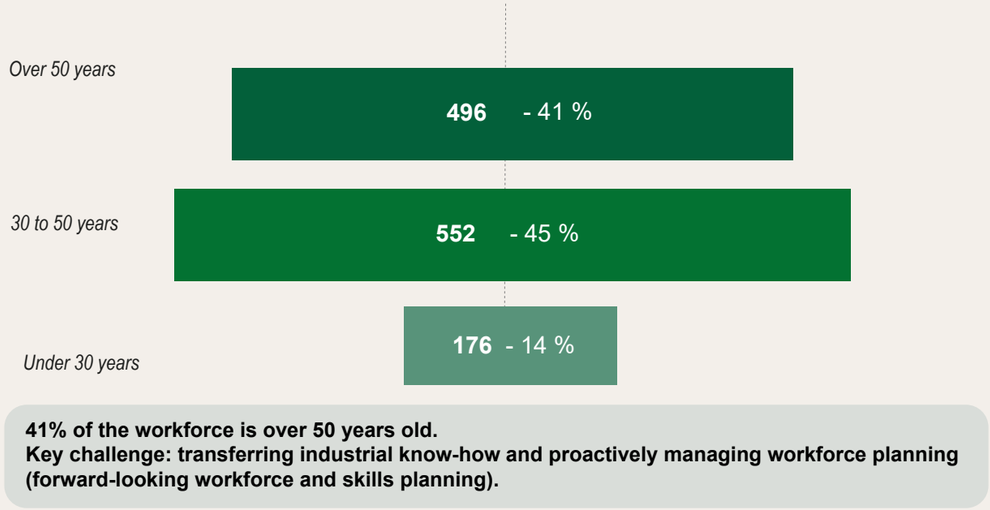


Figure 13 - Age pyramid, Group workforce. Breakdown by age bracket (headcount, 2025) - 1,224 employees. 41% of the workforce is over 50: an issue of transmission of industrial know-how and of workforce planning (GPEC).

The high proportion of employees over 50 (around 41%) underlines an issue of skills transmission and workforce planning, particularly for manufacturing know-how.

Non-discrimination

One (1) discrimination incident was recorded and handled in 2025 in accordance with established procedures - the only human rights incident recorded over the period. No incident of corruption or solicitation of bribes was otherwise recorded.

A structured DEI approach in 2025

In 2025, diversity, equity and inclusion (DEI) constituted one of the Group's five priority commitments towards its shareholders. The Group launched a structured approach, coordinated by the Group Human Resources Department and the network of subsidiary HR directors, built around a maturity diagnostic, the adoption of a common charter, the definition of local action plans and a dedicated focus event on disability.

Maturity diagnostic and issues by geography

A DEI maturity diagnostic was conducted across the Group's ten main subsidiaries (BWF, VKK Standardkessel, Standard Fasel, BW UK, PARAT, BW Italiana, PBS, BW Polska, BW Portugal and BW España). Each entity was assessed against some fifteen criteria covering the existence of formal commitments, the appointment of referents, employee awareness-raising, indicator tracking, non-discrimination (recruitment, training, promotion), the prevention of harassment and violence, internal and external communication, equal pay, as well as specific topics (disability, gender equality, age, sexual orientation and gender identity, nationality, ethnicity and religion).

The diagnostic highlights heterogeneous and, overall, early-stage maturity: in a majority of entities, practices are still limited to compliance with national legal and collective-bargaining obligations - in particular on equal pay - and few subsidiaries have designated referents, dedicated indicators or formalised awareness-raising actions.

It also brings out issues specific to each geography, reflecting national legal frameworks and social cultures: the employment obligation for disabled workers and professional equality agreements in France, "dignity at work" and harassment prevention in the United Kingdom, inclusion through social activities in the Nordic countries, among others.

Consolidating this diagnostic in the form of a Group heatmap made it possible to prioritise the subjects. Six common priority themes were retained:

- Equity and fair HR processes
- Equality between women and men
- Inclusion of disability
- An inclusive working climate
- Age and generations
- Nationality, ethnicity and origins

Three themes were judged less material at Group level: cultural and linguistic diversity, sexual orientation and gender identity, religions and beliefs.

Group DEI Charter :

On the basis of this diagnostic, a Group Diversity, Equity and Inclusion Charter was co-drafted with the network of subsidiary HR directors, in order to provide a common reference framework while leaving each entity the latitude to adapt it to its own context.

The Charter is built around five objectives:

– Fair HR processes, based on competence alone;

– An inclusive working environment guaranteeing voice and respect;

– Equality between women and men, including equal pay and access to positions of responsibility;– The inclusion of people with disabilities (workstation adaptation, awareness-raising, support);

– The diversity of ages, ethnicities, nationalities and origins. It also incorporates respect for the diversity of sexual orientations and gender identities, freedom of religion and cultural and linguistic diversity.

Local action plans

Each subsidiary has defined an action plan adapted to its level of maturity and its national context. By way of illustration:

– United Kingdom: DEI training for managers (workshops and online modules) and formalisation of "dignity at work" and sexual harassment prevention policies.
- France: action plan under the agreement on professional equality between women and men, and signature of the Diversity Charter.
- Italy: analysis of the working environment with a view to opening up positions accessible to people with disabilities.
- Benelux: internal communication campaign (intranet, newsletter, posters) promoting inclusion and employee testimonials.

Women's access to strategic positions

In 2025, several strategic positions in the Group and its subsidiaries were entrusted to women, through external recruitment or internal promotion: Deputy CEO, Group Treasurer, as well as the roles of Product Line Manager Training (BW Academy), Product Line Manager Electric Boilers and Product Line Manager Burners. These appointments illustrate progress in gender balance in management functions and in historically male product lines, consistent with the gender equality objective set out in the Group DEI Charter, which explicitly includes women's access to positions of responsibility.

Group focus event on disability (November 2025)

In November 2025, on the occasion of the European Week for the Employment (EDEW) of People with Disabilities, the Group organised a shared focus event devoted to disability. In all subsidiaries, awareness-raising meetings helped build a better understanding of the issues at stake in the DEI approach, with a focus on disability through participation in the European Disability Employment Week (EDEW), supported by a multilingual poster campaign. In France, the emphasis was placed on the DuoDay scheme, complemented by daily thematic communication and a half-day of drop-in support provided by a specialist association. In the Benelux, an internal campaign (intranet, newsletter, posters) drew on factual data and testimonials.

These actions constitute a first step: embedding them over time - referents in each entity, harmonised indicators, generalisation of local action plans - remains an area for progress in the coming financial years.



6.5 Remuneration and equal pay (S1-16)

The unadjusted gender pay gap, calculated on the basis of average gross hourly remuneration, stands at around 14.1% at Group level in 2025. This indicator, required by the ESRS standard, is not adjusted for structural effects (occupation, seniority, job level) and must be read in the light of the high proportion of men in technical and industrial management positions.

It compares overall averages and therefore reflects the composition of the workforce as much as the salary levels applied at equivalent positions. Women represent around 18% of the Group's workforce and remain under-represented in boilermaking, manufacturing and maintenance occupations, as well as in positions of responsibility, which concentrate the highest remuneration. The diversity of the labour markets of the countries of operation also contributes to the gap observed at consolidated level. An adjusted gap, calculated at comparable job level, will be consolidated from 2026 (§9.1, Pillar 05).

Remuneration policy and salary grid

In 2025, the Group launched, in France, a structured analysis of its salary grids, carried out with the support of a consultancy specialising in job evaluation and salary benchmarking.

