

The logo for Basler, featuring the word "BASLER" in a bold, white, sans-serif font. To the right of the text is a stylized white graphic element consisting of a curved line that starts under the 'R' and arches upwards and to the right, resembling a checkmark or a swoosh. The logo is set against a background of blurred green foliage and warm sunlight filtering through the leaves.

BASLER

Sustainability 2025

**Our Values and Our Responsibility
For Today and the Future**



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Foreword by the Chair of the Supervisory Board

Dear Readers,

As a listed company, we are particularly conscious of our responsibility in the areas of Profit (Economic), People (Social) and Planet (Environmental) – the three pillars of sustainability management – as well as good corporate governance. Sustainable management is something we believe in deeply. We are willing, have competence and have already begun to invest in a sustainable world. In doing so, we seize the opportunities that our efforts also offer to enhance our economic success. At a time when sustainability is of paramount importance, we are aligning our strategies with new regulations, comprehensive analyses and forward-looking plans to ensure our long-term resilience and success.

Navigating the EU CSRD

The European Union's Corporate Sustainability Reporting Directive (EU CSRD) is a significant milestone on our path towards greater transparency and accountability. This directive expands the scope of reporting to a broader range of sustainability factors and requires stringent disclosure obligations. At Basler Aktiengesellschaft (hereinafter "the Company"), we view the EU CSRD as an opportunity to enhance our sustainability practices and provide our stakeholders with a clear and comprehensive picture of our ESG performance. By reporting in line with the ESRS, we aim to contribute to a more sustainable and equitable future while positioning ourselves as a leader in responsible business practices.

Double Materiality Assessment: A Comprehensive Approach

Our sustainability strategy is based on a double materiality assessment, which we use to assess the impact of our activities on the environment and society as well as the financial impact of sustainability issues on our business. This approach ensures that not only do we mitigate risks, we also capture opportunities that emerge from a rapidly changing global environment. Integration of double materiality into our decision-making processes enables us to better anticipate and respond to the needs of our stakeholders.

Focus of the ESG Agenda: Climate Change and Responsible Sourcing

Climate change and responsible sourcing are at the heart of our ESG agenda. Climate change is among the most serious challenges of our time, and we are determined to contribute to confronting this immense task. A pivotal component of our sustainability agenda is our climate transition plan, which describes our journey to achieving net-zero emissions and building climate resilience. Included in this plan are initiatives such as using renewable energy sources, improving energy efficiency and developing sustainable products. We also attach great importance to a conflict-free supply chain and do so by promoting ethical procurement practices and consistently endeavoring to ensure that all materials and products are sourced and produced under fair conditions.



In conclusion, it would be reasonable to say that the path to sustainability is continuous and constantly changing. At Basler, we are proud of the progress we have made and determined to move forward, driven by our core values and the expectations of our stakeholders. This report is a testimony to our ongoing efforts and a roadmap for our future endeavors. We invite you to join us on this path as we work together to create a better and more sustainable world. Here at Basler, the Executive Board and Supervisory Board are responsible for sustainability and for defining its strategy and objectives. This responsibility is an integral part of our value system and the Basler culture.

Wishing you a delightful reading experience!

Yours,

K. Basler





“Improving the quality of life with computer vision is far more than a marketing slogan here at Basler – it is at the heart of what we do and embody.”

Computer vision presents revolutionary opportunities to make the world more sustainable: our products optimize processes, support the production and operation of future-oriented, sustainable technologies and encourage transition to a functioning circular economy. At the heart of this commitment is Basler's core expertise: innovation. We can only shape a world in which economic progress is in harmony with social and ecological responsibility by embracing visionary approaches and continuous development – for a liveable present and future.”

Hardy Mehl, CEO

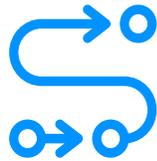


Basler Sustainability Highlights 2025



1,068 t CO₂e

Reduction in GHG emissions
(Scopes 1 & 2, market-based)
see page 50



56 %

Responsible supply chain
see page 104



79 t CO₂e

Reduction in GHG emissions
(Scopes 1 & 2, location-based)
see page 56



33.8 %

Share of taxonomy-eligible capital expenditure
see page 37



0

Accidents at work
see page 94



-50 %

Whistleblower reports vs. 2024
see page 123



7.5

Training hours per employee
see page 93



€4.73m

Taxonomy-eligible sales
see page 37



Executive Summary

For the 2025 financial year, Basler Aktiengesellschaft and its subsidiaries (hereinafter referred to as the 'Group') reports on the topics of climate change, pollution, resource use and the circular economy, own workforce, workers in the value chain, consumers and end-users, and business conduct. In addition, the EU Taxonomy disclosures are presented. The range of topics is consistent with the prior year 2024, ensuring continuity of reporting content.

The basis for reporting is the materiality assessment in accordance with double materiality. Direct involvement of various internal and external stakeholder groups in the assessment of material sustainability issues enables a thorough identification of impacts, risks and opportunities (IROs) both in the context of sustainability and for the Group's business model. The identified material topics and their associated IROs form the basis for the scope and focus of reporting as well as for the derivation and prioritization of strategies, actions and targets.





Targets & Actions

Since 2024, the Group has pursued two targets for the most important sustainability issues, namely climate neutrality and responsible sourcing.

The Group is committed to achieving net-zero greenhouse gas emissions from its own business activities (Scope 1 and Scope 2) by 2030 in order to reduce its own impact on climate change. In this regard, reductions of 17% (location-based) and 63% (market-based) respectively have already been achieved in the 2024 and 2025 financial years compared to the 2022 base year. This was accomplished, among other things, through the switch to green electricity at the largest production site in Ahrensburg as well as through investments as part of the climate transition plan. In order to achieve the climate target, increasing investments are planned for the years ahead up to a potential total volume of €7.3m by 2030.

Within the context of responsible supply chains, the Group has defined the goal of being able to confirm that at least 75% of its purchasing volume is 'responsibly sourced' by the end of 2028. At the end of the 2025 financial year, 56% of the supply chain was able to meet this target.

Climate Assessment

For this report, the Scope 3 greenhouse gas emissions inventory introduced in the prior year has been continued in order to supplement the existing GHG inventory from the Group's own business activities (Scope 1 and Scope 2). Scope 3 emissions are caused in the upstream and downstream value chain. The expanded GHG inventory improves transparency regarding emission drivers along the value chain and provides the basis for prospectively extending the climate target to include Scope 3 emissions and for prioritizing reduction measures where material emissions arise. This requires the Group to be able to exert influence over material emission drivers in the value chain. The results confirm that over 95% of Group emissions are generated outside its own business activities – in particular during the use of Basler products by end customers and in the upstream production of materials and components for Basler Vision products.

EU Taxonomy

In the 2025 financial year, the Group reports taxonomy-eligible shares across all three taxonomy KPIs. Taxonomy-eligible revenue amounts to 2.1% and arises principally from enabling economic activities in the area of climate change mitigation. Taxonomy-eligible capital expenditure (CapEx) amounts to 33.8%, and taxonomy-eligible operating expenditure (OpEx) to 3.4%.

Combined Non-Financial Report 2025

01

1 General Information

1.1 General Disclosures (ESRS 2)

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1.1.1 Preliminary Remarks and Basis for Preparation of the Separate Combined Non-Financial Report

The company published its first sustainability report for the 2022 financial year in 2023. A continuous and rapid development in requirements for non-financial reporting has been noted ever since.

This combined non-financial report contains the non-financial group statement and the non-financial statement of the parent company and was prepared for compliance with Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) and the requirements according to Article 8 of Regulation (EU) 2020/852. Furthermore, the company's combined non-financial report (referred to in the following as 'non-financial statement') has been aligned with the requirements of the European Union Corporate Sustainability Reporting Directive (EU CSRD). The European Sustainability Reporting Standards (ESRS) were partially applied for this purpose. Under the partial application of the ESRS, the localization of the combined non-financial report within the combined management report was omitted, and the review of the disclosures in accordance with ESRS 2 GOV-1 based on the combined corporate governance statement was excluded.

This non-financial report was prepared with reference to the guidelines of the European Financial Reporting Advisory Group (EFRAG). The allocation of HGB matters to the ESRS topics and disclosure requirements is set out in Appendix III. Section 289c (2) no. 1 HGB is fulfilled by the disclosures in Chapters ESRS E1, ESRS E2 and ESRS E5, Section 289c (2) no. 2 HGB by ESRS S1 and ESRS S2, Section 289c (2) no. 3 HGB by ESRS S4 and Section 289c (2) no. 5 HGB by ESRS G1.

In the interests of continuity, the company's non-financial reporting for the 2025 financial year generally contains the metrics introduced in the prior year and

maintains the quality standard achieved. Any differences in definitions, methods or estimates compared to the prior year are indicated at the relevant points.

As in the 2024 financial year, the non-financial statement of the company and the group is again this year, on a voluntary basis, subject to an external audit with 'limited assurance' in accordance with ISAE 3000 (Revised).

Scope of consolidation and materiality thresholds

The content of the company's non-financial reporting for the 2025 financial year, as in the prior year, was prepared on a consolidated basis and reflects the scope of consolidation shown in the group's annual financial statements (see Chapter 1.1 of the Consolidated Management Report). Accordingly, all 10 companies of the Group worldwide are covered in this report.

One exception to this is the non-consolidated minority interest in Roboception GmbH, Munich, which was acquired in the 2024 financial year. As Roboception GmbH does not engage in business practices with material impacts, risks or opportunities for the company in the context of sustainability, the investment is not included in this non-financial report.

The group has opted against the exclusion of information relating to intellectual property, know-how or innovation in its non-financial report.



Time horizons

For the purposes of non-financial reporting, the group applies the time horizons defined in ESRS 1 (Chapter 6.4). 'Short-term' refers to one year, 'medium-term' to a period of between one and five years and 'long-term' to between five and ten years.

Upstream and downstream value chain

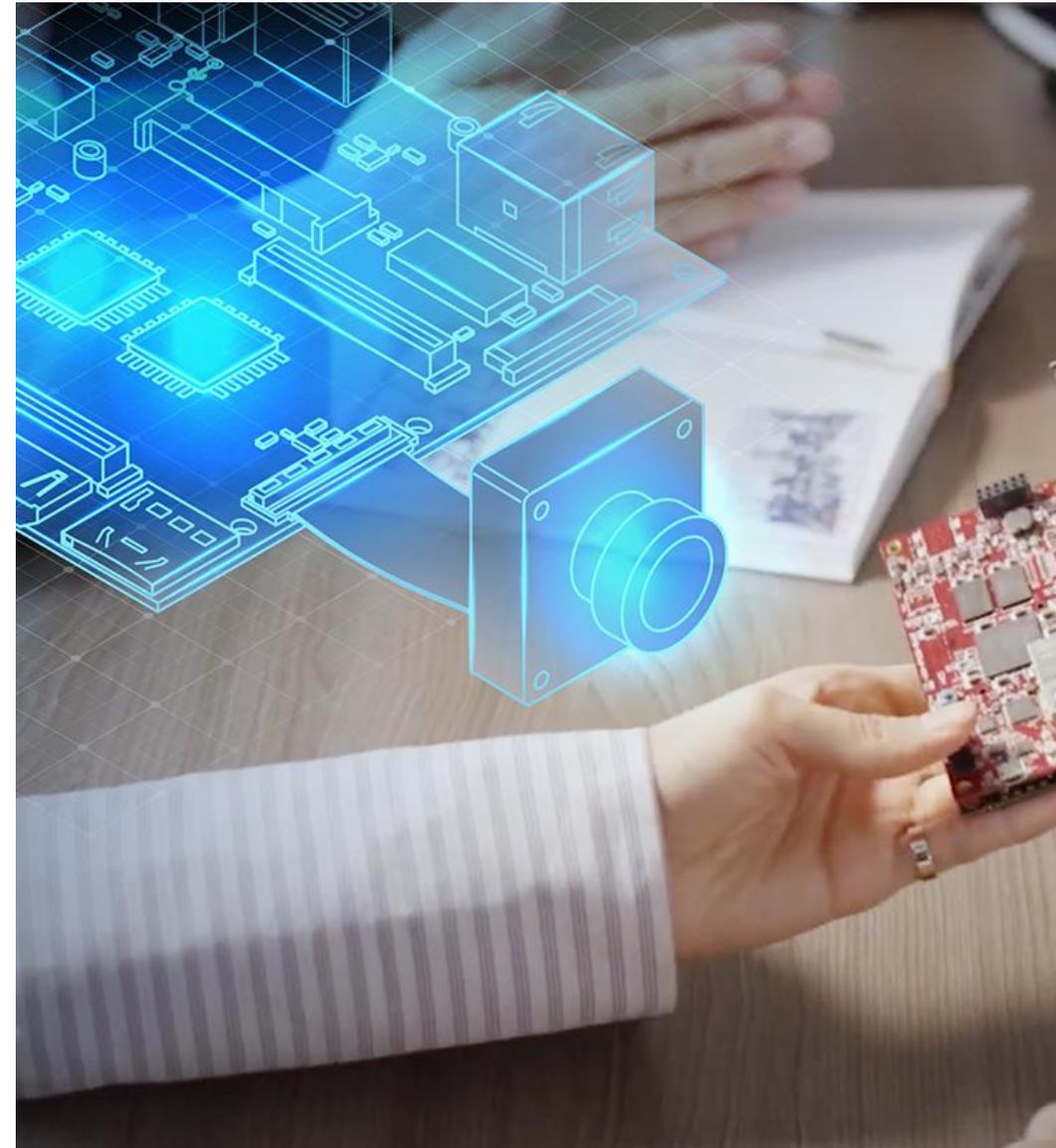
As a leading international manufacturer of computer vision components, the group's value chain extends from the extraction of raw materials, through the manufacture of electronic and electromechanical components, to the production of industrial cameras, frame grabbers and other components for vision systems and ultimately their use, as well as the disposal and/or recycling of Basler products.

Research and development, production and sales are elements in the value chain under direct control. All other activities, especially upstream activities, are part of a long and complex global value chain, which the group can only influence to a limited extent.

The group's value chain is mapped in detail in [ESRS 2, Chapter 1.1.4](#) and Figure 5.

Value chain estimates

The group's reporting on metrics concerning material sustainability aspects is based primarily on primary data, especially for those parts of the value chain that are under its direct control. Given the complexity and global nature of supply chains, primary data is not always available for upstream and downstream actors in the value chain, or not available in adequate quality. In such cases, the group uses estimates based on average data for the industry sector or other approximate





values. The use of estimated values is a temporary measure. The group is continually working to expand data availability through corresponding agreements with suppliers in the upstream value chain.

In this non-financial statement, estimated values were used for parts of the Scope 3 GHG emissions inventory, specifically for emissions resulting from procurement, employee commute, use phase and end-of-life treatment (recycling/disposal). The resulting estimation and measurement uncertainties are taken into account when assessing data quality and are to be reduced prospectively through the successive expansion of primary data.

Changes in preparation or presentation of sustainability information

In the course of preparing the 2025 sustainability information, prior-year values for the energy mix were retrospectively adjusted due to an error correction. The distribution of energy consumption across energy sources was revised, while total energy consumption remained unchanged (see [ESRS E1, Chapter 2.2.3](#) and Figure 11). Accordingly, energy consumption from fossil sources in the 2024 reporting year amounts to 5,424 MWh (prior to correction: 3,864 MWh) and energy consumption from renewable sources to 0 MWh (prior to correction: 1,560 MWh).

In addition, prior-year values for the disclosures on the number and percentage of male and female employees at the highest management level were adjusted as a result of a methodological change. The adjustment is based on the fact that, in accordance with the ESRS definition, the Executive Board is no longer included in the definition of the highest management level (see [ESRS S1, Chapter 3.1.3](#) and Figure 21). The values originally reported for the 2024 reporting year for the highest management level were 14 male and 3 female employees, corresponding to 82.25% and 17.65% respectively.



1.1.2 Governance

Administrative, management and supervisory bodies

Information on the composition, remuneration and diversity of the Supervisory Board and Executive Board, on the independence of the Supervisory Board and on the Compliance organization can be found in the consolidated corporate governance statement for the 2025 financial year (Chapter 6 of the Consolidated management report).

Prof. Dr. Mirja Steinkamp and Lennart Schulenburg, as members of the Supervisory Board and the Audit and Sustainability Committee, possess the required expertise and skills to monitor and audit sustainability aspects.

Prof. Dr. Mirja Steinkamp is a tax advisor, auditor and professor of auditing and corporate accounting. She worked for several years as an audit manager at the international auditing firm Ernst & Young GmbH and subsequently spent 14 years as an authorized signatory and executive in the finance department of a globally operating trading company. Due to her profound professional training, diverse work experience and long-standing role in various audit and sustainability committees, she possesses extensive knowledge and expertise in the application of accounting principles, the assessment of corporate governance systems, as well as the preparation and auditing of annual and consolidated financial statements, (consolidated) management reports and sustainability reporting. Furthermore, Prof. Dr. Steinkamp has been a Specialist Supervisory Board Member Sustainability/ESG (Interfin Forum) since 2023 and completed her training at the IDW (Institute of Public Auditors in Germany) for registration as an auditor of sustainability reports at the beginning of 2025.

Figure 1 – Management structure

	Executive Board	Supervisory Board
Executive members	3	0
Non-executive members	0	6
% independent members	–	83.33%
Employee representation	0	2
% male	66.67%	66.67%
% female	33.33%	33.33%
% diverse	0%	0%

This qualifies Prof. Dr. Steinkamp as a financial expert according to Section 100 (5) of the German Stock Corporation Act (AktG).

Lennart Schulenburg is the full-time managing partner of VisiConsult X-ray Systems & Solutions GmbH and has been part of the Supervisory Board of the company since 2022. He is a Qualified Supervisory Board Member and Specialist Supervisory Board Financial Expert (Interfin Forum) and has been a TÜV Nord-certified sustainability manager (ESG and CSR) since 2022.

The other Supervisory Board members have basic knowledge in the area of sustainability, which they acquired through exposure to and involvement in the group's sustainability practices and reporting in the years 2022 to 2025, as well as through training as qualified supervisory board members.



Moreover, the company draws on external expertise for GHG accounting in order to build on its internal competences and continuously improve the quality of non-financial reporting.

The interests of employees are represented by two employee representatives on the Supervisory Board. The organization of sustainability management and the role of the Executive Board and Supervisory Board are described in more detail as follows.

A separate workforce unit ('Administration') within the CFO's remit is responsible for managing the material impacts, risks and opportunities associated with sustainability. The unit is tasked with identifying the material sustainability issues, reporting and communicating them to stakeholders and the public, integrating sustainability matters into other management areas and managing specific projects for the targeted improvement of the sustainability impact, opportunities, risks and communication within the group.

Sustainability management is also involved in the approval of new and modified company processes and is classed on a par with quality, risk and compliance management. This ensures that sustainability aspects are taken into account in new and modified processes. Regardless of the project, the group's overseas company management is consulted for alignment at the end of the year, as part of the materiality analysis and for the preparation of the non-financial statement. Regular dialogue also takes place at this level during the year with regard to specific projects or the introduction of new guidelines.

Information and sustainability aspects

The sustainability manager regularly reports to the Head of Administration and the CFO on material impacts, risks and opportunities as well as on the status of relevant actions, projects and progress towards targets, and twice a year to the Audit

and Sustainability Committee of the Supervisory Board as part of the audit of non-financial reporting processes, as well as on an ad hoc basis.

Based on the materiality analysis, the Executive Board developed strategic indicators for material impacts, risks and opportunities – 'Objectives & Key Results' (OKRs) – in the 2024 reporting period. These are taken into account in the annual strategy process for monitoring and group management.

In the 2025 financial year, the Executive Board and Supervisory Board prioritized two sustainability issues that are material for the group and are measured by OKRs, which were initiated in the 2024 financial year:

- Progress towards climate neutrality by 2030 (Scope 1 and Scope 2),
- Establishment and continuation of measures within the framework of responsible sourcing.

The associated material impacts, risks and opportunities that the administrative, management and supervisory bodies addressed during the reporting period are described in more detail in [ESRS E1, Chapter 2.2](#) (Climate Change) and [ESRS S2, Chapter 3.2](#) (Workers in the Value Chain).

Integration of sustainability-related performance incentive schemes

The incentive schemes of the company are based on key financial performance indicators. In the 2025 financial year, sustainability-related performance was not included in the incentive schemes for administrative, supervisory and management bodies.



Due diligence, internal controls and risk management

Figure 2 – Core elements of due diligence

		Page	
Embedding due diligence in governance, strategy and business model		16	
Engaging with affected stakeholders in all key steps of the due diligence		21	
Identifying and assessing adverse impacts	E1 – 42	S1 – 80	G1 –117
	E2 – 63	S2 – 98	
	E5 – 70	S4 – 107	
Taking actions to address those adverse impacts	E1 – 45	S1 – 82	G1 – 117
	E2 – 64	S2 – 100	
	E5 – 72	S4 – 110	
Tracking the effectiveness of these efforts and communicating	E1 – 52	S1 – 85	G1 – 117
	E2 – 68	S2 – 104	
	E5 – 75	S4 – 113	

Where due diligence obligations are associated with specific sustainability matters, these are primarily handled by the respective departments. The Human Resources department monitors and is responsible for the impacts, risks and opportunities relating to employees; the Purchasing department for those relating to suppliers and arising along the supply chain; the Sales department for those relating to customers and downstream value creation; and Facility Management for those relating to greenhouse gas reduction at the company's own sites. Acting within the company, these departments assume group-wide responsibility in coordination with the foreign subsidiaries. Individual tasks for implementation can be delegated to them. The local management teams are responsible for site- and facility-specific safety, health, environmental and climate-related impacts or risks associated with

the activities of the respective individual companies. They report to the Executive Board, are involved in strategy development and in regular meetings of the executive circle. Sustainability Management at the company provides advice and supports data collection, analysis and management of the individual departments by performing technical analyses and providing expertise on requirements and implementation practice, particularly with regards to environmental, climate, human rights, diversity and cultural issues.

The risk and opportunity analysis underlying this report extends beyond the risk and opportunity report in the combined management report and contains a more detailed consideration of the material sustainability risks and opportunities. These are largely indirect, often have a longer time horizon than usual business risks and are exposed to greater uncertainty. Both risk and opportunity analyses are coordinated through the central risk and opportunity management system.

Risks are prioritized based on probability of occurrence and impact classifications. The probability of occurrence is assessed according to the criteria in Figure 3. The impact classifications are calculated annually on the basis of the group's equity. The most important risks identified can be found in [ESRS 2, Chapter 1.1.4](#) (Material sustainability impacts and risks of the business model). Strategies to address these risks are explained in the following individual chapters.

The strategies for addressing these and other risks are explained in detail in the topic-specific chapters of this non-financial report.

In the 2025 financial year, sustainability management accompanied the risk analysis process in regard to sustainability matters to better identify and assess the materiality of existing business risks. The results are discussed with the CFO several times during the year and presented to the Audit and Sustainability Committee of the Supervisory Board at least once a year after finalization of the risk analysis. Furthermore, material sustainability matters that feed into the non-financial



reporting (e.g. material IROs, targets, actions and key metrics and methodologies) are regularly reported to the Executive Board throughout the reporting process.

The Audit and Sustainability Committee engaged Deloitte Wirtschaftsprüfungsgesellschaft GmbH to perform the voluntary audit of the separate non-financial report. Moreover, the Audit and Sustainability Committee of the Supervisory Board reviews the completeness and accuracy of non-financial reporting for compliance with its statutory duties. The Audit and Sustainability Committee and the Supervisory Board have come to the conclusion that, on the basis of their own review, no matters have come to their attention that would cause them to believe that the group's non-financial reporting has not been prepared, in all material respects, in accordance with the requirements of the CSRD and in partial compliance with the ESRS.

Figure 3 – Probabilities of occurrence and impact classifications

Probabilities of occurrence		
Very likely	50 – 100%	Once every 1 – 2 years
Likely	25 – 50%	Once every 2 – 4 years
Possible	5 – 25%	Once every 4 – 20 years
Unlikely	0 – 5%	Less than once every 20 years

Impact classifications (in TEUR)	
Catastrophic	37,600 – 75,200
Critical	18,800 – 37,600
Significant	9,400 – 18,800
Minor	0 – 9,400

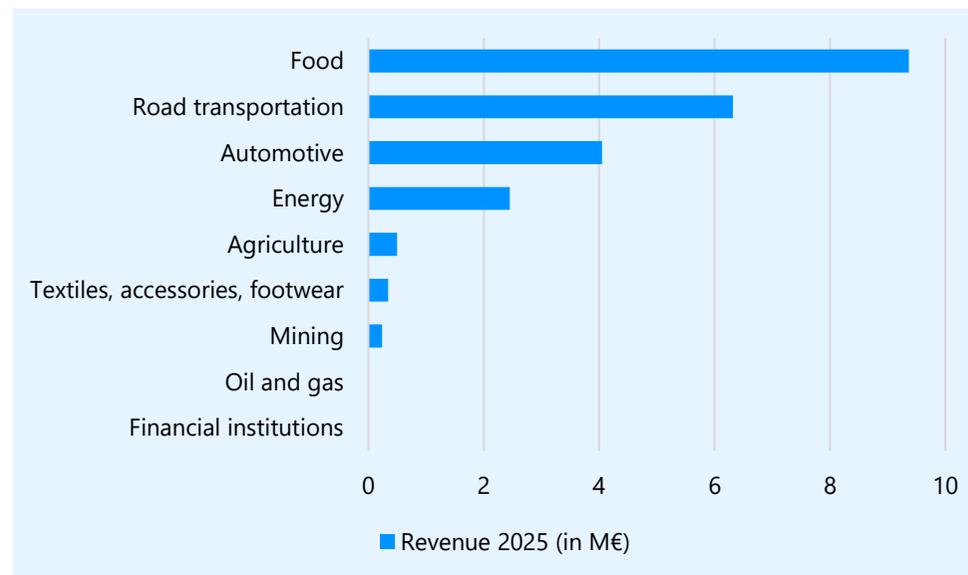
1.1.3 Strategy

Strategy and business model

The companies of the group develop, produce and market components for machine vision applications for professional users. The largest share of sales is attributable to digital cameras, which are primarily used in industrial mass production, medical applications, traffic monitoring and logistics. The group is continuously expanding its range of hardware and software products and is hence gradually developing into a one-stop supplier and solution provider. Innovation, outstanding reliability and easy integration are the hallmarks of Basler products. Target customers are national and international manufacturers of capital goods (OEM customers and system integrators) who integrate image processing components and solutions into their own systems and devices and market these to end-users. The group's value-orientated corporate culture is a crucial factor in the group's almost 40-year success story. Reliability and trustworthiness are key brand values embodied by the group in its dealings with customers, employees, suppliers, partners and other stakeholders. The company's vision is to deploy computer vision technology to achieve sustainable improvements in quality of life.

Aside from the target markets and customers described above, the group generated sales in 2025 across several industrial sectors classified as significant from a sustainability perspective according to the ESRS (Figure 4).

Figure 4 – Sales in relevant ESRS sectors



In this context, the group generated income through the sale of products used by third parties in the processing of natural resources (mining and exploration), industrial chemicals (liquids and gases) and in the production of tobacco products. Total income in 2025 amounted to:

- Mining and exploration: €234,083 (2024: €58,087)
- Chemicals production: €102,407 (2024: €44,428)
- The cultivation and production of tobacco: €221,250 (2024: €32,270)

Compared to the prior year, sales in these sectors have increased (approximately +300%) (2024: -68%), but in total represent less than 0.3% of the group's total sales. Against this background, income from these business activities is not considered material for the group. A key driver for the increase is the improved or revised allocation of individual customers to industry sectors.



The group's sales model, which involves selling products via distributors and to machine manufacturers and system integrators, means that the group has limited opportunity to trace into which industrial sector its goods are ultimately sold. The figures shown are based on data available at the end of 2025.

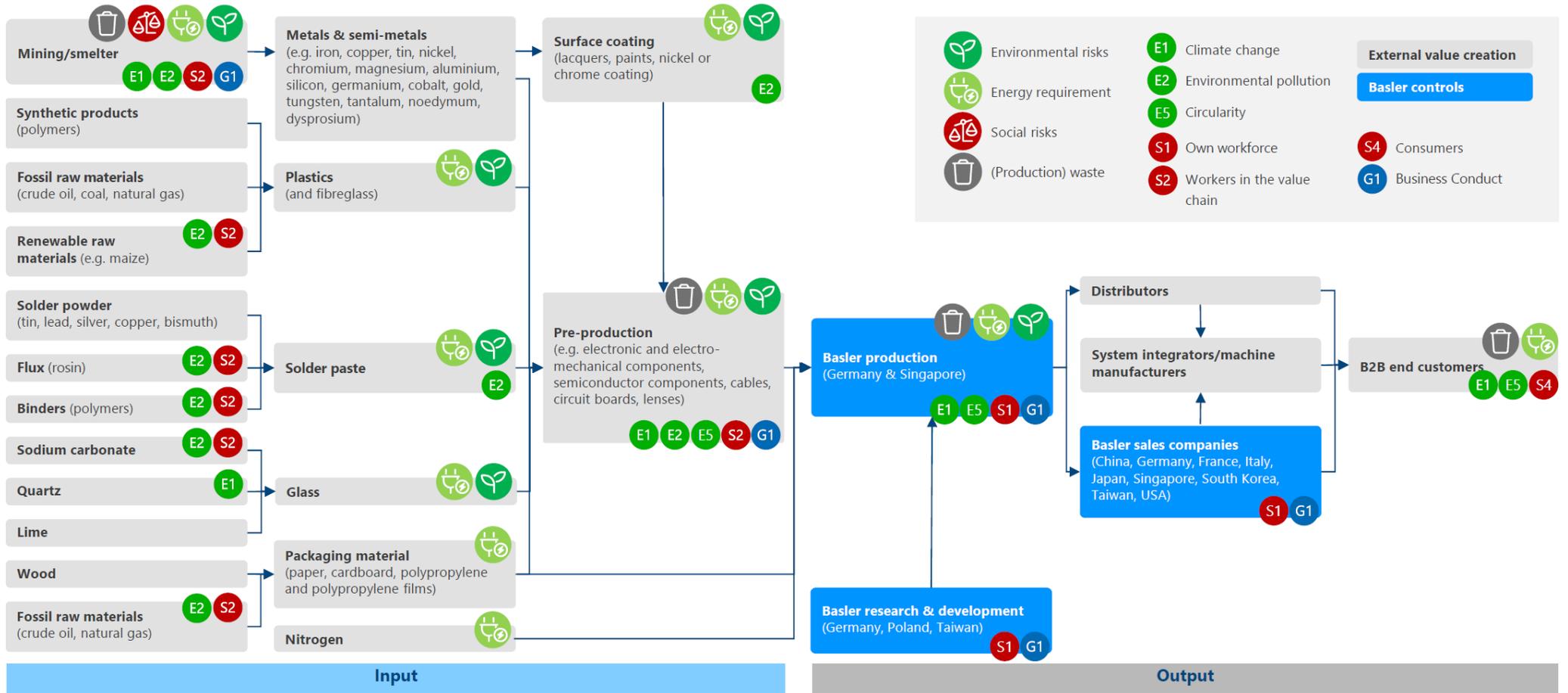
Value chain

Similar to the value creation processes in the electronics industry, the group's value chain is global and complex in nature due to the wide variety of actors involved. Figure 5 illustrates an example of how the group's value creation is structured and the positions at which environmental, social and business conduct risks may arise along the value creation process.

