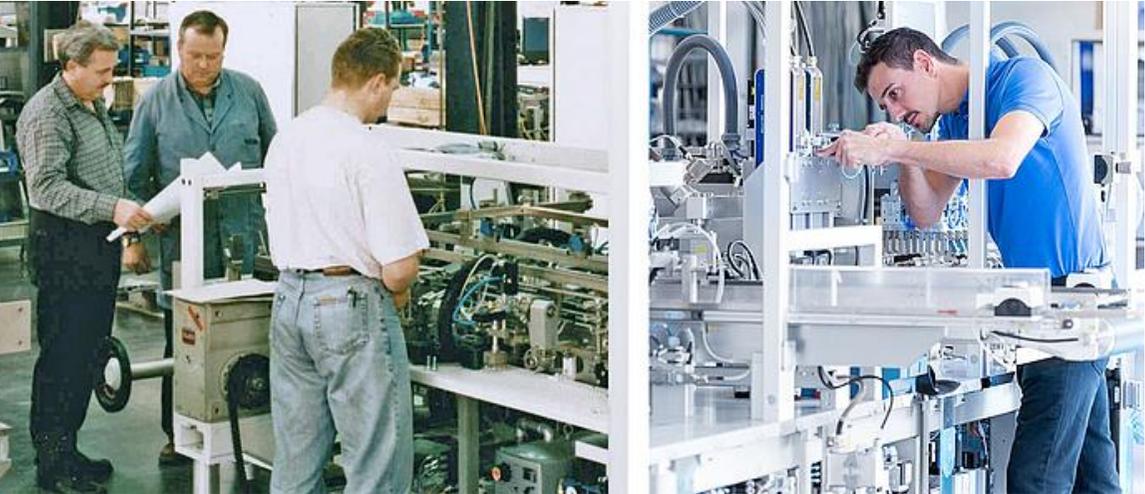


## History

A success story that spans more than 40 years:

We started our business in 1975 as a typical one-man garage workshop. A good four decades later and with over 1,700 employees, we are one of the world's leaders in the field of production and packaging machine technology.



**HH** Harro Höfliger

ZERO CARBON FOOTPRINT



**GREEN FACTORY**

**GREEN ENGINEERING**

**GREEN PROCESSING**

**GREEN BEHAVIOR**

## Introduction and Foundation

Dear readers of our Sustainability Report,

Independence, trust, loyalty, innovative strength, creativity, and the interests of our business partners have always been the driving forces at Harro Höfliger. We want to stay true to this philosophy looking forward. The foundation for this is our long-term thinking and acting, as well as our commitment to our employees. With this in mind, we always attach great importance to continuity, reliability, proximity, and mutual trust. These qualities can best be assured in the long term through the organizational structure of a family business.

In line with our founder's vision, the owners have transferred a significant share of the company to a family trust, the Harro Höfliger Stiftung. This ensures that the company's independence is preserved without any individuals having sole decision-making authority. The characteristics of a family-owned company are therefore intrinsically linked with the structure of a highly dynamic industrial enterprise.

Harro Höfliger's Code of Conduct now brings together our important basic rules and principles in a single document, which is binding for us from today and into the future. It sets a standard for ourselves and is, at the same time, a promise to the outside world for responsible conduct toward customers, suppliers, the public, and also in our dealings with one another within the company – in Germany and around the world.



With this Sustainability Report 2021, Harro Höfliger is beginning with regular reporting, which is set to be published on an annual basis in accordance with the GRI Standards. We are thereby responding to the growing interest on the part of our stakeholders and aim to demonstrate our achievements in the areas of economic, environmental and social sustainability. The present report has been prepared in accordance with the GRI Standards: "Core" option. This also includes the preparation of a materiality analysis as defined by the GRI.

### GRI 101: Foundation 2016

The reporting principles outlined in the GRI Standard for ensuring reporting quality serve as a guide for assuring high-quality information within the Sustainability Report and the proper presentation of this information.

- Stakeholder engagement
- Sustainability context
- Materiality
- Completeness

## Organizational profile

### GRI 102: General Disclosures 2016

#### GRI 102-1: Name of the organization

Harro Höfliger Verpackungsmaschinen GmbH

#### GRI 102-2: Activities, brands, products, and services

We, Harro Höfliger serve the global market with a network of state-of-the-art locations, developing and manufacturing production and packaging equipment for customers around the world. Pharmaceutical and medical companies as well as brand item manufacturers for consumer and home care products trust in our highly specialized process solutions.

Our portfolio of machines covers every industrialization level, and our broad range of services focus on the entire product life cycle.

When it comes to innovations, we do not leave anything to chance. We work systematically to ensure that we are always one decisive step ahead of the competition, even for niche products. This is how we create great things such as complete turnkey lines. Yet in realizing small solutions we are almost unbeatable: As the technology leader, we set the standards for dosing powder in

even the tiniest of quantities and for the most delicate of assembly processes.

Our customers can rest assured that we always deliver quality "Made by Harro." And on our promise: We are more than mechanical engineering – we are ALL YOU NEED.



Headquarters - Allmersbach im Tal,

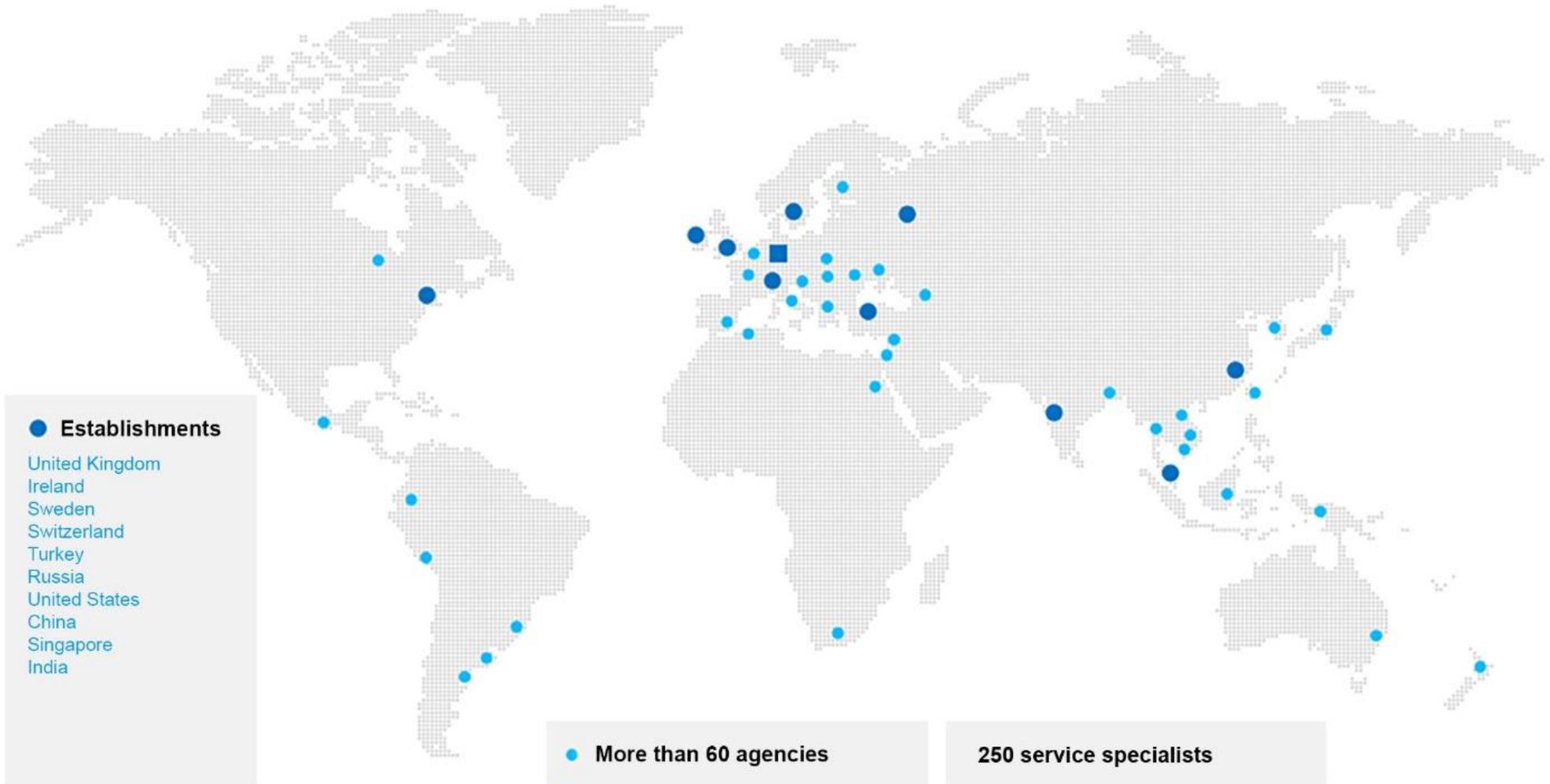
Our founder Harro Höfliger grew a one-man operation into a corporation operating on a global scale within a mere four decades. The company's continuity and independence were important factors for him in his succession planning. For this reason, he placed company shares into a family trust in 2013, thus laying the groundwork for an independent future.

#### GRI 102-3: Location of headquarters

In addition to the headquarters of Harro Höfliger Verpackungsmaschinen GmbH in Helmholtzstraße 4, 71573 Allmersbach im Tal, Germany we operate a technology center in Manfred-von-Ardenne-Allee 12, 71522 Backnang, a logistics center in Boschstraße 8-10, 71546 Aspach, a production plant in Industriestraße 6, 74589 Satteldorf, a production plant in Siemensstraße 19, 73278 Schlierbach and a development site in Siemensstraße 32, 71394 Kernen im Remstal.