This approach aims to ensure that the remuneration paid to employees is appropriate, coherent and equitable, around four main objectives:

– Attracting and retaining talent through competitive remuneration levels;

– Recognising and encouraging performance;

– Ensuring the fairness and coherence of remuneration within the Group, by comparing positions with market standards and guaranteeing comparable remuneration for positions of a similar nature;

– Complying with applicable legal and collective-bargaining obligations (sector minimum wages, notably in the Metallurgy sector).

Positions were scored independently of their incumbents, on the basis of the requirements attached to the role, and then benchmarked against market data. The exercise led to the construction of a 14-band salary grid, with each band associated with a remuneration range (minimum, target median, maximum).

This grid is intended to constitute the reference framework for remuneration decisions: positioning at hiring, annual salary reviews, internal mobility and promotions. It will make it possible to identify atypical positionings within a given band and to address them in the context of salary reviews.

Beyond its HR management purpose, this structuring is a lever serving equal pay between women and men, by basing remuneration on objective criteria by position and reducing the share of individual judgement in determining them. It also provides the technical basis required for calculating an adjusted pay gap.

Initiated in France, this approach is intended to be extended to other Group subsidiaries in the coming financial years.

6.6 Training and skills development (S1-13)

Training is a strategic lever for employability, safety and the transmission of know-how. In 2025:

Indicator	Unit	2025
Employees having followed at least one training course	no.	880
Share of the workforce trained	%	≈ 72%
Training hours delivered	h	19,265
Training hours per employee (average)	h	≈ 15.8
Training expenditure	€	588,977
Annual performance reviews held	no.	602

Close to three employees out of four benefited from at least one training action. The generalisation of annual reviews (around 49% of the workforce in 2025) isan area for HR structuring work, notably in recently integrated entities.

The BW Academy and the deployment of the Group LMS

Faced with the difficulty of recruiting certain specialised technical profiles and with the ageing of part of its industrial workforce (cf. §6.4, age pyramid), the Group launched in 2025 the creation of the BW Academy, an internal structure dedicated to supporting the management and development of the skills specific to BWG's occupations (boilermaking, burners, electric boilers, installation and maintenance of pressure equipment, etc.).

The BW Academy pursues a twofold objective: to master in-house the design of training on the Group's technical knowledge and know-how, in order to reduce dependence on external training providers and to better secure skills that are rare or in short supply on the labour market; and to facilitate the sharing of general knowledge about the company and its activities (induction pathways, business tools, Group culture), in particular with new joiners.

It also aims to organise the transmission of know-how from experienced employees before they retire, an issue identified as major in view of the high share of employees over 50 at certain manufacturing sites.



Deployment of a learning management platform (LMS)

To support the BW Academy, the Group approved in 2025 the deployment of a Learning Management System (LMS), whose operational go-live is planned during 2026. The platform is to enable the Group to create and administer training modules autonomously (HR training, induction pathways, technical modules for specific occupations, blended learning arrangements), to track training pathways and their completion rates, and to reference the expert employees ("subject-matter experts") associated with each module, in direct support of the know-how transmission approach.

Deployment is organised in successive waves across the Group's subsidiaries, with a phase of platform configuration, training of administrators and content creators, and then progressive connection of users.

Talent management and development

In addition to training, the Group launched in 2025 a structured talent and succession management approach (Talent Development and Management), designed to secure the availability of key skills over time.

This approach is based, in each Area of the Group, on a SWOT analysis of human resources, the identification of high-potential and high-performing talent, the preparation of talent profiles and individual development plans, and the definition of succession plans for key positions and rare expertise.

The results are consolidated and presented annually to a talent committee bringing together the Group's Executive Management and the Group Human Resources Department.

Together with the BW Academy and the LMS, this approach contributes to anticipating skills needs and to the workforce planning referred to in §6.4.





6.7 Occupational health and safety (S1-14)

Health and safety is the Group's most material social matter. HSE governance relies on a Group HSE steering committee meeting quarterly, a network of HSE managers covering the 14 countries, and a roadmap structured around 8 safety priorities and 10 Golden Rules.

A health and safety management framework common to the Group

The Group's HSE management relies on a common management framework, structured and deployed across the 14 countries. This framework rests on three articulated components: the Group Safety Charter, which carries the "zero accident" vision and the commitment of Executive Management; a roadmap organised around 8 safety priorities - the levers, or enablers, of the approach; and 10 Golden Rules, a non-negotiable behavioural foundation applicable to all employees, visitors and subcontractors. Managers play a central role through their exemplarity, their sponsorship of the commitments and their listening to the teams.

GROUP Safety Charter
Zero accident objective - "Together for everyone's safety"

8 Safety Priorities - the levers of the approach (enablers)

1. Put safety governance in place.
2. Clarify roles, responsibilities and competences.
3. Communicate and share good practice.
4. Train in safety behaviour.
5. Deploy 5S in the factories and workshops.
6. Report and act on near misses.
7. Assess and control risks at the workstation.
8. Carry out behavioural safety visits.



No.	Golden Rule	No.	Golden Rule
01	I wear the PPE appropriate to my activity	06	I keep my work area clean and tidy
02	I report every incident or near miss	07	I make my work-at-height operations safe
03	I stay alert and actively take part in my own safety and that of others	08	I protect my airways and capture pollutants at source
04	I never work under the influence of drugs or alcohol	09	I make handling and lifting operations safe
05	I move around carefully, on foot as well as in a vehicle	10	I make my operations on live installations safe (lock-out)

10 GOLDEN RULES
The rules that save lives - a non-negotiable foundation applicable to all: employees, visitors and subcontractors.

Health and safety indicators - Group

Indicator (headcount)	2023	2024	2025
Serious accidents / fatalities	0	0	0
Lost-time injuries (LTI)	21	26	35
Number of days lost	351	899	662
Medical treatment / first aid cases (MTC + FAC)	71	77	94
Near misses	35	36	57
Dangerous situations reported	308	294	448
Lost-time injury frequency rate (LTIFR)	10.8	13.0	17.2

LTIFR = number of lost-time injuries × 1,000,000 / hours worked. No serious accident or fatality was recorded over the period.

The number of lost-time injuries increased in 2025 (35 LTIs against 26 in 2024), bringing the Group frequency rate to 17.2. This deterioration is mainly attributable to the DACH perimeter - and in particular to the VKK Standardkessel Köthen site, the Group's most exposed entity - which did not have a dedicated HSE function before 2025 and whose integration brought to light a lag in prevention culture and organisation.

Frequency rate by zone (LTIFR 2025)

Zone	LTIFR	Change vs 2024
DACH	43.8	+25%
UK	22.8	+60%
France	17.8	+25%
Nordics	7.9	+65%
Italy	3.7	0%
Benelux	0	0%
BWG Group	17.2	+32%

Of the 35 lost-time injuries that occurred in 2025, 28 were the subject of a formalised root cause analysis entered in the Group incident register, i.e. a coverage rate of 80%. The 7 cases not analysed are concentrated in the geographies that are least mature in terms of prevention culture, where the HSE function is of recent creation. Generalising root cause analysis to all lost-time injuries is accordingly an explicit objective of the 2026 action plan.

Analysis of the 2025 incident register - 58 events in total, of which 35 lost-time injuries, 12 high-potential incidents, 6 near misses and 5 medical treatment cases - brings out a concentration in the DACH perimeter (22 events) and France (21).

The dominant circumstances concern the use of tools and equipment, ergonomic constraints (exertion, manual handling) and falls from height or on the level; injuries to hands and fingers are preponderant.

Main causes and action plan

The root causes identified relate first and foremost to work preparation, at-risk behaviours, incomplete risk analysis and equipment reliability (collective protection, maintenance). This finding reflects a need for organisational robustness more than individual failings, directing the action plan towards safety leadership and shared vigilance.