This shows that all value-added processes, from raw material extraction to the production of electronic and electromechanical components, are parts of the upstream value chain. The group has control over research and development, production and assembly of the end products as well as some of the distribution channels.



Figure 5 – Basler value chain





Interests and views of stakeholders

The interests and views of stakeholders are collected, recorded and evaluated as part of the double materiality analysis. This is updated every two years, provided no significant changes occur in the meantime with regards to new impacts, risks or opportunities. The most important stakeholders for the group include investors, employees, customers and suppliers.

Information and enquiries from customers and the downstream value chain are also logged via the sales back office. Supplier information from the upstream value chain is collected via supplier quality management. Employee concerns are dealt with by the HR department and, at the company, also by the General Works Council. Compliance-related sustainability aspects are logged in the whistleblower system and processed in the compliance team according to a 'multi-eye principle' (see [ESRS G1, Chapter 4.1.2](#), Whistleblower system and protection of whistleblowers). Specific impacts, risks and opportunities in the foreign companies are the responsibility of the respective management teams and are also collected centrally as part of the materiality analysis. Like in the previous year, Supplier Qualification, the Legal department and the HR department perform numerous alignments with sustainability management on an ad hoc basis. In addition to the whistleblower system, all stakeholders can use the sustainability website to proactively submit enquiries on all sustainability topics using the email address sustainability@baslerweb.com.

The collection and response to submissions is the responsibility of sustainability management and the Head of Administration and, depending on the type of

submission, is coordinated with the departments and the Executive Board. The CEO, together with Investor Relations Management and sustainability management, communicates with investors and rating agencies on sustainability issues. Sustainability management also conducts analyses on specific topics, such as how human rights are addressed in the supply chain or the climate and environmental impact of practices at global locations.

The key outcome of the efforts initiated in the 2024 financial year and continued in the 2025 reporting period is the realization that, aside from established sustainability issues such as climate protection, employee concerns and the circular economy, greater focus should also be placed on the topics of environmental pollution and conflict-free supply chains. These priorities have been addressed in the analysis of impacts, risks and opportunities as well as in the descriptions of strategies, actions and targets that follow in the course of this report, and have been further elaborated in the 2025 reporting year. As a result, this non-financial statement for the 2025 financial year, as in the previous year, contains additional subject areas ([ESRS E2, Chapter 2.3](#); [ESRS S2, Chapter 3.2](#) and [ESRS S4, Chapter 3.3](#)), which were further developed during the reporting period. Furthermore, the group is considering an expansion of actions and targets for sustainability matters. Detailed information and considerations on this can be found in the relevant subsequent chapters.



1.1.4 Material Impacts, Risks and Opportunities and Their Interaction with Business Model

As outlined, the business model involves the development and manufacture of components for machine vision applications and their global distribution together with third-party products for industrial customers from a variety of sectors. The material sustainability impacts and risks described below are based on the double materiality assessment conducted in the 2024 financial year and form the basis for reporting on the 2025 financial year. No material changes compared to 2024 arose during the 2025 reporting period.

In summary, this results in the following material sustainability impacts and risks:

1. Climate change

Climate change and its consequences are among the greatest overarching challenges facing humanity. The group's business model impacts climate change due to the greenhouse gases emitted during the production, use and disposal of products at the end of their service life. This relates to the release of greenhouse gas emissions in the upstream and downstream value chain, as well as business activities under direct control. Emissions caused by the procurement of materials and use of products by end customers as well as business trips, commuting and electricity consumption at the company's own production sites have been identified as material.

2. Pollution

The group experiences material impacts in connection with environmental pollution in the upstream and downstream value chain. In particular, the group considers upstream activities for the extraction of raw materials, upstream activities for the production of metals, semi-metals and electronic components as well as downstream activities relating to the disposal of Basler products by end customers. These activities may result in several negative impacts due to the use of fossil energy, conflict minerals, regional water pollution and improper disposal of Basler products by end-users. Potential risks also exist in connection with substances of very high concern.

3. Circular economy

Impacts and risks in connection with the circular economy relate exclusively to electronic waste generated during production and disposal by end customers. Both areas can lead to the loss of valuable resources and, if disposed of improperly, be harmful to the environment and health.



4. Workers in the value chain

The group's business model includes complex risks due to a lack of transparency and limited opportunities to exert influence in the upstream supply chain. In particular, the mining of conflict minerals in certain regions is associated with human rights violations (e.g. forced or child labor), armed conflicts, exploitation and dangerous working conditions.

Furthermore, internal restructuring processes over recent years have created impacts and risks in connection with the retention and recruitment of qualified employees.

5. Consumers and end-users

A significant risk for consumers and end-users results from the increasing frequency and severity of cyber security attacks on IT systems. As such, the group is focused on the impacts and risks associated with the data security of its products and the IT environment used.

All material impacts, risks and opportunities are discussed in detail in the introduction to the relevant topic chapters and presented in updated form for the 2025 financial year.





1.1.5 The Group Sustainability Strategy

The group sustainability strategy builds on the following guidelines:

- **Transparency:** The group fulfils all legal requirements with regards to disclosure obligations. Communication with customers and suppliers may go beyond this, especially with regards to collaborative and far-reaching change processes.
- **Stakeholder orientation:** The group is continuously improving its identification of stakeholder interests and dialogue, for example as part of the double materiality analysis. This means that different stakeholder interests can be recorded, and the associated impacts, risks and opportunities recognized and incorporated into the group's corporate strategy.
- **Long-term perspective:** In economic terms, the group prioritizes long-term growth and resilient stakeholder relationships over short-term profit orientation. Social and environmental impacts are included in order to develop positive impacts and, where possible, prevent damage before it occurs.
- **Multiple value creation and innovation:** The company's overall success is defined by combining economic success with social and ecological sustainability. Sustainability – for example in the context of climate impact and responsibility for a conflict-free supply chain – is already an integral part of the Balanced Score Card and a separate pillar in every change process.

The topics prioritized as part of the 2024 double materiality assessment continue to form the basis of the sustainability strategy in the 2025 financial year. No new strategic sustainability topics were added in the 2025 reporting year; instead, the existing priorities were further elaborated.

Implementation of this strategy – with due consideration of the current material impacts, risks and opportunities of the business model – is evident in the definition of targets and development of actions in two specific areas:

- the reduction in greenhouse gas emissions (Scope 1 and Scope 2) to net-zero by 2030; and
- the achievement of a supply chain that is 75% confirmed conflict-free by 2028.

These targets continue to apply for the 2025 financial year and were used during the reporting period to guide actions and investments.

These targets affect and apply to all Basler components for machine vision applications, the customer groups listed in [ESRS 2, Chapter 1.1.3](#) (Strategy and business model) and all geographical areas, in particular the most important markets: China, Germany and the USA. Moreover, the group's targets have particular relevance for stakeholders in the upstream supply chain, especially with a view to the growing expectations regarding the absence of conflict and a reduction in greenhouse gas emissions.



1.1.6 Management of Impacts, Risks and Opportunities

Methodology of materiality assessment and changes compared to the previous year

In 2024, the group implemented a fundamentally revised approach to conducting the materiality analysis, which is based on the ESRS. The double materiality assessment conducted in the 2024 financial year also forms the basis for the assessment of material sustainability matters for the 2025 financial year.

During the 2025 reporting period, it was reviewed whether any changes to material impacts, risks and opportunities had arisen that would require an adjustment to the results of the 2024 materiality assessment. No changes to the materiality classification resulted.

In the past, a collection of sustainability aspects was compiled to determine material impacts, risks and opportunities, taking into account international reporting standards, regulatory and social trends and industry-specific requirements. The group's management and subject matter experts then evaluated this compilation and prioritized its items internally. The most recent materiality analysis from 2022 was based on this internal assessment.

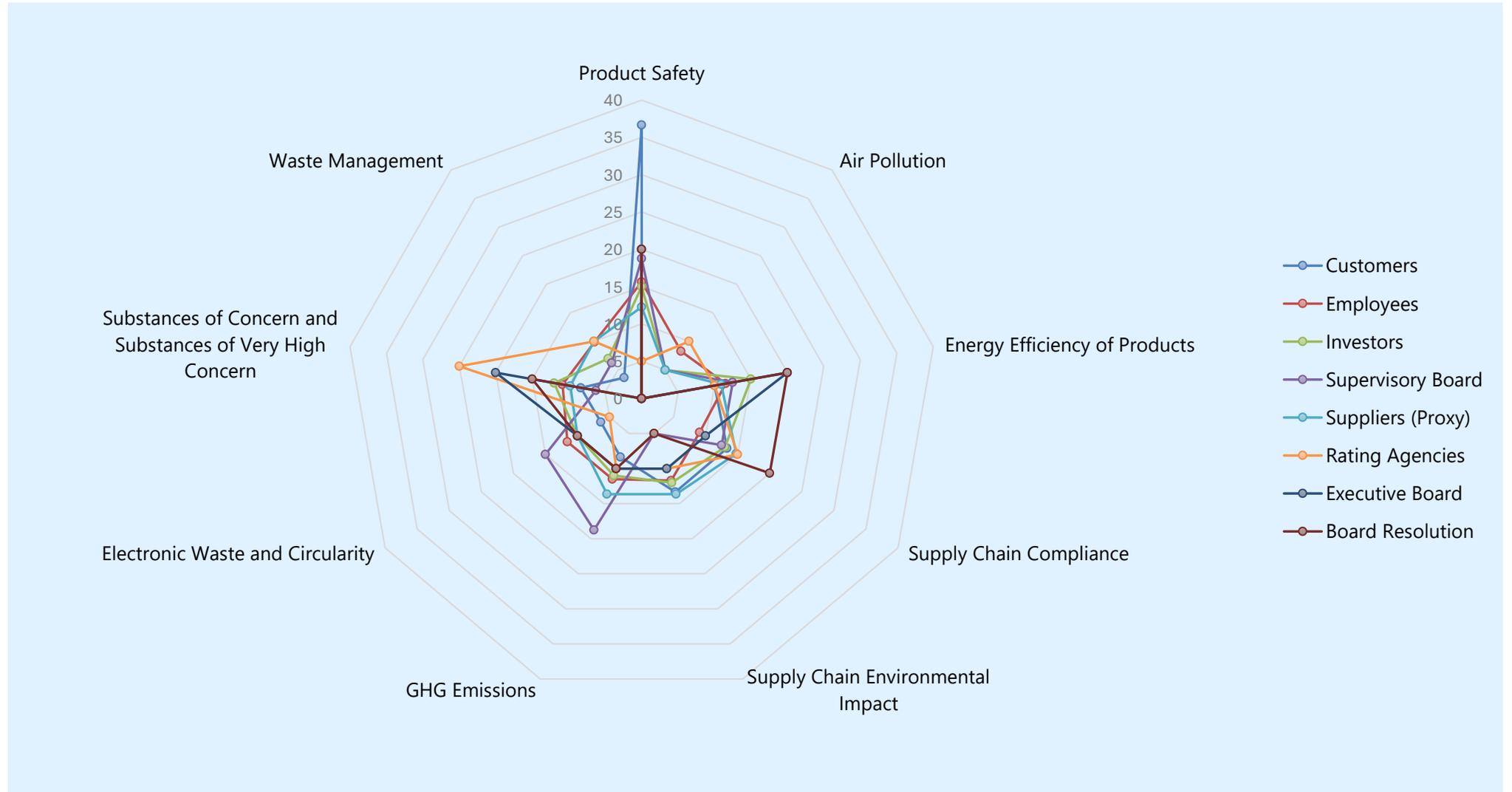
Involvement of external stakeholders in a consultation process is the most far-reaching change in the revised materiality analysis in 2024. Relevant sustainability issues were no longer assessed for double materiality only internally, but rather from a holistic perspective by, for example, shareholders, customers, employees, suppliers, the Executive Board and Supervisory Board as well as rating agencies. In total, nine different internal and external stakeholder groups were involved in the consultation process.

The selection of sustainability topics for evaluation built on the issues set out in the ESRS (at subtopic level) and other entity-specific sustainability topics. Entity-specific issues were identified using the group's risk and opportunity management system and through individual feedback from relevant stakeholders. For example, sustainability enquiries from the group's customers were analyzed in order to identify recurring sustainability matters. Given the extensive selection of topics, there are currently no plans to include a separate free text function in the stakeholder survey to enquire about additional topics.

It was not possible to obtain comprehensive feedback from some of the selected and surveyed stakeholder groups. Market-standard proxy voting by 'credible proxies' was used to supplement any missing information. These proxies are, for example, employees from the group's sales organization who can draw on their experience and close customer contact to make representative statements for the stakeholder group of customers. For future materiality analyses, the group plans to limit the scope of stakeholders surveyed to four key groups, namely investors, employees, customers and suppliers.

In the course of the 2024 double materiality analysis, the group's Executive Board prioritized key topics for the group's sustainability strategy. The insights acquired from the stakeholder consultation process served as a basis for this (see Figure 6 as an example).

Figure 6 – Stakeholder survey and Board resolution – Example: Environment





Using Figure 6 as an example, it can be deduced which subtopics, exemplary for the area of environment, form the focus of the group's sustainability strategy. For example, the topics of product safety, energy efficiency of products, supply chain compliance and substances of concern are defined as key priorities.

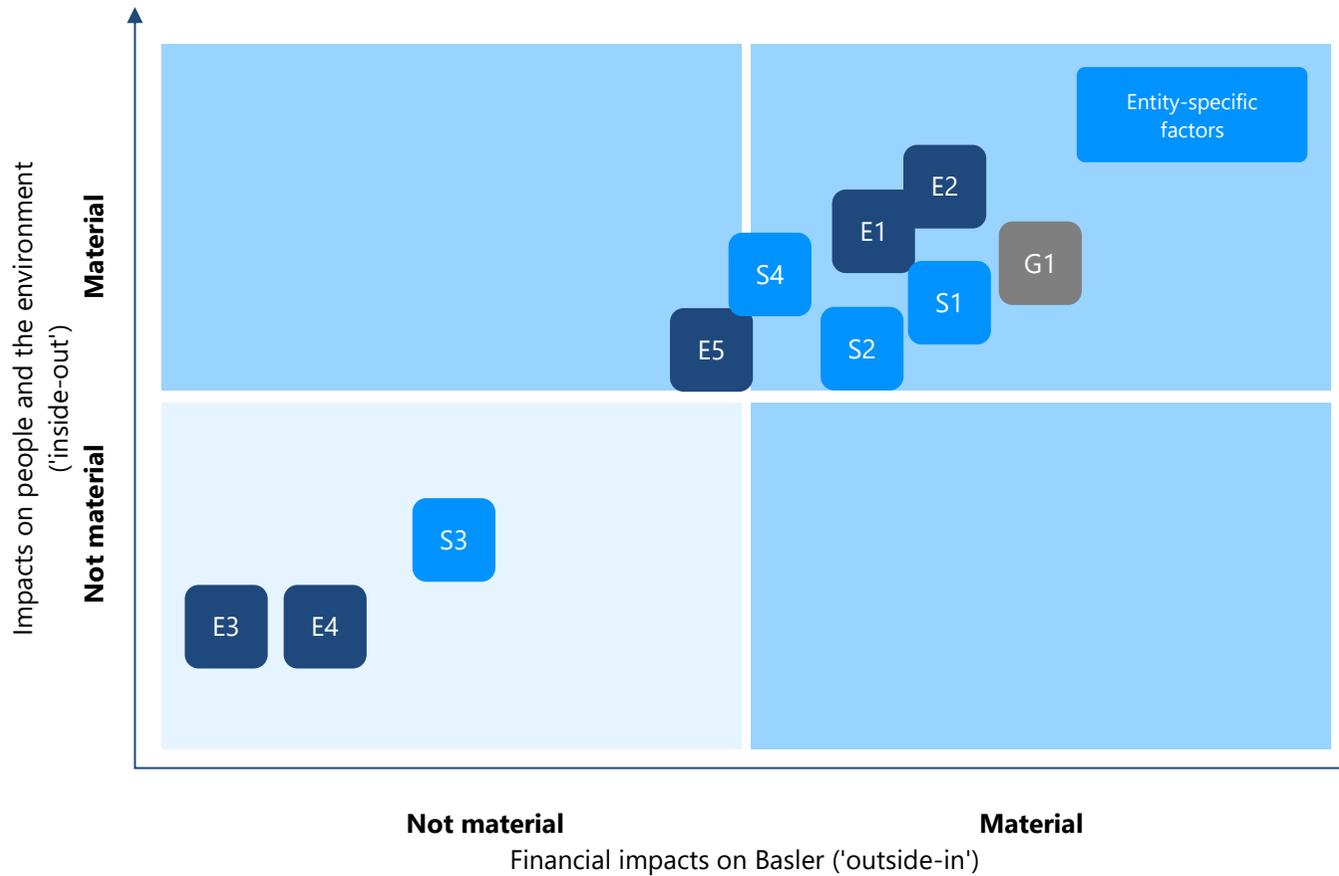
All subtopics defined by the ESRS and company-specific sustainability topics were taken into account when preparing the double materiality assessment. A categorization of the individual subtopics was carried out as part of the stakeholder consultation. These were then classified as 'immaterial', 'financially material', 'impact material' or 'double material'. The process and technical terminology were explained to the stakeholders at the start of the consultation process. The 2024 double materiality assessment (Figure 7) was prepared based on the mean values from the results of the stakeholder consultation, combined with a weighting of all topic-related sustainability aspects performed by the Executive Board (company-specific topics: 60%, environmental topics: 10%, social topics: 15%, business conduct: 15%).

Financial materiality (risks and opportunities) was assessed by the group's central risk and opportunity management over short, medium and long-term time horizons according to the probability of occurrence and impact classifications. Natural and social resources that might have a material influence on financial risks and opportunities were also taken into consideration.

This includes, for example, analyzing the effects of personnel restructuring that has taken place, demographic factors and the availability of critical raw materials for Basler products.



Figure 7 – Double materiality assessment 2025



Caption

E1	Climate change
E2	Pollution
E3	Water and marine resources
E4	Biodiversity and ecosystems
E5	Resource use and circular economy
S1	Own workforce
S2	Workers in the value chain
S3	Affected communities
S4	Consumers and end-users
G1	Business conduct



In total, seven of the ten sustainability topics defined by the ESRS were identified as material by the group's stakeholders and the Executive Board. These include (in each case with the most important of the main subtopics):

- E1 – Climate change** (climate protection, energy)
- E2 – Pollution** (substances of very high concern)
- E5 – Resource use and circular economy** (resource use, electronic waste)
- S1 – Own workforce** (working conditions, equal treatment and equal opportunities)
- S2 – Workers in the value chain** (working conditions, human rights)
- S4 – Consumers and end-users** (informational impacts, personal safety)
- G1 – Business conduct** (corporate culture) Entity-specific factors (product innovation, data security)

This classification forms the basis for reporting in the 2025 financial year.

Based on the sustainability topics and subtopics identified as material, the group's sustainability management prepared a list of potential positive and negative impacts as well as financial risks and opportunities. These result from a consideration of the entire value chain, activities that are specific to the industry and geographical risks in connection with the business model. The process of identifying relevant impacts, risks and opportunities was enabled, for example, by the long-standing experience of the people involved in sustainability management, consultations with internal and external stakeholders (procurement, suppliers, customers, employees, shareholders) and external risk analyses by recognized parties (e.g. the Responsible Minerals Initiative). Moreover, the group used artificial intelligence (Chat GPT) to acquire an additional perspective on previously unidentified impacts, risks and opportunities.

The assessment determined the scope, scale, irreversibility and probability of occurrence with regards to impacts. Two independent parties rated the individual impacts on a scale from 1 to 5 ('low' to 'very high'). The first assessment was performed by the group's sustainability management. The second assessment was conducted by an external sustainability consultant. The result was determined based on the mean of both values.

The assessment of financial risks and opportunities is based on the financial scope of impact and probability of occurrence. Both were defined according to the same method as the group's general risk and opportunity management process to enable their integration (see [ESRS 2, Chapter 1.1.2](#), Due diligence, internal controls and risk management). In this case, two assessments were carried out by sustainability management and the external consultants. The CFO verified the results of the overall assessment for plausibility and completeness.

For impacts, the mean value of the results for scope, scale and irreversibility was multiplied by the probability of occurrence in order to compare and prioritize individual impacts. For financial risks and opportunities, the financial scope of impact was multiplied by the probability of occurrence.

Impacts, risks and opportunities were only declared not material if the scope, scale, irreversibility and probability of occurrence were all assessed as low. Accordingly, the threshold value applied corresponds to a rating of '1' across all assessment criteria.

The identified and prioritized impacts, risks and opportunities are incorporated into the group's general risk and opportunity management process and are therefore treated as equivalent to other corporate risks. The group updates the double materiality assessment of all impacts, risks and opportunities every two years. The next full review is therefore scheduled for the 2026 financial year.



A complete list of all subtopics and a detailed list of the impacts, risks and opportunities for each topic are contained in the individual chapters of the report. An overview of all impacts, risks and opportunities can also be found in Appendix I.

The sustainability topics E3 (Water and marine resources), E4 (Biodiversity and ecosystems) and S3 (Affected communities) were classified as not material. Furthermore, as part of the update to the materiality assessment for the 2025 financial year, no material IRO was identified in the assessment of impacts, risks and opportunities for E5-4 (Resource inflows). Accordingly, the disclosures on resource inflows were assessed as not material. Reporting on E5-4 will therefore not be included in the 2025 financial year.

The reasons for classifying E3, E4 and S3 as not material are as follows:

E3 – Water and marine resources

Following the process of the materiality analysis described above, potential impacts, risks and opportunities in connection with water and marine resources were identified and assessed as not material based on their scope, scale and probability of occurrence. Affected communities were consulted as part of the stakeholder survey for the materiality analysis. No water or marine resources are consumed, extracted or returned for Basler's products and production processes. Water may be used in some processes in the distant value chain, for example in the production of copper. However, this is beyond the influence of the group as it has no direct relationship with or control over relevant upstream suppliers. The group has therefore assessed ESRS E3 as not material.

E4 – Biodiversity and ecosystems

As part of the materiality analysis, potential impacts, risks (including transition and physical risks) and opportunities as well as dependencies in connection with biodiversity and ecosystems were identified and assessed as not material using the





process described above based on scope, scale and probability of occurrence. Affected communities were consulted as part of the stakeholder survey for the materiality analysis. Ecosystem services were not taken into account in this process. Neither the use nor the production of Basler products causes any loss of biodiversity, nor do they affect the status of species or the ecosystem. Potential impacts may occur in the distant value chain, for example due to improper disposal of Basler products by end-users. This might cause environmental pollution, which together with other external factors could influence the loss of biodiversity. In addition, the extraction of required raw materials by third parties might lead to land degradation. The group has no control or influence over any of these possible scenarios. ESRS E4 is therefore assessed as not material. Based on these findings, a more extensive scenario analysis for biodiversity and ecosystems was not carried out.

The Großhansdorf and Ammersbek nature reserves are located around 2 kilometres from the company's Ahrensburg site. In order to identify potential negative impacts from office and production activities in Ahrensburg, particular attention was paid to impacts from environmental pollution ([ESRS E2, Chapter 2.3](#)) and resource outflows ([ESRS E5, Chapter 2.4](#)). No negative impacts leading to a deterioration of natural habitats or disturbance of species were identified. Therefore, no remedial actions are necessary with regard to biodiversity.

S3 – Affected communities

Neither the group nor its stakeholders are aware of any positive or negative impacts of the business model and value creation on affected communities. These include the economic, social and cultural rights of communities, civil and political rights and the rights of indigenous peoples. Accordingly, the group does not view ESRS S3 as not material.

The table of all data points resulting from other EU legislation, including a description of where these are found in the non-financial reporting, is contained in Appendix II.

2 Environmental Information

02

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



The EU Taxonomy pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 defines which economic activities are to be classified as environmentally sustainable. The reporting and disclosure requirements (including the content and presentation of taxonomy metrics) are set out in Delegated Regulation (EU) 2021/2178. In accordance with Delegated Regulation (EU) 2026/73, we make use of the option to apply Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 as in force on 31 December 2025. Detailed information can be found in the figures at the end of this chapter (EU Taxonomy: Turnover, CapEx and OpEx). The aim of the EU Taxonomy is to prevent greenwashing and create transparency regarding sustainable economic activities, in order to direct investments in line with the European Green Deal.

An economic activity is classified as taxonomy-aligned (and environmentally sustainable) if it cumulatively meets the Technical Screening Criteria (TSC):

- makes a substantial contribution (SC) to at least one of the six environmental objectives, and
- does no significant harm (DNSH) to the remaining environmental objectives.

In addition, minimum safeguards (MS) must be met. These relate to respect for human rights, social and labor standards, anti-corruption, fair competition and taxation.

Methodology

The process for calculating the total figures for revenue, investments (CapEx) and operating expenses (OpEx) within the group was determined in accordance with the EU Taxonomy Regulation and the associated delegated regulations. The following approach was applied to identify taxonomy-eligible and taxonomy-aligned activities:

Assessment of taxonomy-eligibility:

All economic activities of the group were reviewed for their assignment to the economic activities described in the delegated regulations. An economic activity is classified as taxonomy-eligible if it can be assigned to a taxonomy-specific activity, regardless of whether the technical screening criteria are met.

Assessment of taxonomy-alignment:

For all economic activities identified as taxonomy-eligible, it was subsequently reviewed and documented whether:

- the requirements for a substantial contribution to one of the EU Taxonomy's environmental objectives are met,
- the DNSH criteria are complied with,
- the minimum safeguards are met at the level of the entire group.

To avoid double counting, revenues, CapEx and OpEx were clearly assigned to a single economic activity.

The assignment of group activities to the taxonomy-eligible economic activities described in the delegated regulations and to the respective environmental objectives was carried out by sustainability management with the involvement of the functionally responsible departments. The review of the substantial contribution, the DNSH criteria and the minimum safeguards was performed by sustainability management.

Substantial contribution

For all activities identified as taxonomy-eligible, it was reviewed and documented whether they make a substantial contribution to one or more of the six environmental objectives: climate change mitigation (CCM), climate change adaptation (CCA), water and marine resources (WTR), circular economy (CE), pollution prevention and control (PPC), biodiversity and ecosystems (BIO).



DNSH criteria and minimum safeguards

The DNSH criteria were reviewed for all taxonomy-eligible activities to ensure that no significant harm to other environmental objectives is caused.

The minimum safeguards were assessed at the level of the group. The group pursues defined strategies and actions and reports corresponding metrics. Detailed information in this regard can be found in [ESRS G1, Chapter 4.1.2](#) (Strategies, actions and metrics).

Results

The table below shows a summary of the EU Taxonomy disclosures for the 2025 reporting year and the prior year 2024. Detailed information can be found in the figures at the end of this chapter.

The group does not engage in any economic activities in the areas of nuclear power and fossil gas in accordance with Article 8 (6) and (7) of EU Taxonomy Regulation EU 2022/1214.

For all economic activities identified as taxonomy-eligible, a review of the technical screening criteria including the substantial contribution and DNSH criteria was carried out at activity level. In addition, the minimum safeguards were assessed at group level. As a result, taxonomy-alignment could not be reported for any of the activities, as the requirements of the SC, the DNSH and the minimum safeguards were not met or could not be demonstrably met in the reporting year. As the group continues to have a limited database for assessing conflict-free status in the supply chain (see [ESRS S2, Chapter 3.2](#)), full compliance with the minimum safeguards cannot yet be confirmed at this time.

EU Taxonomy Summary

		2025	2024
Turnover	Taxonomy-eligible share	2.1%	7.5%
	Taxonomy-aligned share	0.0%	0.0%
CAPEX	Taxonomy-eligible share	33.8%	39.3%
	Taxonomy-aligned share	0.0%	0.0%
OPEX	Taxonomy-eligible share	3.4%	0.0%*
	Taxonomy-aligned share	0.0%	0.0%*

* Operating expenses not material for the business model of Basler AG.

Notes on taxonomy-eligible turnover

Taxonomy-eligible turnover includes revenue from goods and services associated with taxonomy-eligible economic activities. The delineation follows the total turnover figure pursuant to Annex I of Delegated Regulation (EU) 2021/2178. The denominator corresponds to net turnover within the meaning of Article 2(5) of Directive 2013/34/EU and includes revenue to be disclosed as 'Revenue' pursuant to IAS 1, paragraph 82(a).

Basler Vision products are used in a wide range of industrial applications and sectors, including the manufacture and use of renewable energy technologies, battery production and traffic management.

In the context of sustainable economic activities, the contribution of Basler products to resource-efficient and effective production processes in battery and photovoltaic (PV) module production is particularly noteworthy:



- Quality control of end products, with the aim of reducing the need for repairs and waste and ensuring durability and functionality.
- Use in production processes, with the aim of reducing reject rates and thereby using material and energy resources more efficiently.

Basler products and technologies thus contribute directly and indirectly to the environmental objective of climate change mitigation.

The share of taxonomy-eligible turnover amounts to 2.1% (2024: 7.5%). The decline is primarily attributable to the following effects: firstly, the absolute turnover in the taxonomy-eligible turnover categories declined as a result of slightly lower demand compared to the prior year. Secondly, the turnover denominator increased in the 2025 reporting year, meaning that the share of taxonomy-eligible turnover decreased proportionally even with only moderate changes in the numerator. Furthermore, in the 2025 reporting year, no turnover is reported under the environmental objective BIO. The determination and delineation of the metric were carried out using the same methodology as in the prior year.

The turnover sources for the turnover KPI correspond to revenue from contracts with customers (sale of products and systems).

The taxonomy-eligible turnover reported for the 2025 financial year (see figure 'EU Taxonomy: Turnover') results from the sustainable economic activities described in more detail below.

Climate change mitigation (CCM 3.1) through the use of Basler products in the production of photovoltaic modules

PV systems are an important component of sustainable energy generation worldwide. One of the technological and economic challenges concerns the quality and durability of PV modules. Basler products are used in quality control in PV module production, e.g. for surface inspection. This enables the early detection of defects, resulting in less production waste and electronic waste.

In addition, the ability to produce renewable energy is increased as defective module cells are not placed on the market. By providing technology to promote renewable energies and reduce electronic waste, the group contributes to climate change mitigation in this context.

Climate change mitigation (CCM 3.4) through the use of Basler products in the production of batteries for e-mobility

Demand for batteries used in e-mobility is rising continuously. At the same time, high reject rates of up to 30% in battery production lead to material economic losses, in addition to causing negative environmental impacts due to resource consumption and waste production. Digitalization solutions and process monitoring can contribute to a significant reduction in these reject rates. Basler products are used in process monitoring and quality control in battery production. This enables the reduction of waste and reduces the consumption of resources in battery production.

Climate change mitigation (CCM 6.15) through the use of Basler products in traffic management

The transport sector is already responsible for approximately 15% of global greenhouse gas emissions. At the same time, the volume of traffic is expected to double by 2050. Basler products are also used in traffic management, for example at traffic lights. In this way, the group enables smart traffic management with the aim of



reducing emissions, particularly in urban traffic. In summary, Basler products thereby indirectly contribute to climate change mitigation.

In the 2025 financial year (as in the prior year), the group reports only taxonomy-eligible turnover, as no turnover was classified as taxonomy-aligned.