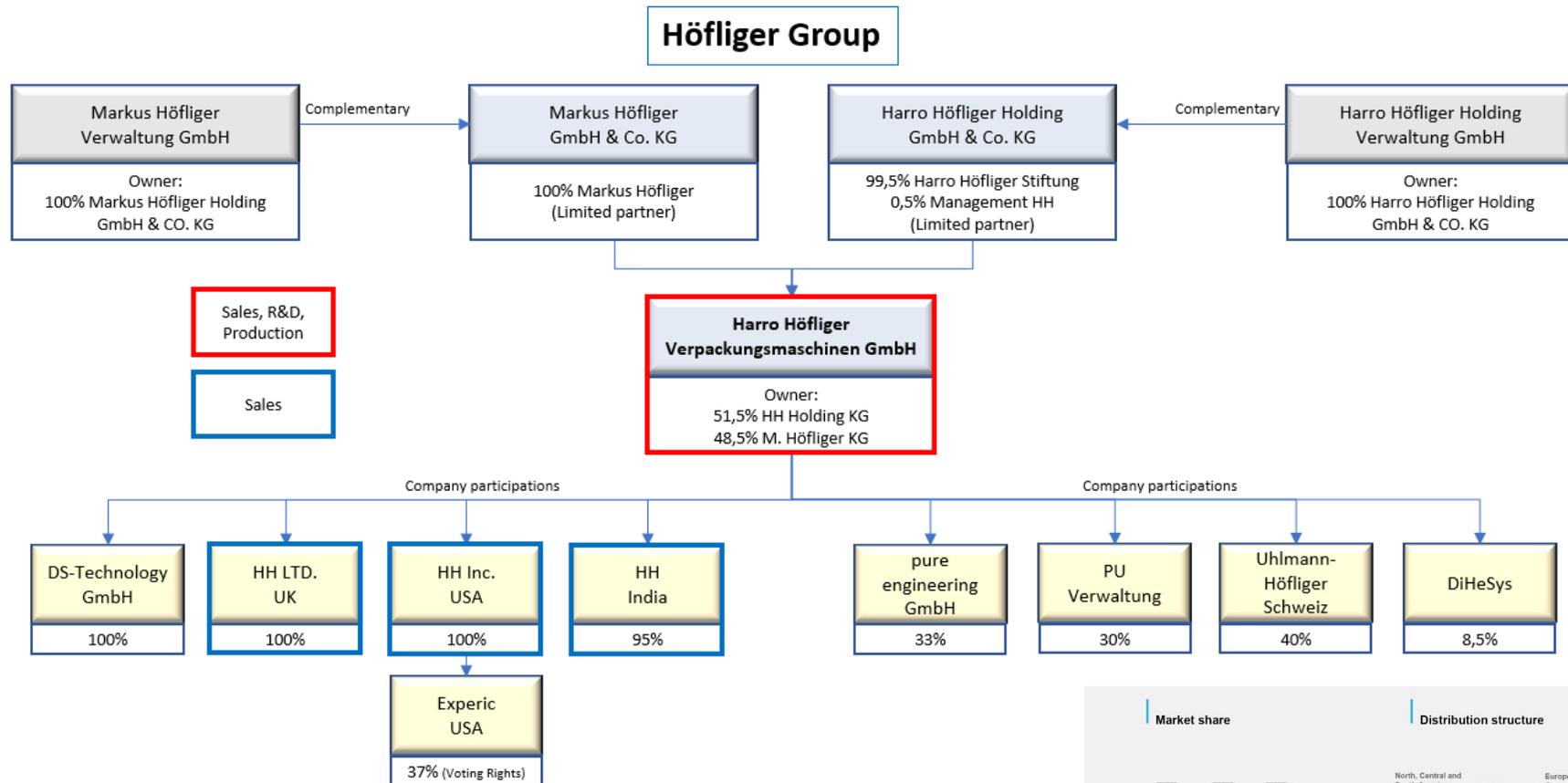
**GRI 102-4: Location of operations**

Our worldwide sales offices and representative locations ensure customer proximity around the globe.



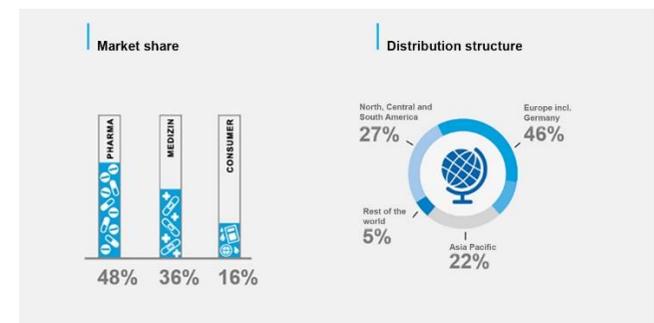
**GRI 102-5: Ownership and legal form**

As the company founder's son, Markus Höfliger, with his GmbH, holds the largest stake in the company apart from the family trust, the Harro Höfliger Stiftung. He pursues his father's vision in his role as Chairman of the Supervisory Board with great passion and commitment.



**GRI 102-6: Markets served**

The main focus of production is on machines and systems for the global pharmaceutical and medical products industry, although the share of machines and systems for consumer articles should also by no means be neglected. The focus of sales continues to be on Europe, including Germany.



**GRI 102-7: Scale of the organization**

In 2021, the total capital of the company Harro Höfliger Verpackungsmaschinen GmbH amounted to: €155.7 million

The total capital is broken down as follows:

- Debt capital: €60.8 million
- Equity capital: €65.2 million
- Provisions: €29.7 million

Our extensive product portfolio is served by four technology divisions and is structured as follows:



Assembly: 28.000 m<sup>2</sup>

Production: 2.500 m<sup>2</sup>

Logistics: 3.000 m<sup>2</sup>

Office space: 10.800 m<sup>2</sup>

**Pharmaceutical Technologies**



Inhalation Products



Capsule Filling & Weighing



Aseptic Processes



Microneedles

**Assembly Technologies**



Medical & Pharmaceutical Device Assembly



**Packaging Technologies**



Packaging



Surgical Sutures



Diagnostic Products



Eye Care

**Web Technologies**



Wound & Skin Care



Ostomy & Continence Care



Transdermal & Oral Delivery Systems



Portion Packs

**GRI 102-8: Information on employees and other workers**

Professional qualification and social competence are the key to prosperity and peace. Through our family trust, training and continuing education are firmly enshrined in our articles of association as an integral part of our commitment. Our in-house training academy offers young people the opportunity to start out on a qualified career path.

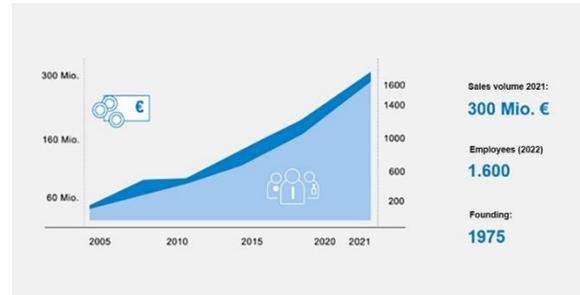
Through our job-concurrent training program, we ensure that our employees remain up to date in technical, workplace-related, and social matters.

It is the human being with their individual inclinations and abilities that takes center stage and ensures that our company remains true to its guiding principle of **ALL YOU NEED** over the long term.

With a comprehensive sustainability strategy, we ensure certified and sustainable processes for the continuous enhancement of our operating performance and personnel development.

The company's reported operating performance comprises the sales figures for the countries listed in the overview,

increased internal inventories and other income. A minor correction is possible following the final auditing process carried out by an external auditing institution.



Our personnel structure correlates well the order structure in machine and plant engineering with a very high proportion for mechatronic design and

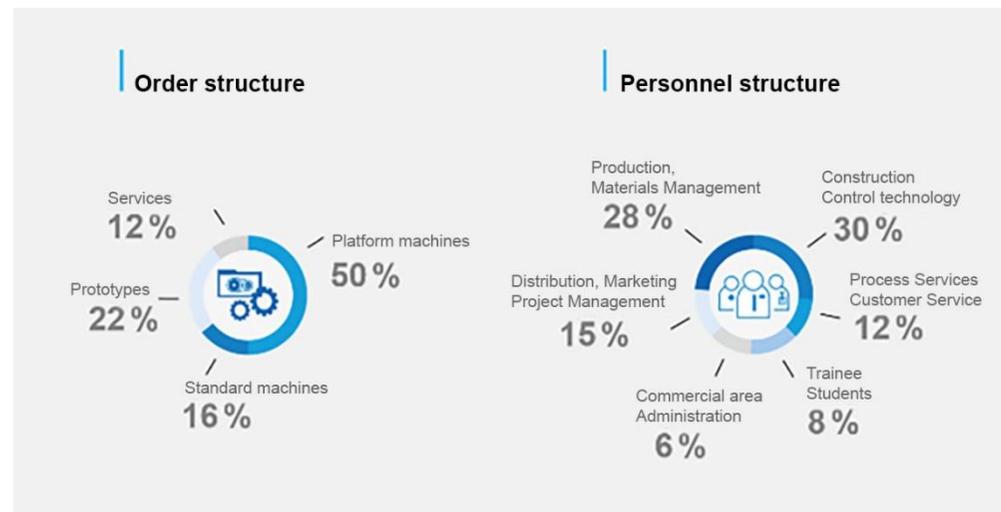
control technology since the principal share of activities is carried out by employees.

On the distribution of employees and on staff turnover, see also [GRI 401-01](#).

The low proportion of standard machines clearly shows the comparably high effort expended in the area of design.