• Strengthen the level of root cause analysis (5 Whys, simplified cause tree), made mandatory for lost-time injuries and high-potential incidents, with an objective of 100% of lost-time injuries analysed in 2026 (80% in 2025).

• Consolidate the task preparation phase (Stop & Think / last-minute risk analysis, managerial validation of at-risk tasks).

• Develop safety culture and manager leadership, by addressing at-risk behaviours during safety visits.

• Promote shared vigilance and better reporting of weak signals (near misses and dangerous situations).

Safety culture indicators

In 2025, the Group recorded 620 safety visits and 478 safety talks carried out by managers. Despite an improvement in the reporting of near misses and dangerous situations (57 and 448 in 2025), the Group considers that the volume remains insufficient to ensure fully targeted prevention, which constitutes a priority area for improvement.

Highlight 2025 - The first Group Safety Week

In 2025, the Group organised its very first Safety Week across the 14 countries, driven by Executive Management and the QHSE & CSR Department.

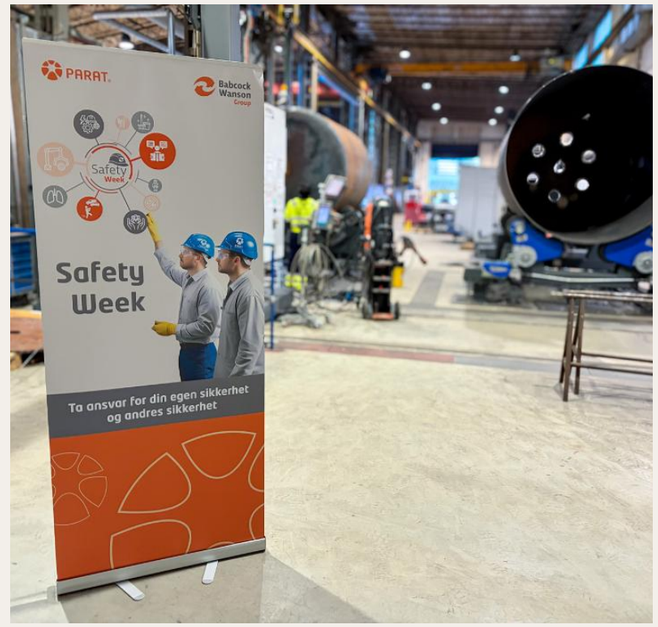
This unifying event made it possible to disseminate widely the common management framework - Safety Charter, 8 priorities and 10 Golden Rules - and to mobilise all sites around prevention. It translated into a dense programme of field actions:

• **Safety visits and talks**: numerous safety visits and toolbox talks led by managers, centred on the 10 Golden Rules.

• **Thematic prevention workshops:** road safety, confined space rescue, workstation ergonomics, fire extinguishing and first aid training.

• **Experience sharing**: testimonials from employees of several entities (Nérac, Cavenago, Köthen, PARAT, SPE) illustrating real-life situations, and sharing of safety results and good practice between sites.

Intended to become an annual fixture, this inaugural edition strengthened the visibility of the safety approach and nourished the dynamic of shared vigilance that the Group intends to embed over time.



6.8 Work-life balance, incidents and complaints (S1-15, S1-17)

Balance between professional and personal life (S1-15)

The Group's culture favours balance between professional and personal life; this matter, identified as moderately significant in the human rights due diligence, receives particular attention for the populations exposed to psychosocial risks.

This principle is also formalised in the Group's Social and Human Rights Policy (BWG-POL-SOC-01, §2.8 "Working Flexibility"), which provides for flexible working arrangements adapted to its needs to be made available within each subsidiary, in order to support the balance between professional and personal responsibilities.

In practice, remote working is deployed across all of the Group's subsidiaries. Its concrete arrangements (number of days, eligibility criteria, procedures) nevertheless remain defined locally and are not harmonised at Group level.

Several subsidiaries currently have structured and formalised arrangements: in France, a dedicated company agreement on remote working allows, depending on the position, up to three days of remote working per week; in the United Kingdom, two internal policies frame hybrid working, with eligibility criteria adapted to the nature of the positions, as well as the right to request flexible working (part-time, flexible hours, annualised hours, job sharing, sabbatical leave), available from the first day of employment.

Other Group subsidiaries apply more informal working-flexibility practices, or practices in the process of being formalised.

The progressive harmonisation of these flexibility arrangements, together with the introduction of Group indicators relating to work-life balance, constitute an area for progress in the coming financial years.



Incidents and complaints (S1-17)

Incidents relating to non-discrimination and human rights are presented in §6.4.
Beyond these incidents, a few isolated reports relating to employment relations were also recorded in 2025 within certain Group entities; they were handled in accordance with local procedures and did not give rise to any significant litigation.

The Group whistleblowing mechanism BeSignal, described in Chapter 8 (§8.3), is the reference channel for reporting, including anonymously, any at-risk situation, and guarantees the confidentiality of the whistleblower's identity and of the facts reported.

7. Value Chain & Stakeholders (ESRS S2–S4)

ESRS reference: S2 (Value chain workers) · S4 (Consumers and end users)

7.1 Responsible procurement & supplier due diligence

7.1.1 Responsible Procurement Policy

BWG is engaged in structuring a responsible procurement policy at Group level. A pilot was conducted at BWF (France) in 2024 to integrate responsibility requirements into the General Purchasing Conditions.

This approach is based on the Group's Responsible Procurement Charter, which formalises BWG's expectations of its suppliers and subcontractors in terms of human rights, health and safety, environment and business ethics, and whose dissemination is progressively being integrated into contractual relationships.

7.1.2 ESG assessment of suppliers

In 2025, ESG assessments of strategic suppliers were not steered at Group level: they were carried out individually by certain geographies, notably Italy, Norway and France. From 2026/27, the management of supplier ESG assessments and the associated due diligence will be defined and steered by the Group - common methodology, scope of strategic suppliers, tooling and monitoring of action plans - in order to guarantee the consistency and traceability of the approach across all countries.

7.2 Human rights - due diligence

BWG conducted in 2025 a structured human rights due diligence exercise (HRDD), aligned with the United Nations Guiding Principles on Business and Human Rights (UNGP) and carried out according to the methodology of the organisation Shift, within the framework of the United Nations Global Compact Accelerator programme.

7.2.1 Identification and prioritisation of impacts

The exercise made it possible to identify 21 potential or actual human rights impacts, covering all categories of stakeholders: the entity's own workforce, value chain workers (upstream and downstream), local communities and end users. Each impact was assessed according to its severity (scale, scope, irremediable character) and plotted on a risk map (heat map).