Notes on taxonomy-eligible capital expenditure (CapEx)

The total CapEx figure (denominator) comprises, pursuant to Annex I of Delegated Regulation (EU) 2021/2178, all additions to property, plant and equipment and intangible assets in the financial year (before depreciation and amortization), including additions from business combinations. Also taken into account are additions from revaluations and impairments during the financial year, excluding changes in fair value, as well as capitalized rights of use in accordance with IFRS 16. For the 2025 financial year, the Basler group has, as in the prior year, identified taxonomy-eligible economic activities in the area of 'acquisition and ownership of buildings' (CCM 7.7) (see figure 'EU Taxonomy: CapEx'). These relate to the leasing of company buildings (within the scope of IFRS 16), which are predominantly used as office, production and storage space. In addition, taxonomy-eligible capital expenditure in the area of 'transport by motorbikes, passenger cars and light commercial vehicles' (CCM 6.5) was recorded in the 2025 financial year, relating primarily to the leasing of company vehicles (see figure 'EU Taxonomy: CapEx').

Following review of the technical screening criteria, the economic activities are not taxonomy-aligned, as the relevant technical requirements for energy-efficient buildings pursuant to the delegated regulations are not yet fully met.

Within the framework of the climate transition plan (see [ESRS E1, Chapter 2.2.2](#)), investments and measures to reduce greenhouse gas emissions in the building sector continue to be implemented. Certain expenditures, in particular modernization and efficiency improvement measures for existing buildings, are reported as operating expenses (OpEx) rather than capital expenditure (CapEx) under the

commercial law definition. The share of taxonomy-eligible capital expenditure (numerator) in the total CapEx figure (denominator) in the 2025 reporting year amounts to 33.8% (2024: 39.3%). Both the CapEx denominator and the CapEx numerator show an absolute increase. This is attributable to various factors: firstly, the building accounting for the existing building was corrected; secondly, the new building resulted in a rent increase following a financing adjustment. Furthermore, in the 2025 reporting year, vehicle leasing arrangements are accounted for across the group in accordance with IFRS 16; in addition, a contract for IT hardware was concluded, which also falls under IFRS 16. The same methodology as in the prior year was applied to determine the metrics.

Notes on taxonomy-eligible operating expenses (OpEx)

Relevant operating expenses (OpEx) comprise, pursuant to Annex I of Delegated Regulation (EU) 2021/2178, in particular direct, non-capitalized expenditures in connection with research and development, building refurbishment measures, short-term leasing, maintenance and repairs and other direct expenses for the upkeep of property, plant and equipment.

For the 2025 financial year, the Basler group has identified taxonomy-eligible economic activities in the area of 'installation, maintenance and repair of energy-efficient equipment' (CCM 7.3) (see figure 'EU Taxonomy: OpEx'). This relates to a multi-year program for replacing conventional lighting with energy-efficient LEDs in the company building in Ahrensburg. The project was already initiated in the prior year, continued in the 2025 reporting year and will proceed as planned in the upcoming reporting period as well. The share of taxonomy-eligible operating expenses (numerator) in the total OpEx figure (denominator) in the 2025 reporting year amounts to 3.4%. In the prior year, the taxonomy-eligible operating expenses were assessed as not material for the business model and were therefore reported as 0%.



EU Taxonomy: Turnover

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ("Do No Significant Harm")						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2024	Category enabling activity	Category transitional activity
Economic activities	Code(s)	Turnover	Proportion of turnover, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		Million €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.0%														0.0%		
Of which enabling		0.00	0.0%														0.0%	E	
Of which transitional		0.00	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	0.80	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6%	E	
Manufacture of batteries	CCM 3.4	3.43	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.5%	E	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0.50	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%	E	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4.73	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%								7.5%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		4.73	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%								7.5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		219.90	97.9%																
TOTAL		224.63	100%																



EU Taxonomy: CapEx

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ("Do No Significant Harm")						Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024	Category enabling activity	Category transitional activity
Economic activities	Code(s)	CapEx	Proportion of CapEx, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		Million €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.0%														0.0%		
Of which enabling		0.00	0.0%														0.0%	E	
Of which transitional		0.00	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.77	4.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	4.55	28.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								39.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.32	33.8%	33.8%	0.0%	0.0%	0.0%	0.0%	0.0%								39.3%		
A. CapEx of Taxonomy-eligible activity (A.1+A.2)		5.32	33.8%	33.8%	0.0%	0.0%	0.0%	0.0%	0.0%								39.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		10.45	66.2%																
TOTAL		15.77	100%																



EU Taxonomy: OpEx

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
Economic activities	Code(s)	OpEx	Proportion of OpEx, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024	Category enabling activity	Category transitional activity
		Million €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.0%														0.0%		
Of which enabling		0.00	0.0%														0.0%	E	
Of which transitional		0.00	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.22	3.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.22	3.4%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		0.22	3.4%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		6.33	96.6%																
TOTAL		6.55	100%																

2.2 Climate Change (ESRS E1)

GHG Emissions and the Group's Climate Transition Plan

In this chapter, the group aims to demonstrate how its own business activities and activities in the upstream and downstream value chain have a positive or negative impact on climate change. It investigates past, current and future climate protection efforts and the group's plans to adapt its business model in line with the transition to a sustainable, climate-neutral economy. Furthermore, it identifies the main physical and transition climate risks as well as climate-related opportunities, and discusses the group's strategy, targets, actions and metrics for addressing them.

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2.2.1 Material Impacts, Risks and Opportunities

Negative impacts from greenhouse gas emissions in the upstream value chain

Purchased materials, parts and components account for around 24% of the group's total GHG emissions (see Figure 14). This means that a significant proportion of GHG emissions are attributable to the upstream value chain. Greenhouse gas emissions intensify the greenhouse effect and therefore have a significant negative impact on the global climate and the environment. GHG emissions contribute to global warming, which in turn leads to more frequent extreme weather events, rising sea levels and the degradation of ecosystems. This jeopardizes the basis of life for humans, animals and plants in the long term and can lead to the emergence of health risks, changes in habitats, potential scarcity of food resources and considerable economic damage.

Greenhouse gases sometimes remain in the atmosphere for hundreds of years. This means that once triggered, climate change is difficult or impossible to reverse. The group assesses the scope and scale of these impacts as low and has limited opportunities to influence them, as a large proportion of emissions occur further up the supply chain (e.g. raw material extraction, primary material production) beyond the group's direct business partners.

Negative and potential positive impacts in connection with greenhouse gas emissions from the group's business activities

The group's company-owned sites and production facilities generate GHG emissions through the demand for electricity and heat. Additional GHG emissions also result from business trips and commuting by employees.

In total, business activities under the group's control account for around 6% of total GHG emissions (see Figure 14).

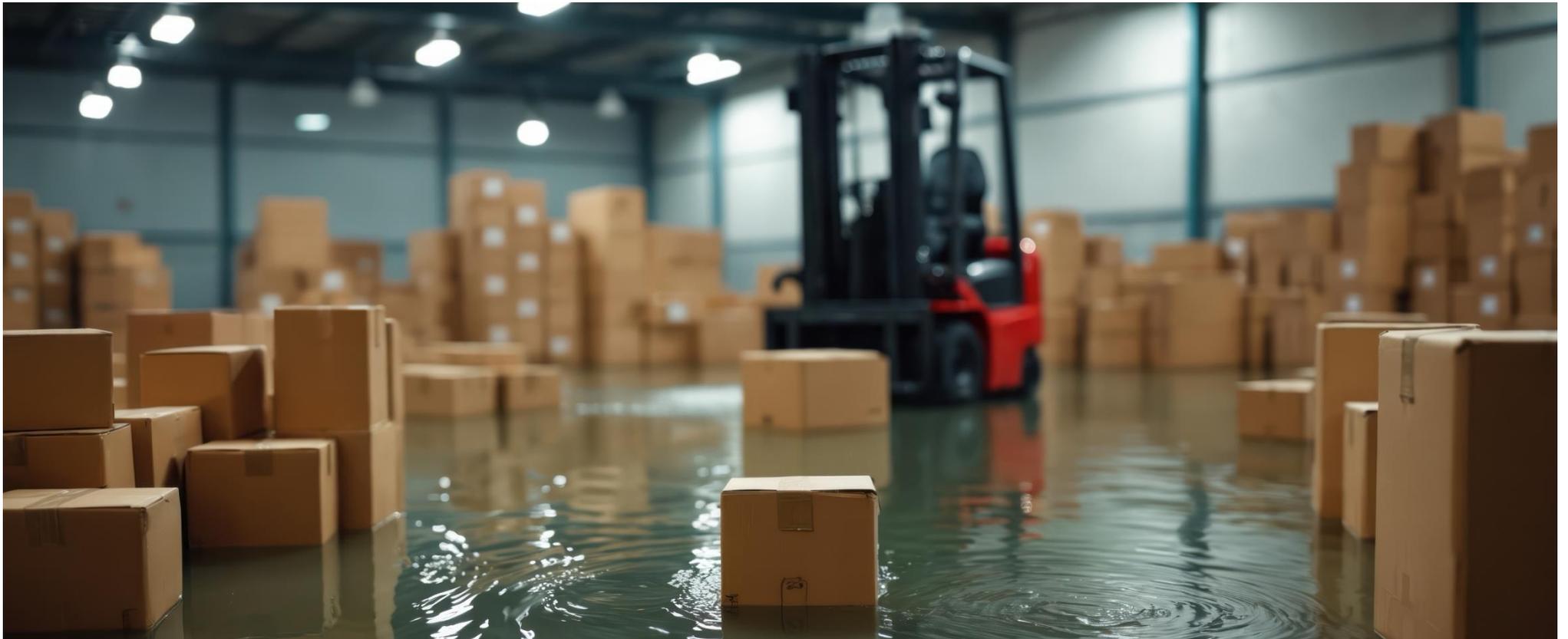
The group assesses the scope and scale of these impacts as low. However, given the direct control over these activities, there is effective scope for action to reduce GHG emissions to near-zero by 2030 as part of the climate transition plan (Scope 1 and Scope 2). By doing so, the group can make a positive contribution to climate protection, for example through energy efficiency measures, electrification, the switch to renewable energy and optimization of building systems.



Negative impacts from greenhouse gas emissions in the downstream value chain

Estimates suggest that the use of Basler products by end customers generates around 35,284 tons of GHG emissions each year. This means that the use phase of Basler products in the downstream value chain is responsible for over 99% of the total GHG emissions associated with the group's entire value chain (see Figure 13). This represents by far the most significant factor on the climate arising from the group's activities.

The group considers these effects to be minor in scope and medium in scale and has little or no direct opportunity to influence the specific usage behavior of end-users. The relevant scope for action lies in improving the energy efficiency of products and solutions and in providing information to customers (e.g. energy-efficient system design, operating parameters).





Potential risks from the physical impact of climate change on the group's value chain

The physical impact of climate change on the infrastructure and business activities of our suppliers represents a risk to the continuity of the supply chain that should not be underestimated. Heat and water stress, rising sea levels, forest fires, storms, floods and other extreme weather events can disrupt our suppliers' business operations and thereby impact the group's ability to manufacture components for machine vision applications.

The group considers the likelihood of occurrence of such supply chain disruptions to be probable to very probable. However, due to the existing supplier diversification and the ability to qualify alternative sources, the financial impact is currently assessed as low. A quantification of the potential financial effects (e.g. potential additional costs from delivery delays, safety stocks, product redesign) is not yet possible due to the limited data available.

Potential opportunities for sales growth through changes in purchasing behavior

The group expects an increase in demand for energy-efficient products and systems in the medium to long term. The growing market for vision products and customer preferences for energy-efficient camera products may present opportunities for sales growth. A lower energy consumption of the overall machine vision system compared to the competition may represent an additional purchasing incentive for certain customers, particularly if the trend towards sustainable procurement continues to gain traction.

The group believes that the likelihood of occurrence of these opportunities is very probable in the medium term and that the financial impact will be low to noticeable. A robustly quantified estimate of the expected additional revenues, margin effects or market share gains is not yet available.

Potential opportunities for cost reductions through investments in the climate transition plan

The group's target of achieving climate neutrality by 2030 (Scope 1 and Scope 2) and the planned switch to renewable energy can lead to cost savings for energy procurement in the medium term. Many sources of renewable energy are already cost-competitive or cheaper than fossil fuels. Adding to this is the increased taxation on fossil fuels and GHG emissions, which will lead to rising costs for users overall.

The group believes that the anticipated cost reductions are very likely to materialize in the medium and long term and assesses the overall financial impact as noticeable.

At the same time, risks exist with regard to financing the planned investment volume for the net-zero target by 2030 (see [ESRS E1, Chapter 2.2.2](#), Transition plan and actions), as the availability of funds depends on business performance and is therefore subject to uncertainty.



2.2.2 Strategies and Actions

Remuneration incentives for administrative, management and supervisory bodies

The incentive schemes of the company are based on key financial performance indicators. Sustainability-related performance is not currently included in the incentive schemes for administrative, supervisory and management bodies. Remuneration is therefore not influenced by climate-related considerations and existing GHG emission reduction targets.

Climate risk analysis

Risk analysis is the joint responsibility of sustainability management and the owners of risk and opportunity management. For this non-financial report, a climate risk analysis was performed in 2022 with the help of the Climate Check guidelines of the Federal Ministry for Economic Affairs and Energy (BMWi). No additions were made to the existing climate risk analysis in the 2025 financial year, as it continues to be considered relevant. Physical climate risks relating to flooding, storms, heavy rain, heat and water stress, hail, dry spells, lightning and sea level rise were used to assess the impact on the group's business model.

The inputs provided for in the Climate Check guidelines were used for the climate risk analysis. Key data inputs included in particular the classification of the company and the selection of relevant physical climate risks from the risk catalogue. Limitations of the analysis arise from the fact that the Climate Check, as a structured screening and assessment approach, is based on expert judgements and the parameters chosen.

For the purposes of non-financial reporting, the group applies the time horizons defined in ESRS 1 (Chapter 6.4) (see [ESRS 2, Chapter 1.1.1](#)), whereby 'long-term' covers a period of more than five years up to ten years. The climate risk analysis

supplements these reporting time horizons with a long-term consideration of physical climate risks beyond the usual planning horizon, in order to identify potential developments in climate-related hazards at an early stage. For the climate risk analysis, the time horizon up to 2065 is considered 'long-term' and the time horizon up to 2030 is considered 'short-term'.

The RCP 8.5 scenario of the IPCC (Intergovernmental Panel on Climate Change) with a time horizon up to 2065 was used to determine relevant climate risks. This scenario takes into account continued high population growth, increasing urbanization, an economy with heavy dependency on fossil fuels and a rise in global energy demand, resulting in a sharp overall increase in greenhouse gas emissions. The RCP 8.5 scenario with an average global warming of 4.3°C by 2100 was selected in order to understand the maximum potential impact. In addition, the specific flood risk up to 2030 for the production sites in Ahrensburg and Singapore was evaluated for the worst-case scenario (+5°C), based on the IPCC 2021 consensus. This scenario would materialize if global emissions continue to rise unabated, accompanied by a failure of climate protection measures and the occurrence of negative feedback loops. All scenario analyses are based on regional location data.

The transition to a low-carbon and resilient economy is impacting the group in the form of rising energy and material prices. The assessment of transformation risks in particular is therefore based on projections of potentially rising energy costs and their impact on the costs of the company. Energy costs may continue to rise in the long term in a scenario of delayed expansion of renewable energies with concurrent rising carbon prices and increased demand. As a resilience measure, the group is considering investing in its own renewable energy generation capacity at the production site in Ahrensburg as part of the climate transition plan. Furthermore, the planned switch to 100% green electricity is expected to produce



long-term monetary savings compared to fossil fuels, which will have a positive impact on the company's operating result.

In addition to rising energy costs, the increase in management requirements due to risk management and changes in social conditions were assessed as another transformation risk. Taking into account the probability of occurrence and scale of damage, the risk assessment was classed as low without any urgent need for action. No further material transition risks were identified.

Given that activities relating to the development, manufacture and sale of components for machine vision applications do not depend directly on changing climatic conditions or water and land use, the direct short-, medium- and long-term physical risks associated with climate change are low. The most important climate-related hazards identified are the risks of storms, heavy rainfall and flooding, although the probability of occurrence is only classed as 'rare' to 'occasional' and the potential scale of damage as 'very low'.

The group's business model is not tied to specific locations or facilities, with the exception of the headquarters and the main production facility in Ahrensburg, Germany. All group locations are leased and, with the exception of Ahrensburg and Singapore, most of the space is used as offices. No long-term disruption to business operations due to the consequences of climate change is foreseeable at these locations. Even in a worst-case scenario (+5°C path), no long-term business risk can currently be derived for the production sites in Ahrensburg and Singapore. The City of Hamburg, close to the headquarters and main production site of the company, is currently the most important business and transport hub for the group. Since 2013, the City of Hamburg has had a convincing action plan in place to adapt to rising temperatures and flood risks, which includes permanent scientific monitoring of changing climate risks in addition to structural and contingency measures.

The group also conducts an assessment of the water stress situation at group locations as part of the climate risk analysis. Beijing and Xian are locations with very high water stress. In a pessimistic scenario, the locations of Shanghai, Suzhou, Seoul, Tokyo and Singapore may be exposed to very high water stress in the long term. As the group's own production and sales activities do not require water, neither a material impact nor a direct material risk can be derived from this. Internal water consumption for all group locations worldwide totaled 7,199 m³ in the 2025 financial year (2024: 7,322 m³).

The availability of electronic components in connection with increasingly extreme storms, water and heat stress along the supply chain in a business-as-usual scenario presents an indirect but limited long-term risk that cannot be quantified precisely at this time. Supply disruptions are an overarching risk that applies to the global electronics industry and other sectors as a whole. The group also considers itself resilient to potential sales risks that may result from climate change-related cutbacks in other sectors. On the sales side, the group generates sales in over 50 countries around the world in a wide range of different sectors. The group is therefore well diversified and has a high level of innovation and flexibility.

Overall, the group considers itself to be largely resilient to the typical transformation risks as well as chronic and acute climate hazards. In principle, the group expects all assets and its own business activities to be compatible with a transition to a climate-neutral economy. The only potential exception, which can currently only be estimated to a limited extent, relates to activities in the upstream value chain in the mining of metals and minerals (see ESRS S2). Due to a lack of transparency, these are currently largely incompatible with the requirements of taxonomy conformity in connection with compliance with minimum standards addressing human rights and the DNSH criteria concerning potential environmental pollution (see [Chapter 2.4, EU Taxonomy](#)).



Climate protection targets

The group's Climate and Environmental Policy regulates how the group addresses its positive and negative impact on the climate. The group endeavors to make an effective positive contribution to climate protection by maximizing customer benefits while reducing emissions and avoiding negative environmental impacts. The group's climate targets, as set out in this policy, are as follows: net-zero GHG emissions in Scope 1 and Scope 2 by the end of 2030 and a significant reduction in Scope 3 emissions in relation to sales. In regard to Scope 1 and Scope 2, this corresponds to a reduction of at least 90% of the GHG emissions recorded in 2022 as the base year and thus an absolute reduction of at least 1,800 tons of CO₂e. Progress in Scope 1 and Scope 2 reduction is measured annually through non-financial reporting and assessed internally on a quarterly basis using suitable KPIs. Ultimate responsibility for achieving the target lies at CFO level. The 2022 base year is considered representative as it was established as the first year with consistent group-wide data collection and methodology and reflects the key locations and typical operating activities of the group.

The goal of reducing Scope 1 and Scope 2 to net-zero GHG emissions by 2030 is in line with the objectives of the Paris Climate Agreement, in particular the limitation of global warming to 1.5°C, the development of strategies for adapting to climate change, meeting the requirements for transparency and achieving climate neutrality by 2050 at the latest. To this end, the group commits to short and medium-term investments to reduce the GHG emissions of its own business activities (see [ESRS E1, Chapter 2.2.2](#), Transition plan and actions; see [ESRS 2, Chapter 1.1.1](#), Time horizons), plans to discuss actions with suppliers to reduce emission intensity in the value chain and reports comprehensively on GHG emissions performance.

The group's Scope 1 and Scope 2 target has not yet been externally validated on a science-based basis through recognized initiatives such as the Science Based Targets initiative. A key reason for this is that a target for Scope 3 emissions had not

yet been established by the end of the 2025 financial year. The group is working on further developing the Scope 3 database and aims to derive the target on the basis of improved data quality and a robust multi-year data foundation.

Transition plan and actions

In 2022, the group quantified the impact of its own business activities (Scope 1 and Scope 2) on climate change, by taking inventory of approximately 2,000 tons of CO₂e GHG emissions. Building on this, a climate transition plan was developed in 2023 that will enable the group to achieve net-zero emissions in Scope 1 and Scope 2 by 2030. In the first step, the transition plan aims to realize substantial potential savings that are largely self-financing. Initial actions have been implemented directly since 2024 and will continue to be implemented successively until 2030. The second step will focus on the decarbonization of electricity consumption. In the final step and during the transition period, any remaining fossil fuels that cannot be technologically mitigated (e.g. gas) will be offset through carbon certificates.

In summary, the most important levers for decarbonization and achieving climate neutrality (Scope 1 and Scope 2) by 2030 are as follows:

- a reduction in energy consumption for existing uses (for example, through building measures),
- electrification of assets (for example, the conversion of company cars to electric vehicles),
- self-generation of renewable energy (for example, by installing photovoltaic systems), and
- the compensation of residual emissions through high-quality carbon credits.

A detailed list, the quantified overall contribution to achieving the GHG reduction targets and the temporal prioritization of planned Scope 1 and Scope 2 actions can be found in Figure 10.



Figure 8 – Climate change milestones



The Executive Board anticipates an investment volume of €7.3m to implement the climate transition plan by 2030. The climate transition plan was approved by the Executive Board as part of the five-year planning and budget approval process. Depending on the type of action, these fall under CapEx or OpEx of the Delegated EU Taxonomy Regulation (see [EU Taxonomy, Chapter 2.4](#)). In the 2024 financial year, the first cost-effective investment measures totaling around €100,000 were carried out. These include replacing light bulbs, renewing the circulation pumps in the heating circuit system, reducing the cooling requirements of the server rooms and optimizing the compressed air system used in production. In the 2025 financial year, investments were made in replacing light bulbs. In addition, a photovoltaic system was installed at the Ahrensburg site. The associated effects will only be reflected in the following financial year. Progress of the actions planned as part of

the climate transition plan is monitored quarterly at Executive Board level as part of the OKR for climate neutrality by 2030.

In the 2025 reporting year, Scope 1 and Scope 2 emissions accounted for 1% of total GHG emissions (2024: 4%; Figures 13 and 14). Scope 3 emissions are therefore responsible for 99% of total GHG emissions.

Against this background, the group intends to establish a quantified and measurable target for the reduction of Scope 3 emissions. A corresponding Scope 3 target has not yet been set and is planned for the next financial year (see [ESRS E1, Chapter 2.2.2](#)). The target is to be derived on the basis of further improved data quality and a robust multi-year data foundation, and will be aligned with the 1.5°C target. The group is not affected by the disclosure obligations and requirements of Implementing Regulation (EU) 2022/2453.



Despite the absence of a target, based on the current GHG inventory, it is evident that the use of Basler products by end-users, the procurement of materials and components as well as commuting and business travel are the most significant Scope 3 factors. Accordingly, the Scope 3 actions to be defined going forward will likely predominantly address emissions from these areas.

In connection with emissions from the use phase, this presents opportunities for adapting the product portfolio and requires research, development and adaptation of products with regard to energy efficiency. For procurement emissions, the focus is on 'embodied' greenhouse gas emissions, which means that targeted cooperation with suppliers will be necessary going forward. Commuting and business travel will largely be influenced by behavioral incentives and internal travel policies.

Results of actions

For the financial years up to and including 2025, a reduction in Scope 1 and Scope 2 emissions of 1,256 t CO₂e (-63%) was achieved compared to 2022. This reduction results from a decline in electricity demand (-83%) and in vehicle fleet emissions (-26%) (see Figure 9). These reductions are attributable to various factors, including investments as part of the climate transition plan, improved data availability and, most significantly, the use of green electricity at the group's largest site in Ahrensburg. The location-based emissions reduction in Scope 1 and Scope 2 (excluding the reduction effect from purchased green electricity) amounts to -17% compared to 2022 (-335 t).

For the coming years, the group expects further reductions of around 500 t CO₂e through the implementation of the climate transition plan in order to achieve the target of reducing Scope 1 and Scope 2 emissions by at least 90% by 2030.

Figure 9 – Greenhouse gas reduction 2025

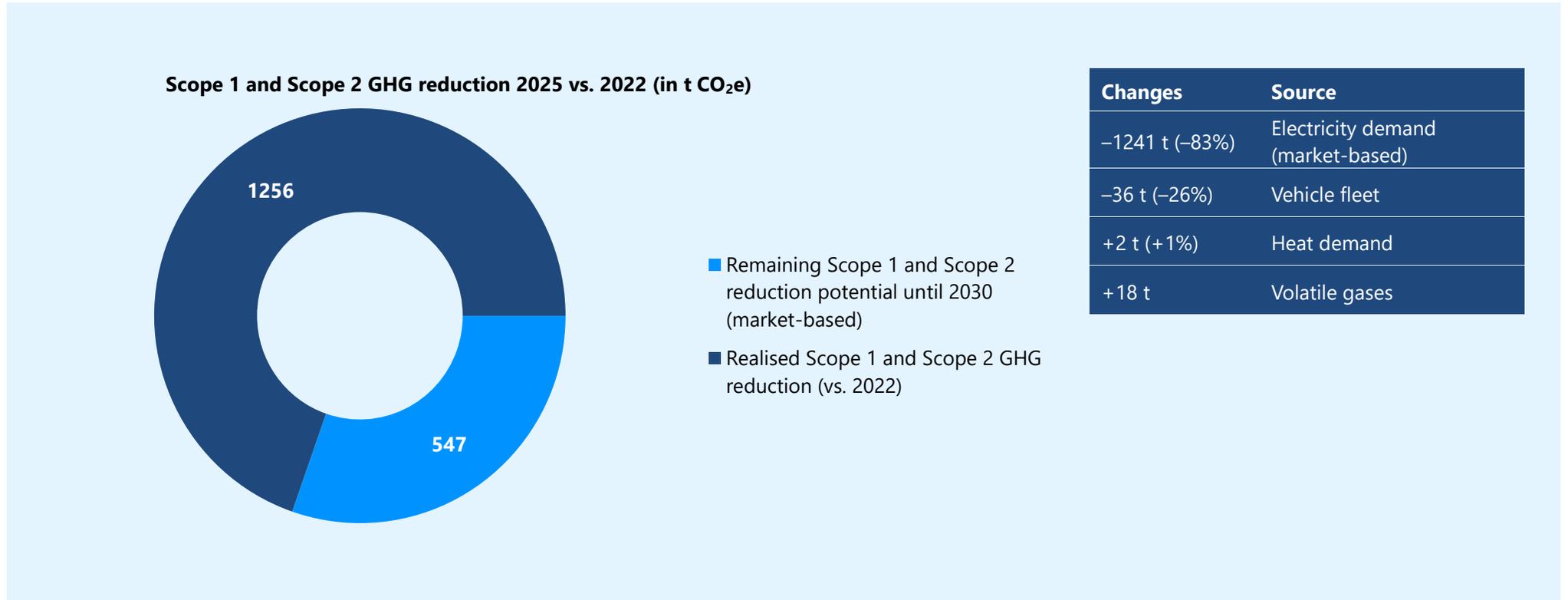
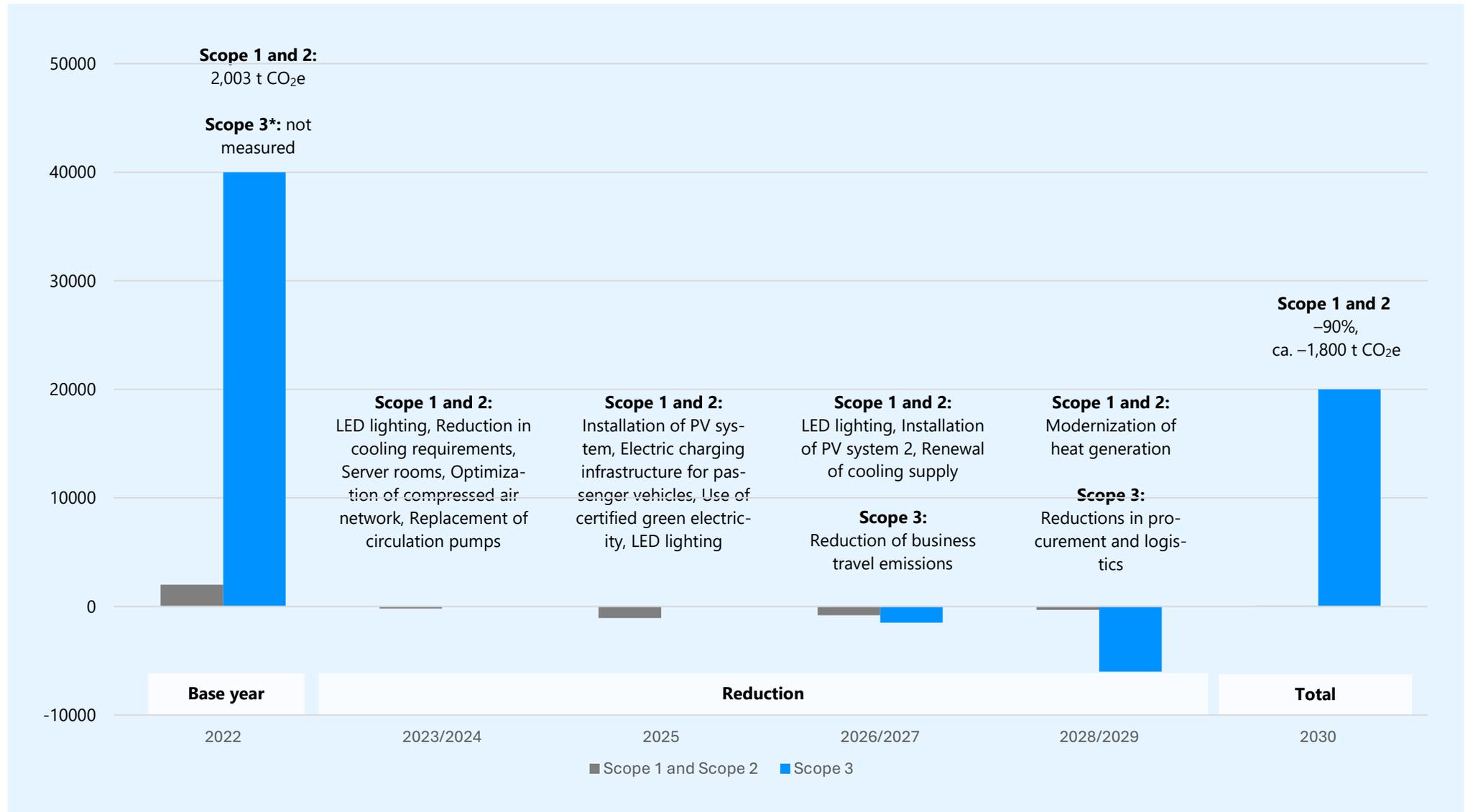


Figure 10 shows the expected reduction in Scope 1 and Scope 2 GHG emissions over the next few years as a result of the actions planned as part of the climate transition plan. The Scope 3 actions presented here relate to proposals for possible actions, which are to be comprehensively discussed and defined by the close of the 2025 financial year. Based on the GHG inventory calculated for 2025 (Figure 13), the most significant area for actions to reduce Scope 3 GHG emissions is in procurement, business travel and commuting. There are also material Scope 3

emissions in the use phase. The group can only influence this to a limited extent by means of product design. The biggest lever for reducing use phase emissions lies outside the group's sphere of influence, namely in the end-users' choice of energy source.