We are proud of the consistently high training rate at our in-house training academy.

Up to nine different training and study programs are available here.



**GRI 102-9: Supply chain**

The aim of our procurement strategy is to ensure uninterrupted production while exploiting the maximum potential on the procurement market, taking sustainability into account.

To this end, a system for supplier qualification has been established with an aim to ensuring compliance with the Code of Conduct, Harro Höfliger's purchasing conditions, and the quality of the goods procured.

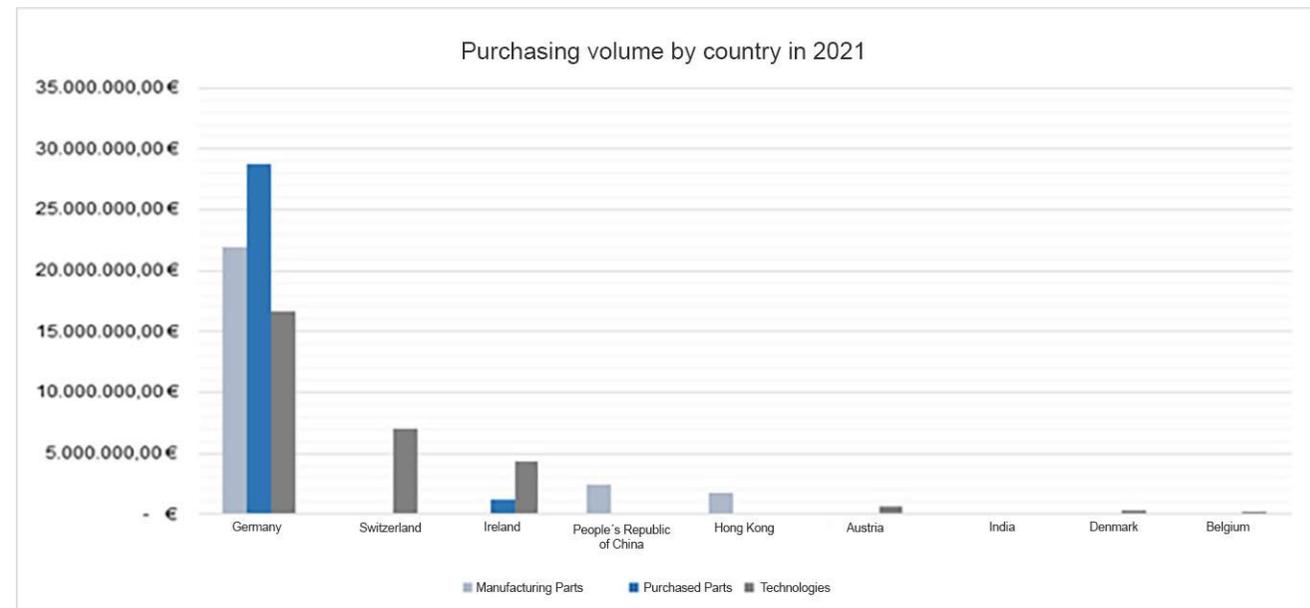
In particular, questions to suppliers prior to the conclusion of contracts are aimed at:

- Establishing management systems in the areas of quality and environmental management.
- Ensuring sustainable production methods.
- Ensuring the necessary supplier capabilities with regard to product quality.

The type and number of appointed suppliers is broken down as follows (data covers approx. 80% of the purchasing volume):

- 37 suppliers for production parts to be manufactured individually according to our drawings, such as turned, milled, sheet-metal, and welded parts (95% of which are suppliers from Germany).
- 35 suppliers for standard commercial goods such as standard parts, electrical material or fluid technology (97% of which are suppliers from Germany).
- 20 suppliers for individual purchased technologies, which are manufactured and approved according to Harro Höfliger specifications (95% of which are suppliers from Germany, Austria or Switzerland).
- 60 non-production material (NPM) suppliers. This includes auxiliary and operating materials and facility management (of which 98% of suppliers are from Germany or Switzerland).

The total purchasing volume of the four above-mentioned material groups (production parts, purchased parts, technologies, and NPM) amounted to some €105 million in 2021.

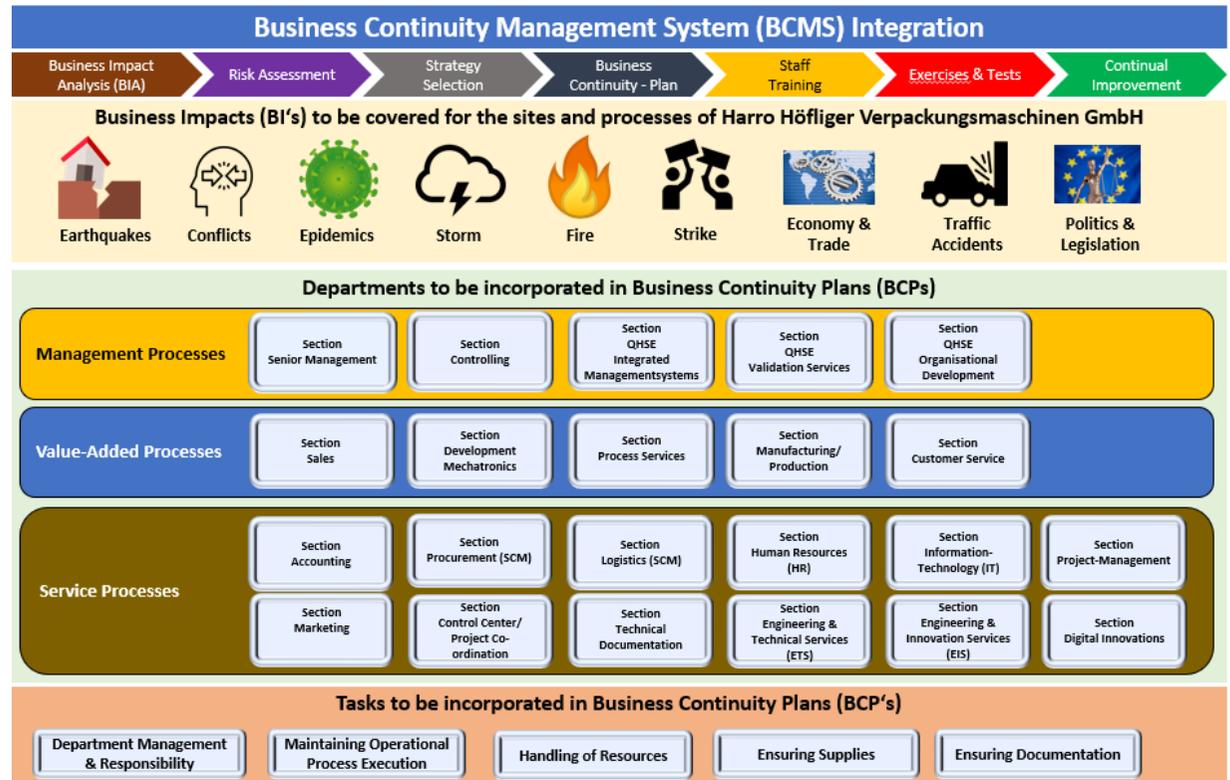


**GRI 102-10: Significant changes to the organization**

No significant changes to the organization or its supply chain were recorded in the reporting period.

**GRI 102-11: Precautionary Principle and approach**

We are exposed to a variety of risks during the course of our business activities. In order to react to these risks, even at short notice, Harro Höfliger has implemented a Business Continuity Management System (BCMS). In this management system, all management, value creation and service processes are examined for their default risks and appropriate countermeasures are initiated. Major uncontrolled failures can thus be avoided or ruled out (for risk management see also GRI 102-30).



**GRI 102-12: External initiatives**

In addition to our commitment to the 17 Sustainable Development Goals (SDGs) of the UN-Agenda 2030, Harro Höfliger is involved in the Alliance to Zero association in order to support the transition of the product life cycle for the pharmaceutical and biotech sector with an aim to achieving net zero emissions in line with the target of the Paris Climate Agreement.

We regularly report our current status on topics such as the environment, labor and human rights, ethics and sustainable procurement on the EcoVadis, CDP, Avetta and SBTi websites, generally at the request of our customers.



Image source: United Nations website

The various operators of the websites evaluate our company's current sustainability status on the basis of the transmitted data and present it in summarized form.

Our customers use this rating as a basis for classifying Harro Höfliger as a potential sustainable business partner. To achieve our sustainability goals and maintain our reputation in the marketplace, we strive to achieve continuous improvement.

Economic and Ecological Agreements			
Name	Address	Contribution	Remarks
Alliance to Zero	Brunnmattgasse 6, CH-3401 Burgdorf	voluntarily	Alliance to Zero is a non-profit membership association for pharmaceutical and biotech supply chain companies dedicated to facilitating the pharmaceutical sector's transition to net-zero emissions compliance.
EcoVadis	Spaces Kennedydamm Kaiserswerther Straße 135 40474 Düsseldorf	voluntarily	Since its inception in 2007, EcoVadis has grown to become the world's largest and most trusted provider of corporate sustainability ratings, creating a global network of more than 75,000 assessed companies.
CDP	Executive Director, CDP Europe c/o WeWork, Potsdamer Platz - Kemperplatz 1, 10785 Berlin	voluntarily	The Carbon Disclosure Project is a non-profit organization founded in London in 2000 with the aim of getting companies and local authorities to publish their environmental data, such as climate-damaging greenhouse gas emissions and water consumption.
Avetta	c/o Signature by Regus Königsallee 61 40215 Düsseldorf	voluntarily	Avetta helps customers and their suppliers manage the safety, sustainability and risk of their supply chain.
SBTi	<a href="https://sciencebasedtargets.org/contact">https:// sciencebasedtargets.org/ contact</a>	voluntarily	Science-based targets show companies how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst impacts of climate change.