Matter (entity's own workforce)	Rights concerned	Severity
Occupational accidents and illnesses	Just conditions of work (art. 23)	Very severe (5)
Harassment and psychosocial risks	Just conditions of work (art. 23)	Moderate (3)
Discrimination (recruitment, day-to-day)	Just conditions of work (art. 23)	Moderate (3)
Limited employability (training)	Just conditions of work (art. 23)	Moderate (3)
Work-life balance	Work and education (art. 23, 26)	Moderate (3)
Loss of sensitive personal data	Privacy (art. 12)	Moderate (3)
Freedom of association / labour law	Freedom of association (art. 23)	Minor (2)

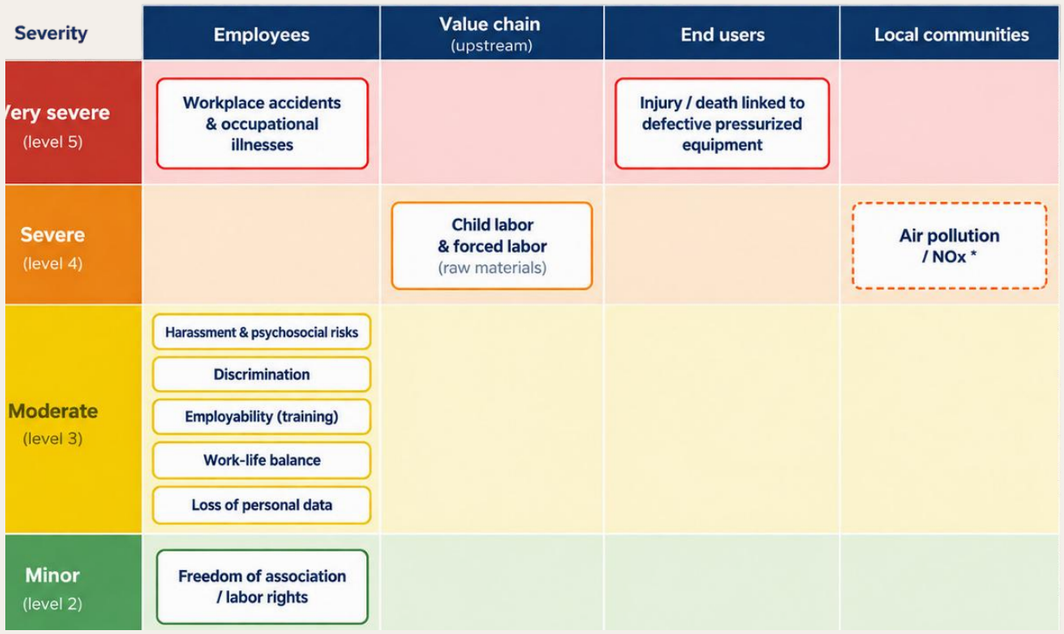
Salient matters beyond the own workforce

The due diligence also highlighted significant risks linked to the value chain and to end users: risk of injury or death of the end user linked to defective pressure equipment (very severe); child labour and forced labour in the upstream supply chain, notably raw material extraction (severe); and impacts on neighbouring communities (air pollution, NOx). These matters relating to value chain workers and communities are developed in the ESRS S2 chapter - Value chain workers.

7.2.2 Actions and stakeholder engagement

For the two matters judged to be priorities - employee health and safety, and quality of working life - the Group has launched a mapping of the affected stakeholders and preparatory work for their involvement (employees via safety workshops and representative bodies, value chain workers via their employers and specialist organisations).

The action plans are structured according to a theory of change logic (resources, activities, results, impacts for people).



Human rights commitments and arrangements

– HRDD approach aligned with the UNGP, conducted according to the Shift methodology (UNGC Accelerator), to be re-examined at least once a year and upon any change of context (new activity, acquisition).

– Social and Human Rights Policy (BWG-POL-SOC-01) based on the fundamental ILO conventions, the UNGP and the OECD Guidelines.

– Whistleblowing mechanism open to employees, subcontractors and third parties, and protection of whistleblowers.

– Zero confirmed incident of serious human rights breach recorded for the 2025 financial year.

7.2.3 Governance and monitoring

Due diligence is part of an iterative approach steered by the Group QHSE & CSR Department, in liaison with the HR functions and the local CSR/QSE referents. Matters relating to the workforce are monitored through the consolidated social indicators and the HSE reporting presented in this chapter, and their effectiveness is assessed in the context of the annual planning process.

The Group Ethics Committee (cf. §1.2.8) completes this governance framework: meeting twice a year, it supervises the implementation of the ethical policies and of the anti-corruption action plan, maintains the register of irregularities - including alleged human rights breaches - and reports on its work to the Supervisory Board. In that capacity it constitutes the escalation body for the reports and findings arising from the due diligence exercise.

7.3 Value chain workers (ESRS S2)

ESRS reference: S2-1 to S2-5 · ESRS 2 - SBM-3

The Group distinguishes four populations of workers outside its own workforce, with a capacity to influence that increases as the relationship becomes more direct: from materials suppliers (tiers 1 to 3) with limited influence, through to on-site workers where influence is strong. This hierarchy determines the choice of the action levers set out below.

Materials suppliers
Tiers 1 to 3 of the chain

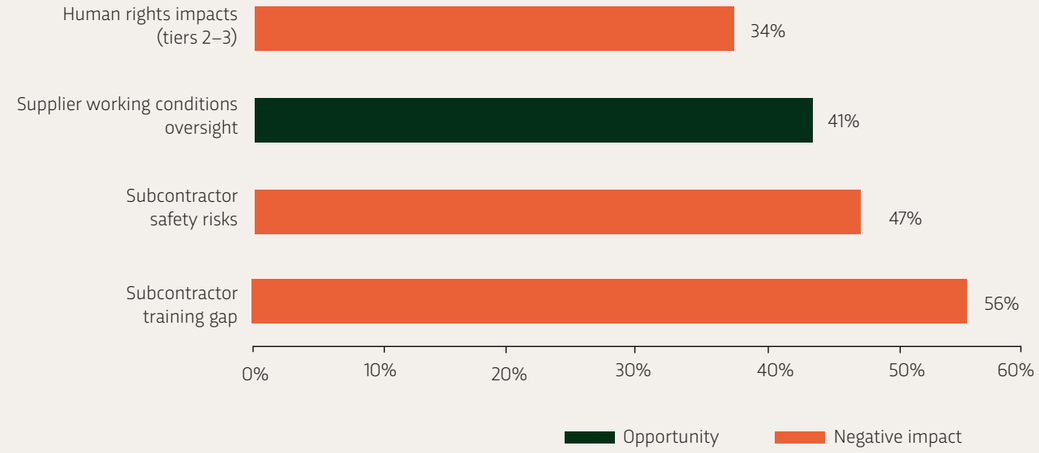
Manufacturing subcontractors
Indirect contractual link

Installers / maintenance providers
Intervention on BWG and customer sites

Service providers
Cleaning, waste, transport

- Limited capacity to influence (beyond tier 1)
- Contractual capacity to influence (tier 1)
- Strong capacity to influence (direct intervention on site)

Material IROs (SBM-3): the chart below situates the four quantified material IROs of the S2 strand. To these are added two qualitative matters - impact of purchasing practiceson suppliers quality of working life, and the risk of data disclosure in the event of a cyberattack. The 2025 due diligence also qualified as severe the potential impacts of forced or child labour upstream (extractive sectors), with no confirmed case identified; tier 1 suppliers are very largely established in the EU, the United Kingdom and Norway.



Policies (S2-1). Three documents frame these matters: the Social and Human Rights Policy (BWG-POL-SOC-01, based on the ILO conventions, the UNGP and the OECD principles), the Responsible Procurement Charter (revised 2025–2026, setting out expectations of suppliers on human rights, health and safety, environment and ethics), and the Group HSE Policy for external companies working on site. Area for progress: consolidation of the Charter into a fully-fledged Responsible Procurement Policy, complemented by a Supplier Code of Conduct annexed to the General Purchasing Conditions.

Dialogue and remediation (S2-2, S2-3). The Group does not at this stage have a direct dialogue channel with the workers in its value chain; exchange takes place through their employers and, for on-site workers, through the safety coordination arrangements (toolbox talks, risk analyses, feedback). The Group whistleblowing channel **BeSignal,** open to subcontractors and third parties, guarantees confidentiality; its external communication (General Purchasing Conditions, supplier materials, on-site display) is a priority for 2026. No confirmed incident of serious human rights breach was recorded in 2025 in the value chain.

Actions and levers (S2-4)

Six levers, proportionate to the size of the Group:

1. Contractual requirements - progressive integration of human rights / H&S clauses into the General Purchasing Conditions, with cascade to tier 2, on the basis of the BWF 2024 pilot.