Figure 10 – Climate targets for 2030



* Scope 3 figures were calculated for the first time in the 2024 reporting year. The extent of Scope 3 emissions in the 2022 reporting year is estimated.



2.2.3 Metrics and Targets

Energy consumption and energy mix

The energy consumption and energy mix shown in Figure 11 relates only to the group's own business activities (Scope 1 and Scope 2). This includes the heat and electricity requirements at locations worldwide, as well as energy consumption from mobile combustion (company cars).

In the 2025 reporting year, the prior-year figures (2024) were retrospectively corrected (see [ESRS 2, Chapter 1.1.1](#); see Figure 11). The background to this is a revised allocation of electricity and heat consumption to fossil and renewable sources: in the prior year, the allocation was made on the basis of the country-specific energy mix, which partially reflected energy from renewable sources even though no contractually guaranteed renewable energy quantities were in place. The figure for consumption of purchased energy from renewable sources was retrospectively corrected to 0 MWh. The energy originally reported as coming from renewable sources was subsequently reclassified as fossil fuels, meaning that 99% (5,424 MWh) of the energy purchased and consumed in the 2024 reporting year came from fossil sources. Total energy consumption for the prior year remained unchanged.

Heat is generated either by natural gas, district heating or electricity, depending on the location. District heating is only used in Germany. The energy mix for the company car fleet was derived from actual fuel consumption for 2025 (unchanged from the prior year).

Compared to the prior year, the share of renewable energy has increased due to the use of green electricity at German sites, accounting for nearly half of total energy consumption in 2025 (2024: 0%; see Figure 11).





Figure 11 – Energy consumption and energy mix

Energieverbrauch und Energiemix	2025	2024
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	447	527
Fuel consumption from natural gas (MWh)	1,791	1,735
Fuel consumption from other fossil sources (MWh)	0	0
Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)	623	3,162 ¹
Total consumption of fossil energy (MWh)	2,862	5,424 ²
Share of fossil sources in total energy consumption (%)	52%	99% ³
Total consumption from nuclear sources (MWh)	44	45
Share of consumption from nuclear sources in total energy consumption (%)	1%	1%
Fuel consumption from renewable sources, including biomass (also industrial and municipal waste of biological origin, bio-gas, hydrogen from renewable sources, etc.) (MWh)	0	0
Consumption from purchased or received electricity, heat, steam and cooling from renewable sources (MWh)	2,564	0 ⁴
Consumption of self-generated renewable energy, not in the form of fuel (MWh)	0	0
Total consumption of renewable energy (MWh)	2,564	0 ⁵
Share of renewable sources in total energy consumption (%)	47%	0% ⁶
Total energy consumption (MWh)	5,470	5,469

¹ This is an adjusted value resulting from a retrospective error correction. The originally reported value of 1,602 MWh is adjusted to 3,162 MWh by adding the originally reported 2024 value in the category 'Consumption from purchased or received electricity, heat, steam and cooling from renewable sources (MWh)'. See [ESRS 2, Chapter 1.1.1](#) of this report.

² This is a sum adjustment resulting from the retrospective error correction explained in footnote 1. The value originally reported for the previous reporting year is 3,864 MWh.

³ This is a recalculation of the proportional distribution resulting from the retrospective error correction explained in footnote 1. The value originally reported for the 2024 reporting year is 71%.

⁴ This is an adjusted value resulting from a retrospective error correction. The originally reported value of 1,560 MWh is retrospectively reclassified into the category 'Consumption from purchased or received electricity, heat, steam and cooling from fossil sources (MWh)'. Accordingly, the value is adjusted to 0 MWh. See [ESRS 2, Chapter 1.1.1](#) of this report.

⁵ This is a sum adjustment resulting from the retrospective error correction explained in footnote 4. The value originally reported for the previous reporting year is 1,560 MWh.

⁶ This is a recalculation of the proportional distribution resulting from the retrospective error correction explained in footnote 4. The value originally reported for the 2024 reporting year is 28%.

Energy intensity in climate-intensive sectors

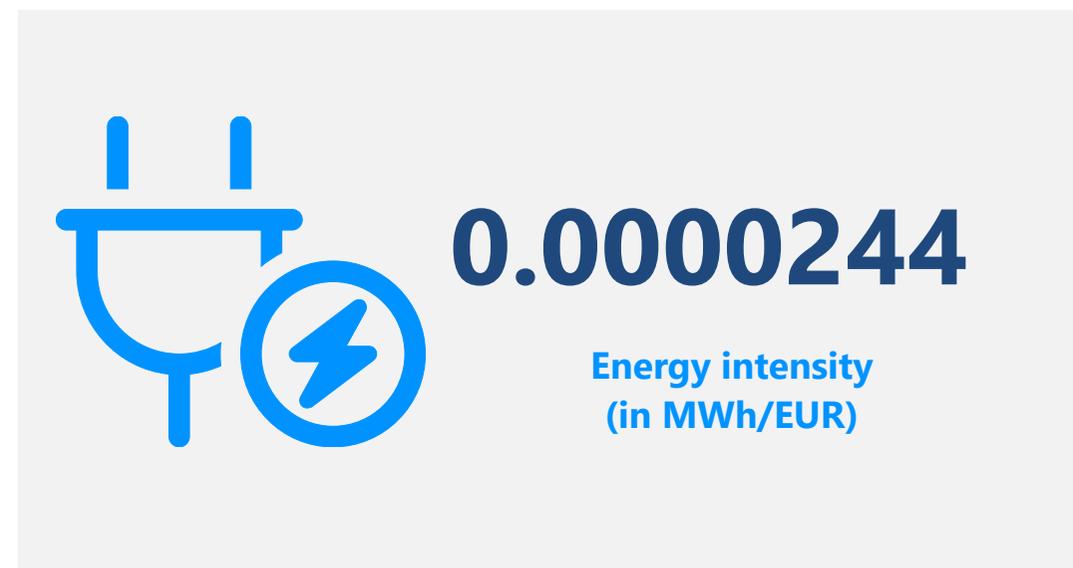
The European Sustainability Reporting Standards (ESRS) define which companies and sectors are particularly climate relevant. Climate-intensive sectors are defined as those whose activities have a material impact on the environment and climate, particularly through greenhouse gas emissions or the use of resources. Climate-intensive sectors have a high emission potential, are heavily dependent on fossil fuels and are therefore particularly relevant for the transition to a low-carbon economy.

All of the group's business activities relate to the climate-intensive sector NACE 26.70.0 – Manufacture of optical and photographic instruments and apparatus. Total net sales and total energy consumption of own business activities (Scope 1 and Scope 2) therefore form the basis for determining energy intensity. The energy consumption of the upstream and downstream value chain is not considered in this calculation.

Total net revenue in 2025 amounted to around €225 million. Total energy consumption is 5,470 MWh. The energy intensity is therefore 0.0000244 MWh/€ or 0.0244 kWh/€. As energy consumption remained nearly constant compared to the prior year while net revenue increased, a reduction in energy intensity can be observed.

Figure 12 – Energy intensity in connection with activities

Energy intensity in climate-intensive sectors	2025	2024
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors (MWh/EUR)	0.0000244	0.0000298





Gross GHG emissions in Scope 1, Scope 2 and Scope 3

The emissions impact of the group's own activities within the value chain (Scope 1 and Scope 2) is rather low compared to other sectors. The only direct sources of emissions at the group's sites (Scope 1) are attributable to the company's own heating systems and leased company cars. Electricity and district heating consumption (Scope 2) are other indirect sources at the group's locations. As is common for the industry, the majority of the emissions impact is indirect, which means they are attributable to upstream and downstream value creation and outside the activities of the group (Scope 3).

The aim of recording GHG emissions is to demonstrate the direct and indirect impacts of the group on climate change.



Figure 13 – Greenhouse gas emissions 2025¹

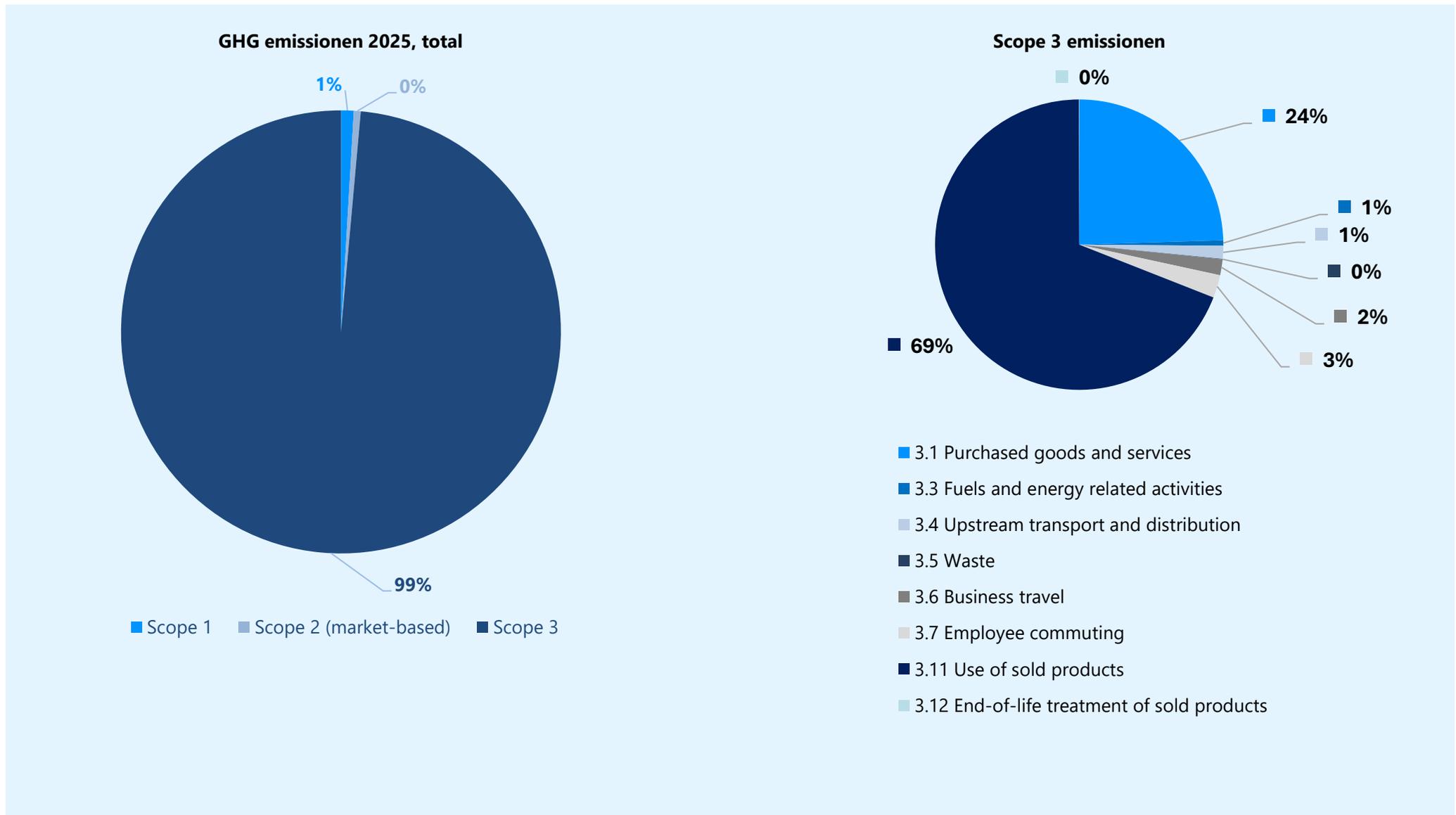
	Retrospective					Milestones and target years	
	Base year 2022	Change 2025	2025	% 2025/2024	2024	2030 target	Annual % of target / base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (t CO ₂ e)	499	-15	484	-7%	521	50	11%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0%	-	0%	0%	0%	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	1,504	-335	1,215	-6%	1,294	150	11%
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	1,504	-1,241	263	-80%	1,294	150	11%
Significant Scope 3 GHG emissions							
Total gross indirect (Scope 3) GHG emissions (t CO ₂ e)			51,106	24%	41,195 ³		
1 Purchased goods and services			12,530	31%	9,581		
3 Fuels and energy related activities			311	0%	312		
4 Upstream transport and distribution			740	12%	662		
5 Waste generation in operations	Not measured		27	59%	17	Pending	-
6 Business travel			897	-19%	1,105 ²		
7 Employee commuting			1,300	-21%	1,650		
11 Use of sold products			35,284	27%	27,858		
12 End-of-life treatment of sold products			17	70%	10		
Total GHG emissions							
Total GHG emissions (location-based) (t CO ₂ e)	Not measured		52,805	23%	43,010 ³	Pending	-
Total GHG emissions (market-based) (t CO ₂ e)			51,853	21%	43,010 ³		-

¹ No breakdown by financial and operational control, as the financial and operational scope of consolidation are identical.

² The prior-year value was retrospectively adjusted (2024: 781 t CO₂e; 2024 adjusted: 1,105 t CO₂e).

³ This is a sum adjustment resulting from the retrospective adjustment of the prior-year value in Scope 3.6 'Business travel' (see footnote 2).

Figure 14 – Scope 1, Scope 2 and Scope 3 emissions





The analysis of gross GHG emissions showed that 1% of total emissions are attributable to own business activities (Scope 1 and Scope 2). The reason for the proportional reduction compared to the prior year (–3%) is primarily attributable to the use of green electricity at the Ahrensburg site and the increase in Scope 3 emissions. The 484 t CO₂e in the Scope 1 category are divided into 360 tonnes of stationary combustion emissions, 106 tonnes of mobile combustion and 18 tonnes of GHG emissions from volatile gases (R-410A). Stationary combustion emissions and those caused by volatile gases are mainly based on consumption data for the respective energy sources. For the Neumünster site in Germany, energy consumption is based on estimates calculated from operating cost billing data from the prior year. It should be noted that energy consumption at this site accounts for 0.2% of total group consumption. Mobile combustion emissions (company cars) were largely determined by estimating expenditure, distances travelled or the fuel consumption of the company cars.

99% of total emissions are generated in the upstream and downstream value chains (2024: 96%). As expected, Scope 3 emissions are mainly attributable to the use of Basler products by end customers, to the procurement of materials and components, as well as to commuting and business travel. Emissions from the use phase are responsible for 68% of all greenhouse gases emitted in the group's value chain (Scope 1, Scope 2 and Scope 3) (2024: 65%). A slight increase in Scope 3 figures is primarily attributable to generally higher sales volumes.

In the 2024 financial year, the group did not actively use any contractual instruments (guarantees of origin or certificates for renewable energies) for the GHG inventory. In the 2025 reporting year, however, the group purchased 100% green electricity at the Ahrensburg site, which in the prior year accounted for 76% of Scope 2 emissions. This enabled a significant reduction in the group's Scope 2 emissions (market-based) to be achieved.

Methodology – Figure 13

Current available emission factors based on GWP100 are generally used to calculate climate impacts. GWP100 (Global Warming Potential, 100 years) represents the mean global warming potential of a greenhouse gas over a time horizon of 100 years, enabling comparability between different gases in the form of CO₂ equivalents. The Life Cycle Impact Assessment (LCIA) method is then used to evaluate the impacts of all recorded emissions and resource flows based on defined characterisation factors (CFs). These CFs determine how strongly a particular greenhouse gas contributes to climate change compared to CO₂.

The emission factors used from 'ecoinvent' are based on the characterisation factors of the IPCC Assessment Report 6 (AR6), 2021, and thus reflect the current state of scientific knowledge. For this reason, this source was used as the primary reference. Supplementary emission factors from DEFRA and the German Environment Agency are still based on IPCC Assessment Report 5 (AR5).

The collection of Scope 3 data is based in part on primary data. A significant proportion of Scope 3 emissions was determined on the basis of proxy values, approximations and estimates. The background to this is that Scope 3 emissions predominantly result from the use phase and the group is unable to collect primary energy data from end customers.

The following approaches were used for the individual Scope 3 categories:

3.1 Purchased goods and services: Purchases made during the reporting period were analysed to calculate the GHG emissions for procurement expenditure. These primarily include raw materials and materials for production, as well as packaging materials. For 64% of emissions from procurement, the number and weight of purchased components were used as the basis for calculation. The remaining 36% of emissions were determined on a spend-based basis. Average factors per product



and material-based factors from ecoinvent were used as emission factors. Supplementary spend-based factors from DEFRA were also applied.

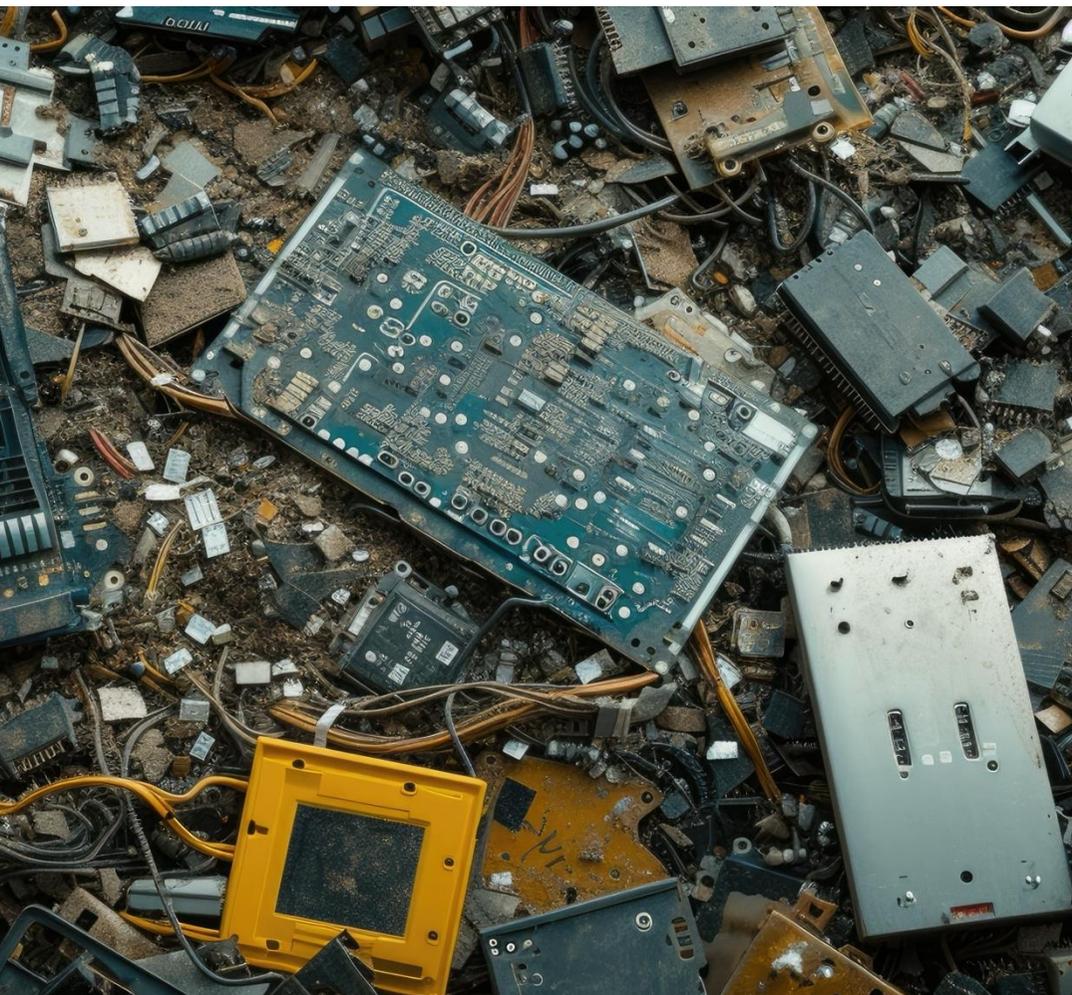
3.3 Upstream fuels and energy related activities: Energy consumption figures, which already form the basis for calculating Scope 1 and Scope 2 emissions, were used for this calculation. These are upstream chain emissions. The emission factors are sourced from the ecoinvent, DEFRA or German Environment Agency databases.

3.4 Upstream transport and distribution: The calculation of GHG emissions for logistics is based on activity data for logistics activities in 2025. The data builds on freight weight, distance and emissions intensity of the modes of transport used. 92% (revenue-based) of logistics emissions were calculated and provided directly by the freight forwarding service providers. The remaining 8% was extrapolated on a revenue basis. Based on the emissions generated per euro of logistics services purchased (92% of activity-based logistics data), an extrapolation was made in order to be able to fully account for the remaining 8% of logistics activity.

3.5 Waste: Actual waste volumes for production sites and estimates for office sites were collected to calculate waste emissions. The emission factors used are from DEFRA. The accounting limit has a significant impact on the level of waste emissions, particularly for waste that is thermally recovered. In accordance with the GHG Protocol, the group has only calculated the emissions up to the incineration plant in the case of thermal recovery. The emissions produced by the combustion process are attributed to the user of the energy generated. This approach based on the GHG Protocol has a significant impact on waste emissions for the group. Waste emissions would increase by a factor of approximately ten if the group also accounted for the emissions caused by incineration (which would not be compliant with the GHG Protocol).

3.6 Business travel: The calculation of GHG emissions for business travel is based on activity data for business travel in 2025. The data basis includes distances travelled and information on modes of transport from internal sources, which were supplemented with relevant external emission factors (German Environment Agency and DEFRA).

3.7 Employee commuting: A mobility survey of group employees conducted in 2025 was used as the basis for calculating emissions from commuting. This was used to determine average commuting distances, modes of transport and the number of days of travel to the workplace. The greenhouse gases emitted by commuting were determined by extrapolating with relevant emission factors.



3.11 Use of sold products: The average energy consumption on a product group basis as well as the sales figures on a geographical level and the country-specific emissions intensities for electricity production were used to calculate the GHG

emissions during the use phase of Basler products. The base scenario was assumed to be 6,000 operating hours per year – 24 hours a day, 5 days a week. In order to account for regional differences in the greenhouse gas intensity of the electricity used, individual emission factors were used for the main sales markets on a country basis. This enabled the calculation of 93% of use phase emissions. A single average factor for the emissions intensity of electricity generation was used for the remaining 7%, as these are sales markets that individually account for less than 1% of the group's sales.

3.12 End-of-life treatment/disposal of sold products: The calculation of greenhouse gases resulting from the disposal of Basler products is based on assumptions regarding standard disposal structures in the main sales markets. The disposal options, e.g. landfilling or incineration, as well as recycling capacities, vary greatly between the different countries in which Basler products are used. Products that are recycled at the end of their life are not recognised under Scope 3.12 in accordance with the GHG Protocol.

The Scope 3 categories excluded on the basis of materiality (estimated total emissions, opportunities for influence and data availability) are: 3.2 Capital goods, 3.8 Leased assets (upstream), 3.9 Downstream transport and distribution, 3.10 Processing of sold products, 3.13 Leased assets (downstream), 3.14 Franchises, 3.15 Investments.

GHG intensity

The GHG intensity disclosed in Figure 15 comprises total GHG emissions in tonnes of CO₂e per net revenue for the 2025 financial year (as reported in the annual report) and relates to emissions across the entire value chain (Scope 1, Scope 2 and Scope 3).

**Figure 15 – GHG intensity**

	2025	% 2025/2024	2024
Total GHG emissions (location-based) per net revenue (t CO ₂ e/EUR)	0.000235	+2.2%	0.000230
Total GHG emissions (market-based) per net revenue (t CO ₂ e/EUR)	0.000231	+0.4%	0.000230

	2025	2024
Net revenue used to calculate GHG intensity (TEUR)	224,537	185,542
Net revenue (other) (TEUR)	–	–
Total net revenue (in financial statements) (TEUR)	224,537	185,542

GHG reductions from carbon credits

In the 2025 financial year (as well as in the prior year), the group did not finance any reduction of greenhouse gases in climate protection projects outside its own value chain through the purchase of carbon credits. The group is also not involved in projects that primarily aim to reduce, remove or permanently store greenhouse gases.

In connection with the net-zero GHG emissions target (Scope 1 and Scope 2), the group plans, towards 2030, following the exhaustion of all technically and economically viable avoidance and reduction options, to use carbon credits to neutralize remaining residual emissions. This is expected to apply to approximately 5–10% of the Scope 1 and Scope 2 emissions calculated in the base year 2022.

The planned use of carbon credits is guided by established international quality standards (e.g. Gold Standard, Verified Carbon Standard). In selecting certificates, particular consideration is given to additionality, permanence, avoidance of double counting, independent verification and transparency.

Internal carbon pricing

The group does not currently use internal carbon pricing systems for decision-making to incentivize the implementation of climate-related strategies and targets.

The group attaches great importance to climate change and emissions reduction as a whole and takes responsibility for its own emissions impact with substantial actions, in order to make a positive contribution to a liveable future (see the group's Climate and Environmental Policy, [ESRS 2, Chapter 2.3.4, Targets](#)). The continuous expansion and improvement of climate accounting and the impact of emissions will remain a core component of the sustainability strategy in the long term.

2.3 Pollution (ESRS E2)

Pollution in the upstream value chain and substances of very high concern

The ESRS categorizes environmental pollution into seven different subject areas: air, water and soil pollution, pollution of living organisms and food resources, substances of concern and substances of very high concern as well as microplastics. Four of these seven topics are potentially relevant to the group's business model and were assessed for materiality: (1) air, (2) water and (3) soil pollution and (4) substances of very high concern (as defined under REACH – 'Substances of Very High Concern', SVHC).

The remaining subject areas (pollution of living organisms and food resources, and microplastics) were classified as not material as part of the double materiality assessment. The key reasons for this were the comparatively limited influence of the business model on these subject areas and the scale of the potential impacts compared to other environmental topics (see [ESRS 2, Chapter 1.1.6](#)).

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2.3.1 Material Impacts, Risks and Opportunities

As part of the determination of material impacts, risks and opportunities, the group's own company locations (in particular production sites in Germany and Singapore) as well as activities in the upstream and downstream value chain were analyzed. The stakeholder groups defined in the double materiality assessment were involved in this process, although affected communities were not explicitly consulted (see [ESRS 2, Chapter 1.1.6](#)).

Negative impacts in connection with in-house production arise primarily from energy consumption and waste generated, particularly electronic waste. These are examined in more detail in [ESRS E1, Chapter 2.2](#) (Climate change) and [ESRS E5, Chapter 2.4](#) (Resource use and circular economy). No other material impacts, risks or opportunities relating to environmental pollution were identified at the group's own production sites.

Given the breadth of the upstream and downstream value chain, a business activity-based approach was adopted for these areas. The following was included in the analysis:

- upstream activities for the extraction of raw materials;
- upstream activities for the production of metals, semi-metals, surface coatings and the manufacture of electronic and electromechanical components;
- downstream activities relating to the disposal of Basler products by end customers.

Negative impacts from the use of fossil fuels

The upstream activities require considerable amounts of energy, which currently comes predominantly from fossil sources. In addition to greenhouse gas emissions (see [ESRS E1, Chapter 2.2](#)), this results in air pollutants, in particular nitrogen and

sulphur oxides, which contribute to the acidification of soil and water and may be harmful to plants.

The group assesses the scope and scale of these impacts in the upstream value chain as limited. Mitigating effects are expected in the medium term as a result of the global transition to renewable energy sources.

Potential negative impacts from the use of conflict minerals

Basler products contain minerals such as tin, tantalum, tungsten and gold, often referred to as '3TGs' or 'conflict minerals', as their extraction may be associated with conflict and high-risk areas. Their extraction can result in environmental pollution, such as deforestation or drinking water contamination.

The group considers the manifestation of these potential impacts as probable, but assesses the scope and scale as limited, as comparatively small quantities of these raw materials are used overall. The group's scope for action is limited due to the depth of the upstream supply chain and the absence of direct control.

Potential negative impacts due to regional water pollution

In particular, the mining of gold can result in the ingress of water-polluting substances into regional bodies of water. This may damage aquatic ecosystems and affect the local population if access to clean drinking water is restricted.

The group assesses the occurrence of these potential impacts as possible and the scope and scale as limited due to the overall small quantities of raw materials involved. The group's scope for action is similarly limited by the distant upstream value chain.



Potential negative impacts due to improper disposal of Basler products

In the 2024 financial year, the group systematically identified substances of very high concern in purchased product components for the first time, detecting the presence of the heavy metals lead and cadmium. In the 2025 reporting year, this analysis was continued. The results confirm the presence of these two substances in purchased product components, as well as small quantities of dicumyl peroxide (DCP) and diboron trioxide (boron oxide).

In the event of improper disposal of Basler products, the substances mentioned above can accumulate in soils, damage soil organisms and micro-organisms, be absorbed by plants and affect aquatic ecosystems. Both substances are persistent and can accumulate in organisms and along the food chain, which may lead to long-term ecosystem disruption.

The group assesses the probability of occurrence of such impacts as possible. Should an impact occur, a limited scope but potentially serious consequences are to be expected.

Lead and cadmium may also enter the food and drinking water cycle, posing health risks for humans (including carcinogenic effects). In the event of a fire, heavy metals may be absorbed through the air we breathe. Impacts on consumers are discussed in [ESRS S4, Chapter 3.3](#) (Consumers and end-users).

Potential risks from reputational damage in connection with substances of very high concern

Should environmental or health damage resulting from improper disposal be linked to heavy metals, this could lead to reputational damage for the group and consequent financial risks (e.g. lost sales). The probability of occurrence is assessed as unlikely, and the potential scale as noticeable to critical.

In summary, the impacts and risks associated with environmental pollution primarily result from activities in the upstream and downstream value chains. In many cases, these are potential and industry-specific impacts and not actual and company-specific ones.

Summary

The material impacts and risks associated with environmental pollution arise predominantly in the upstream and downstream value chains and are frequently potential in nature and inherent to the business model.

Despite limited room for maneuver, the group pursues strategies and actions to reduce identified impacts and risks wherever possible.

2.3.2 Strategies and Actions

Pollution in the supply chain

The strategy for dealing with environmental pollution in the supply chain, in particular from fossil fuels, conflict minerals and potential impacts on air, water, soil and living organisms, is anchored in the following internal policies: the group's Code of Conduct, Climate and Environmental Policy and the Conflict Minerals Policy. As a downstream company, the group has no direct business relationship with mines and smelters. Furthermore, the group is frequently several supply chain tiers removed from raw material suppliers. Accordingly, there are no direct opportunities for control or influence at this level. Influence can therefore only be exerted indirectly via direct upstream suppliers.

The group's policies essentially describe the company's own strategy and the expectations it places on suppliers in the upstream value chain. These include, among others:

- the reduction of Scope 3 emissions to mitigate negative impacts related to air pollution.
- the reduction of environmental impacts from the extraction and use of resources to mitigate negative impacts related to water and soil pollution.
- the demanding of corrective actions and, in the event of persistent violations of the Conflict Minerals Guideline, contractual consequences up to and including termination of the business relationship, with the aim of minimizing negative impacts in connection with the use of conflict minerals.