**Excellence United**  
The Community of Experts

- Complete support for your value chain from a single source while adhering to the high Excellence United standards.
- Best-in-class equipment and services with high problem-solving skills and a pharmaceutical focus.
- Cost advantages for the entire project. Within Excellence United there are no merchandise surcharges for cross-manufacturer projects.
- A worldwide service network that is unique in its size, presence and industry focus.



### GRI 102-13: Membership of associations

Our success is based on innovation and technical progress on the one hand, and traditional values such as trust, fairness, hard work, reliability and loyalty on the other. This is also expressed in our trusting cooperation with partners, suppliers and associations (due to the size, not all holdings are shown, only an excerpt). We are also happy to support local foundations and associations, not only financially, but also with great personal commitment.

Our close partnership with Excellence United members rounds off our collaboration with external partners.

Industry/Business or other Associations			
Name	Address	Contribution	Remarks
Industrieverein Backnang	Helmholtzstr. 4, 71573 Allmersbach im Tal	voluntarily	The industrial association for the Backnang area is an association of companies from industry, trade, commerce and services in the northern Rems-Murr-district.
IHK-Industrie-u.Handelskammer Region Stuttgart	Jägerstr. 30, 70174 Stuttgart	causing obligation	As the speaker of the regional economy, the IHK represents more than 160,000 companies from industry, trade and services. It takes the overall interest of the members of the Chamber of Commerce and Industry and is committed to optimal economic and political framework conditions for all tradespeople. This includes, among other things, the needs-based expansion of roads, rails, inland waterways, air traffic and public transport, for which the IHK has developed a transport policy model.
IHK-Industrie-u.Handelskammer Bezirkskammer Rems-Murr	Kappelbergstr.1, 71332 Waiblingen	causing obligation	
IHK Industrie- und Handelshammer Heilbronn-Franken	Ferdinand-Braun-Str. 20, 74074 Heilbronn	causing obligation	
Bund der Steuerzahler Baden-Württemberg e.V.	Lohengrinstraße 4, 70597 Stuttgart	voluntarily	With test cases, the federal government advocates the rights of taxpayers in cases of fundamental and general importance. In addition, experts are provided and costs are also covered in whole or in part.
Deutsch-Algerische Industrie- und Handelskammer	04, Chemin Macklay, Dar Nour Sadek, Ben Aknoun, 16028 Alger - Algérie	voluntarily	The network of German Chambers of Commerce Abroad (AHKs), consisting of bilateral chambers of commerce abroad, delegations and representative offices of the German economy, advises, supports and represents German companies worldwide who want to establish or expand their foreign business. AHKs are German foreign trade promotion institutions.
Packaging Valley Germany e.V.	Stauffenbergstr. 35-37, 74523 Schwäbisch Hall	voluntarily	The packaging specialists in Packaging Valley supply machines, systems and components. For her, sustainability has several aspects. It's about material, resources, production, but also about the product itself.
APV e. V.	Kurfürstenstr. 59, 55118 Mainz	voluntarily	APV is the independent, international and interdisciplinary scientific organization with a focus on pharmaceutical technology and industrial pharmacy. Our goal is to deepen the understanding in scientific research and practical knowledge in the fields of development, manufacturing, analytics, quality assurance, distribution and application of pharmaceuticals and medical devices, and to train all relevant professionals to use effective and healthy products for patient care now and in the future.

### Social Agreements

Name	Address	Contribution	Remarks
STIFTUNG - Pro DHBW Mosbach	Am Sonnenrain 10, 74821 Mosbach	voluntarily	The foundation's main funding areas are the quality of teaching, internationalization and university marketing measures. The regional anchoring and a fine-meshed network of international relationships are the guiding principles.
Förderverein d. Hochschule Aalen	Gartenstraße 119, 73430 Aalen	voluntarily	The Friends of Aalen University e. V. was founded in 1963. It supports the university with financial and non-material means.
Förderverein der ADV - Akademie für Datenverarbeitung	Danziger Straße 6, 71034 Böblingen	voluntarily	Since 1974, the aim of the association has been to support pupils and students of the ADV in their training and to support the needs of young people in the educational process as well as in the economic sense. This is what the fvADV Verein(t) is committed to with its more than 400 members from a wide variety of industries.
Verein der Freunde u. Förderer der DHBW Stuttgart e.V.	Rotebühlstr. 133, 70182 Stuttgart	voluntarily	The association of friends and sponsors of the DHBW Stuttgart e.V. has been supporting the DHBW Stuttgart in the realization of numerous projects, activities and events for decades.
Förderverein Gewerbliche Schule Backnang e. V.	Heininger Weg 43, 71522 Backnang	voluntarily	The association serves to promote the school community.
Verein der Freunde u. Förderer der Hochschule Albstadt-Sigmaringen	Leopoldplatz 5, 72488 Sigmaringen	voluntarily	The association is entirely at the service of the university by accompanying events, supporting students with scholarships and helping to shape life at the university outside of the lectures. The members of the association also benefit from this.
Verein der Freunde der Hochschule Esslingen e.V.	Kanalstraße 33, 73728 Esslingen	voluntarily	The VDF maintains constant contact between industry, business and associations as well as universities and supports studies and teaching in a variety of ways.
Förderverein SVU-Tennis 1976 e.V.	Jägerhalde 46, 71554 Weissach i.T.	voluntarily	Support association with a focus on youth development.
TSG Backnang 1846	Größeweg 20, 71522 Backnang	voluntarily	Very different people meet in sports and are enthusiastic about a common goal. Sport is fun and improves the quality of life. It maintains and increases performance and strengthens self-confidence. Sport is good for everyone, with or without a handicap.
SG Sonnenhof Großaspach	Büro Uli Ferber, Sonnenhof 2, 71546 Aspach	voluntarily	The sports community Sonnenhof Großaspach e. V. is a football club with around 850 members from Aspach in Württemberg, which was created in 1994 through the merger of the football departments of two local clubs.
Björn Steiger Stiftung Dienstleistung GmbH	Petriestraße 12, 71364 Winnenden	voluntarily	Sponsorship for the baby ambulance "Felix" from the Björn Steiger Foundation.

## Strategy

### GRI 102-14: Statement from senior decision-maker

The definitive standard at Harro Höfliger:

## [ ALL YOU NEED ]

*"We are and will always be:  
A future-proof company; appealing both to  
our employees and customers alike."*

This first sentence is our mission statement and defines the Harro Höfliger corporate management and strategy.



**Thomas Weller CEO**

As a family operated company, we operate on a sustainable basis, think long term and consider the interests of our employees and business partners. Our corporate values serve as a compass for how we move forward: Trust,

fairness, open-mindedness and mutual respect are an integral part of our interactions.

We attach great importance to the sustainable use of energy and raw materials and strive to use the available resources sparingly. In this context, we are also increasingly committed to the use of combined heat and power generation, photovoltaics and to the area of electric mobility. Our very ambitious goal is to achieve CO<sub>2</sub> neutrality with our company through in-house measures. To this end, we have this year established a dedicated Quality, Health, Safety and Environment (QHSE) organization that reports directly to the CEO and supports our supply chain management (SCM) and facility management in developing sustainable energy concepts. Thanks to ISO 20400, which has been followed since this year, and the introduction of our Code of Conduct, we also involve our suppliers in the area of sustainable procurement.



Markus Höfliger  
Vorsitzender des Aufsichtsrats



Thomas Weller  
CEO



**Markus Höfliger**

Chairman of the supervisory board

Moreover, we have set ourselves the goal, in cooperation with our partners in the Alliance to Zero, of reporting our greenhouse gas emissions in accordance with the DIN EN ISO 14064/14067 standards. Harro Höfliger has introduced a Process Action System (PAS) to ensure that deviations are followed up and continuous improvement takes place. We ensure the sustainable management of our company by regularly monitoring and updating the associated Corrective Action Plan (CAPA) during meetings centrally led by the Head of the QHSE Department at least four times a year.

### [GRI 102-15: Key impacts, risks, and opportunities](#)

Harro Höfliger has set itself the goal of being a reliable partner for our customers, even under difficult circumstances. As already described in connection with our integrated BCM, all of our management, value creation, and service processes are subjected to a comprehensive business impact (BI) analysis.

Extreme and/or critical deviations could result mainly from unforeseeable fires, which we counteract through comprehensive fire protection concepts, assessments, fire protection certifications and defined fire compartments.

Our IT systems are protected through extensive firewall, isolation and back-up systems. We prevent other possible accidents through extensive employee training and instruction. Through the use of proactive planning, we see the opportunity for us to achieve the highest level of competitiveness. In this context, we are already planning to use sustainable energy sources to secure the company's supply in the future.

Owing to our extensive use of photovoltaic systems, we consider ourselves to be one of the leading environmentally oriented companies in our industry.



Planning visualization of the new photovoltaic system

## [Ethics and integrity](#)

### [GRI 102-16: Values, principles, standards, and norms of behavior](#)

#### ***Our mission statement – Independence, Trust and Loyalty***

Harro Höfliger Verpackungsmaschinen GmbH was founded by Harro Höfliger in 1975. Together with his wife Marianne Höfliger and his partner Manfred Reiser, he transformed his one-man operation into a technology company with a global reputation.

We treat each other with esteem and respect in a family-run environment. Honesty, openness and tolerance are important values at Harro Höfliger. The hierarchies are flat and the doors are open at all levels. We greet each other when we meet. We do not need to make appointments to discuss problems and always search for solutions together.