2. Risk-based targeting - prioritisation by cross-referencing (steel/electronics: forced labour; technical subcontracting: training/safety; on-site services: working conditions), rather than exhaustive coverage of the panel. An in-depth study of the steel and electronics supply chains will be launched over the period 2026/27.

3. Training of technical workers - extension of the BW Academy/LMS to the technicians of installation and maintenance partners, systematic verification of certifications, and generalisation of the supplier qualification practice already in place at PARAT.

4. Extended safety reporting - progressive extension of HSE monitoring (accidents, near misses) to subcontractors working at the Group's sites and at customer sites.

5. Responsible purchasing practices: monitoring of payment times, forward visibility given to critical suppliers, and consideration of reasonable lead times for execution.

6. Inclusion through procurement: use of providers employing workers with disabilities or in professional reintegration (cleaning, waste), a contribution to inclusion, complementary to the response to the material IROs.

Targets (S2-5)

Target	2026	2027	2028
Supplier Code of Conduct	Approval and dissemination	Integration into framework contracts	Review
% of strategic suppliers ESG-assessed	Methodology · 25% of new entrants	100% of new + 50% of strategic	100% of new + 75% of strategic
Reporting of subcontractor accidents on sites	Definition of the method	First Group consolidation	Trajectory aligned with the LTIFR
Confirmed serious incidents - human rights, value chain	0	0	0

Limitations

The Group does not yet have direct dialogue with the workers concerned, on-site social audits, or consolidated Group-level indicators on these matters; its capacity to influence also remains uneven across purchasing categories. These limitations shape the 2026–2028 roadmap and will be re-examined at the next review of the due diligence exercise and of the double materiality assessment (2027).

7.4 Customers & end users

Customers and end users are a doubly material stakeholder group for the Group. The double materiality assessment selected three matters: customer health and safety (Major), access to quality information (Major) and customer satisfaction (Strong). These matters follow directly from the nature of BWG's products - pressure equipment in intensive and long-term use, whose failure may entail a serious risk for the end user, identified as a "very severe" impact in the human rights due diligence (§7.2).

User safety is built in from the design stage and throughout the life cycle of the equipment. The Group's products are designed, manufactured and assessed in accordance with the regulations applicable to pressure equipment in each jurisdiction where they are placed on the market. Within the European Economic Area, this covers Directive 2014/68/EU on pressure equipment and its national transpositions, together with the associated harmonised standards, evidenced by this regulatory requirement constitutes the foundation of the product safety policy, complemented by the quality management system (ISO 9001).

7.4.1 Dialogue with customers

Annual customer satisfaction survey programmes are run by the Group's various subsidiaries, and their results feed the continuous improvement of the offering and of the service. Customer feedback is escalated to the product lines and the sales management teams.

7.4.2 Management of incidents and non-conformities

Any complaint or non-conformity reported is the subject of local management ensuring traceability, analysis and treatment. The Group's after-sales service network provides on-site intervention, and non-conformities are subject to structured monitoring.

7.4.3 Actions and access to information

In order to prevent the risks linked to the use of our products, BWG is able to train its customers in the use and operation of boilers and equipment, training that is integrated into the service offerings of some of our subsidiaries.

Technical documentation (installation, operating and maintenance manuals) is supplied in the languages of the markets served, a condition of the safe use of the equipment. The multi-level repair and maintenance capability contributes directly to maintaining safe conditions throughout the service life.

8. Governance, Ethics & Compliance (ESRS G1)

ESRS reference: G1-1 (Corporate culture & ethics), G1-2 (Supplier management), G1-3 (Anti-corruption)

8.1 Corporate culture & Code of Conduct

The Group Code of Conduct sets the ethical standards expected of all BWG employees and partners. It covers in particular the anti-corruption policy, whistleblower protection, conflicts of interest and competition rules. In order to avoid redundancy, this chapter focuses on compliance arrangements: ethical governance (Group Ethics Committee) is described in §1.2.8, the body of policies applicable to the workforce in §6.1, and the whistleblowing mechanism for employees in §6.2.

- Revision of the Code of Conduct under way to incorporate the whistleblower channel
- BW Academy Code of Conduct e-learning: creation planned during 2026

8.2 Anti-corruption programme (Sapin II Act)

In 2025, the Group commissioned EY to produce a corruption risk mapping. Its conclusions served as the basis for a Sapin II compliance action plan, whose training component is delivered by the BW Academy.

An e-learning module dedicated to corruption prevention was defined in 2025; its translation is under way, for a launch expected in the second quarter of 2026. A second module, devoted to the Code of Conduct, is being created during the 2026 financial year (cf. §8.1) and will be deployed from 2027.

As neither of these two modules was available in 2025, the share of employees trained starts from a zero base, from which the Group has set itself the following targets:

Indicator	Baseline	2026 target	2028 target
% of employees trained in anti-corruption	0% (2025)	30% (2026)	90% (2028)

8.3 Whistleblowing channel

The Group reporting channel has been created and will shortly be in a test phase run by the various zones. Its full deployment will include global communication and integration into the BWG website. Named **BeSignal,** this channel is open to employees, subcontractors and third parties (cf. §6.2) and guarantees the confidentiality of reports in accordance with Directive (EU) 2019/1937.

8.4 Export control & international sanctions

In accordance with the Code of Conduct and the Business Integrity Policy (BWG-POL-GOV-01), the Group applies a compliance framework for international sanctions regimes and export control.

Any direct or indirect export of goods and services to States, entities or persons appearing on sanctions lists (UN, European Union, OFAC) is subject to prior verification.

This framework is governed by two dedicated Group procedures (BWG-ETH-SP01 and BWG-ETH-SP02), covering counterparty screening and the management of embargoes and export restrictions.

In addition, Sales Contract Validation Rules require, before any signature, verification of the integrity of the counterparties and of the final destination of the equipment, with graduated validation thresholds and mandatory escalation to the Group Legal Department in the event of doubt as to the regularity of a transaction.

No transaction may be concluded towards a destination under embargo or restriction without prior validation.

8.5 EcoVadis & external ESG performance

BWG steers an EcoVadis Group trajectory for its main production sites, with an objective of progressive improvement in the average rating.

Indicator	Baseline and 2025 results	2026 target	2028 target
Average EcoVadis score (5 sites)	**Baseline ~59.5/100 (2024)**	**63/100**	**70/100**
Standard Fasel (Neth-er-lands)	**TOP 10% - 74/100 (2025) - Silver | Top 15%, Nov. 2025** 	**TOP 5% targeted**	**-**
BWF (France)	**TOP 13% - 73/100 (2025) - Silver | Top 15%, Jan. 2026** 	**TOP 10% targeted**	**-**
PARAT (Norway)	**TOP 25% - 67/100 (2025) - Bronze | Top 35%, Jan. 2026** 	**TOP 15% targeted**	**-**
BWI (Italy)	**TOP 23% - 67/100 (2025) - Bronze | Top 35%, Nov. 2025** 	**TOP 15% targeted**	**-**
VKK (Germany)	**N/A**	**Results June 2026 (first as-sessment)**	**Bronze**

9. ESG KPI Dashboard & Appendices

ESRS reference: ESRS 2 MDR-M - ESG performance indicators

9.1 Group ESG KPI dashboard - 8 pillars

The statuses below reflect the state of progress of the 2026–2028 ESG Plan (§4.3) as at the date of publication of this report, and not a performance recorded for the closed 2025 financial year, which is the only year covered by the quantitative data in Chapters 1 to 8.