In order to further strengthen supply chain requirements, the group is working on a revised version of the Code of Conduct, the adoption of which is currently planned for 2026. The aim is to more clearly address existing requirements, including the expectation to avoid environmental pollution and to ensure the controlled





handling, treatment and disposal of potentially environmentally hazardous substances, also for the upstream supply chain. Until this update is implemented, communication and embedding of requirements will continue via the existing Code of Conduct, the Climate and Environmental Policy, the Conflict Minerals Policy and established supplier processes (see [ESRS S2, Chapter 3.2.2](#)).

Apart from the strategy outlined above, there are no specific actions for impacts relating to the use of fossil fuels or water pollution by actors in the upstream value chain. The key reasons for this are the limited opportunities for influence as a downstream company described above, as well as the currently insufficient depth of data to define targeted actions at the level of individual process stages and to reliably track their effectiveness. The group monitors developments in data availability and regulatory requirements and assesses whether and to what extent additional actions may be required and feasible in the future.

Substances of very high concern

The group's strategy for dealing with identified impacts and risks associated with substances of very high concern follows a multi-stage approach:

1. conformity testing of components by the Product Compliance and sustainability team (e.g. REACH – 'Registration, Evaluation, Authorisation and Restriction of Chemicals' and RoHS – 'Restriction of Hazardous Substances'),
2. development of a dedicated database to identify substances of concern and substances of very high concern in all relevant product components,
3. transparency towards interested parties about substances contained,
4. substitution of affected components with the aim of gradually reducing the substances contained.

The aim of this strategy is to prevent environmental pollution through the consistent reduction or elimination of substances with a negative impact.

In the prior year 2024, the activities to implement this strategy were significantly expanded. In addition to the ongoing conformity testing, the group introduced an external database for the independent analysis of product components and assessed over 1,600 purchased electronic components for substances of concern and substances of very high concern on a risk basis using parts lists.

In the 2025 reporting year, these activities were continued and systematized. The focus was on updating and supplementing the existing database, extending the assessments to additional component groups and closing identified data gaps through targeted supplier enquiries.

For the 2024 financial year, a reliable database was established for around 62% of the electronic components assessed. In the 2025 reporting year, this coverage was further increased to 95.9%. The remaining data gaps were closed through ongoing data maintenance and direct supplier enquiries already initiated in the prior year. This process is being continued systematically in order to regularly update the database and successively close remaining gaps.

To implement the transparency measures, substances of very high concern were disclosed in the group's sustainability report for the first time in the 2024 financial year. In the 2025 reporting year, this reporting was continued and supplemented with a comparison against prior-year figures (see [ESRS E2, Chapter 2.3.3](#)). Substitution reviews are currently carried out on a component-by-component and event-driven basis. Coordination takes place within the overarching responsible sourcing project, in which Purchasing, Product Compliance, sustainability management and Lifecycle Management collaborate and meet on a weekly basis. A separate, time-bound implementation plan for a more systematic approach to substitution reviews beyond this had not been defined by the end of the 2025 reporting year, but is planned for the 2026 financial year.



2.3.3 Substances of very high concern

Taking into account the data limitations described in [ESRS E2, Chapter 2.3.2](#) (Strategies and actions), the total quantities of substances of very high concern for the 2025 financial year as shown in Figure 16 were determined. These leave the company's facilities as part of products, in the form of purchased product components.

As in the prior year, the analysis showed that no substances of concern are contained, but only substances of very high concern (SVHC). In total, 21 substances of very high concern were identified in the reporting year. Four of these substances account for the predominant share of the total quantity of approximately 99.97%. The remaining substances were excluded from further consideration on the basis of their low relevance.

The remaining substances are the heavy metals cadmium and lead, as well as dicumyl peroxide (DCP) and diboron trioxide (boron oxide). Cadmium and lead were common in the electronics industry for many years and are today largely restricted or partially prohibited by stricter regulations but continue to be found in certain specialized applications where they are currently difficult to substitute. DCP is used, among other things, for insulation, while boron oxide is used in glass components.

To reduce and prevent pollution (in particular air, water and soil pollution, as well as the effects of substances of very high concern) in connection with the impacts,

risks and opportunities described above, the group's Climate and Environmental Policy requires, among other things:

- an effective and positive contribution to environmental protection.
- transparency regarding the environmental impact of resource use.
- transparency in the handling of substances of very high concern and their substitution.

Figure 16 – Substances of very high concern

Substance of concern and substance of very high concern	Classification according to EC 1907/2006	Quantity in 2025 (in tons)	Quantity in 2024 (in tons) *
Cadmium	Carcinogenicity, germ cell mutagenicity, reproductive toxicity	less than 1 t	less than 1 t
Lead	Carcinogenicity, reproductive toxicity	less than 1 t	less than 1 t
Dicumyl peroxide (DCP)	Reproductive toxicity	less than 1 t	–
Diboron trioxide (boron oxide)	Reproductive toxicity	less than 1 t	–

* In the 2024 reporting year, the following quantities were disclosed: cadmium: 0.011412471 t; lead: 0.084658344 t. In the 2025 reporting year, the disclosure of exact quantities was omitted due to the small amounts involved.



2.3.4 Targets

Compliance with the Climate and Environmental Policy in the supply chain is assessed, among other things, through suppliers' agreement to the Code of Conduct. In the 2025 financial year, 71% of relevant suppliers explicitly agreed to the Code of Conduct.

For the remaining suppliers, no explicit declaration of agreement was available at the reporting date. This should not necessarily be interpreted as non-acceptance, as these are frequently electronics companies that use their own codes of conduct and whose disclosures and standards were reviewed using external database-based information sources, meaning no direct communication was initiated to obtain agreement in each individual case. Due to the changed scope (top 50 suppliers by purchasing volume vs. relevant suppliers by product category and supplier status), the agreement rates are only partially comparable with the prior year.

Based on the insights gained in the 2024 and 2025 financial years, the group is currently assessing whether and in what form a quantity-based reduction of substances of very high concern in selected product groups should be defined as a medium-term management target. In general, however, the group pursues a strategy of transparency with regard to supply chain information and has set itself the internal process focus of systematically building its database on substances of concern. This is linked to the overarching focus of responsibly sourcing 75% of materials by 2028. The effectiveness of the implemented policies is currently tracked through process- and data-related indicators, in particular the progress made in building and updating the database (e.g. coverage rate of suppliers contacted or components assessed), the data gaps closed (including through supplier enquiries) and the comparison of identified substance occurrences across reporting years on the basis of the continued analyses.

No specific quantitative metrics are currently collected for air, water and soil pollution. The relevance and necessity of additional indicators is reviewed regularly as part of future materiality assessments.

In the 2024 and 2025 financial years, no material incidents of environmental pollution in connection with the group's business activities came to light. The negative impacts from the use of fossil fuels described in [ESRS E2, Chapter 2.3.1](#) do not constitute specific events, but rather a general description of activities and impacts in the upstream supply chain. The targets described by the group as well as the planned actions for future target-setting are set on a voluntary basis.



2.4 Resource Use and Circular Economy (ESRS E5)

Electronic waste and product offerings to promote the circular economy

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2.4.1 Material Impacts, Risks and Opportunities

When determining impacts, risks and opportunities in connection with resource outflows and waste, the group also reviewed its upstream and downstream value chain as well as its own activities in the 2025 reporting year (see Figure 5). The underlying assessments are based on the double materiality assessment described in [ESRS 2, Chapter 1.1](#), which was confirmed in 2025. Affected communities were again not explicitly consulted, as the group's resource outflows do not have a material and direct impact on this stakeholder group in total (see Figure 18). Compared to the prior year, no material changes to the identified impacts, risks and opportunities arose.

Negative impacts of electronic waste in production and disposal by end customers

The group's own production facilities in Germany and Singapore as well as some office locations with small inventories generated around 6,065 kilograms of electronic waste in the 2025 reporting year (2024: approx. 1,331 kilograms, see Figure 18). These quantities arise in particular from surplus production, defective components or repairs carried out at the Basler Repair Centre. The increase in the current reporting year is primarily attributable to internal warehouse space and inventory measures, during which legacy stock and materials that were no longer usable were cleared and disposed of properly.

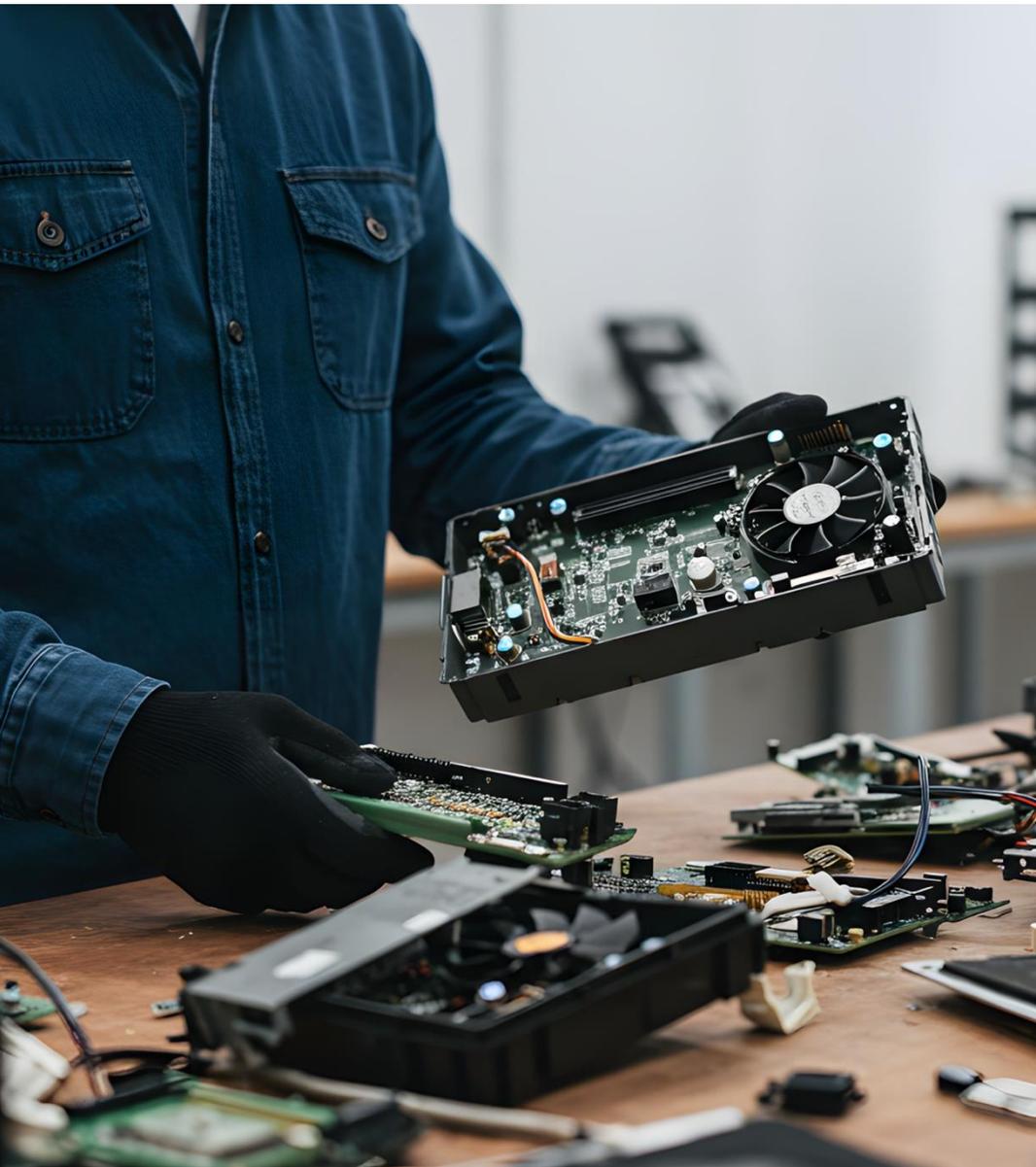
In addition, Basler products are disposed of by end customers at the end of their service life. Improper disposal could lead to the release of pollutants (e.g. heavy metals), which could contaminate soil and water and present health risks to humans (see [ESRS E2, Chapter 2.3.1](#), Material impacts, risks and opportunities). Furthermore, materials that are not disposed of in a circular manner are permanently lost from the value creation cycle.

The group continues to assess the scope and scale of these impacts as low, as only small quantities of materials and products are affected in total, Basler products are predominantly used by professional customers and established collection and disposal structures for electronic products exist in the relevant target markets. Based on the update to the materiality assessment for 2025, it continues to be reasonable to expect that the disposal of products by end customers will generally be carried out in accordance with the law.

Potential financial opportunities through the use of recycled raw materials

The group currently uses only a limited amount of recycled materials in the manufacture of its products (as reported in the prior year). Due to continuous technological progress, it is only possible to a limited extent to reuse 'old' electronic components. Peripheral components, however, such as metals for housing parts or plastics for seals and cable insulation, could be procured as secondary materials. The group sees this as an opportunity, to a limited extent, to optimize cost structures and reduce greenhouse gas emissions (see [ESRS E1, Chapter 2.2](#), Climate change).

Compared to the prior year, no new group-wide measures to systematically increase the proportion of recycled materials were introduced in the 2025 reporting year. Opportunities and potential are still assessed predominantly on a qualitative basis. Overall, the group continues to attach low financial weight to these opportunities but expects positive effects on cost structures and greenhouse gas emissions in the medium to long term (see [ESRS E1, Chapter 2.2](#), Climate change).



Potential financial opportunities through circular product offerings

By taking back old and used products and refurbishing, reprocessing or recovering them, the group could potentially establish a 'second-life' product offering and reduce procurement costs. This creates additional sales opportunities that can contribute to revenue growth and strengthen customer loyalty (e.g. through upgrade initiatives as part of product returns).

As in the prior year, the group assigns these opportunities to have a low financial impact in the medium to long term, meaning that a materially significant contribution to the group's result in the short term continues to be considered unlikely. In the 2025 reporting year, the conceptual considerations regarding circular business models were continued unchanged, without any new programs being implemented group-wide.



2.4.2 Strategies and Actions

The strategies for addressing material consumption and the transition to a circular economy are anchored in the group's Climate and Environmental Policy and encompass the entire value chain. They pursue (unchanged from the prior year) in particular the decoupling of value creation from greenhouse gas emissions and the ecological footprint of material consumption. A key focus is on the reduction and recycling of electronic waste in order to promote the transition to a circular economy.

In the 2025 financial year, these principles were continued essentially unchanged. No formal update to the Climate and Environmental Policy or the introduction of additional group-wide programs with regard to resource use or the circular economy took place. The effectiveness of the existing strategies continues to be monitored by sustainability management in coordination with the responsible functions (e.g. Purchasing, Operations, Product Development) and ultimately by the CFO with overall responsibility. As described in the prior year, various options for further developing circular approaches, including the potential increase of secondary materials in suitable components (e.g. metallic housing parts or selected plastic applications), are being continuously reviewed. However, no group-wide implemented measures were derived from this in the 2025 reporting year.

The group's expectations of suppliers with regard to environmental and resource protection are anchored in the existing internal policies (in particular the group's Code of Conduct and Climate and Environmental Policy) and are addressed as part of supplier selection, onboarding and supplier communication. Suppliers are generally required to comply with relevant environmental laws and regulations and to implement appropriate processes for handling waste, emissions and hazardous substances. The group intends to further specify these expectations in a separate Supplier Code of Conduct in the future.

Electronic waste and the Basler Repair Centre

The processes for recording, disposing of and recovering electronic waste as well as the role of the Basler Repair Centre described in the previous sustainability report continued unchanged in the 2025 reporting year. Electronic waste generated in production continues to be disposed of by certified service providers in accordance with legal regulations and, where possible, sorted, dismantled and recycled.

To offer end customers an option for reducing electronic waste, lowering resource requirements and extending the service life of Basler products, the group operates the Basler Repair Centre located in Ahrensburg (Germany). The Repair Centre specializes in the inspection, repair and refurbishment of Basler products.

In the 2025 financial year, around 4,607 cameras, accessories or frame grabbers were submitted by customers worldwide to the group for repair or as returns (2024: 10,500). If necessary, defective products are repaired in Ahrensburg and returned to the customer. Returns are carefully checked and, if possible, prepared for resale. Products that can neither be repaired nor reused are disposed of properly.

Around 35% of returned products can be refurbished and sold to customers worldwide for new use via the group's own sales channels. The remaining 65% are irreparable or cannot be repaired with economic viability, meaning these products must be disposed of (prior year: 16%). Through refurbishment and repair, an estimated 165 kilograms of electronic waste were avoided.

In principle, around 20% of Basler products are currently designed to be repairable. Product development is placing increasing emphasis on better repairability, so that newer models are generally easier to repair than previous generations. The



Basler repair service extends the service life of Basler products from 7.5 to over 10 years on average. In practice, the group has observed that around 30% of its product portfolio is currently suitable for repairs from the customer's perspective. A customer decision against repair is predominantly based on economic reasons.

The group continues to pursue a clear strategy: the reparability of new products and use of the repair service by customers will be increased steadily in order to conserve resources and further reduce electronic waste.

Use of recycled raw materials and materials

As in the prior year, the database on the main purchased materials and their weights was continued unchanged in the 2025 reporting year in collaboration with Central Purchasing; data collection continues to be based on purchasing volume and the weights of the materials and components procured. Further improvement of the database with regard to systematic information on recycled content in products and components, announced in the prior year, could not be implemented in the 2025 reporting year.

For packaging materials, in particular those made of cardboard, the group continues to assume that these already contain over 80% recycled raw materials. However, the recycled content is not systematically requested during procurement, so the group conservatively reports 0 tons as recycled for reporting purposes. The total quantity of paper packaging amounted to 21.8 t. All other purchased products and materials are currently considered to consist predominantly of primary raw materials.

For metals, in particular the steel and aluminum components used, there continues to be potential to increase the use of secondary materials in collaboration with suppliers. However, no specific measures were introduced in the current reporting year, as the group prioritized the development of a reliable database during the





reporting year and further coordination with suppliers regarding data availability and quality is still pending.

Circular product offerings

Customers regularly dispose of Basler Vision products at the end of their use when these no longer meet the latest technical requirements or are considered uneconomical to maintain. This results in valuable materials leaving the value creation cycle. In addition to the existing repair services, the group continues to explore options for taking back used products in order to recycle the raw materials they contain or, where appropriate, to refurbish products and make them available again as second-hand vision products.

Corresponding incentive systems for end customers (e.g. buy-back programs, discounted upgrades upon return of old devices) are seen as levers to reduce electronic waste, cut costs and unlock additional revenue potential.

In the 2025 financial year, the considerations regarding take-back programs and second-life offerings described in the prior year were continued in terms of content, without any group-wide standardized programs being implemented. Corresponding incentives for end customers, such as buy-back programs or discounted upgrades upon return of old devices, remain under review.



2.4.3 Targets and Metrics

Targets

The group pursues the target of reducing the amount of electronic waste generated in relation to sales volume. This target relates to several levels of the waste hierarchy (waste prevention and reuse) and thus focuses on activities to improve the efficiency of resource use and increase the durability and repairability of products.

The progress achieved in data collection in the 2024 financial year enabled the determination of a status quo for the first time: 7.24 kilograms of electronic waste per one million euros in sales. For the 2025 financial year, the group collects this metric using the same methodology as in the prior year. The figure amounts to 27 kilograms of electronic waste per one million euros in sales (Figure 18). The increase in the 2025 reporting year is primarily driven by the inventory reduction described in [ESRS E5, Chapter 2.4.1](#) and therefore does not represent a proportional increase in ongoing, production-related electronic waste generation.

A specific quantitative reduction target was not yet defined in the 2025 reporting year. The focus during the reporting year was on stabilizing and continuing data collection in order to establish a reliable basis for tracking the target metric over multiple reporting years. Further quantification is being reviewed in the context of the existing prioritization of internal resources and the ongoing development of data foundations in other subject areas. The evaluation of the benefits and effects of setting a target for recycled content in products, announced in the prior year, could not be carried out in the 2025 reporting year due to capacity reasons and has been deferred to a later reporting period. The existing targets and planned actions in the area of resource use and the circular economy continue to be set on a voluntary basis.

No quantitative management using the 'durability' metric is currently in place. This metric, which is based on estimates, was disclosed for the first time in the 2025 reporting year. In the absence of systematically evaluable data, durability is estimated conservatively. The estimate is based on internal experience from lifecycle and product management, indicative technical parameters (e.g. Mean Time Between Failures (MTBF): a metric for measuring the reliability of repairable systems) and individual samples from the Repair Centre. For reporting purposes, an average durability of 7.5 years is applied, although products may exhibit significantly longer durability.

Resource outflows

Products and materials

The group produces components for machine vision applications, predominantly digital cameras and accessories. An industry-standard service life can only be indicated approximately due to varying operating conditions and usage profiles. Service lives of several years (e.g. 5–10 years) are commonly assumed as a reference in the industry. A reliable, generally recognized industry average for the durability of products in the manufacture of optical devices is not currently available to the group. For Basler products, a conservative estimate based on internal experience and assumptions is used in the reporting year. For reporting purposes, an average value of 7.5 years is applied, whereby the actual durability may exceed this depending on the product and operating conditions.

Repairability is currently available for approximately 20% of products, based on an analysis of data from the Basler Repair Centre on repair volumes and repair rates. As in the prior year, product development is placing increasing emphasis on better repairability, so that newer models are generally easier to repair than previous generations. The potential of product reusability is, in the group's assessment, still



not fully exploited; corresponding considerations are being pursued in the context of circular product offerings (see above).

Waste

The main outflows of resources result from the group's business activities at a total of 19 office locations in Germany, China, France, Italy, Japan, Korea, Poland, Singapore, Taiwan and the USA. Two of these locations, Germany and Singapore, also have production facilities. The waste mainly consists of mixed municipal waste, organic waste, cardboard, paper and plastic packaging as well as a small amount of waste wood and kitchen oils. In addition, electronic waste and hazardous waste are generated at the production facilities. Hazardous waste includes cleaning fluids, batteries and other operating materials.

In the 2025 financial year, approximately 6,065 kilograms of electronic waste (2024: 1,331 kg) and 3,042 kilograms of hazardous waste (including cleaning fluids, hazardous electronic waste and other operating materials; 2024: 404 kg) were generated, primarily at production facilities but also at individual locations without production. Details on waste treatment can be found in Figure 17.

In addition to the waste volumes shown in Figure 17, the group estimates that 43 tons of its camera products were disposed of by end customers at the end of their

service life in the 2025 financial year (2024: 33.01 tons). Based on data on recycling rates in the respective geographies of end customers, it is reasonable to assume that 24% of these disposed cameras were recycled and 76% were thermally utilized. There is therefore continued significant potential to increase the recycling rate. The group could contribute to the recycling rate, for example through the take-back programs described above, and potentially benefit from the recovered materials.

No radioactive waste is produced in the business activities controlled by the group (unchanged from the prior year).

The data shown in Figure 17 continues to be based on a combination of activity data and estimated values. Data quality requirements were defined on the basis of the materiality of waste streams and locations. Real data was collected for production facilities (Germany and Singapore) and for large office locations (e.g. Ahrensburg, Germany). Estimated values were collected for smaller office locations with fewer than 50 employees, for example based on the volume of waste bins, filling level and emptying frequency.



Figure 17 – Waste

	2025 Hazardous waste (in tonnes)	2025 Non-hazardous waste (in tonnes)	2024 Hazardous waste (in tonnes)	2024 Non-hazardous waste (in tonnes)
Total quantity	3.04	128.73	1.28	77.71
Of which for recovery	0.13	72.55	0.44	41.50
Preparation for reuse	0	1.86	0	1.30
Recycling	0.13	60.28	0.12	37.63
Other recovery	0	10.41	0.31	2.57
Of which for disposal	2.91	56.18	0.84	36.21
Incineration	2.91	49.43	0.84	31.88
Landfill	0	5.06	0	3.14
Other disposal	0	1.69	0	1.19
% share of non-recycled waste	96%	44%	66%	47%
% share of electronic waste	63%	3%	0%	1,7%

3 Social Information



3.1 Own Workforce (ESRS S1)

Attraction and retention of qualified employees, health protection, skills development and diversity

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3.1.1 Material Impacts, Risks and Opportunities

The material impacts, risks and opportunities in connection with the own workforce relate to the area of working conditions. The group's workforce plays a key role in the business model and corporate strategy. Qualified, motivated and healthy employees are the foundation for the group's success. The most material opportunities and risks in the group's business model arise primarily from the attraction and retention of well-trained and capable employees in the context of the currently dynamic market situation. Management attaches particular importance to offering employees an attractive working environment and to providing training and further education to ensure they possess the right qualifications for the requirements of their work at the group.

A material positive impact for the own workforce arises specifically from flexible working time and working location models (e.g. part-time employment, remote working, sabbaticals), which enable employees to pursue employment adapted to their individual life situation, thereby supporting their wellbeing and work-life balance. In addition, measures to promote physical and mental health, job satisfaction and professional development contribute to attractive working conditions and thereby also support the attraction and retention of employees. These aspects have a positive impact both on employees and on the long-term success of the company.

The impacts and risks defined here relate to the own workforce as defined under ESRS 2 (see [ESRS 2, Chapter 1.1.1](#), Scope of consolidation and materiality thresholds) and business activities directly controlled by the group (see Figure 5). This includes the research and development department, the group's own production facilities in Germany and Singapore and the sales companies worldwide. Employees at the company's locations in Germany are employed by the company. Employees from other countries are employed by the other companies in the group. The workforce mainly consists of employees (see Figure 18) and non-employees (see [ESRS S1, Chapter 3.1.3](#), Characteristics of the undertaking's employees and characteristics of non-employees). In the information contained in this chapter, the term 'workforce' refers to both employee groups.

Positive impacts due to flexible working time models, qualification measures and a focus on work-life balance

The group offers a wide-ranging and flexible range of options to provide employees with individual and attractive working conditions. This includes, for example, flexible working time models, remote working and sabbaticals. The group has been certified by the 'Career and Family' initiative since 2011. In addition, Basler





focuses on continuous personal and professional development through appropriate training and development programs to promote employee skills. These actions have positive short, medium and long-term impacts on the well-being of employees throughout the group by providing employment opportunities adapted to their individual life situation.

Financial risks due to rising costs of employee retention

Due to the persistent shortage of skilled labor and increasing employee expectations, the group continues to expect rising costs for the retention of employees. Increasing competition for qualified labor can also be observed in the competitive environment of a technology and innovation-driven industry. The group assesses this (as in the prior year) as a short to medium-term risk with low financial impact.

Financial risks due to restructuring-related loss of know-how

The restructuring measures continued in 2024 to adapt to the market environment continue to have an effect in the 2025 financial year and may give rise to financial risks. A particular risk remains the loss of know-how resulting from the workforce reductions already carried out. No further workforce reduction was implemented in the 2025 financial year (2024: 4.4%). The risk is nevertheless assessed as relevant in the medium term, as the restructuring measures initiated in prior years continue to have an effect in the form of changed organizational and team structures as well as adjusted task and responsibility distributions.

Despite the capacity reductions in research and development carried out in prior years, this area remains one of the largest in the group and, with approximately 24% of all employees, represents the second largest department (2024: approx. 25%).

The restructuring may on the one hand give rise to higher costs for the qualifications of remaining employees who are required to take on new or additional areas

of responsibility. On the other hand, adjustments in processes and team compositions may temporarily lead to lower productivity and capacity, which in turn may result in lost sales.

The group assesses these risks as having low to noticeable financial impact over a medium-term period.

The transition plans to climate neutrality by 2030 continue to have no material impact on the workforce in the 2025 financial year, as only building measures – and no personnel measures – are part of the climate transition plan, as was the case in the prior year.

In addition to the identified impacts and risks, the group attaches great importance, out of conviction, to the topics of health protection, skills development and diversity for its corporate culture and business success. [Chapter 3.1.3](#) therefore additionally explains targets and actions in these subject areas.



3.1.2 Strategies and Actions

The principles set out in the group's Code of Conduct and in other corporate guidelines and policies apply to the entire group, over and above the respective minimum legal requirements. These include:

- compliance with employment-related laws and guidelines as a minimum standard,
- respect for human rights on the basis of the UN Charter,
- the unrestricted right to freedom of association and collective bargaining,
- effective occupational health and safety,
- the core labor standards defined by the ILO (International Labour Organisation),
- fair treatment and protection against discrimination based on gender, age, skin color, origin, nationality, religious affiliation, sexual orientation, disability, certain political views or trade union activity,
- protection against harassment,
- the appreciation and inclusion of diversity (Diversity Charter) and
- a culture of appreciation and mutual respect.

The management of each individual group company can use these principles as a basis to enter into further agreements with their employees to regulate cooperation. The works agreements concluded with works councils at the sites and with the general works council apply in particular to the employees of the company as the largest single entity in the group. These include agreements on holiday and working hours, IT usage and data protection, development dialogues, remuneration, profit sharing and special payments, the possibility of sabbaticals and more. In the event of conflicts at work, employees of the company can, if they wish, also make use of the counselling services (e.g. mental health coaching) offered by the

Fürstenberg Institute (a provider of occupational health management) free of charge and anonymously.

The issues of human trafficking, forced labor and child labor are not relevant to the group's own workforce in the context of the business model. Risks in this regard exist in the upstream value chain and are addressed in [ESRS S2, Chapter 3.2](#) (Workers in the value chain).

Procedures for including own workforce in decision-making processes

As part of the double materiality assessment, the employees of the entire group were invited to participate in the consultation process in 2024. 143 employees (16% of the total workforce) took advantage of this opportunity, allowing a wide range of perspectives to be incorporated into the materiality analysis process.

The insights gained from this process regarding relevant impacts, risks and opportunities also form the basis for strategic and operational direction in the 2025 reporting year. A further group-wide consultation as part of the double materiality assessment is planned on a two-year cycle, with the next consultation cycle planned for the 2026 financial year.

The findings on the viewpoints of employees are integrated into the business strategy and the risk and opportunity management process through the double materiality assessment. Employee perspectives are consolidated through this process every two years by sustainability management. Operational responsibility for integration into the overarching management processes lies within the operational function under the responsibility of the CFO. Professional responsibility for personnel-related actions and processes lies with the HR department.



The interests of employees are also integrated into the group's decision-making processes by the HR department, the employee representatives on the Supervisory Board and, at the company, by the general works council. The HR department, as well as the general works council, are continuously available as representatives to ensure that employees are involved at all times. The group sees the self-organized representation of employee interests as an opportunity for better and more productive work.

Procedures to address negative impacts and channels through which own employees can raise concerns

All employees worldwide can report violations and concerns about the group's business principles either anonymously, via the internal whistleblower system or to an external body, as well as directly to superiors, the HR managers, the works council or the compliance team. Employees can access information on how to access these reporting channels on the company intranet. Further details on the whistleblower system and the protection of whistleblowers can be found in [ESRS G1, Chapter 4.1.2](#).