Our employees are involved in decision-making processes. Achievements are recognized and agreements are honored. The demands are many, but a great deal is achieved. We deliberately support joint activities.

We invest in the vocational and further training of our employees and support each individual according to their abilities.

We assign them the tasks that they are best suited to accomplish. At the same time, we do not remain fixed in our ways, but are always open to change. We are constantly evolving.

We not only sell machines, but holistic solutions where the construction of a machine is just one part of a larger overall process.

**[ALL YOU NEED]** is our guiding principle.

In other words, we adapt our approach primarily to meet the wishes and needs of our customers.

Our aim is to expand and strengthen our leading technological position in all fields of business. We are open to new requests and ideas from our customers. We never stand by our preconceived ideas, but always strive to make the impossible possible for our customers while working closely with them throughout the implementation phase.

Our success and the trusting partnership we have with our customers and suppliers are based on innovation and technical progress on the one hand and traditional values such as trust, fairness, hard work, reliability and loyalty on the other.

The restructuring of the company into four technology divisions was a significant step for our future viability. With the extensive expansion of clean rooms and the scope of the Process Services, Harro Höfliger is going its own way in providing knowledge-based support to its business partners. The system offered by a central production and logistics plant encourages a high degree of independence and streamlines supply chains. We have enshrined the integrity of our corporate actions in a Code of Conduct.

In this way, the next generation in the family-owned company will continue to build upon what began when the company was founded in 1975.



TOP JOB employer seal 2022  
Human Resources Manager Uwe Amann and CEO Thomas Weller are delighted with the award.

## With our vision we describe our picture of the future.

We align our strategies and our corporate goals on this basis.

"We are and always will be a future-proof family-owned business that is attractive for employees, customer and partners alike."

## We have outlined our company's purpose in our mission statement:

- We design customer-specific production solutions - from process development through to high-performance lines.
- We partner with our customers from the pharmaceutical development phase onward.
- We ensure production reliability through service-oriented thinking and action.
- We trust in our highly qualified and motivated employees.
- We are technology leaders in our core businesses.
- We are profitable and grow faster than our competitors.
- We operate sustainably and require the same from our suppliers in addition to our quality standards.

## GRI 102-17: Mechanisms for advice and concerns about ethics

Ethical and sustainable action are fundamental values of our company. We are not only committed to compliance with the law, but are all responsible for implementing the standards we have set ourselves. This means that each and everyone undertakes to comply with the principles and regulations, as well as all national and international laws and regulations.

The values and principles defined in our Code of Conduct form the basis of our joint cooperation.

This Code of Conduct comprises binding guidelines for action throughout the company and is therefore available to all employees via our internal company network (intranet).

With the aid of our central training platform, all employees are not only instructed about the Code of Conduct but also about further important topics such as data privacy, information security, and the secure use of passwords.

Any information regarding violations of the above principles can be reported to the compliance officer ([compliance@hoefliger.de](mailto:compliance@hoefliger.de)) at any time as part of our internal control system. Violations of these guidelines or of legal regulations that are also punishable by law must be reported.

We reject any form of corruption and the involvement in or toleration of bribery. We observe the principle of legality and respect the generally accepted customs of the countries in which we operate, insofar as legal norms are not violated.

Integrity and respect for the rights of third parties determine the manner in which we deal with our employees, business partners and the social environment.

In particular, we respect and support compliance with internationally recognized human and children's rights and reject all forms of forced and child labor. We use the code of the Ethical Trading Initiative (ETI) as the basis for this.

## Governance

### GRI 102-18: Governance structure

The company is managed by Thomas Weller in his capacity as CEO and is monitored by the Supervisory Board (GRI 102-22). The entire management is divided into different functions, as shown on the following page. Sustainability issues are the responsibility of the QHSE department and are reported directly to the CEO (GRI 102-19).

### GRI 102-19: Delegating authority

Overall responsibility for central monitoring and management has been transferred by Harro Höfliger's management to the Quality, Health, Safety and Environment (QHSE) department headed by Stefan Mayer. He is a certified compliance officer and the direct contact person for all sustainability issues. Central steering committees are formed in accordance with the project scope.

### GRI 102-20: Executive-level responsibility for economic, environmental, and social topics

Committees responsible for economic, ecological and social issues have been set up in the areas of procurement with energy management and mobility, production/machine engineering, logistics with waste and disposal management, human resources for social affairs and marketing for communications,

which develop sustainable concepts and submit them to a strategic steering group (QHSE). Each committee consists of at least one manager and one to two employees.

### GRI 102-21: Consulting stakeholders on economic, environmental, and social topics

External stakeholders are involved in the respective committees' development the strategies. The strategic steering committee submits the overall model devised to the management and the Supervisory Board (comprising Markus Höfliger and two external Supervisory Board members) for evaluation, approval and budget approval.

For the final decision-making process leading to approval, the responsible committees can be directly consulted by the Executive Management or the Supervisory Board at any time in the event of queries. Once the decision has been made, the central steering committee hands implementation of the individual activities over to the responsible bodies, with the stipulation that a progress report on implementation be submitted on a regular basis.

### GRI 102-22: Composition of the highest governance body and its committees

Markus Höfliger,  
Chairman of the  
Supervisory Board  
(in office since 2019)



Hartmut Jenner,  
CEO and Chairman  
of the Board of  
Management of  
Alfred Kärcher SE &  
Co. KG, Supervisory  
Board Member  
(in office since 2018)



Siegfried Drost,  
(until 2019) Managing  
Director of Uhlmann  
Pac-Systeme GmbH &  
Co. KG, Supervisory  
Board Member  
(in office since 2018)



**GRI 102-23: Chair of the highest governance body**

The company founder's son, Markus Höfliger, ended his previous role as CFO and took over as chairman of the Supervisory Board in 2019 after his father vacated this position at his own request.

**GRI 102-24: Nominating and selecting the highest governance body**

Under the leadership of the company's founder Harro Höfliger, the company's directors decided to establish a Supervisory Board, chaired by the founder himself at the beginning of 2018. The two elected Supervisory Board members remain in office to this day.

**GRI 102-25: Conflicts of interest**

The company's founder Harro Höfliger appointed the current CEO Thomas Weller and Peter Claußnitzer as CTO to the Executive Management back in 2001. Since 2008, the Executive Management has been complemented by Uwe Amann in Human Resources and Heinrich Havenstein in Production. As successor to Markus Höfliger, Turgay Güngormus assumed the role of CFO at Harro Höfliger Verpackungsmaschinen GmbH in 2019. There are no conflicts of interest.

**GRI 102-26: Role of highest governance body in setting purpose, values, and strategy**

The definition of goals, values and strategies always takes place at the upper management level of Harro Höfliger in joint consultation and with the business figures available, taking sustainability aspects into account.

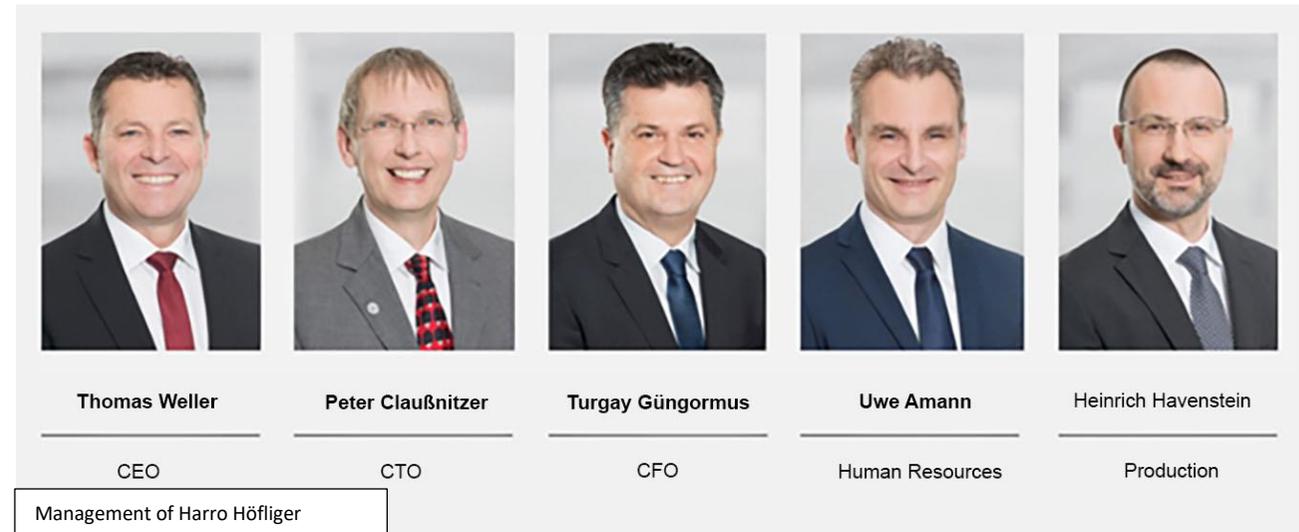
**GRI 102-27: Collective knowledge of highest governance body**

Mr. Markus Höfliger is the company founder's son and has continuously accompanied the development of the company. The previous responsibility as CFO with insight into all of the company's processes provided the perfect background

for his new task as Chairman of the Supervisory Board.

As CEO and Chairman of the Board of Management of Alfred Kärcher SE & Co. KG, Hartmut Jenner was also predestined for the role of Supervisory Board Member at Harro Höfliger. The necessary structures and business affairs of a globally operating company are optimally represented by Hartmut Jenner.

The same applies to Siegfried Drost, who held the position of Managing Director of Uhlmann Pac-Systeme GmbH & Co. KG and is therefore also well familiar with the affairs of an internationally operating company.