Indicator / Action	Status	Baseline	2026 target	2027 target	2028 target
PILLAR 01 - ESG Governance					
ESG incentive scheme (MbO) – COMEX scope. KPI: % of COMEX members covered by an ESG objective (MbO)	**Com-pleted**	Scope: 100% of the COMEX and of BWG support functions	100%	-	-
Establishment of the Zone ESG Steering Committee (governance of the 8 pillars). KPI: governance document for the Zone ESG Committee	**Delayed**	-	75% of Group reve-nue covered by ESG governance	-	-
Double materiality assessment (DMA) & ESRS gap analysis. KPI: DMA report & IRO mate-riality matrix	**Com-pleted**	Completed (2025)	Update of the DMA	Update	Update
PILLAR 02 - Carbon & Energy					
Annual collection of GHG data (Scopes 1, 2 and 3). KPI: absolute tCO_2e Scopes 1+2 (location-based and market-based); tCO_2e Scope 3 intensi-ty (per revenue and per MW installed)	**Com-pleted**	Confirmation of the 2023 base-line year	Scopes 1+2: –12.6%; Scope 3: –21%	Scopes 1+2: –16.8%; Scope 3: –28%	Scopes 1+2: –21%; Scope 3: –35%
Green electricity sourcing (Guarantees of Origin). KPI: % of electricity consumption covered by GOs	**Com-pleted**	Confirmation of the rate	98%	98%	98%
Decarbonisation trajectory of the vehicle fleet (electric vehicles). KPI: % of electric vehicles in the fleet	**In pro-gress**	9% at end 2025	20%	27%	35%
Energy audit and energy efficiency plan. KPI: % reduc-tion in natural gas consump-tion vs 2025 baseline	**In pro-gress**	9,200 MWh (BWG, 2025)	8,200 MWh (–15% Nérac & Köthen sites)	6,700 MWh (–60% Nérac, –30% Köthen)	To be determined
Submission of the near-term SBTi target & Climate Policy. KPI: SBTi decarbonisation plan submitted and validated	**In pro-gress**	Commitment made (Nov. 2025)	Submission V1.3.1	Validation	Trajectory monito-ring
Product LCA and eco-design (BWF / PARAT). KPI: LCAs delivered / online calculator	**In pro-gress**	BWF pilot completed	PARAT LCA	Deployment	EPD roadmap
PILLAR 03 - Health & Safety (HSE)					
Lost-time injury frequency rate trajectory (LTIFR) – acci-dent reduction. KPI: LTIFR	**In pro-gress**	17.2	–10% vs baseline	–20% vs baseline	–25%/year vs baseline
Root cause analysis for every LTI & HiPo. KPI: % of LTIs & HiPos covered by a root cause analysis in the BWG incident register	**In pro-gress**	80%	> 90%	100%	100%
Update of the OHS maturity model & deployment of the roadmap. KPI: OHS maturity level	**Delayed**	Confirmation of the level	Definition of the target	-	-
ISO 45001 certification – occupational health and safety (VKK / BWF). KPI: % of reve-nue covered by ISO 45001 certification	**In pro-gress**	40%	60%	80%	Certified
Deployment of behaviour-based safety (BBS) training – priority targets: BWF / VKK. KPI: % of the target population trained	**In pro-gress**	To be defined by Zone/Factory	Management teams	Operational staff	-

PILLAR 04 - Responsible Procurement & Supply Chain					
Responsible Procurement - local integration (buyer train-ing). KPI: % of local buyers trained in Responsible Pro-curement	**Delayed**	-	100% of Procure-ment Managers & Commodity Manag-ers trained	50% of the purcha-sing workforce	80% of the purcha-sing workforce
Responsible Procurement - strategic supplier mapping & ESG assessment. KPI: % of strategic suppliers covered by an ESG assessment	**To start**	-	Mapping / definition of rules and ques-tionnaire + 25% of new suppliers (from Q4 2026)	100% of new suppliers + 50% of identified strategic suppliers	100% of new suppliers + 75% of identified strategic suppliers
Responsible Procurement - supplier ESG audit programme. KPI: % of strategic suppliers covered by an ESG audit	**To start**	-	Mapping / definition of rules	100% of the strate-gic suppliers con-cerned	100% of the strate-gic suppliers con-cerned
Human rights due diligence (HRDD). KPI: risk assessment & mitigation plan	**Com-pleted**	Completed (2025)	Annual review	Update	Update
PILLAR 05 - Diversity, Equity & Inclusion (DEI)					
Local DEI action plan & report-ing. KPI: % of women in man-agement positions	**To start**	-	Value to be con-firmed, then no negative drift to be observed	-	-
Local DEI action plan & report-ing. KPI: adjusted gender pay gap (%)	**To start**	-	Calculation on conso-lidated data (mana-gement positions)	Calculation across all positions + definition of a target	-
PILLAR 06 - Business Ethics & Compliance					
Anti-corruption & Code of Conduct training (BW Acade-my). KPI: % of employees trained in anti-corruption / the Code of Conduct	**In pro-gress**	0%	30% (anti-corruption); 0% (Code of Conduct)	60%; 30%	90%; 60%
Whistleblowing channel – communication and local testing. KPI: number of reports received / 1,000 employees	**In pro-gress**	Monitoring indicator	-	-	-
Corruption risk mapping (Sapin II) & Ethics Committee. KPI: risk mapping & Ethics Commit-tee minutes	**Com-pleted**	Completed (2025)	Annual update	Update	Update
PILLAR 07 - Environmental Management					
ISO 14001 environmental management system (VKK / BWF). KPI: % of factories covered by ISO 14001 certifi-cation	**To start**	60%	60%	80%	100%
PILLAR 08 - Business Value & ESG Differentiation					
EcoVadis score (Group aver-age) - official commitment. KPI: EcoVadis score (Group average) / medals	**In pro-gress**	69/100 in 2025 (ex-cluding VKK)	SLL: 63/100; internal target: TOP 15	SLL: 67/100; internal target: TOP 12	SLL: 70/100; internal target: 70 to 80/100 – TOP 10
Publication of the annual Sustainability Report. KPI: annual sustainability report published	**In pro-gress**	No annual report yet (2025: first year)	Publication of the 2025 report struc-tured with reference to the ESRS (high-lighting positive impacts)	Annual report including a quanti-fied “benefits of decarbonisation” section	Fully CSRD-compliant report (audited by a third party)
% of the sales force trained in the ESG value proposition & sustainability arguments. KPI: % of the sales force trained	**To start**	No structured module	Module build + 100% of Sales Di-rectors & Key Account Manag-ers trained	100% of Sales Directors & KAMs + 50% of the sales force	80% of the sales force trained

9.2 Methodological note

9.2.1 Reporting boundary

The boundary of this sustainability report covers all Babcock Wanson Group entities consolidated at 31 December 2025. Environmental data are collected via the Tennaxia platform. Social data are the subject of a structured collection campaign planned for Q1 2026, conducted internally on an annual basis.

9.2.2 Level of assurance

This first sustainability report is published on a voluntary basis, Babcock Wanson Group not being subject to the CSRD reporting obligation for the 2025 financial year. Its structure draws on the ESRS in order to prepare the Group progressively for future reporting requirements. The report has not been the subject of a limited assurance engagement within the meaning of the CSRD. Certain data or methodologies have, however, been the subject of specific external reviews, set out in this methodological note.

9.3 ESRS concordance table

The table below operates at the level of each Disclosure Requirement (DR) and no longer at the level of the ESRS chapter, in order to avoid any confusion as to the actual degree of coverage. The "Location" column refers to the exact section of this report; the "Status" column distinguishes Covered / Partial / Not covered / Not material - no DR is marked "Covered" unless the information is effectively present in the report.