Actions to minimize material risks

The Executive Board and the executive management level are responsible for defining appropriate and effective actions with the involvement of relevant departments. As part of the risk and opportunity management process, impacts, risks and opportunities are prioritized and appropriate actions developed (see [ESRS 2, Chapter 1.1.2](#), Due diligence, internal controls and risk management). The effectiveness of the actions is measured using risk-specific KPIs, such as performance assessments, and regularly evaluated by management. The group endeavors to avoid potentially negative impacts of actions on its own workforce by involving the works council in decision-making processes. This is also ensured by the participation of two employee representatives elected by the workforce on the Supervisory Board.



In order to minimize financial risks from the loss of know-how due to market-related restructuring measures, the group has adopted a multi-stage change management approach since 2023, which will initially be implemented over three years, until the end of 2026.

- In the first step, managers receive additional training from the Basler Learning & Development function in actions for effective employee retention.
- Building on this, the prioritization of employee retention measures by direct supervisors is increased.
- In addition, all employees received a salary increase to compensate for inflation.

In the medium term, there are plans to focus on employee skills development through the Learning and Development organization in order to promote personal development and adequately prepare employees for new and adapting work

tasks. In the 2025 financial year, individual planned promotions were able to be carried out as a priority.

The rise in employee retention costs is an industry- and market-specific environment that the group cannot influence. The group employs a qualified workforce who contribute to the long-term success of the company through continuous training and further education as well as innovation. Risk and opportunity management aims to offset rising personnel expenses through sales growth or cost reductions elsewhere.

The actions described apply to all companies in the group.



3.1.3 Targets and Metrics

The group also did not pursue any specific targets to reduce the financial risks described above in the 2025 financial year. This is due to the limited time horizon of the expected impacts and the nature of these risks as predominantly market- and structurally-driven (e.g. labor market and competitive conditions as well as the effects of restructuring), which are only manageable to a limited extent through target values. The financial risks are accompanied by the actions described above and are assessed as adequate by the Executive Board. The tracking of effectiveness takes place within the existing management and control processes, in particular through regular management reviews and relevant metrics such as the fluctuation rate and training costs, and the internal review and adjustment of actions based on these. Against this background, no additional targets or tracking outside existing processes are pursued.

To promote positive impacts on the own workforce and to measurably manage progress in equal treatment and equal opportunities, the group has set a time-bound and outcome-oriented target. To make progress measurable and to be able to assess the effectiveness of the actions taken, the Executive Board resolved in 2015 to introduce a women's quota of 30% at senior management level and at department head level by the end of 2025. The target was not achieved in 2025 (see section Diversity metrics).

Characteristics of the undertaking's employees

As of 31 December 2025, the group employed 920 employees (2024: 938). Compared to the prior year, the change in the number of employees is -18 (2024: -66 employees).

The group-wide fluctuation rate in the 2025 financial year was 10.76% (2024: 15.46%). This fluctuation rate includes employees who left voluntarily and

involuntarily as well as natural departures (due to retirement or death) during the reporting period. The fluctuation rate for employees who left voluntarily is 4.57%, for employees who left involuntarily 5.65% and for natural departures 0.54% (2024: 9.91%; 4.37%; 1.17%). The numerator for calculating the fluctuation rate comprises 99 departures (2024: 145 departures). The denominator is equal to the total number of employees in Figure 18.

The company offers all employees the opportunity to work part-time in order to provide people with flexible opportunities to participate in employment in all life situations and according to their wishes. This also applies to managers. The figures in Figure 18 demonstrate that many employees make use of this option.

The following breakdowns are based on head count, not on full-time equivalents. They include all salaried employees, including members of the Executive Board and dormant employment relationships (e.g. parental leave and long-term sickness), except for non-employee workers in the company's own workforce. Through the application of ESRS in Figures 18.1-4, 20, 21, 23 and 24, data for trainees is also included. Furthermore, Figure 24 contains the disclosures on the company's non-employee workers.

The data shown was determined as of 31 December 2025, the end of the reporting period. The company uses the SuccessFactors HR management system as the source for data collection. The foreign companies of the group use individual and independent systems for personnel data management. Data from foreign undertakings is transmitted manually to the central HR department, where it is consolidated and analyzed with the data from the company. This process was also used to collect data for 'non-employee workers' and 'gender and age distribution' (Figure 23).



Figure 18 (1–4) – Characteristics of the undertaking's employees

Gender	Number of employees (head count)	
	2025	2024
Male	590	602
Female	330	335
Other	0	1
Not disclosed	0	0
Total number of employees	920	938

Country	Number of employees (head count)	
	2025	2024
Germany	655	656

Note: Only for countries that account for at least 10% of the company's total number of employees.

	Female		Male		Other*		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees (head count)	330	335	590	602	–	1	–	–	920	938
Number of permanent employees (head count)	319	329	564	584	–	–	–	–	883	913
Number of temporary employees (head count)	11	6	26	18	–	1	–	–	37	25
Number of non-guaranteed hours employees (head count)	–	–	–	–	–	–	–	–	–	–
Number of full-time employees (head count)	188	192	471	456	–	1	–	–	659	649
Number of part-time employees (head count)	142	143	119	146	–	–	–	–	261	289

* Gender as specified by the employees themselves.



	Europe		Asia		America		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees (head count)	708	706	178	201	34	31	920	938
Number of permanent employees (head count)	671	681	178	201	34	31	883	913
Number of temporary employees (head count)	37	25	–	–	–	–	37	25
Number of non-guaranteed hours employees (head count)	–	–	–	–	–	–	–	–
Number of full-time employees (head count)	450	420	175	198	34	31	659	649
Number of part-time employees (head count)	258	286	3	3	–	–	261	289

Characteristics of non-employees of the undertaking's own workforce

In addition to the company's employees (Figure 18), the group also draws on temporary workers who are mainly employed in production to enable flexible responses to demand fluctuations, as well as self-employed individuals who can be engaged on a project basis.

In the 2025 financial year, the group drew on 36 non-employee workers (2024: 13). These were employed for an average period of 11.7 months (2024: 5.8 months). The average period of employment corresponds to the total contract duration per non-employee worker (from the start to the end of the respective engagement)

and was determined for all non-employee workers engaged in the 2025 financial year on the basis of their respective periods of engagement; engagements that had already begun before 1 January 2025 were also taken into account.

The data collected represents the head count, not the full-time equivalent, and was obtained at the end of the reporting period. Data collection adheres to the process described for Figure 18.

Collective bargaining coverage and social dialogue

The group has adopted a global and unrestricted commitment to the right of all employees to freedom of association and the right to collective bargaining, within the framework of the legislation applicable at each location. All managers are convinced of and required to comply with existing rights.

The company is fully subject to European and German legislation with its high standards regarding labor rights and employment. There, 99% of permanent employees (excluding senior management) are represented by a general works council, including a representative body for severely disabled employees, youth and trainee representatives and other committees. This refers exclusively to the company based in Germany and not to the foreign companies within the group.

Figure 19, which indicates the collective bargaining coverage, only shows entries for Germany. This is due to the ESRS materiality threshold of 50 employees who account for at least 10% of the workforce. The other group companies had fewer than 50 employees or account for less than 10% of the workforce and are therefore not included in this overview. Due to the history of individual group companies, in particular as a result of spin-offs from larger companies, collective bargaining agreements exist in Italy and France. Collective bargaining agreements are not customary in many of the countries in which the group companies operate, for example in the USA and China. The percentage of all employees covered by



collective bargaining agreements is approximately 4% in the 2025 financial year, as in the prior year.

Figure 19 – Collective bargaining coverage and social dialogue *

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA**	Employees – non-EEA countries	Representation at the workplace (EEA only)
0–19%	Germany	–	–
20–39%	–	–	–
40–59%	–	–	–
60–79%	–	–	–
80–100%	–	–	Germany

* Results unchanged from prior year; **EEA = European Economic Area.

Adequate wages

To assess whether remuneration can be classified as adequate, the group applies a graduated reference framework by country in line with ESRS S1-10 (statutory minimum wage, collectively agreed wage, living wage benchmark). Statutory minimum wages or collectively agreed minimum wages are used as the primary reference.

Where no such instruments exist or where the group considers them not to represent a suitable reference level for a living wage, the group uses internationally recognized benchmarks. In the 2025 financial year, this applies exclusively to Singapore, where benchmark from the Wage Indicator Foundation was used as a basis. This differs from the prior year, in which the ILO-recommended threshold of 60% of the national gross median wage ('ILO 60%') was used as a proxy for an

adequate minimum wage in Singapore. For countries with suitable statutory or collectively agreed reference values, the calculation logic remains unchanged from the prior year. The primary national references continue to be used in these countries.

The adequacy assessment is carried out on the basis of the lowest wage level in the group per country, measured against the average basic income including any fixed allowances.

In the 2025 financial year, 99.5% of employees worldwide receive adequate remuneration, where the lowest wage in each case corresponds to at least the minimum wage or living wage reference used. The remaining deviation (0.5%) relates to a small number of employees employed in Singapore.

The group addressed this deviation internally in the 2025 financial year and assessed it in the context of local market and industry practice. No specific adjustment plan was derived from this in the reporting year. The data for the assessment of adequate remuneration is collected for the German company through the SAP HCM payroll system. The foreign companies of the group use individual and independent systems. Data from the foreign companies is transmitted manually to the central HR department, where it is consolidated and analyzed with the data from the company.

Figure 20 – Age distribution *



* Comparison to prior year: 112 – under 30 years; 598 – age group 30–50; 228 – over 50 years.

Diversity metrics

The group perceives diversity primarily as an opportunity to underpin the future viability, resilience and innovative strength of the company. The economic environment is shaped increasingly by globalization as well as demographic and social change. As an internationally operating group that thrives particularly on its ability to innovate and its attractiveness as an employer for talented specialists, an open-minded approach towards other cultures and the diversity of people is a factor for

success. At the same time, companies have an influence on ensuring that people of all genders, backgrounds and personal lifestyles are equally valued and participate in shaping society.

At the end of the 2025 financial year, the proportion of women among senior management (including the Executive Board) is 17.7% (unchanged from the prior

year). Excluding the Executive Board, the proportion of women among senior management is 14.3% (see Figure 21).

In order to document the additional demands it places on itself as a company and on its employees, both externally and internally, the group has committed itself to the Diversity Charter. The Diversity Charter is an initiative to promote diversity in companies and institutions. The initiative has been run by the non-profit organization Charta der Vielfalt e.V. since 2010. The aim of the initiative is to promote the recognition, appreciation and inclusion of diversity in the world of work in Germany. Organizations should create a working environment that is free of prejudice.

By signing the agreement, the group has committed itself to the following guidelines on diversity in the company:

- to cultivate an organizational culture shaped by mutual respect and appreciation; to create the conditions for managers and employees to recognize, share and embody these values,
- to review HR processes and ensure that they reflect the diverse skills and talents of all employees as well as the performance requirements,
- to recognize diversity within and outside the organization, valuing its potential and using it profitably for the benefit of the company,
- to make the contents of the Charter the subject of internal and external dialogue,
- to notify employees about the added value of diversity and to involve them in the implementation of the Charter,
- to provide annual public information on activities and progress in promoting diversity and appreciation.





Methodology for Figure 21: The top management level describes Executive Directors and Directors. Data collection adheres to the process described for Figure 18. The Executive Board was not included in the calculation of the figures presented.

Social protection

Except for the employees in Singapore, all employees of the group are currently covered by social protection in the event of illness, unemployment, accidents at work, parental leave and retirement. In Singapore, none of the employees are insured against unemployment, as there is no legal framework for this eventuality (unchanged from 2024). The changes compared to the prior year result from statutory adjustments in the respective countries as well as internal decisions.

Figure 21 – Gender and age distribution

	Top management level, number		Top management level, %	
	2025	2024 ¹	2025	2024 ¹
Male	12	12	85.7%	85.7%
Female	2	2	14.3%	14.3%
Other	–	–	–	–
Not disclosed	–	–	–	–

¹ This is a recalculation of the numbers and percentages as a result of a methodological adjustment. The adjustment is based on the fact that, in accordance with the ESRS definition, the Executive Board is no longer included in the definition of the top management level. The values originally reported for the 2024 reporting year for the top management level were 14 male and 3 female employees, corresponding to 82.25% and 17.65% respectively.

	Male		Female		Other		Not disclosed	
	2025	2024	2025	2024	2025	2024	2025	2024
Under 30 years	67	69	31	42	–	1	–	–
30 – 50 years	362	385	205	213	–	–	–	–
Over 50 years	161	148	94	80	–	–	–	–
Total	590	602	330	335	–	1	–	–



Figure 22 – Social protection

		Germany	France	Italy	Poland	China	Singapore	Korea	Taiwan	Japan	Americas
Sickness	Public programs	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
	Basler benefits	No	No	No	No	Yes	No	Yes	Yes	No	Yes
Unemployment	Public programs	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
	Basler benefits	No	No	No	No	No	No	Yes	No	No	No
Employment injury and acquired disability	Public programs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	Basler benefits	No	No	No	No	No	Yes	Yes	Yes	No	Yes
Parental leave	Public programs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Basler benefits	No	No	No	No	No	No	Yes	No	No	Yes
Retirement	Public programs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Basler benefits	Yes	No	No	Yes	No	No	Yes	Yes	No	No

Training and skills development metrics

As a technology and innovation-driven company, the skills of employees are of particular importance to the company's success. Employee development is an important building block for the implementation of the group's growth strategy in a dynamically evolving market. Addressing the shortage of skilled labor presents a major opportunity for internal development along the targeted growth path. In addition, the transfer and documentation of knowledge is an important factor in retaining expertise within the company. Digital transformation will give rise to areas of work in which automation will prevail, and employees will need to deploy their skills in the pursuit of new areas of work. At the same time, development and

training has an important positive impact on the job satisfaction of employees and their prospects as qualified specialists.

The group pursues a need-based approach to training and development and offers employees a broad range of individual training and development opportunities as well as development measures, which are also set out in the general works agreement on employee development. The group makes use of university partnerships and dual study programs to build a pipeline of talent and to adapt to future temporary staffing needs through working students.

In the 2025 financial year, the agreed annual performance reviews and development discussions were carried out on average for 95% of the group's active



employees across the various business units (2024: 71%; see Figure 23). Of these, 96% of male employees (2024: 42%) and 93% of female employees (2024: 46%; 2024 other: 100%) participated.

The data shown in Figure 23 is collected by the HR department using a learning management system – Basler Academy – at the end of the year. All companies within the group (except China) use Basler Academy. The company in China uses a proprietary learning management system. The training data obtained was consolidated with the data from the Basler Academy.

Figure 23 – Training and skills development

		2025	2024
Percentage of employees who have participated in regular performance and career development reviews		95%	71%
Average number of training hours per employee	Male	7.17	6.72
	Female	7.95	8.34
	Other	–	7.03
	Not disclosed	–	–

Health and safety metrics

Occupational health and safety requirements are implemented at the group on a site-specific basis in accordance with the activity profile, national regulatory framework and risk situation. Special regulations and actions apply in Ahrensburg and Singapore, as production also takes place at these locations in addition to office work. All other locations feature only office work, plus light warehouse work

(receipt of goods and preparations for dispatch) and, to a lesser extent, work on equipment such as test stations. The hazardous substances used at the production sites are essentially limited to cleaning agents, soldering paste and lubricants.

A separate manual regulates the roles, responsibilities and rules for occupational health and safety at the production sites in Ahrensburg and Singapore. Regular risk assessments are performed at both locations and the documented results are reported quarterly to the Executive Board and local management at meetings of the Occupational Health and Safety Committee.

The Occupational Health and Safety Committee is made up of representatives of the employer, the works council, employees and company doctors. Among other things, hazardous goods storage, emissions and particulate matter within buildings as well as other risks to employee health are reviewed.

All employees of the group undergo regular instruction and training on relevant occupational health and safety topics. At the production sites, this also includes training on ESD protection (electrostatic discharge) and maintaining cleanroom conditions (controlled environments in which particle concentration (dust), germs, temperature, humidity and pressure are regulated to protect sensitive manufacturing processes). In Ahrensburg, regular occupational health and safety inspections are carried out by the employers' liability insurance association, and in Singapore by the state authority. Safety equipment includes, in addition to the customary fire alarm systems, sprinkler systems and fire extinguishers, also smoke extractors and special air circulation systems. Protective equipment is provided depending on the risk assessment; in production, this includes safety shoes, safety gloves, respiratory masks, safety goggles or ear defenders, depending on the activity.

A hazardous substances officer is responsible for the authorization of hazardous substances at the main production site in Ahrensburg. At other locations, there is no separately designated hazardous substances officer role; the task is carried out



within the respective line management responsibility. This officer prepares operating instructions on handling, protective measures and information on potential health hazards for each authorized hazardous substance. Like all safety instructions, these are communicated through instructions by the supervisor and are publicly available to all employees of the company on the intranet.

The company also works with the Fürstenberg Institute, which assists the company in health management. The focus here is primarily on psychological counselling and the prevention of stress factors. The service is anonymous and free of charge for all employees of the company (at the German locations).

Methodology for Figure 24: The definition of occupational accidents abroad was assumed equal with the definition of accidents at work in Germany. Real data on working hours was collected for Germany to calculate the rate of reportable accidents at work. Working hours for the foreign companies were estimated based on average annual working hours without holidays. The disclosure on other workers refers to workers active at the company's locations, such as workers in the value chain when deployed at the company's sites.

Figure 24 – Occupational health and safety

	Basler Workforce	
	2025	2024
% coverage of employees by the health and safety management system	100%	100%
Number of fatalities due to work-related injuries and illnesses	0	0
Number of fatalities due to work-related injuries and illnesses of other workers	0	0
Number of recordable work-related illnesses	0	0
Number of days lost due to work-related injuries, illnesses and fatalities	0	63
Number of reportable accidents at work	0	4
Rate of reportable accidents at work (accidents at work / hours worked × 1,000,000)	0	2.61



Remuneration metrics

The gender pay gap between male and female employees in 2025 is 17.33% (2024: 18.18%), continuing the slightly declining trend of recent years (see Figure 25). The ratio of the annual total remuneration of the highest-paid individual to the median was 7.41 in the current reporting year (2024: 6.04).

The gender pay gap shown in Figure 25 is based on unadjusted data, gross total remuneration paid and benefits in kind. In contrast to the prior year, benefits in kind in the 2025 reporting year are based on real data. Remuneration is calculated on an hourly basis to enable comparability, including part-time work.

The adjusted pay gap for employees in Germany is currently 1.7% (2024: 0.05%) and is mainly due to individual factors. The population for the calculation consists of 577 employees. To determine the adjusted pay gap, these employees are assigned to pay groups. Grouping according to pay grade is based on training, influence and responsibility. This means that employees within a pay group are comparable, enabling the calculation of the adjusted pay gap. For comparison, the unadjusted pay gap for the same population of 577 employees in Germany is 11.40%. The difference compared to the unadjusted pay gap can be explained almost entirely by the fact that more male than female employees hold management positions in the company or are employed in the research and development department.

It was not possible to determine the adjusted pay gap for the foreign companies of the group due to limited data availability in the 2025 financial year (2024: also not possible).

Figure 25 – Remuneration metrics

	2025	2024	2023
Gender pay gap	17.33%	18.18%	18.42%
Ratio of the annual total remuneration of the highest-paid individual to the median	7.41	6.04	7.45

Incidents, complaints and severe human rights impacts

In the 2025 financial year, two incidents of discrimination (including cases of harassment) were reported. In addition, one further complaint was received through the channels through which the group's employees can raise concerns (including grievance mechanisms), which is not already included in the reported discrimination cases. All discrimination cases were fully processed and concluded in the reporting year. Remedial actions were implemented on a case-by-case basis, for example through discussions, awareness-raising measures and employment law steps.

All reports received were processed and tracked via the established reporting channels (reports submitted by email to the compliance team and reports via the electronic reporting channel). The group analyses the causes and patterns of such incidents to further develop targeted prevention measures – in particular in the areas of leadership culture, training and awareness-raising.



Figure 26 – Incidents and complaints concerning human rights

	2025	2024
Reported incidents of discrimination (including harassment)	2	3
Number of other complaints filed (excluding discrimination)	1	0
Fines, sanctions and compensation payments in connection with discrimination	€0	€1.250
Number of severe human rights incidents connected to the undertaking's workforce (e.g. forced labor or child labor)	0	0
Fines, sanctions and compensation payments for serious human rights violations	€0	€0



3.2 Workers in the Value Chain (ESRS S2)

Compliance with occupational health and safety standards and human rights in the upstream value chain

The ESRS consider a variety of topics in connection with workers in the value chain. Relevant topics essentially include working conditions, equal treatment and labor-related rights. In the context of the group's business model, the recognizable key issues are the occupational health and safety of workers, as well as child and forced labor in the upstream value chain.

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3.2.1 Material Impacts, Risks and Opportunities

Potential negative impacts and risks from the use of conflict minerals

The group's products require minerals such as tin, tantalum, tungsten, gold (3TGs) as well as cobalt and mica. These minerals are extracted in mines in the upstream value chain and can be classified as conflict minerals when they originate from conflict-affected and high-risk areas. Conflict minerals are used in many electronic devices and other industries. The extraction of conflict minerals is associated in certain regions with human rights violations (e.g. forced or child labor), armed conflicts, exploitation and dangerous working conditions. Risks of child or forced labor exist especially in conflict-affected and high-risk areas (CAHRAs), which are frequently characterized by poverty, political instability and dependence on mineral exports.

The group assesses the occurrence of these potential impacts as possible. The scope and scale are estimated to be limited, as the group is progressively increasing transparency regarding the origin of and due diligence obligations in the supply chain through its due diligence processes, thereby identifying and addressing risks in a more targeted manner. The group's options to take action are limited, as these are activities in the distant, upstream value chain over which the group can only exercise indirect control over third parties.

The extraction of conflict minerals may also create potential negative impacts in regard to environmental damage. These are examined in more detail in [ESRS E2, Chapter 2.3](#) (Pollution). The described impacts also give rise to a potential financial risk for the group. Along with a lack of transparency in the supply chain, suppliers may violate the group's business principles (e.g. Conflict Minerals Policy) as well as occupational health and safety and human rights standards. This may lead to reputational damage and subsequently have a negative impact on business development, for example through increased requirements and audit efforts from

customers, delays in order placement or the loss of individual customer relationships. The potential financial impact is assessed as low to moderate (see [ESRS 2, Chapter 1.1](#) for the definition of impacts).

Potentially positive impacts through risk management processes and the whistleblower system

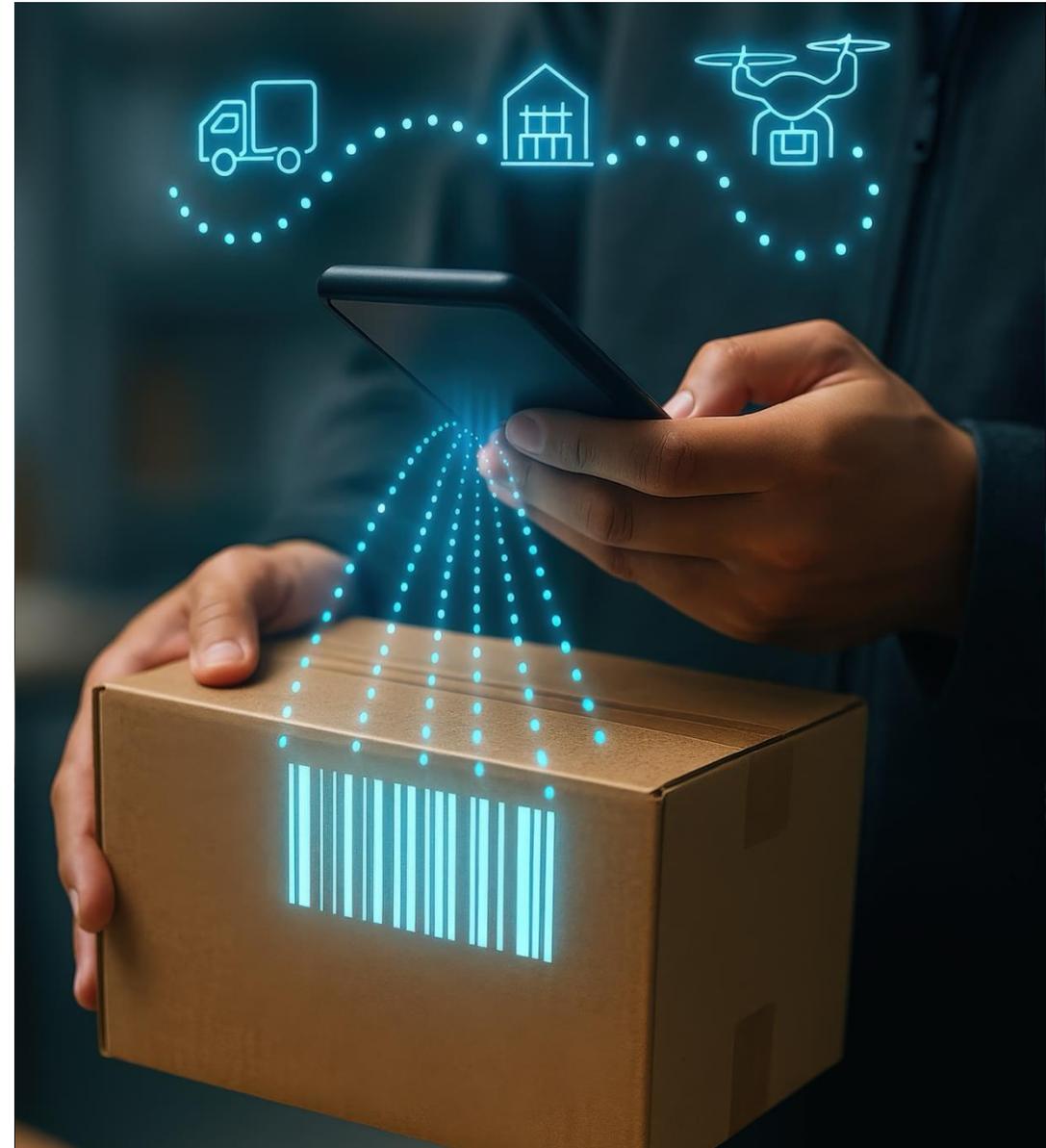
The use of a dedicated whistleblower system and comprehensive standards in the selection and monitoring of suppliers may have a positive impact on workers in the value chain. Through these measures, the group pursues the goal of strengthening compliance with employment-related laws, minimum standards and human rights along the entire upstream value chain.

The group rates the probability of occurrence of these positive effects as possible. The individual scope and scale are estimated as limited to moderate. In this context, the group is not systematically involved in industry-wide or multi-stakeholder initiatives for responsible sourcing. As a downstream company, the group sources components and materials via direct upstream suppliers and therefore typically does not have a direct business relationship with smelters or refineries. Influence is therefore exerted indirectly through requirements and assessments within the supplier relationship. To implement its due diligence obligations, the group uses established industry tools, particularly the tools of the Responsible Minerals Initiative (RMI) to assess smelters and refineries, without the company having joined the initiative itself, as it is several tiers removed from smelting and refining processes in the supply chain. Positive effects may nonetheless arise indirectly, to the extent that suppliers participate in industry-wide due diligence and audit programs and implement corresponding requirements in the supply chain.

Opportunities to improve supply chain stability

The supplier qualification increasingly practiced by the group in the context of sustainability and product compliance may lead to a more resilient and diversified supplier portfolio in the medium to long term. The reduction of intransparency creates better risk and opportunity management, which helps to identify and address reputational risks, dependencies and location risks. This improves supply chain stability and reduces the risk of business disruptions from new or tightened regulatory requirements in the area of sustainability and due diligence (e.g. evidence, information and reporting obligations in the supply chain). Business disruptions may include in particular delays or restrictions in the availability of materials and components, increased efforts in supplier qualification and documentation, and resulting delays in procurement, production or delivery. This can contribute to sales continuity.

The group views it as probable that these opportunities will materialize and expects low to noticeable positive financial impacts in the medium to long term (see [ESRS 2, Chapter 1.1](#)).





3.2.2 Strategies and Actions

Strategies

Respect for human rights, ILO labor standards, occupational health and safety and employee rights are non-negotiable principles for the group. The principles and standards of cooperation with suppliers are set out in the group's Code of Conduct and in its Conflict Minerals Policy.

The contents of the group's Code of Conduct include:

- compliance with employment-related laws and guidelines as a minimum standard,
- compliance with human rights on the basis of the UN Human Rights Charter,
- effective occupational health and safety,
- the ILO core labor standards, including the right to freedom of association and collective bargaining, the prohibition of child labor and forced labor,
- fair treatment and protection against discrimination based on gender, age, skin color, origin, nationality, religious affiliation, sexual orientation, disability, certain political views or trade union activity,
- protection against harassment,
- freedom of expression,
- compliance with competition and antitrust law,
- prevention of corruption, bribery and corruptibility,
- handling of personal data,
- sustainable environmental and climate protection.

The issue of human trafficking is not explicitly addressed. However, the commitment to respect human rights on the basis of the UN Human Rights Charter in Articles 4, 5, 13 and 23 indirectly includes a condemnation of practices associated with human trafficking. The group does not currently have a specific code of

conduct for suppliers but expects the acceptance of its Code of Conduct as the basis for a supplier relationship. The Code of Conduct is communicated as part of supplier onboarding and suppliers are requested to agree to it. Compliance with the principles it contains is taken into account as part of supplier selection, supplier audits and risk-based management in the purchasing organization.

The contents of the group's Conflict Minerals Policy include:

- the aim of curbing the trade in conflict minerals,
- the assurance to refrain from contributing indirectly to human rights violations, exploitation, mistreatment of local communities, environmental pollution, corruption or similar abuses in conflict areas,
- the commitment to tracing the origin of tin, tantalum, tungsten, gold, cobalt and mica in purchased components and products as far as possible and to avoiding any involvement in their trade if they originate from the conflict areas listed in the Dodd-Frank Act Section 1502 or in EU Regulation 2017/821.

The Conflict Minerals Policy is in principle relevant to all suppliers, as the group addresses due diligence obligations along the upstream value chain through standardized enquiries. A particular focus is placed on suppliers that deliver materials which may typically contain tin, tantalum, tungsten, gold, cobalt or mica (e.g. electronic components).

These principles form the basis for supplier selection, supplier audits and the risk analysis of the purchasing organization.



Supplier audits

To verify compliance with group-wide requirements (including in the areas of human rights, occupational health and safety, environment and compliance) and to avoid potential negative impacts in the upstream value chain, material suppliers are identified on the basis of purchasing volume and their significance to the group. The group distinguishes between supplier audits and supplier visits: supplier audits are structured assessments based on defined criteria and checklists with documented evaluation; supplier visits serve as a complementary on-site assessment (e.g. of production and process workflows, quality and risk understanding) and to deepen the exchange with the supplier.

Material suppliers are audited prior to conclusion of a contract; in addition, at least one to two supplier visits are carried out per year. Audits of existing suppliers are conducted every two years or more frequently if required, for example for major projects, material changes to the supplier relationship or in the event of anomalies in quality or process understanding.

In the 2025 financial year, 9 supplier audits were conducted (prior year: 4). The increase compared to 2024 is attributable in particular to limited audit capacity in the prior year, the deployment of additional auditors and increased demand in connection with major projects. No violations of the group's guidelines or business principles were identified.

The group's supplier structure is essentially characterized by:

- large, internationally active suppliers who must comply with the stringent requirements of globally operating customers, and
- smaller regional suppliers who are generally subject to high European statutory occupational health and safety standards and employee protection rights.