**GRI 102-28: Evaluating the highest governance body's performance**

In the interest of the company, regular meetings of the Supervisory Board are held together with the management. Markus Höfliger is available to answer questions on all topics relating to the Supervisory Board from all employees of Harro Höfliger during all normal office hours.

**GRI 102-29: Identifying and managing economic, environmental, and social impacts**

All planned sustainability projects are presented not only to the management but also to the Supervisory Board, and are approved and monitored by both bodies.

For the sustainable protection of biodiversity and the preservation of habitats, the company very intensively supports the "IMKEREI AM TURM" apiary, which is operated by Meike Höfliger (the wife of our Chairman of the Supervisory Board) as an independent company, Naturprodukte GmbH.



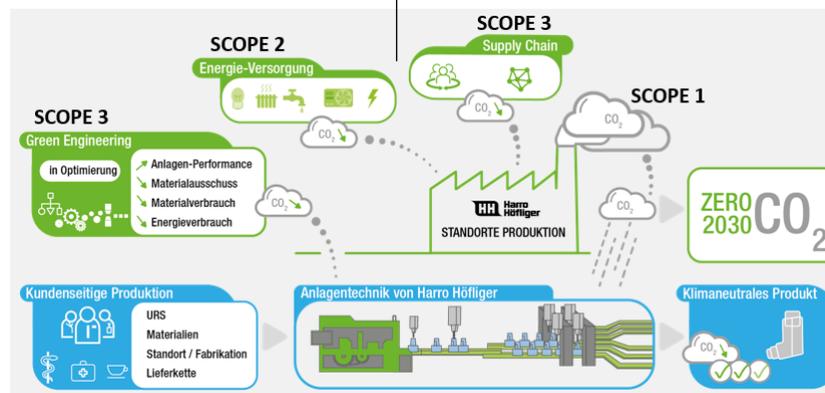
**GRI 102-30: Effectiveness of risk management processes**

By actively pursuing economic and ecological agreements (102-12), our participation in social agreements and active membership in industrial, economic and other associations (102-13), we continuously gain new insights, which we also incorporate in our company.

An evaluation of our governing body takes place both through our regular internal Management Review and through employee surveys. At the instigation of Harro Höfliger's senior management, a comprehensive sustainability program was launched to record the impacts generated by the company in accordance with the GHG Protocol and to initiate measures to reduce CO<sub>2</sub> emissions.

The ultimate goal is to achieve Zero CO<sub>2</sub> for Scope 1 and Scope 2 by 2030 at the latest. Simultaneously, actions and targets have been defined for all 17 items on the UN-Agenda 2030.

The environmental management system, energy management system, and items on the UN-Agenda 2030. have been implemented at our company in accordance with the applicable DIN guidelines and are operated according to the PDCA cycle (plan, do, check, act). A risk analysis forms the basis for continuous improvement in each case. Monitoring takes place according to a process action system (PAS) that maps a risk-based corrective action list for each of the systems. The progress and effectiveness of the PAS is tracked in the Management Review.



Harro Höfliger sustainability chart for a clearer representation of the climate targets

### [GRI 102-31: Review of economic, environmental, and social topics](#)

A Management Review on economic, environmental and social topics takes place at least once a year with the participation of the entire Executive Management and at least the Chairman of the Supervisory Board. In this context, the status is presented on all management systems applied at the company, including the UN-Agenda 2030. The open risks, their possible effects and also the arising opportunities are clearly presented for all key issues. Critical concerns or incidents are also discussed openly.

### [GRI 102-32: Highest governance body's role in sustainability reporting](#)

Stefan Mayer, head of the QHSE department, has been defined as the responsible contact person for sustainability reporting and compliance issues at Harro Höfliger.



Final approval of the report is granted by the CEO and the Chairman of the Supervisory Board.

### [GRI 102-33: Communicating critical concerns](#)

Critical concerns are also discussed in connection with the Management Review or, if necessary, immediately in the QHSE department and the management, and dealt with in depth.

### [GRI 102-34: Nature and total number of critical concerns](#)

The last critical concern identified during an external audit was the handling of hazardous substances in the company. To enhance safety in the company and to prevent accidents in connection with hazardous substances, a hazardous substances officer has now been appointed and the approval procedures for relevant substances have been clearly regulated.

### [GRI 102-35: Remuneration policies](#)

Harro Höfliger has implemented all social protection systems for its employees in accordance with German law and pays far above the minimum wage, in keeping with the principle of performance and gender equality.

### [GRI 102-36: Process for determining remuneration](#)

At the end of the year, the management, in cooperation with the Supervisory Board, decides on the scope for increasing the standard remuneration and any bonuses based on the available company business figures.

### [GRI 102-37: Stakeholders' involvement in remuneration](#)

There are no provisions for shareholders or major customers to exert any external influence on Harro Höfliger's remuneration practices. However, we base our remuneration on the market rates and the collective wage agreements current in the industry.

### [GRI 102-38: Annual total compensation ratio](#)

The total compensation of the highest-paid individuals relates to the management at Harro Höfliger.

Owing to the extremely socially and performance-oriented defined remuneration principle at Harro Höfliger, a ratio calculation to obtain the mean of the total annual compensation of all employees is dispensed with.

### GRI 102-39: Percentage increase in annual total compensation ratio

Every year, on February 1, a pay increase is usually implemented based on the company's business figures. Here, it is above all the personal development of the individual that is taken into account. In addition to the contractual special payments such as vacation and Christmas bonuses, Harro Höfliger pays a voluntary bonus. In recent years, management has paid an additional bonus in the case of good business performance. Payment of the bonus is made with the April payroll.

A full bonus is paid to employees whose performance and conduct met expectations, who were employed by us for the entire year and whose employment relationship had not been terminated at the time the bonus was paid. We thereby aim to reward those employees who have made a significant contribution to the success of the company through their performance and conduct. However, management reserves the right to make reductions in the event of deficiencies with regard to performance and conduct. As a rule, bonuses are not paid until the regular weekly working time has been reached. These regulations do not apply to employees whose overtime is already covered by their basic salary.

### Stakeholder engagement

#### GRI 102-40: List of stakeholder groups

The chart shows the identified stakeholders and the relevance of the stakeholders in relation to the business opportunities (GRI 102-42).



#### GRI 102-41: Collective bargaining agreements

At Harro Höfliger, the employees are always the central focus and form the basis for economic success. 100% of Harro Höfliger employees receive a legally binding This employment contract complies with all the applicable legal requirements of the respective country and is drawn up with the involvement of the Supervisory Board, the management, the responsible Human Resources staff and employee representatives with responsibility for all legal matters relating to occupational health and safety.

#### GRI 102-42: Identifying and selecting stakeholders

Stakeholders are identified and assessed for their potential impact and capabilities to consistently deliver products and services in accordance with the prevailing opportunities and risks. The relevant requirements and expectations of the various stakeholders are taken into account. Measures already taken are also identified and an assessment made of the extent to which potential opportunities with residual risks have been exploited. Additional further measures are defined on this basis.