BWG not being subject to the CSRD obligation for the 2025 financial year, this table serves as a preparation roadmap and does not constitute a statement of conformity.

Requirement	Subject	Location	Status	Comment
ESRS 2 - General disclosures (cross-cutting foundation)				
ESRS 2 GOV-1	Role of the adminis-trative, man-agement and supervisory bodies (AMSB)	§1.2.1–1.2.2	**Covered**	COMEX + strategic supervision described; composition/diversity of the bodies to be detailed.
ESRS 2 GOV-2	Information of the governance bodies on ESG matters	§1.2.2–1.2.4	**Covered**	SteerCo and reporting to the COMEX formal-ised.
ESRS 2 GOV-3	Integration of ESG into incentive schemes	§1.2.6	**Covered**	COMEX ESG MbO (5% of bonus); relative weight of criteria to be specified.
ESRS 2 GOV-4	Statement on due diligence	-	**Not covered**	No summary statement linking the 8 key elements of due diligence (cross-reference to §7.2/8.2 to be made).
ESRS 2 GOV-5	Risk management & internal control of ESG reporting	-	**Not covered**	Internal control framework over ESG data (Tennaxia, Deloitte review) not formalised as such.
ESRS 2 SBM-1	Strategy, business model and value chain	§2.1	**Covered**	Value chain mapping available.
ESRS 2 SBM-2	Interests and views of stakeholders	§3.2	**Covered**	Stakeholder prioritisation car-ried out (2024 analysis).
ESRS 2 SBM-3	Material IROs and interac-tion with strategy	§3.3	**Covered**	Double materiality matrix + summary of material matters.
ESRS 2 IRO-1	Process for identifying and as-sessing IROs	§3.1	**Covered**	Four-step methodology, 30% materiality threshold, three-year review cycle.
ESRS 2 IRO-2	DRs covered by the sustai-nability statement	§9.3 (this table)	**Covered**	The very subject of this concordance table.
MDR-P/A/M/T	General requirements - Po-licies / Actions / Metrics / Targets	Cross-cut-ting (chap. 4 to 8)	**Partial**	Applied inconsistently across chapters; formalisation to be harmonised (former MDR-P/A/M/T).
ESRS E1 - Climate change				
E1-1	Climate transition plan	§4.2	**Partial**	Transition plan outlined (SBTi); CapEx/OpEx and quantified levers to be completed.
E1-2	Climate policy	§4.3	**Covered**	BWG Climate Policy approved by the CEO.
E1-3	Climate actions and resources	§4.5	**Covered**	EV fleet, electricity GOs, industrial decarboni-sation (Nérac, Cavenago), energy sobriety.
E1-4	Climate targets	§4.4	**Covered**	Scope 1+2 and Scope 3 targets aligned with SBTi (2023 base).
E1-5	Energy consumption and mix	§4.6	**Partial**	Breakdown by energy source and by use (ESRS) to be refined.
E1-6	Gross GHG emissions (Scopes 1, 2, 3)	§4.7	**Covered**	Consolidated 2023–2025 footprint, Scope 3.11 detailed (proprietary methodology).
E1-7	GHG removals & carbon credits	§4.9	**Partial**	Section present but no formalised carbon credit policy (no use at this stage).
E1-8	Internal carbon pricing	§4.9	**Not covered**	No internal carbon price deployed to date.
E1-9	Anticipated financial effects (physi-cal and transition risks/opportunities)	-	**Not covered**	Quantification of anticipated financial effects not carried out; depends on the physical risk mapping (§4.10).

E1 (physical risks)	Identification of physical climate risks & resilience	§4.10	**Partial**	Initial qualitative points of at-tention (Nérac, PARAT); struc-tured TCFD-type mapping to be carried out.
ESRS E2 - Pollution				
E2-1	Pollution management policies	§5.3.1	**Partial**	Boundary of the matter explained; formal policy not adopted.
E2-2	Actions and resources - pollution	§5.3.2–5.3.3	**Partial**	NOx design levers and VOC actions by site described; resources not quantified.
E2-3	Pollution reduction targets	-	**Not covered**	No quantified target published.
E2-4	Air, water and soil pollution (quanti-fied data)	§5.3.2–5.3.3	**Partial**	NOx addressed qualitatively; VOCs given as an order of magnitude at Group level, with-out site-by-site detail.
E2-5	Substances of concern and of very high concern	-	**Not covered**	Subject not addressed in this version of the report.
E2-6	Anticipated financial effects - pollution	-	**Not covered**	-
ESRS E3 - Water and marine resources				
E3-1	Policies - water and marine re-sources	§5.4	**Partial**	Water and waste section quantified; no formalised water policy.
E3-2	Actions and resources - water	§5.4	**Partial**	Water stress screening scheduled for 2026.
E3-3	Targets - water consumption	-	**Not covered**	No quantified water consumption reduction target.
E3-4	Water withdrawal and consumption (quantified data)	§5.4	**Partial**	Absolute withdrawals published by site over 2 financial years, Nérac/Lavardac consolidat-ed.
E3-5	Anticipated financial effects - water	-	**Not covered**	-
ESRS E4 - Biodiversity and ecosystems				
E4 (DR 1 to 5)	Policies, actions, targets, impacts on biodiversity	§3.3.1 (men-tion)	**Not material**	Matter judged non-material for the Group following the 2024 DMA (no DR required at this stage).
ESRS E5 - Resource use and circular economy				
E5-1	Policies - circular economy	§5.5.1	**Covered**	Group approach formalised (durable design, repairability, material frugality).
E5-2	Actions and resources - circular economy	§5.5.2–5.5.4	**Covered**	Repairable equipment, local anchoring, usage-based models (boiler rental).
E5-3	Targets - circular economy	§5.5.5	**Partial**	ISO 14001 ambition cited; quantified circu-larity targets (recycling rate, etc.) to be defined.
E5-4	Resource inflows (raw materials)	§5.5.3	**Partial**	Material frugality described qualitatively; volumes/tonnages to be quantified.
E5-5	Resource outflows / waste	§5.4	**Partial**	Overall 2025 tonnages published.
ESRS S1 - Own workforce				
S1-3	Remediation processes / employee reporting channel	§6.2	**Covered**	BeSignal channel referenced.
S1-4	Actions on material impacts & effectiveness	-	**Not covered**	No explicit link between actions and the material impacts identified in the DMA (quali-ty of working life, training).
S1-5	Targets relating to employees	-	**Partial**	Specific targets (LTIFR, training) scattered across the ESG Action Plan (chap. 9), not consolidated here.
S1-6	Characteristics of employees	§6.3	**Partial**	Headcount described; breakdown by gender and by country to be completed.
S1-7	Characteristics of non-employees (agency workers, etc.)	§6.3	**Partial**	Partial mention; volumes to be specified.
S1-8	Collective bargaining coverage & social dialogue	-	**Not covered**	Collective bargaining coverage rate not published.
S1-9	Diversity indicators	§6.4	**Partial**	Structured 2025 DEI approach; % of women in management being consolidated.
S1-10	Adequate wages	-	**Not covered**	No adequate wage attestation / comparison with reference thresholds.
S1-11	Social protection	-	**Not covered**	Social coverage (sickness, unemployment, retirement, invalidity) not reported.
S1-12	Persons with disabilities	§6.4	**Partial**	Not detailed beyond the general DEI ap-proach.
S1-13	Training and skills development	§6.6	**Covered**	BW Academy and deployment of the Group LMS described.
S1-14	Occupational health and safety	§6.7	**Covered**	LTIFR, Safety Week, H&S maturity de-tailed.