The group can exert a certain amount of influence on the latter, given its size as a buyer, in particular through contractual requirements (e.g. Code of Conduct as the basis for business), risk-based selection and assessment, and through corrective actions in the context of audits and supplier development in the event of identified violations. At the same time, pressure is increasing on the largest international suppliers to create transparency right up to mines, smelters and refineries. The Basler group acts as a risk intermediary and creates incentives for greater transparency, for example through the prospect of long-term partnerships as relevant due diligence information along the supply chain is progressively disclosed (e.g. information on smelters and refineries used and their audit or conformity status). Findings from audits and supplier visits as well as from further indications (e.g. anomalies such as deviations from agreed specifications or processes, recurring quality deficiencies, delivery reliability issues, missing or contradictory information in due diligence and compliance documentation, suspected or concrete indications of possible violations or risks) feed into the risk analysis of the purchasing organization and into the materiality assessment of sustainability management.



Inclusion and remediation of negative impacts on workers in the value chain

The group does not currently have a general procedure for direct cooperation with affected workers in the upstream value chain. Due to the absence of a direct business relationship and a lack of transparency in the supply chain right through to the essentially affected workers, it is not possible for the group to systematically identify and directly involve those directly affected.

Within the scope of its available influence, the group attempts to represent the interests and viewpoints of those affected through proxy stakeholders (credible representatives), such as direct contractual partners (suppliers), industry-specific risk analyses and information obtained through the whistleblower system (see [ESRS G1, Chapter 4.1.2](#)). Involvement takes place as part of regular supplier enquiries to relevant suppliers (at least once a year), through supplier audits and through stakeholder surveys as part of the double materiality assessment for sustainability reporting.

Via the whistleblower system, all executive bodies, managers, employees and external persons (including workers in the value chain) can report violations of the group's Code of Conduct, the Conflict Minerals Policy or violations of the law in an operational context. The group does not currently maintain formal procedures to assess the extent to which workers in the upstream value chain are aware of the existing whistleblower system.

Further details on the group's whistleblower system and the protection of whistleblowers can be found in [ESRS G1, Chapter 4.1.2](#).





Actions

To reduce the potential negative impacts and risks associated with the use of conflict minerals, the group pursues the following actions:

- risk management through the Conflict Minerals Policy,
- detection and remediation (see [ESRS S2, Chapter 3.2.2](#)),
- monitoring of compliance with business principles and guidelines through supplier audits, self-disclosures and risk-based reviews.

The group's Conflict Minerals Policy defines a set of actions and guidelines for implementation. These include, for example, reviewing the use of alternative raw materials in product development to reduce points of contact with conflict minerals, and demanding proof of conformity and origin from the supply chain in accordance with RMI requirements. In addition, if risks are identified, corrective actions are demanded or violations are sanctioned with contractual consequences.

The group's Supplier Quality Management, which is part of the purchasing organization, is responsible for risk assessment and monitoring compliance with supplier obligations. Through structured self-disclosures (CMRT: Conflict Minerals Reporting Template, EMRT: Extended Minerals Reporting Template, supplier questionnaires) and on-site audits at production facilities, potential risks or violations of the group's guidelines or business principles can be identified. The prioritization of the group's audit activities may be performed on a risk basis, for example on the basis of country and raw material risk, volume, strategic significance and the information received on the handling of conflict minerals. The group does not have a formal process for risk-based prioritization.

For transparency towards external parties, the group has been providing its own disclosures on 3TGs, cobalt and mica in accordance with RMI standards using CMRT and EMRT from the 2025 reporting year. These disclosures are provided in particular in response to requests from customers and other business partners.

They also serve the purpose of voluntary transparency and the structured fulfillment of information requirements along the supply chain. This makes it possible to trace which conflict minerals are contained in Basler products, where they originate from and how much information the group holds about its own supply chain.

Sustainability management evaluates the effectiveness of the described actions at least once a year together with the relevant departments: Purchasing, Product Compliance and Legal. Newly acquired information on impacts, risks and opportunities in connection with workers in the value chain is assessed and findings on problems or incidents relating to occupational health and safety and human rights are examined.

No serious problems or incidents relating to human rights within the upstream or downstream value chain were reported or uncovered during the reporting period (2024: no serious cases known).



3.2.3 Targets

Based on the potentially negative impacts and financial risks associated with the use of conflict minerals, the group committed itself in the 2024 financial year to the goal of confirming at least 75% of the supply chain as conflict-free by the end of 2028.

In the current reporting year, the wording of the target was revised to '75% of products are responsibly sourced by 2028', in order to more clearly align the scope of the target with the product-based perspective and the underlying due diligence obligations. Against this background, the reformulated target aims at responsible sourcing, which goes beyond mere absence of conflict and encompasses a broader range of requirements and due diligence obligations. The methodological framework for assessment and target measurement remained unchanged with regard to conflict-free status (in relation to tin, tantalum, tungsten, gold (3TG) as well as cobalt and mica) and continues to form part of the underlying requirements. However, an adjustment was made to the underlying population to be assessed.

Implementation and assessment along the upstream supply chain is demanding, as the external conformity assessment of smelters in the supply chain is subject to continuous change. Furthermore, the assessment is based on voluntary self-disclosures, either through supplier enquiries or via a database where data voluntarily provided by suppliers is made available in consolidated form. There is therefore a possibility that suppliers may refuse to provide or may not fully provide the required information.

To assess conflict-free status, the group uses standardized documentation and reporting tools from the Responsible Minerals Initiative (RMI): the CMRT and the EMRT. These tools serve to collect supply chain information in a structured

manner, confirm compliance with legal regulations, increase transparency through standardized and traceable communication, and identify compliant smelters and refineries to enable the traceability of materials.

Progress towards the target is tracked primarily by using the following metrics (unchanged from the prior year):

- the proportion of affected products classified as conflict-free or 'responsibly sourced' on the basis of CMRT/EMRT,
- the number of relevant suppliers assessed, and
- the completeness and quality of the CMRT/EMRT information provided.

As an interim target, the group had set itself the goal of assessing the top 50 suppliers by the end of 2024 using the criteria described above, in order to create a structured entry point for data collection and assessment.

In the 2025 reporting year, the CMRT and EMRT enquiry was extended to 96 suppliers classified as relevant (2024: 50 suppliers based on purchasing volume). Relevance relates in particular to the type of materials (packaging materials, software and general purchasing excluded), whether the material remains in the end product, the placing of the end product on the market by the group and supplier status (e.g. strategic, significant share of purchasing volume, critical components). The enquiry was conducted either directly via email request or through the external database, which provides data on CMRT and EMRT for electronic components, among other things. Of these, 56% of suppliers were classified as compliant (2024: 42% of purchasing volume of the top-50 suppliers). Suppliers are classified as compliant if they either declare via a supplier disclosure that no relevant minerals are contained in the components supplied, or, where mineral use is confirmed,



provide a CMRT/EMRT disclosure that is complete and whose information on mines (where available in the context of the disclosure) and on smelters and refineries shows no anomalies when compared with available conformity information. The remaining (non-compliant) suppliers are primarily those with incomplete or missing disclosures.

From the 2025 financial year, the CMRT and EMRT enquiry has been integrated as a permanent component of the onboarding process and is conducted for all new relevant suppliers as well as being followed up with existing relevant suppliers that have not yet provided CMRT or EMRT information. The enquiry is based on either direct email contact or the external database.

Should the identified risks not be capable of being ruled out through a more in-depth examination and violations of the Conflict Minerals Policy prove probable, the group will demand corrective actions from the relevant contractual partner, setting a deadline and indicating the possibility of consequences. In the event of persistent non-compliance, the group will take contractual action. The decision on further steps up to and including termination of the business relationship is taken on a risk basis, in particular taking into account the severity of the violation, the supplier's willingness to cooperate and the effectiveness and verifiability of the corrective actions initiated. Permanent termination is considered in particular in cases of lack of cooperation, repeated violations or absent or ineffective remediation despite the setting of deadlines.

Due to the limitations described above in identifying and involving directly affected workers in the value chain, the group is unable to work with those affected in defining, tracking and identifying opportunities for improvement.



3.3 Consumers and End-Users (ESRS S4)

Product innovation, data security and health protection

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3.3.1 Material Impacts, Risks and Opportunities

As an important group of affected stakeholders, the group considers the potential and actual impacts on consumers and end-users within the framework of sustainability reporting under ESRS. The group's customers represent a relevant stakeholder group. In the 2024 financial year, consumers and end-users were systematically included in the reporting for the first time. In the 2025 reporting period, this approach is continued and further developed in terms of content.

Due to the group's business model, there is only rarely a direct business relationship with consumers in the sense of private end consumers. The end-users of the products are the group's customers, who are predominantly commercial companies, such as system integrators, machine manufacturers and distributors. The conventional definition of consumers therefore does not apply to the customers and users of Basler products and solutions. In the end application, products are often used autonomously. However, human intervention is required during installation, maintenance and, depending on the application, also during operation of the products, which enables direct contact between products and end-users.

Information on the views of consumers and end-users was obtained from 'credible proxies', in particular the group's customers. These proxies are involved via various channels, both in the form of correspondence and surveys as well as through verbal communication. The sales organization holds regular and ad hoc discussions with the group's customers about consumer interests several times a year. In addition, viewpoints are captured via customer-driven benchmarking and rating processes, such as EcoVadis or IntegrityNext, and updated through annual assessment processes. Additional communication on the needs of consumers takes place within the framework of standard industry association work, in particular in regular discussions (several times a year) at events organized by the VDMA (German Engineering Federation – Verband Deutscher Maschinen- und Anlagenbau). The

information is consolidated at sustainability management level and updated at least once a year as part of the review of the double materiality assessment. Operational responsibility lies within the CFO function.

To summarize, the interests of consumers and end-users can be traced primarily to the use of secure products with regard to health protection and data security. There is also an interest in energy-efficient, resource-efficient, socially responsible and durable Basler machine vision products (see [ESRS E1, Chapter 2.2.1](#)).

The insights into the views of consumers and end-users are integrated into the business strategy and the risk and opportunity management process through the double materiality assessment. The group's aim is to identify and minimize potentially negative effects, capture economic opportunities and improve competitiveness (see [ESRS 2, Chapter 1.1.6](#)). As part of the double materiality assessment, the interests of consumers are placed on an equal footing with the viewpoints of other interest groups in the materiality assessment.

One outcome of these insights is the focus of research and development on energy-efficient products and the investigation of ways to increase the use of recycled materials. Going forward, for example, the increased use of recycled aluminum for camera housings might be considered in order to conserve resources and reduce greenhouse gas emissions.

Material impacts, risks and opportunities in connection with affected consumers and/or end-users (as defined in [ESRS 2, Chapter 1.1.1](#), Scope of consolidation and materiality thresholds) include:



Opportunities through product innovation in the context of sustainable vision products

These potential opportunities for the group arise from the growing interest among customers and (indirectly) end-users in energy-efficient, resource-efficient, socially responsible and durable products for image processing and machine vision applications. The group's own research and development, as well as the support of other internal departments, enable the group to address these customer needs and capture the resulting opportunities. Product innovations focusing on energy consumption, aspects of the circular economy such as the use of recycled raw materials and the reduction of electronic waste, as well as measures for responsible sourcing and conflict-free supply chains, play a central role in this regard.

Responding to customer needs can contribute to the development of new sales markets and increased sales. The group also has the opportunity to strengthen customer satisfaction and customer loyalty, which can have a positive impact on long-term business success. Moreover, there are positive effects for consumers and end-users, as the use of energy-efficient products, for example, contributes to their own reduction in greenhouse gas emissions.

The group considers these potential opportunities to have a high probability of occurrence and rates them as relevant in the medium to long term.

Potential negative impact of cyber security attacks on vision products sold by the group

These potential impacts relate to the possible loss of data by consumers and end-users caused by third parties as part of a cyberattack on Basler hardware and software used by consumers. Such an attack might result in data loss, ransom demands, data breaches, data recovery costs and reduced machine availability. As a

result, there is also a potential financial risk for the group, in particular due to potential reputational damage and possible recourse claims.

The group's camera products are used, for example, to monitor industrial processes, in quality control and for process automation. This involves, for example, the capture of anonymous image information about process sequences. Basler products can also be used to observe human behavior, for example in the context of monitoring customer behavior in supermarkets. However, the group does not develop or distribute any personal identification software that collects, processes or analyses personal data. In this context, the risk therefore relates exclusively to image data collected by Basler vision products, not to personal data of end-users.

In view of the increasing frequency of cyberattacks on companies, the risk of such an incident is considered probable in principle. However, Basler products are generally used in an application that is shielded from the outside world. Components are connected to customers' machines but have no external connection that would enable direct external access. A cyberattack on Basler products would therefore only be possible indirectly via third-party software additionally used by end-users, if the end-user establishes an external connection on their own responsibility, as well as by directly accessing Basler products on site.

Whether the described effects actually occur also depends on the intention of the attackers and the IT security of the consumer company concerned. Overall, the group considers the probability of such incidents among end-users to be a low to medium risk and assesses this potential negative impact as relevant in the short, medium and long term.



Potential negative impacts on the health of consumers and end-users

These potential impacts relate to the possible and accidental exposure of end-users to cadmium, lead, dicumyl peroxide and boron oxide compounds (substances of very high concern), which could be released as a result of accidents and damage (e.g. fire) of a Basler product (see [ESRS E2, Chapter 2.3.1](#), Material impacts, risks and opportunities). Given that some purchased components of Basler products contain small amounts of substances of very high concern, there is a potential risk of health damage to consumers and end-users, for example in the event of inhalation of fumes. This risk concerns exclusively end-users who could come into direct contact with substances released by Basler products in the event of an accident or damage.

Due to the probability of occurrence assessed as possible in the double materiality assessment, this potential impact is considered relevant. However, the potential scale is assessed as low due to the limited exposure scenarios and the small quantities of substances involved. As Basler is actively working to reduce substances contained in purchased product components, the potential risk is also classed as short to medium term. Further information on strategies and actions can be found in [ESRS E2, Chapter 2.3.2](#), Strategies and actions.

3.3.2 Strategies and Actions

Strategies in connection with consumers and end-users

Material impacts, risks and opportunities in connection with consumers and end-users are addressed by the generally applicable sustainability strategy and risk and opportunity management processes (see [ESRS 2, Chapter 1.1.2](#), Governance). The aim is to identify impacts, risks and opportunities at an early stage, carry out a comprehensive assessment and then prioritize them based on risks and opportunities. The identification of impacts, risks and opportunities is part of the double materiality assessment (DMA).

The options for eliminating material impacts are developed individually in response to the situation and context. Risk assessment, time horizons and the group's options to exert influence play a central role in this regard. These strategies cover all consumers and end-users.

The principles of respect for human rights as set out in the group's Code of Conduct on the basis of the UN Charter apply to the entire group, over and above the respective minimum legal requirements. This also includes respect for the human rights of consumers and end-users, such as the right to information, consumer rights and protection against economic exploitation. Compliance with these principles is supported in particular through internal compliance structures, binding requirements in guidelines and through the processing and tracking of reports and complaints via the established reporting channels.

Like all stakeholder groups, consumers also have the opportunity to report violations of human rights via the group's whistleblower system. The reporting and remediation procedure follows the general procedure description of the whistleblower system (see [ESRS G1, Chapter 4.1.2](#), Whistleblower system and protection

of whistleblowers). The whistleblower system is also accessible externally via the group's website.

No cases of human rights violations in the downstream value chain were reported during the reporting period (unchanged from prior year).

Procedures and reporting channels for remedying negative impacts

Procedures and reporting channels for remedying negative impacts correspond to the description in [ESRS G1, Chapter 4.1.2](#), Whistleblower system and protection of whistleblowers. Given the group's business model (predominantly business relationships with commercial customers), complaints are predominantly brought to the group's attention through existing customer relationships. In the 2025 reporting year, no complaints or reports from consumers or end-users were received via the whistleblower system (see Figure 27) (2024: 0).

Figure 27 – Consumer complaints





Actions to minimize material risks

Sustainable product innovation

The group's inherent innovative strength represents a significant opportunity to contribute to sustainable business success. Computer vision is a growth market that can benefit from increasing automation and technological advancement in other sectors. The group is taking a wide range of actions to meet the diverse customer requirements for energy- and resource-efficient, socially responsible and durable vision products.

The group's own research and development department, with 192 employees (full-time equivalents) in 2025 (prior year: 238), is a central lever: it enables the development of new products and the continuous improvement of existing products, including taking into account requirements relating to energy consumption, material use, product service life and regulatory product requirements. The group recognizes the potential of product innovation geared towards sustainability. However, in the 2025 reporting year no substantive focus was placed on developing specific development targets for the energy efficiency and resource consumption of products. The development of corresponding targets is planned for one of the upcoming reporting periods.

In addition, responsible sourcing contributes to identifying risks from purchased components (e.g. conflict minerals as well as substances of concern and other chemicals) at an early stage and, where technically possible, reducing them through component and material selection. Further information on the processes and actions in the context of conflict minerals and supplier qualification is set out in [ESRS S2, Chapter 3.2](#).

Actions relating to durable products begin with quality standards when selecting components and extend through the product development process to the repair of damaged products. The group takes action at all these levels, for example the

purchasing of high-quality components and the operation of its own Repair Centre (see [ESRS E5, Chapter 2.4](#)).

Data security

The group mainly uses hardware and software developed in-house, so that a high degree of control and security over its own products can be guaranteed. External (open-source) software is used to a small extent, e.g. for standardized interface components. This is checked for potential security risks (including malware) by internal control processes prior to use.

For organizational anchoring purposes, the group has an internal policy on secure software development. This was formalized and documented in the current reporting year, thereby bindingly describing procedures and controls that had already previously been applied in the development process within the group. The aim of the policy is to embed information security throughout the entire development lifecycle and to establish practices that support the integrity, confidentiality and availability of software used in product development and delivered to customers. The policy applies to all employees, contractors, departments and third-party providers involved in the development, testing and deployment of tailored software solutions. It mandates the application of secure coding practices, testing and conformity measures as well as the principles of 'Security by Design' and 'Security by Default'.

The group relies on a multi-layered software release process that ensures high quality and reliability of the software components and minimizes the risk of data leaks and vulnerability of Basler components. Special processes with a high level of unit test and automated test coverage are used in development, such as 'pair programming' (an agile software development technique in which two developers work together on one computer to write and review code), 'review processes' (systematic methods for reviewing code, architecture or other development artefacts)



and 'continuous integration' (a practice in which code changes are regularly and automatically integrated into a shared repository. This method aims to automate development processes and improve the quality of the software). Secure signing in the build and release procedures also protects against counterfeits, so that customers can always rely on the group as the source of original software.

As software and cloud services expand, the topic of data security will become increasingly relevant going forward. In this context, additional test procedures (e.g. penetration tests) are used to identify and address potential vulnerabilities at an early stage and to ensure the highest possible level of data security.

Quality assurance in the software development process is ensured both by internal control processes, e.g. a check of the final release by the central Quality department, and by external certifications (ISO 9001).

If an infection of the software components with malware is detected despite all these measures, the implemented design processes ensure that customers can install updates using the software provided by the group.

Health protection

In summary, the main actions to reduce potential negative impacts on the health of end-users due to the presence of substances of very high concern in purchased product components consist of improving the database, transparent communication towards external parties and substitution reviews for affected components.

The actions apply to affected product components and are implemented in collaboration between Product Compliance, Purchasing, sustainability management, Product Lifecycle and Development. In addition, a responsible sourcing project group, which meets on a weekly basis, supports the coordination and further development of overarching subject areas. This also includes the handling of substances of very high concern and hazardous chemicals in purchased components.

In the 2025 reporting year, the development of a structured analysis and consolidation of the relevant information for improved management was initiated. This will be completed in the upcoming reporting period and established as the basis for the regular management process.

Detailed information on actions can be found in [ESRS E2, Chapter 2.3.2](#), Strategies and actions.



3.3.3 Targets and Metrics

As the opportunities in the areas of product innovation and the potential impacts on data security and health protection of consumers and end-users were first formally identified in 2024 and continued to be monitored during the 2025 reporting period, the group has not yet defined any time-bound and outcome-oriented targets.

Based on current feedback from customers and other stakeholders, however, no high urgency has emerged to make additional financial investments beyond existing R&D activities. This applies in particular to product safety-related measures to further reduce potential health risks (e.g. in connection with cadmium and lead in damaged products), additional cyber security measures for hardware and software to reduce potential consequential costs, recourse claims and reputational risks, as well as additional investments to specifically advance sustainability-related product innovations as a potential growth opportunity. The group continuously monitors market and regulatory developments as well as the expectations of consumers and end-users and will prioritize corresponding targets and actions as and when relevance increases noticeably.

In this context, it is anticipated that a particular focus will be placed on the topic of the circular economy, e.g. the proportion of recycled materials in Basler products. The group is already tracking the development of opportunities in this area within the scope of available data. For example, trends in repair requests at the Basler Repair Centre are analyzed.

In the absence of a specific target, the group assesses the effectiveness of actions relating to sustainable product innovation by looking at expenditure on research and development. In the 2025 financial year, a total of €28.9 million was spent on research and development (2024 adjusted: €30 million). The prior-year figure was

adjusted due to a refinement of internal cost allocation. These expenditures cover the development and further development of vision products, including aspects that can indirectly contribute to sustainable product innovation (e.g. efficiency improvements, product quality and service life, technical product adaptations). This corresponds to a change of –5% compared to the prior year (2024: –15%).

Specific targets in connection with responsible supply chains are described in [ESRS S2, Chapter 3.2.3, Targets](#).

No measurable targets are planned in the short term for the impacts relating to data security and health protection. This is due to the currently still insufficient database that would be necessary to formulate credible and realistic targets. The effectiveness of actions relating to data security is monitored by the internal Quality department, external quality management audits and feedback from any affected customers. The tracking of the effectiveness of actions relating to health protection can be found in [ESRS E2, Chapter 2.3.4, Targets](#).

4 Governance Information

04

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4.1.1 Governance

Administrative, Management and Supervisory Bodies

The Executive Board is responsible for leading governance tasks in connection with the group's business conduct. The responsibility for the internal control system as well as the risk and compliance management system lies with the CFO; the internal audit function is the responsibility of the CEO. This responsibility extends to the entire group.

The group's compliance team consists of four members: Head of Legal, Head of HR, CCO/COO (from 1 January 2026: CEO) and Chair of the General Works Council. The specialist responsibilities of this team in different areas of business operations ensure sufficient expertise in relation to diverse aspects of business conduct.

The compliance team maintains a structured, monthly dialogue to ensure compliant management and operation. Once a year, the compliance team reports to the Executive Board and, if required, up to twice a year to the group's Audit and Sustainability Committee. The active involvement of a member of the Executive Board in the compliance team also ensures regular communication on current issues with the Executive Board team.





4.1.2 Strategies, Actions and Metrics

Based on the identified materiality (see [ESRS 2, Chapter 1.1.6](#)), the group reports on the topics of corporate culture, protection of whistleblowers, relationships with suppliers, corruption and bribery as well as lobbying activities and political engagement in the context of business conduct. Animal welfare is not relevant to the group's business model. The entire value chain, including all locations of the group, was analyzed to determine material impacts, risks and opportunities.

In addition, material risks in connection with cyber security were identified as part of the materiality analysis. These relate in particular to potential financial impacts from cyber security attacks, e.g. in the form of costs for recovery measures, possible legal consequences and reputational damage. A detailed description of the potential negative impacts in connection with cyber security on end-users and customers in the context of hardware and software sold by the group is provided in [ESRS S4, Chapter 3.3](#). In this chapter on ESRS G1, the topic is addressed in addition, as the management and monitoring of such risks forms part of the governance and compliance structures and the group-wide risk and opportunity management. For governance of information security, the group has an information security policy that provides a group-wide framework for the management of information security and is designed to protect information assets from threats, vulnerabilities and risks. The policy aims to ensure the confidentiality, integrity and availability of information and is based on recognized standards (including ISO 27001:2022) and relevant regulatory requirements (including the NIS2 Directive and the Cyber Resilience Act). The Executive Board bears overall responsibility for information security. At the same time, employees, managers, appointed third parties and suppliers are involved in the principles of information security. Information security is managed on a process-driven and risk-based basis. Controls for the prevention and handling of information security incidents are embedded

within an information security management system (ISMS), the effectiveness of which is regularly reviewed and further developed in the spirit of continuous improvement.

To review the governance structures and instruments with regard to the appropriateness of the risk and opportunity management processes, the compliance management and internal control systems (ICS) for potential improvements, the group commissioned an externally supported risk analysis including a gap analysis in the 2024 financial year, which was subsequently concluded. The aim was to identify key risks and derive specific improvement needs in the underlying governance and control processes. In the 2025 financial year, the weaknesses identified as part of the analysis were addressed incrementally, in particular with regard to the anchoring of the control system within the group. As a key outcome, a position for ICS management was created and filled in the 2025 financial year, and the establishment of a dedicated internal audit function was also initiated.

Corporate culture

The ultimate goal of corporate management at the group is to ensure the sustainable success of its business model. This means combining long-term economic success in line with the growth strategy with positive social and ecological impacts on the quality of life of all company stakeholders. To this end, the group is committed to the ethical principles set out in the Code of Conduct and the Basler Family Charter. In the 2025 financial year, a single group-wide Code of Conduct was in place. At the time of publication of this report, it is intended to replace the existing Code of Conduct with three differentiated codes of conduct: a general Code of Conduct, a Supplier Code of Conduct for business partners and a Code of Conduct for employees.



This shows that the group upholds fair competition and acts on the basis of its corporate values. Integrity, trust and a respectful and appreciative approach – both internally and externally – are top priorities for the group. In day-to-day business, these values are communicated to new employees as part of the onboarding process, for example, and are regularly revisited and updated in the context of town hall meetings, New Year's speeches, internal company events and through intranet content. All relevant communications and materials are made available separately to employees in China due to local data protection regulations.

To further strengthen the lived corporate culture, the group rolled out a values-based program in the 2025 financial year. Each corporate value is championed by a small sponsor team consisting of one to two persons from top management and two representatives from the group of Change Advocates. The Change Advocates are engaged employees who voluntarily came together following the 2025 kick-off to actively support the further development of the process and help shape it from within the organization. The sponsor teams are dedicated to ensuring that the respective values become visible in day-to-day working life and that decisions within the company are more closely aligned with the defined values. As part of the program, concrete tips and methods are developed and made available via internal communication channels to support managers and employees in applying the corporate values in their daily actions and reflecting on them regularly within their teams.

The group assumes responsibility by carefully weighing the economic, technological, social and ecological consequences of corporate decisions and actions and by seeking to strike a balance between the interests of various stakeholder groups – shareholders, employees and customers.

In the course of its business activities, the implementation of its corporate strategy and the realization of its objectives, the group pays strict attention to compliance

with applicable laws and expects this equally from employees (see [ESRS S1, Chapter 3.1.2](#)) and business partners (see [ESRS S2, Chapter 3.2.2](#)).

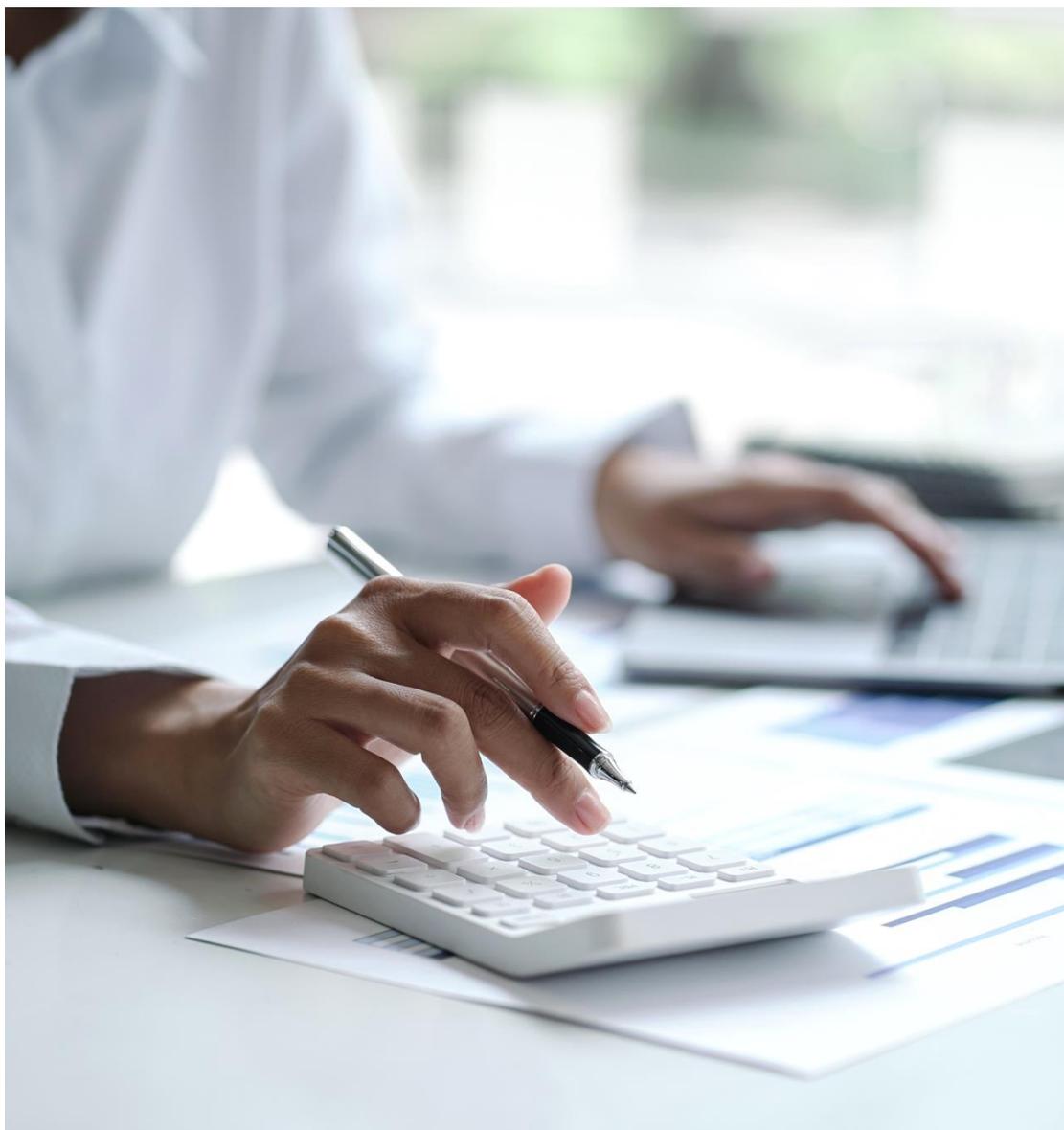
The Executive Board attaches great importance to maintaining the good culture shaped by a strong team spirit. The company has adopted an 'open door' policy: the Executive Board and managers are always available to address employee concerns.

Whistleblower system and protection of whistleblowers

As part of the whistleblower system, all executive bodies, managers, employees and external persons can report violations of the group's Code of Conduct, company operating procedures or laws in a business context. They can do so via various channels, either verbally, in writing or in person. This includes reporting to the compliance team (compliance@baslerweb.com), the Executive Board or via the electronic whistleblower system (<https://baslerweb.integrityline.app/>). Details of the reporting channels described are included in the mandatory training for all employees described below (see [ESRS G1, Chapter 4.1.2](#)).