Lfd. Nr.	Anforderung bzw. Erwartungshaltung der auf Basis der Aktivitäten und der Standorte von Harro Höfliger ausgewählten interessierten Parteien	Potentielle Auswirkung auf die Fähigkeit zur nachhaltigen Bereitstellung von Produkten und Dienstleistungen									Ergriffene Maßnahmen	Wird die potentielle Chance in vollem Umfang oder nur teilweise genutzt?			Risikostatus nach ergriffener Maßnahme			Sind weitere Maßnahmen erforderlich und wenn ja, welche?		
		Chance				Risiko						volle Nutzung	teilweise Nutzung	minimale Nutzung	gering	mittel	hoch			
		Beschreibung der potentiellen Chance	hohe Chance	mittlere Chance	geringe Chance	Beschreibung des potentiellen Risikos	gering	mittel	hoch											
1	Geschäftsführung																			
1.1	Umsetzung aller strategischen Ziele zu den vorgegebenen Firmenpolitiken.	Nachhaltiger Erhalt des Familienunternehmens mit begeistertsten Beschäftigten, Kunden und Partnern.	X				Die Firmenpolitiken mit den strategischen Zielen können nicht oder nur teilweise umgesetzt werden.				X	Umsetzung der Politiken und strategischen Ziele mit Hilfe von 8 integrierten Managementsystemen, der DSGVO, der Agenda 2030 und des jährlichen Managementreviews.	X				X			nein
1.2	Kontinuierliche Verbesserung der etablierten Managementsysteme.	Sicherstellung und Verbesserung der internen Prozesse. Erhöhung der Wettbewerbsfähigkeit am weltweiten Markt.	X				Interne Prozesse sind nicht kontrolliert und erhöhen das Fehlerisiko. Normen werden nicht eingehalten. Die Wettbewerbsfähigkeit nimmt kontinuierlich ab.				X	Etablierung eines zentralen Process Action Systems (PAS) zur Nachverfolgung offener Maßnahmen. Zentrales Management der Normen durch die QHSE-Abteilung. Zusätzlich Durchführung von internen und externen Audits.	X				X			nein
1.3	Sicherstellung von nachhaltigen Arbeitsplätzen mit gesunden Beschäftigten.	Erhalt der gesunden Arbeitskraft sichert die Betriebsleistung.	X				Ein hoher Krankenstand führt zur Reduktion der Betriebsleistung.				X	Bewertung der verschiedenen Arbeitsplätze und Tätigkeiten mit Hilfe von Gefährdungsbeurteilungen. Einbindung der Beschäftigten in die Arbeitsplatzplanung und Gestaltung.		X			X			Die Ausarbeitung der Gefährdungsbeurteilungen ist im neuen System "Quentic" in Arbeit, aber noch nicht vollständig abgeschlossen.
1.4	Kontinuierliche Verbesserung der Performance zur Erhöhung des EBIT	Mit Optimierung der Prozessabläufe und Schulung der Mitarbeiter lassen sich die Fehlerquoten reduzieren und die Fertigungszeiten verkürzen.	X				Die Prozessabläufe sind nicht oder nur ungenügend beschrieben und geschult. Fehler können entstehen und die Fertigungszeiten erhöhen.			X		Die Abteilung Organisationsentwicklung wurde ins Leben gerufen, um die aktuellen Führungs-, Wertschöpfungs- und Dienstleistungsprozesse zu analysieren und Optimierungspotentiale aufzudecken. Die Prozessbeschreibungen sollen im Anschluß überarbeitet und geschult werden.				X	X			Die Abteilung hat ihre Arbeit gerade erst begonnen und mit der Analyse angefangen. Optimierungen der Prozesse können erst im neuen System "FRAME" dargestellt werden.
1.5	Aufrechterhaltung und kontinuierliche Verbesserung eines gesunden Betriebsklimas	Ein gesundes Betriebsklima kann die Arbeitsleistung verbessern und die Fluktuation reduzieren.	X				Bei schlechtem Betriebsklima kann die Fluktuation ansteigen und das vorliegende Know-How geht verloren. Zudem steigen die Einarbeitungskosten für neue Beschäftigte.			X		Angebot von sehr guten sozialen Leistungen und sicheren flexiblen Arbeitsplätzen fördert das Betriebsklima. Ausbildung der Vorgesetzten in Führungskompetenz wird über die Firma umgesetzt. Aufnahme von mobilem Arbeiten in den Arbeitsvertrag.	X				X			nein
1.6	Nachhaltige Absicherung des Unternehmens durch die beauftragten und bezahlten Versicherungen.	Reduktion des Schadens im Schadensfall.	X				Die Absicherung ist ungenügend und der Schaden für die Firma erheblich.			X		Für das Unternehmen wurden umfangreiche Versicherungspolizen abgeschlossen.	X				X			nein
1.7	Nachhaltige Absicherung des Unternehmens durch die beauftragten und bezahlten Finanzdienste.	Das Unternehmen ist jederzeit in der Lage günstige Investitionen bei Bedarf (z.B. Neubau) zu tätigen. Auch die Annahme von Großaufträgen kann größere Finanzmittel notwendig machen. Zudem ist die Übernahme durch den Wettbewerb ausgeschlossen.	X				Das Unternehmen kommt in Zahlungsschwierigkeiten. Möglicherweise auch durch die Annahme eines Großauftrages. Zahlungen können nicht rechtzeitig geleistet werden.			X		Die Firma verfügt über ausreichend Eigenkapital und hat sehr gute Finanzpartner. Alle Finanzverträge sind ausreichend und nachhaltig abgesichert.	X				X			nein
1.8	Umfassende und gesetzeskonforme Überprüfung des Unternehmens durch externen Wirtschaftsprüfer.	Eine extern durchgeführte Finanzprüfung ist zum einen gesetzlich vorgeschrieben, erhöht aber auch die Reputation des Unternehmens.	X				Eine nicht sorgfältig durchgeführte Finanzprüfung kann zu compliance Problemen führen und wird rechtlich geahndet.			X		Die Finanzprüfung wird über den externen Dienstleister Ebner & Stolz (anerkanntes Wirtschaftsprüferunternehmen) durchgeführt. Der Finanzbericht wird jährlich im Bundesanzeiger veröffentlicht.	X				X			nein
1.9	Sicherstellung der Einhaltung des Code of Conduct von allen HH MÄnnern und Lieferanten	Sicherstellung der Compliance und Erhöhung der Wettbewerbsfähigkeit am weltweiten Markt.	X				Ohne CoC wird die Firma bei den großen Kunden sehr schlecht eingestuft und nicht mehr bevorzugt eingesetzt.			X		Ein Code of Conduct wurde erstellt und alle Beschäftigten wurden geschult. Ein Prozess zur Einbindung der Lieferanten wurde etabliert.		X			X			Derzeit sind noch nicht alle Lieferanten in den Prozess eingebunden. Dieses Vorgehen ist noch ongoing.
1.10	Nachhaltige Belieferung durch die vom Unternehmen freigegeben Lieferanten.	Durch die Belieferung mit nachhaltig produzierten Waren oder Rohmaterialien und evtl. CO2-Neutralität, kann die Firma die Wettbewerbsfähigkeit am Markt erheblich erhöhen.	X				Ohne Berücksichtigung des CO2-Wertes beim Wareneinsatz können wir unseren Scope 3 -Wert nicht reduzieren und werden möglicherweise von unseren Kunden schlechter eingestuft.			X		Erste Gespräche mit verschiedenen Lieferanten haben bereits stattgefunden und werden weiter vorangetrieben. Für Strom und Gas sind Verträge mit CO2-Neutralität in Verhandlung. Eine Ermittlung des CO2-Wertes für die von uns angebotenen Maschinen wurde begonnen.				X		X		Die gestarteten Prozesse müssen zwingend weitergeführt werden, um die spätere CO2 Abgabe so gering wie möglich zu halten. Auch soll durch die Maßnahmen die Reputation am weltweiten Markt verbessert werden. Die Anfrage durch unsere Kunden steigt stetig an.
1.11	Nachhaltiger Umgang mit Gefahrstoffen und Abfällen durch die vom Unternehmen freigegeben Lieferanten.	Durch den nachweisbar nachhaltigen Umgang mit Gefahrstoffen und Abfällen, kann die Firma die Wettbewerbsfähigkeit am Markt erheblich erhöhen und den CO2-Wert unter Scope 3 senken.	X				Ohne Berücksichtigung des CO2-Wertes beim Gefahrstoff- und Abfallmanagement können wir unseren Scope 3 -Wert nicht reduzieren und werden möglicherweise von unseren Kunden schlechter eingestuft.			X		Das Monitoring für Gefahrstoffe und des anfallenden Abfalls wurde durch Integration der Software "Quentic" erheblich verbessert. Erste Audits bei den verpflichteten Versorgungsunternehmen haben bereits stattgefunden. Prozesse zur Abfalltrennung wurden eingeführt.		X			X			Die gestarteten Prozesse müssen zwingend weitergeführt werden, um die spätere CO2 Abgabe so gering wie möglich zu halten. Auch soll durch die Maßnahmen die Reputation am weltweiten Markt verbessert werden. Die Anfrage durch unsere Kunden steigt stetig an.

Example: Stakeholder assessment of the management (Excerpt of internal document)

**Note:**

In addition, however, any necessary dialog with stakeholders can take place at any time. Supplier discussions on the current topic of sustainability are currently taking place with great frequency to determine carbon footprints.

**GRI 102-43: Approach to stakeholder engagement**

Stakeholders are involved as required in the development and production processes at Harro Höfliger in accordance with defined processes. A variety of different forms of communication can be employed in this regard. For internal processes, the focus is on face-to-face communication; for external processes, it is on digital communication for sustainability reasons (GRI 102-42). This results in the following dialog structures with the individual stakeholders (Excerpt of internal document):

Lfd. Nr.	Stakeholdergruppe	Dialogform	Umfang
1	Geschäftsführung	Durchführung des Managementreviews mit allen Managementsystemen. Durchführung von Jour Fixes zu allen QHSE-Themen inklusive Nachhaltigkeit.	Review - 1x jährlich Jour Fixe - 1x monatlich
2	Gesellschafter	Äquivalent zu Geschäftsführung.	
3	Kooperationspartner	Regelmäßiger Austausch zu aktuell laufenden und neu angestrebten Projekten im Nachhaltigkeitsbereich.	je Anforderung aber mindestens 1x vierteljährlich
4	Beschäftigte im Unternehmen (auch Auszubildende, Studenten, Bewerber)	Persönliche Gespräche zu allen Belangen im Beschäftigungsumfeld auch mit Zielvereinbarungen. Schulungen zu Code of Conduct, Arbeitssicherheit, Brandschutz, Datenschutz gegen Nachweis.	Gespräche: 1x jährlich und nach Bedarf Schulungen: 1x jährlich
5	Verbundene Unternehmen	Regelmäßiger Austausch zu aktuell laufenden und neu angestrebten Projekten im Nachhaltigkeitsbereich.	je Anforderung aber mindestens 1x vierteljährlich
6	Lieferanten	Regelmäßiger Austausch zu aktuell laufenden Bestellungen oder Dienstleistungen. Mindestens ein Jahresgespräch im Zuge der Lieferantenbewertung findet statt. Vorgabe zur Erfüllung des Harro Höfliger eigenen Code of Conduct (vergleichbare eigene CoCs werden anerkannt). Kontinuierliche Anfragen in Bezug auf Emissionswerte zu den gelieferten Waren oder Dienstleistungen.	Kontinuierlicher Austausch
7	Kunden	Regelmäßige Präsentationen zu den aktuell laufenden Nachhaltigkeitsprojekten im Zuge der Managementmeetings. Bereitstellung der vorliegenden Managementzertifikate zu Qualität, Umwelt und Datenschutz (Webseite HH). Bereitstellung eines Nachhaltigkeitsberichtes (Webseite HH). Darstellung der Nachhaltigkeitssituation auf verschiedenen Webportalen wie Ecovadis, SBTi, Avetta und CDP.	Präsentationen mindestens 1x monatlich oder bei zusätzlicher Anfrage. Webseite steht kontinuierlich zur Verfügung. Webportale sind den Kunden zugänglich.
8	Finanzdienstleister, Versicherungen, Wirtschaftsprüfer	Enge Kommunikation mit den Versicherern, auch durch regelmäßige persönliche Gespräche. Übermittlung der tatsächlichen Sachlage.	je Anforderung aber mindestens 1x jährlich
9	Standort - Gemeinden	Ausrichtung des jährlichen Sommerfests; Tag der offenen Tür; Bereitstellung von Ausbildungsplätzen; Präsentationen in Schulen; sonstige ad-hoc Gespräche.	je Anforderung aber mindestens 1x jährlich
10	Anlieger zu den Betriebsstätte	Umgehende Umsetzung von Reklamationen; Regelmäßige Gespräche;	je Anforderung aber mindestens 1x jährlich
11	Gesetzgeber / Behörden / Staat	Umsetzung erfolgt durch die ständige Aktualisierung des Rechtskatalogs und Neubewertung der Anwendbarkeit auf das Unternehmen mit Hilfe eines externen Unternehmens. Anträge in Bezug auf Unterstützung von Nachhaltigkeitsprojekten, wie Eigenstrom- und Energieerzeugung.	je Anforderung
12	Verbände / Institutionen	Verschiedene Ämter in wirtschaftlichen Interessengemeinschaften und Verbänden.	je Anforderung aber mindestens 1x jährlich
13	Mitbewerber / Wettbewerb	Regelmäßige Gespräche;	je Anforderung aber mindestens 1x jährlich
14	Bildungseinrichtungen	Bildungspartnerschaften mit Hochschulen verbunden mit Vorträgen in den Hochschulen. Angebote von Studiengängen über den Bildungskatalog als Angebot für die eigenen Mitarbeiter.	je Anforderung aber mindestens 2x jährlich
15	Vereine / Sponsoring	Sponsoring von lokalen und ausgewählten Vereinen.	je Anforderung