S1-15	Work-life balance	§6.8	**Partial**	Section present; quantitative indicators (leave, part-time) to be enriched.
S1-16	Remuneration (pay gap, remune-ration ratio)	§6.5	**Partial**	ESG variable remuneration described; gen-der pay gap being consolidated at Group level.
S1-17	Incidents, complaints and severe human rights impacts	§6.8	**Partial**	Framework mentioned; consolidated inci-dent history to be formalised.
ESRS S2 - Value chain workers				
S2-1	Policies - value chain wor-kers	§7.1.1	**Partial**	Responsible Procurement Charter covers human rights; dedicated S2 policy to be dis-tinguished.
S2-2	Processes for engaging with value chain workers	§7.2.2	**Partial**	Stakeholder engagement mentioned within the HRDD framework.
S2-3	Remediation processes / value chain reporting channel	§7.2.3	**Partial**	HRDD governance and monitoring described; dedicated supplier channel not confirmed.
S2-4	Actions on impacts (HRDD)	§7.2.1–7.2.2	**Covered**	HRDD 2025 (SHIFT / UNGP methodology): identification, prioritisation, mitigation plan.
S2-5	Targets - value chain workers	-	**Not covered**	No quantified target published (e.g. % of suppliers audited on the social strand).
ESRS S3 - Affected communities				
S3 (DR 1 to 5)	Policies, actions, targets, impacts on affected communities	§3.3.1 (men-tion)	**Not material**	Matter judged non-material for the Group following the 2024 DMA.
ESRS S4 — Consumers and end users				
S4-1	Policies - consumers and end users	§7.4	**Partial**	Customer dialogue described; formal dedicated policy to be made explicit.
S4-2	Processes for engaging with customers	§7.4.1	**Covered**	—
S4-3	Remediation processes / customer complaints	§7.4.2	**Covered**	Management of incidents and non-conformities described.
S4-4	Actions on impacts (safety, access to infor-mation)	§7.4.3	**Covered**	Actions and access to information formalised.
S4-5	Targets — consumers and end users	—	**Not covered**	No quantified target (e.g. satisfaction rate, complaint handling time).
ESRS G1 — Business conduct				
G1-1	Corporate culture and business conduct policies	§8.1	**Covered**	Code of Conduct and corporate culture described.
G1-2	Management of relationships with suppliers	§7.1.1	**Partial**	Responsible Procurement Charter exists; the "pay-ment practices / negotia-ting power" strand (G1-2) not addressed — yet a mat-ter scored "Strong" in the DMA (§3.3.3).
G1-3	Prevention and detection of corruption	§8.2	**Covered**	Sapin II programme, risk mapping (EY), Ethics Committee.
G1-4	Confirmed incidents of corruption	—	**Not covered**	No count of confirmed incidents / sanctions published.
G1-5	Political influence and lobbying activities	—	**Not covered**	Not addressed.
G1-6	Payment practices (supplier payment times)	—	**Not covered**	Supplier payment times not published.
G1 (whistleblowing)	Reporting channel (whistleblower protection)	§8.3	**Covered**	BeSignal channel; matter scored "Major" in impact materiality (§3.3.3).

Entity-specific matters (outside the topical ESRS standards)				
Entity-specific	Data protection (cross-cutting)	—	**Not covered**	Matter scored "Major" in impact materiality (§3.3.3) but without a dedicated ESRS standard; entity-specific disclosure to be built (ESRS 1, fair presentation).
Entity-specific	Export control & international sanctions	§8.4	**Covered**	Addressed as entity-specific, outside the strict G1 boundary.
Entity-specific	External ESG rating (EcoVadis)	§8.5	**Covered**	Monitoring of EcoVadis performance at Group and subsidiary level.

9.4 Glossary

CapEx / OpEx	Capital Expenditure / Operating Expenditure
LCA	Life Cycle Assessment
BBS	Behaviour Based Safety — a prevention approach based on observing work situations and reinforcing safe behaviours
CapEx / OpEx	Capital Expenditure / Operating Expenditure
EWC (social dialogue)	European Works Council — body for informing and consulting employee representatives on matters with transnational impact (Directive 2009/38/EC)
CEE (energy)	Certificats d'Économies d'Énergie — French energy saving certificates scheme requiring energy suppliers to finance energy efficiency actions among end consumers
COMEX	Executive Committee
VOC	Volatile Organic Compounds
DEI	Diversity, Equity and Inclusion
DMA	Double Materiality Assessment — identification of material matters with regard both to the company's impacts on its environment and to its financial exposure
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EDEW	European Disability Employment Week
EFRAG	European Financial Reporting Advisory Group (the European body that developed the ESRS standards)
EPD	Environmental Product Declaration — a standardised document (ISO 14025) publishing the verified results of an LCA
FTE	Full-Time Equivalent — unit of measurement of headcount, converting part-time positions into full-time equivalents
ESRS 1 / ESRS 2	Cross-cutting ESRS standards: ESRS 1 (general principles) and ESRS 2 (general disclosures)
GHG Protocol	Greenhouse Gas Protocol — the international framework for accounting for GHG emissions, on which Scopes 1, 2 and 3 are based
GO	Guarantees of Origin — certificates attesting the renewable origin of the electricity purchased, used to calculate Scope 2 emissions under the market-based method
GPEC	Workforce and skills planning - anticipation of employment and skills needs (now GEPP, management of jobs and career paths, under French law)
BMS / CTM	Building Management System / Centralised Technical Management - systems for supervising and automat-ically controlling a building's technical equipment (heating, ventilation, lighting, consumption)
HiPo	High Potential incident - an event with no serious actual consequence but presenting a high potential severity; HiPos are subject to root cause analysis on the same basis as lost-time injuries
HRDD	Human Rights Due Diligence
HSE	Health, Safety, Environment

ICPE	Installations Classées pour la Protection de l'Environnement - the French authorisation, registration or declaration regime applicable to industrial installations presenting risks or nuisances; equivalent regimes apply in the other countries of operation
IRO	Impacts, Risks and Opportunities - the units of analysis of double materiality under the ESRS
ISO 14001	International environmental management standard
ISO 45001	International occupational health and safety management standard
KPI	Key Performance Indicator
LMS	Learning Management System
Location-based / Market-based	Methods for accounting for Scope 2 emissions: average grid energy mix (location-based) vs the company's own energy purchase contracts, e.g. Guarantees of Origin (market-based)
M&A	Mergers & Acquisitions
MbO	Management by Objectives - annual individual objectives scheme underpinning variable remuneration
MTC / FAC	Medical Treatment Case / First Aid Case - injury requiring medical treatment without time off work / injury treated by first aid
NOx	Nitrogen oxides
OFAC	Office of Foreign Assets Control - the United States authority responsible for economic sanctions
ILO	International Labour Organization
GCV	Gross Calorific Value - convention for accounting for the energy contained in a fuel, including the latent heat of condensation of the water vapour in the flue gases (as opposed to NCV, net calorific value)

PED / CE marking	Pressure Equipment Directive - Directive 2014/68/EU on pressure equipment and its national transposi-tions; the CE marking materialises the product's conformity with the essential safety requirements and the applicable harmonised standards
QWL (QVCT)	Quality of working life and working conditions - a concept arising from the French national interprofes-sional agreement of 9 December 2020, covering work organisation, occupational health and professional dialogue
Sapin II	French Act No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life
Scope 1, 2, 3	Categories of GHG emissions under the GHG Protocol: 1 = direct emissions, 2 = indirect emissions linked to energy, 3 = other indirect emissions in the value chain
SBTi	Science Based Targets initiative - initiative validating GHG emission reduction trajectories aligned with the Paris Agreement
SHIFT / UNGP	The methodology and the United Nations Guiding Principles on Business and Human Rights, used for the Group's human rights due diligence


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