All reports are forwarded to the compliance team and documented centrally in the EQS Integrity Line electronic system. Reports are generally reviewed by the compliance team. The compliance team ensures the appropriate, prompt and independent investigation of suspected cases, incidents or violations and the implementation of actions. The whistleblower is entitled – provided this does not affect internal enquiries or investigations or the rights of the persons who are the subject of the report – to information about the findings of the review of the report and any measures taken or planned as a result, as well as the reasons for these. This information is provided no later than three months after confirmation of receipt.

The group protects the confidentiality and anonymity of the whistleblower to the extent permitted by law and insofar as this is compatible with conducting an



adequate investigation. In particular, the use of the EQS Integrity Line electronic system does not permit any conclusions concerning the identity of the person providing the information. Confidentiality also applies to the persons who are the subject of a report or who are named in a report.

No whistleblower may suffer reprisals, retaliation or other negative consequences as a result of submitting a report. The group warrants that it will prevent repressive or discriminatory actions against the whistleblower and penalize any such actions if necessary. This does not apply if the whistleblower was actively involved in the reported offence.

The regularity of these structures is assessed as part of the annual compliance reporting to the Executive Board and Supervisory Board. Key figures for the annual non-financial reporting are also analyzed and published. In the 2025 financial year, a total of 4 reports were registered (2024: 8 reports).

Relationships with suppliers and payment practices

The principles and standards of cooperation with suppliers in connection with material impacts, risks and opportunities in the supply chain are described in the group's Code of Conduct and in the company's Conflict Minerals Policy (see [ESRS S2, Chapter 3.2.2](#)). These principles, including the social and environmental criteria described in Chapter 3.2.2, are part of supplier selection.

The group focuses on working with small and medium-sized enterprises (SMEs) as an important section of the economy and as a risk diversification strategy to improve supply chain resilience. In the 2025 financial year, the group procured products or services from a total of 959 suppliers (2024: 902), of which 737 (77%) were identified as SMEs (2024: 709, or 79%). On an expenditure basis, approximately 53% of total expenditure is attributable to business relationships with SMEs (unchanged from prior year).



The group is keenly aware of potential dependencies, particularly with regard to fair payment terms, given its strong collaboration with SMEs. In this context, the group treats all suppliers equally, regardless of company size. The group applies payment terms on the basis of uniform, transparent criteria: the key differentiating factor is purchasing volume and not company size or the supplier's location. Against this background, shorter payment terms may in individual cases be agreed with suppliers with lower purchasing volumes (including many medium-sized companies), which can help reduce the liquidity burden on these suppliers.

In the 2025 financial year, the average payment delay was 12 days (2024: 10 days). For SMEs, the average payment delay was 9 days. Regional differences are recognizable to a limited extent. These differences are attributable in particular to historically grown, regionally and supplier-specific heterogeneous payment terms as well as the structure of the supplier portfolio. There is no evidence of systematic discrimination against SMEs. For example, in the USA, the UK, Switzerland, China and Austria, a higher payment delay for SMEs (compared to the average payment

delay in the respective country) was observed, while in Japan, the Netherlands, France and Germany, invoices from SMEs were settled more quickly (see Figure 28).

The standard payment term continues to be 60 days globally. The range of payment terms varies between 30 and 90 days. The standard payment term of 60 days is applied to approximately 26% of suppliers (by purchasing volume) (unchanged from prior year). Regional application of the standard payment terms continues to vary, as standardization was only introduced a few years ago and historically there was no globally uniform approach. In the event of deviations from the standard payment terms, shorter payment terms are predominantly offered to the benefit of suppliers. The majority of smaller suppliers continue to benefit from a payment term of 30 days.

As in the prior year, there were no legal proceedings against the group for late payment in the 2025 financial year.



Figure 28 – Fair payment practices

Suppliers (head office)	Standard payment terms (in days)	% of suppliers with standard payment terms	Average payment delay in days (total)	Average payment delay to SMEs in days
Belgium	60	50%	5	5
China	60	30%	5	6
Germany	60	25%	13	9
France	60	0%	19	9
Indonesia	60	100%	–	–
Italy	60	0%	8	8
Japan	60	10%	6	4
Malaysia	60	60%	6	6
Netherlands	60	30%	6	4
Austria	60	50%	3	9
Switzerland	60	0%	8	9
Singapore	60	15%	10	10
Taiwan	60	0%	9	9
Czech Republic	60	0%	5	5
USA	60	20%	10	11
United Kingdom	60	20%	4	7
Total	60	26%	12	9

All due dates to suppliers in the reporting year were taken into account to calculate the data shown in Figure 28. Artificial intelligence (AI) was used to identify SMEs in the group's supplier portfolio. In the first step of the process, all suppliers were classified on the basis of the number of employees. Companies with fewer than 250 employees were categorized as SMEs. To improve data quality, a manual spot check was subsequently carried out by the group's sustainability team. This procedure was also applied in the prior year.



Corruption and bribery

The Basler Code of Conduct sets out clear guidelines and expectations for dealing with corruption and bribery.

Quote from the Code of Conduct

'Corruption and bribery contradict our understanding of fair competition, integrity and responsible behaviour. Our corporate bodies, managers and employees may not demand, accept, offer or grant any personal benefits (e.g. monetary payments, loans, gifts) in order to gain advantages for themselves or third parties. In particular, we may not offer, promise or grant any personal benefits to public officials.'

Insofar as unfair preferential treatment is offered in business transactions in return, we are also not permitted to promise or grant third parties advantages in business transactions for ourselves or third parties. Likewise, we must not promise ourselves or third parties any advantages or allow any advantages to be granted to us.'

Aside from the whistleblower system and the associated procedural guidelines for independent and objective investigations, the group's most important actions for preventing, detecting and combating corruption and bribery include regular mandatory training on the subject of corruption and bribery.

In the 2025 financial year, three electronically based mandatory training courses were conducted by the compliance organization on the topics of 'Compliance Basics', 'Justice at Work' and 'IT Security'. As part of the 'Compliance Basics' training course, among other things, the Code of Conduct (including corruption and bribery) and the whistleblower system as an action are addressed. In total, the three

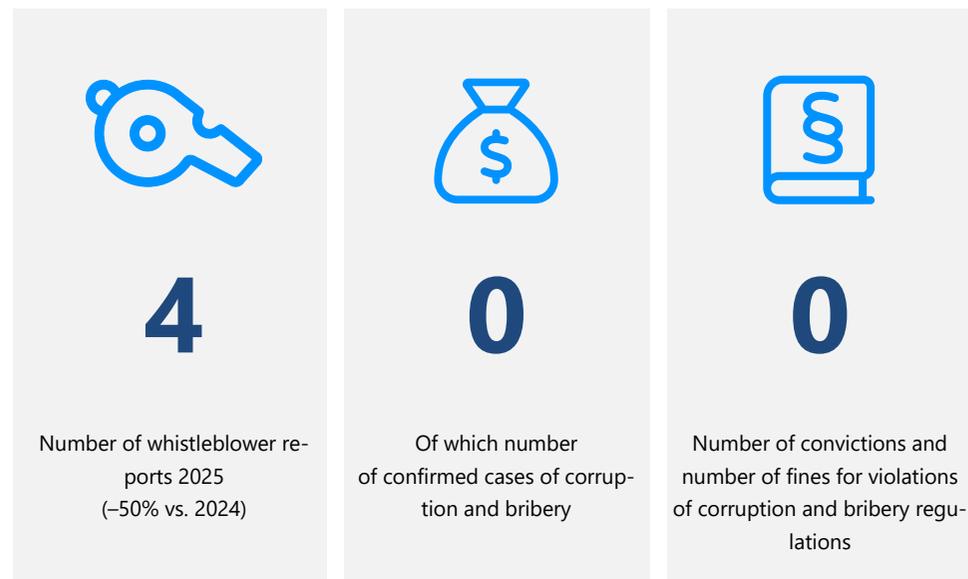
mandatory training courses last between 60 and 90 minutes. These are mandatory for all employees worldwide, including the Executive Board of the group. Risk-bearing functions (Purchasing, Sales and the Executive Board) are therefore automatically fully covered. The Supervisory Board is exempt from the company's internal mandatory training but undergoes continuous professional development and renews its qualified supervisory board member certificates every three years. As of the reporting date, 92.6% of employees had completed the Compliance Basics training course (prior year: 80%).

Beyond these actions, the group has no further standalone strategies to combat corruption and bribery in accordance with the United Nations Convention against Corruption. An expansion of the actions is not currently planned, as the group's current risk assessment in relation to corruption and bribery, along with the existing compliance processes (including the whistleblower system, training and case management), have not identified any concrete indications or anomalies with regard to corruption and bribery.

Management therefore considers the obligations set out in the Code of Conduct and the rules of conduct described to be adequate.

In the current financial year (as in the prior year), there were no reported or confirmed incidents of corruption or bribery in the group. No fines were paid for violations of corruption or bribery regulations, and no actions were taken to address violations of anti-corruption and anti-bribery procedures and standards.

Figure 29 – Whistleblower report



Political influence and lobbying activities

The 'Basler Corporate Policy on Donations and External Commitments' sets out the framework conditions under which the group supports political and social causes. This stipulates that such sponsorships, which also include membership of associations, are only possible if they are in line with the group's values and ethical requirements such as transparency and political neutrality. All employees can submit suggestions for donations to the Executive Board. The Executive Board authorizes (by simple majority) the payment of donations.

In the 2025 financial year (as in the prior year), the group did not make any donations to politicians or political parties.



The company is a member of the German Engineering Federation (VDMA – Verband Deutscher Maschinen- und Anlagenbau e.V.) and paid a total of approximately €126,000 in membership fees in the 2025 financial year (prior year: €86,000). There were also material membership fees (>€5,000) for other professional associations: Cross-Business Architecture Lab – €15,000; Edge AI and Vision Alliance – approx. €11,000; European Machine Vision Association (EMVA) – approx. €6,000. The purpose of the company's membership of these associations is to share experience in digital transformation, accelerate artificial intelligence applications in the field of industrial vision and develop global industry standards.

Dr Dietmar Ley, CEO of the company in the 2025 financial year (at the time of publication Dr Dietmar Ley is no longer serving as CEO), has been active in various committees and roles at the VDMA for around 20 years and was most recently the Deputy Chairperson of the professional association. In November 2024, Dr Dietmar Ley was elected as Chairperson of the VDMA Robotics + Automation Association and assumed this honorary position for three years. Furthermore, Hardy

Mehl (from 1 January 2026: CEO) is also engaged as a member of the Executive Board of the VDMA's Industrial Image Processing Division.

None of the members of the Supervisory Board or the Executive Board held a comparable position in public administration or with regulatory authorities in the two years prior to their appointment in the reporting period.

Furthermore, the company donated a total of approximately €26,000 in the 2025 financial year, equal to the prior year. Of this, as in the prior year, €15,000 was attributed to indirect political donations to the Berlin-based (Germany), politically neutral Foundation for Family Businesses and Politics (Stiftung Familienunternehmen und Politik), which supports family businesses in transformation issues such as digitalization and sustainability and makes their challenges heard by the media and politicians. The remaining €11,000 is distributed across small donations to local charitable causes such as educational partnerships, cultural and support organizations (unchanged from prior year).



Figure 30 – Membership fees and donations



Ahrensburg/Germany, March 27, 2026
The Management Board


Hardy Mehl
CEO


Ines Brückel
CFO


Dr. Kai Jens Ströder
CTO

5 Appendix

05



5.1 Glossary

AI	Artificial Intelligence	IFRS	International Financial Reporting Standards
BSC	Balanced Scorecard System	ILO	International Labour Organisation
CapEx	Capital Expenditure	IPCC	Intergovernmental Panel on Climate Change
CO ₂ e	Carbon dioxide equivalents	ISAE	International Standard on Assurance Engagements
DEFRA	Department for Environment, Food & Rural Affairs	NIS2 Directive	Network and Information Security (NIS) Directive
EEA	European Economic Area	OKR	Objectives and Key Results
EFRAG	European Financial Reporting Advisory Group	OpEx	Operational Expenditure
EMVA	European Machine Vision Alliance	PV	Photovoltaics
ESD	Electrostatic discharge	REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
ESG	Environmental, Social and Governance	RMI	Responsible Minerals Initiative
ESRS	European Sustainability Reporting Standards	RoHs	Restriction of Hazardous Substances
EU CSRD	European Union Corporate Sustainability Reporting Directive	SMEs	Small and medium-sized enterprises
GHG	Greenhouse gas	VDMA	Verband Deutscher Maschinen und Anlagenbau e.V. (German Engineering Federation)
GWP	Global Warming Potential		
HGB	Handelsgesetzbuch (German Commercial Code)		

5.2 Appendix

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5.2.1 Appendix I – Impacts, Risks and Opportunities

ESRS E1 – Climate change

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
1	Impact	Negative	Actual	–	Short, medium or long term	Greenhouse gas emissions in Basler's upstream value chain through material procurement and logistics.	Upstream
2	Impact	Negative	Actual	–	Short, medium or long term	Greenhouse gas emissions from business travel and commuting.	Controlled by Basler
3	Impact	Negative	Actual	–	Short, medium or long term	Greenhouse gas emissions in Basler's downstream value chain through the use of sold products and the disposal or treatment of sold products (end-of-life treatment).	Downstream
4	Impact	Negative	Actual	–	Short, medium or long term	Greenhouse gas emissions at company-owned sites and production facilities, e.g. from heating, electricity consumption and company cars.	Controlled by Basler
5	Risk	–	Potential	Transition risk	Short, medium or long term	Physical impacts of climate change on our suppliers' infrastructure and operations (e.g. heat and water stress, rising sea levels, forest fires, storms, flooding, etc.).	Upstream
6	Opportunity	–	Potential	Market opportunities	Medium to long term	Growing market and increasing customer demand for energy-efficient products offer opportunities for sales growth.	Controlled by Basler
7	Impact	Positive	Potential	–	Short to medium term	Basler can reduce greenhouse gas emissions at company-owned sites through various investments (e.g. PV systems, electric charging infrastructure for cars).	Controlled by Basler
8	Risk	–	Potential	Transition risk	Short to medium term	The continuous provision of funding for the transition plan to carbon neutrality.	Controlled by Basler
9	Opportunity	–	Potential	Regulatory	Medium to long term	Basler's goal of achieving climate neutrality by 2030 and switching to renewable energies in the short term may produce cost savings for energy procurement in the medium term, as fossil fuels and greenhouse gas emissions will be taxed more heavily.	Controlled by Basler

**ESRS E2 – Pollution**

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
10	Impact	Negative	Actual	–	Short to medium term	Basler's production processes and the upstream supply chain require considerable amounts of energy. At present, this energy comes mainly from fossil sources, which means that the extraction, production and combustion of fossil fuels has an impact on environmental pollution. Air pollutants (SOx and NOx) in particular lead to acidification of soil and water and may be harmful to plants.	Controlled by Basler + Upstream
11	Impact	Negative	Potential	–	Short, medium or long term	Basler's products require minerals such as tin, tantalum, tungsten, gold and cobalt. These are extracted in mines in the upstream value chain. This may result in environmental damage such as deforestation, drinking water pollution or loss of biodiversity.	Upstream
12	Impact	Negative	Potential	–	Short, medium or long term	The activities of the upstream value chain may cause regional water pollution due to inputs of substances that are hazardous to water (e.g. heavy metals). This may have a negative impact on marine life and on the local population if, for example, access to clean drinking water is no longer guaranteed. For example, the mining of gold and the use of mercury.	Upstream
13	Impact	Negative	Potential	–	Short, medium or long term	Potential harm to health from the distribution of products containing components that are substances of concern or very high concern.	Downstream
14	Risk	–	Potential	Reputational risk	Short, medium or long term	Potential reputational damage and recourse claims due to the sale of products containing components that are substances of very high concern or substances of very high concern.	Downstream
15	Risk	–	Potential	Legal	Short, medium or long term	Penalty payment (and subsequent loss of sales) due to violation of import/export regulations of substances of concern in purchased parts. Penalty payment due to non-compliant product labelling (e.g. WEEE).	Controlled by Basler + Upstream

**ESRS E5 – Resource use and circular economy**

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
16	Impact	Negative	Actual	–	Short, medium or long term	Electronic waste in production (e.g. surplus products).	Controlled by Basler
17	Opportunity	–	Potential	Market opportunities	Medium to long term	New sales opportunities by taking back old products/electronic waste from current end customers and sales of upgrades/new products.	Controlled by Basler
18	Impact	Negative	Actual	–	Short, medium or long term	Electronic waste at end customers (end-of-life products). Manner of disposal uncertain.	Downstream

ESRS S1 – Own workforce

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
19	Risk	–	Actual	Market risks	Short term	Higher costs for employee retention due to rising expectations of salaries, divergent expectations (cultural fit) of employees and increasing competition for skilled labor.	Controlled by Basler
20	Risk	–	Actual	Market risks	Medium term	Loss of 'know-how' through restructuring leads to higher costs for training new employees and potential loss of sales due to lower productivity and capacity.	Controlled by Basler
21	Impact	Positive	Actual	–	Short, medium or long term	Basler's flexible working time models (part-time employment, remote work, sabbaticals) positively impact the well-being of employees thanks to employment opportunities that are adapted to their life situation.	Controlled by Basler

**ESRS S2 – Workers in the value chain**

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
22	Risk	–	Potential	Reputational risk	Short, medium or long term	Potential violations of Basler's business principles by indirect suppliers in the value chain may cause reputational damage.	Upstream
23	Opportunity	–	Potential	–	Medium to long term	The increasing supplier qualification practiced by Basler may produce a resilient and diversified supplier portfolio in the medium term. This would improve supply chain stability and avoid interruptions to production, which would contribute to sales continuity.	Controlled by Basler
24	Risk	–	Potential	Reputational risk	Short, medium or long term	A lack of transparency in the supply chain (up to the mines and smelting furnaces) and a lack of opportunities to exert influence (particularly with international suppliers) makes it difficult to monitor labor protection and human rights standards. Loss of sales (opportunities).	Upstream
25	Impact	Positive	Potential	–	Short, medium or long term	Basler's efforts with regard to its own whistleblower system, supplier audits, active, ESG-based supplier selection to improve labor rights and working conditions in the supply chain, risk analysis and principles and standards of cooperation with suppliers improve compliance with employment-related laws, minimum standards and human rights.	Controlled by Basler
26	Impact	Negative	Potential	–	Short to medium term	Basler's products require minerals such as tin, tantalum, tungsten, gold and cobalt. These are extracted in mines in the upstream value chain. Employees may be exposed to human rights violations (e.g. child labor) and health risks (e.g. respiratory diseases).	Upstream

**ESRS S4 – Consumers and end-users**

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
27	Impact	Negative	Potential	Legal	Short to medium term	Health repercussions that may result from accidental exposure to cadmium and lead through damage to Basler products –product safety.	Downstream
28	Impact	Negative	Potential	Technology risk	Short, medium or long term	The risk of cyber security attacks at end customers on hardware and software sold by Basler may potentially lead to legal costs and re-course claims, as well as reputational damage.	Downstream
29	Opportunity	–	Potential	–	Medium to long term	Basler's product innovation in terms of energy-and resource-efficient, socially responsible and durable products presents opportunities for sales growth.	Controlled by Basler

**ESRS G1 – Business conduct**

No.	IRO	Positive/ Negative	Actual/ Potential	Type	Time horizon	Description	Location in the value chain
30	Impact	Positive	Actual	–	Short, medium or long term	Basler's whistleblower system improves the detection and tracking of cases of discrimination, corruption and bribery as well as potential human rights violations.	Controlled by Basler
31	Risk	–	Potential	Technology risk	Short, medium or long term	The risk of data loss due to cyber security attacks may present a financial risk. Costs may be incurred for ransom demands, data recovery, publication and legal consequences, among other things.	Controlled by Basler
32	Impact	Positive	Actual	–	Short, medium or long term	The group makes a positive contribution to the local community in a variety of ways. The aim is to promote local economic and social development. There is a particular focus on educational cooperation for young people.	Controlled by Basler
33	Risk	–	Potential	Legal	Medium to long term	Due to global nature and only partial transparency in the upstream value chain, there is a risk of fines for possible violations of human rights, bribery and corruption laws, money laundering (or similar), especially against the backdrop of politically induced, increasing responsibility for supply chain conditions.	Upstream
34	Opportunity	–	Potential	Market opportunities	Medium to long term	A strong ESG agenda and performance maintains sales opportunities, as this is increasingly required in existing business relationships.	Entire value chain
35	Risk	–	Actual	Legal	Short, medium or long term	Growing regulatory requirements for compliance lead to cost increases due to additional workload and the need for new expertise (e.g. through product redesign).	Entire value chain
36	Risk	–	Potential	Legal	Short, medium or long term	Political instability/change of direction has far-reaching impacts on investments, purchasing behavior, customer behavior and cost structures.	Entire value chain



5.2.2 Appendix II – List of Data Points in Overarching Standards

Disclosure	Data point	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Page
ESRS 2 GOV-1	21 (d)	x		x		14
ESRS 2 GOV-1	21 (e)			x		14
ESRS 2 GOV-4	30	x				16
ESRS 2 SBM-1	40 (d) i	x	x	x		18, 35
ESRS 2 SBM-1	40 (d) ii	x		x		18
ESRS 2 SBM-1	40 (d) iii	x		x		–
ESRS 2 SBM-1	40 (d) iv			x		18
ESRS E1-1	14				x	47, 51
ESRS E1-1	16 (g)		x	x		49
ESRS E1-4	34	x	x	x		50
ESRS E1-5	37	x				53
ESRS E1-5	38	x				53
ESRS E1-5	40-43	x				53
ESRS E1-6	44	x	x	x		56
ESRS E1-6	53-55	x	x	x		61
ESRS E1-7	56				x	61
ESRS E1-9	66			x		–
ESRS E1-9	66 (a), 66 (c)		x			–
ESRS E1-9	67 (c)		x			–
ESRS E1-9	69			x		–
ESRS E2-4	28	x				–
ESRS E3-1	9	x				–
ESRS E3-1	13	x				–
ESRS E3-1	14	x				–
ESRS E3-4	28 (c)	x				–
ESRS E3-4	29	x				–
ESRS 2 – SBM-3 – E4	16 (a) i	x				30
ESRS 2 – SBM-3 – E4	16 (b)	x				30
ESRS 2 – SBM-3 – E4	16 (c)	x				30
ESRS E4-2	24 (b)	x				–
ESRS E4-2	24 (c)	x				–

Disclosure	Data point	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Page
ESRS E4-2	24 (d)	x				–
ESRS E5-5	37 (d)	x				77
ESRS E5-5	39	x				76
ESRS 2 SBM-3 S1	14 (f)	x				82
ESRS 2 SBM-3 S1	14 (g)	x				82
ESRS S1-1	20	x				82
ESRS S1-1	21			x		82
ESRS S1-1	22	x				82
ESRS S1-1	23	x				94
ESRS S1-3	32 (c)					83
ESRS S1-14	88 (b), 88 (c)	x		x		94
ESRS S1-14	88 (e)	x				94
ESRS S1-16	97 (a)	x		x		95
ESRS S1-16	97 (b)	x				95
ESRS S1-17	103 (a)	x				95-96
ESRS S1-17	104 (b)	x		x		95-96
ESRS 2 SBM-3 – S2	11 (b)	x				98
ESRS S2-1	17	x				100
ESRS S2-1	18	x				100
ESRS S2-1	19	x		x		100
ESRS S2-1	19			x		100
ESRS S2-4	36	x				103
ESRS S3-1	16	x				–
ESRS S3-1	17	x		x		–
ESRS S3-4	36	x				–
ESRS S4-1	16	x				110
ESRS S4-1	17	x		x		110
ESRS S4-4	35	x				110
ESRS G1-1	10 (b)	x				123
ESRS G1-1	10 (d)	x				–
ESRS G1-4	24 (a)	x		x		123
ESRS G1-4	24 (b)	x				123



5.2.3 Appendix III – Allocation of HGB**** Matters to ESRS Disclosure Requirements

ESRS 2 – General Disclosures

	Disclosure requirement	Page
BP-1	Basis for preparation	11
BP-2	Disclosures in relation to specific circumstances	11
GOV-1	Administrative, management and supervisory bodies	14 (partially disclosed)***
GOV-2	Administrative, management and supervisory bodies	14
GOV-3	Sustainability-related incentive schemes	15
GOV-4	Due diligence	16
GOV-5	Risk management	16
SBM-1	Strategy, business model and value chain	18
SBM-2	Interests and views of stakeholders	21
SBM-3	Material impacts, risks and opportunities of the business model	22
IRO-1	Identification and assessment of impacts, risks and opportunities	25
IRO-2	Disclosure requirements	29

ESRS E1 – Climate change / Section 289c (2) No. 1 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
GOV-3	Sustainability-related incentive schemes	45
E1-1	Transition plan for climate change mitigation	47
SBM-3	Material impacts, risks and opportunities of the business model	42
IRO-1	Identification and assessment of impacts, risks and opportunities	42
E1-2	Climate change mitigation strategy	47
E1-3	Actions and resources	49
E1-4	Targets	47
E1-5	Energy consumption and mix	52
E1-6	Gross GHG emissions	55
E1-7	Carbon credits	61
E1-8	Internal carbon pricing	61
E1-9	Financial effects	N/A*

ESRS E2 – Pollution / Section 289c (2) No. 1 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
IRO-1	Identification and assessment of impacts, risks and opportunities	63
E2-1	Policies	65
E2-2	Actions and resources	65
E2-3	Targets	68
E2-4	Pollution of air, water and soil	N/A**
E2-5	Substances of concern and substances of very high concern	66
E2-6	Financial effects	N/A*

* material (phase-in)

** not material

*** GOV-1.21(c), GOV-1.22(b) and parts of GOV-1.23 have been omitted

**** German Commercial Code



5.2.4 Appendix IV – List of ESRS Disclosure Requirements

ESRS E5 – Resource use and circular economy/Section 289c (2) No. 1 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
IRO-1	Identification and assessment of impacts, risks and opportunities	70
E5-1	Policies	72
E5-2	Actions and resources	72
E5-3	Targets	75
E5-4	Resource inflows	N/A**
E5-5	Resource outflows	75
E5-6	Financial effects	N/A*

ESRS S1 – Own workforce/Section 289c (2) No. 2 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
SBM-2	Interests and views of stakeholders	80
SBM-3	Material impacts, risks and opportunities of the business model	80
S1-1	Policies	82
S1-2	Engagement of workers	82
S1-3	Remediation of negative impacts	83
S1-4	Actions	83
S1-5	Targets	85
S1-6	Employee characteristics	85
S1-7	Non-employee characteristics	87
S1-8	Collective bargaining and social dialogue	87
S1-9	Diversity metrics	89
S1-10	Adequate wages	88
S1-11	Social protection	91
S1-12	Persons with disabilities	N/A*
S1-13	Training and skills development	92
S1-14	Health and safety	93
S1-15	Work-life balance	N/A*
S1-16	Compensation metrics	95
S1-17	Human rights incidents	95

ESRS S2 – Workers in the value chain / Section 289c (2) No. 2, No. 4 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
SBM-2	Interests and views of stakeholders	98
SBM-3	Material impacts, risks and opportunities of the business model	98
S2-1	Policies	100
S2-2	Engagement of workers	102
S2-3	Remediation of negative impacts	102
S2-4	Actions	103
S2-5	Metrics and targets	104

* material (phase-in)

** not material

Disclosure requirements and associated data points pursuant to ESRS 2, App. B.

**ESRS S4 – Consumers and end-users / Section 289c (2) No. 3, No. 4 and (3), Section 315c (1) and (2) HGB**

	Disclosure requirement	Page
SBM-2	Interests and views of stakeholders	107
SBM-3	Material impacts, risks and opportunities of the business model	107
S4-1	Policies	110
S4-2	Engagement of end-users	110
S4-3	Remediation of negative impacts	110
S4-4	Actions	111
S4-5	Targets	113

ESRS G1 – Business conduct / Section 289c (2) No. 5 and (3), Section 315c (1) and (2) HGB

	Disclosure requirement	Page
GOV-1	Administrative, management and supervisory bodies	116
IRO-1	Identification and assessment of impacts, risks and opportunities	117
G1-1	Policies	117
G1-2	Relationships with suppliers	119
G1-3	Prevention of corruption and bribery	122
G1-4	Incidents of corruption and bribery	123
G1-5	Political influence and lobbying activities	123
G1-6	Payment practices	119

Disclosure requirements and associated data points pursuant to ESRS 2, App. B.



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6 Reproduction of the Independent Auditor's Report

06



6.1 Reproduction of the Independent Auditor's Report

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE SEPARATE COMBINED NON-FINANCIAL REPORT

To Basler Aktiengesellschaft, Ahrensburg/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the separate Combined Non-Financial Report of Basler Aktiengesellschaft, Ahrensburg/Germany, combining the consolidated non-financial report and the non-financial report of the parent (hereafter referred to as "the Combined Non-Financial Report) for the financial year from January 1 to December 31, 2025. The Combined Non-Financial Report was prepared to fulfill Sections 289b to 289e German Commercial Code (HGB) and Sections 315b and 315c HGB including the disclosures contained therein to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 for a combined non-financial report.

Not subject to our assurance engagement were the references to information outside of the separate Combined Non-Financial Report

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Combined Non-Financial Report for the financial year from January 1 to December 31, 2025 is not prepared, in all material respects, in accordance with Sections 289b to 289e and Sections 315b and 315c HGB and the requirements of Article 8 of Regulation (EU) 2020/852, and the specifying criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the parts of the Combined Non-Financial Report mentioned above.

Basis for the Assurance Conclusion

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

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

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Non-Financial Report".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.



Emphasis of Matter – Principles of Preparation of the Combined Non-Financial Report

Without modifying our conclusion, we draw attention to the details provided in the Combined Non-Financial Report, which describe the principles of preparation of the Combined Non-Financial Report. According to these principles, the Company has applied the European Sustainability Reporting Standards (ESRS) to the extent described in chapter “1.1.1 Preliminary remarks and basis for preparation of the separate combined non-financial report” of the Combined Non-Financial Report.

Responsibilities of the Executive Directors and the Supervisory Board for the Combined Non-Financial Report

The executive directors are responsible for the preparation of the Combined Non-Financial Report in accordance with the applicable German legal and European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a Combined Non-Financial Report in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Combined Non-Financial Report) or error. This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Combined Non-Financial Report as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Combined Non-Financial Report.

Inherent Limitations in Preparing the Combined Non-Financial Report

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors made their interpretations of such wording and terms in the Combined Non-Financial Report. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain.

The quantification of non-financial performance indicators disclosed in the Combined Non-Financial Report is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Combined Non-Financial Report.

German Public Auditor’s Responsibilities for the Assurance Engagement on the Combined Non-Financial Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Combined Non-Financial Report has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Combined Non-Financial Report.



As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism.

We also

- obtain an understanding of the process used to prepare the Combined Non-Financial Report, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Combined Non-Financial Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

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

In performing our limited assurance engagement, we

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



Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Hamburg/Germany, March 30, 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Annika Deutsch
Wirtschaftsprüferin
(German Public Auditor)

Signed:

Christina Marquardt
Wirtschaftsprüferin
(German Public Auditor)