In order to develop a comprehensive concept for sustainability at Harro Höfliger and as a basis for the preparation of this Sustainability Report, the following roles were assigned:

Based on the currently determined CO<sub>2</sub> data, individual operationally active teams were installed, which are tasked with working out suitable ways of achieving the overall goal of zero emissions by 2030 as a basis for decision-making by the management and the Supervisory Board.

QHSE accompanies and supports individual teams and leads the CO<sub>2</sub> dashboard process.

The teams comprise 3 – 4 employees:

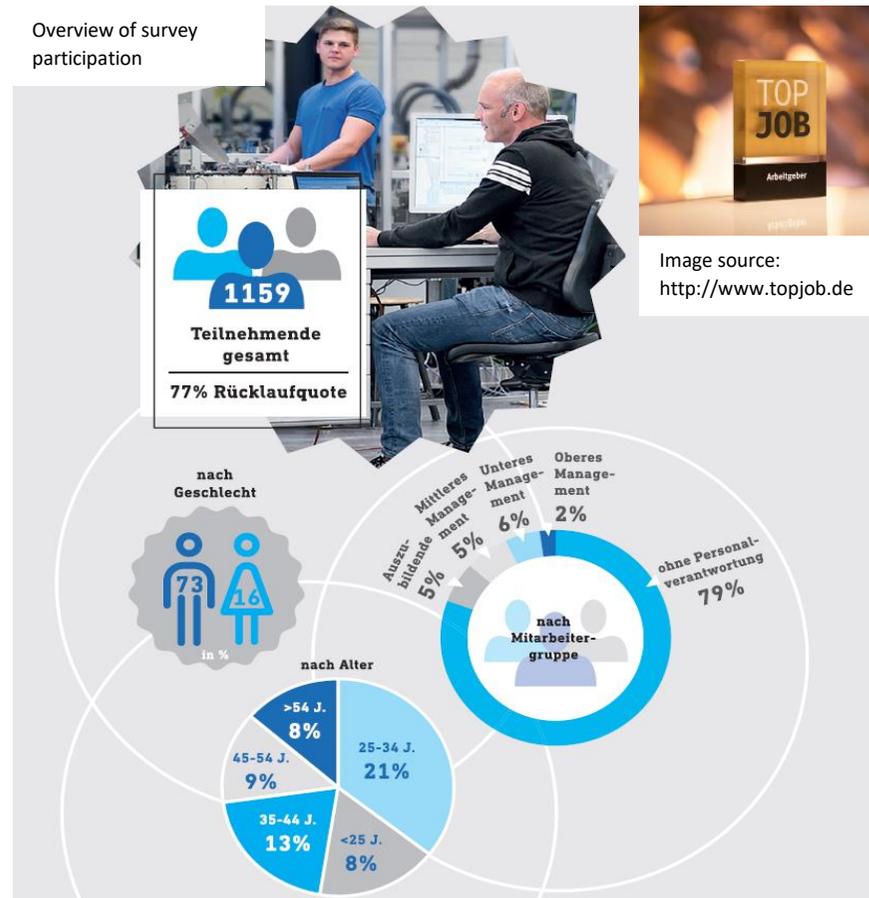
- Team – Mobility
- Team – Energy
- Team – Waste/Disposal/Prevention
- Team – Engineering
- Team – Purchasing (DIN EN ISO 20400)

**GRI 102-44: Key topics and concerns raised**

With the aid of the University of St. Gallen, an anonymous employee satisfaction survey comprising 6 categories was conducted among all employees of Harro Höfliger Verpackungsmaschinen GmbH at the end of 2021.

1. 61% positive feedback on management and vision.  
Included here is information on whether a vision and management principles exist in our company. Of equal importance was whether the managers communicate this vision and act as role models.
2. 60% positive feedback on motivation and dynamics.  
The survey findings include information on the level of employee motivation and the degree of fatigue within the various departments.
3. 73% positive feedback on culture and communication.  
The findings include information on whether a culture of trust is practiced in our company, to what extent everyone identifies with Harro Höfliger and how strong the commitment is. Also included was how well cooperation and communication are developed.
4. 68% positive feedback on employee development & prospects.  
Included here is information on how satisfied employees are with their job, salary, co-workers, supervisors, development opportunities and further training offerings. The extent of employees' intentions to hand in their notice was also investigated here.
5. 68% positive feedback on family orientation and demographics.  
The findings show how satisfied the employees with the company's family-friendliness and how little age-discrimination takes place.
6. 42% positive feedback on internal entrepreneurship.  
Included here was the extent to which colleagues feel that they have room to maneuver, are able to put forward their own ideas to managers, and empowered to assume responsibility.

We are delighted that we were able to record a very high response rate and that we are permitted to bear the TOP JOB seal as one of the best employers in the SME sector in 2021. Nonetheless, workshops were also immediately started at the individual departments in order to uncover potential for improvement in the individual topic areas.



We conduct ongoing assessment of our suppliers through a comprehensive evaluation of topics such as sustainable management, quality and delivery reliability.

This allows us to respond very swiftly and reliably in the event of deviations. We rely on regular supplier meetings and long-standing supplier relationships to secure our supply chain.

Our dialog with suppliers focuses on the following topics:

- Assurance of delivery reliability by suppliers during critical delivery phases with a guarantee of timely payment at reasonable prices and supply of products of the specified quality.
- Assurance of follow-up orders, provided that the quality and sustainability requirements set by Harro Höfliger are met.
- Clear order specifications with all necessary stipulations and professional quality inspection of the delivered goods, including a regulated complaints procedure.

We measure customer satisfaction according to the extent of returning customers for the technologies we offer. Personal contact ensures customer satisfaction during these activities and opportunities.

Excerpt of an example of customer feedback:

Die Kollegen der Fertigung haben einige Daten aus Lebenszyklus der HL Nic Maschine No. 1 zusammengetragen



Lebenslauf:

Erstes Lebenszeichen der Maschine:	24.09.1992, 13:33 Uhr
Gesamt-Maschinenakte:	89.083.205
Anzahl der hergestellten SRB	445.416025
Verfahrenre Packstoff VS/RS je	8.196 Km    3278 Rollen
Verfahrenre MS2	5969 Km    9785 Rollen
Verfahrenre MS3	5969 Km    9785 Rollen
Vlies	6235 Km    4989 Rollen
Letzte Produktionsschicht:	15.11.2021

Mein persönliches Fazit:

Eine **grundsolide Maschine** die durch die regelmäßige elektrische und mechanische halbjährliche Wartung sowie Bevorratung eine Vielzahl von Ersatz-, Reserve und Verschleißteile während der Betriebszeit nicht im Stich gelassen hat. Mir fallen keine maschinenbedingten Ausfälle über mehrere Tage ein.

Beiliegend ein Andenken für Sie.

Reporting practice

GRI 102-45: Entities included in the consolidated financial statements

Regarding the Annual Report:

The Annual Report referenced here relates exclusively to Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach im Tal. The last report was approved by the shareholder's meeting held on June 25 2021 for the period from January 1, 2020 to December 31, 2021.

Stakes in shareholdings are shown in the chart under [GRI 102-05](#).

In accordance with the legal bases applicable in Germany, Harro Höfliger Verpackungsmaschinen GmbH publishes its annual report in the Federal Gazette ([Homepage - Federal Gazette](#)) as soon as the annual financial statements have been adopted at the shareholders' meeting. The audit of the annual financial statements is performed with the assistance of Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and covers the content stipulated by law.

The management report in the Annual Report focuses on the following points:

Company fundamentals, market and sales trend, sales and order trend, investments, personnel development, environmental protection, research and development, sales activities abroad, activities in Germany, net assets, financial position and results of operations, risk management objectives and methods, significant opportunities and risks for future development, outlook and a corporate governance statement relating to the advancement of women.



#### About this Sustainability Report:

Like the Annual Report, the present Sustainability Report relates exclusively to Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach im Tal.

The report is drafted in accordance with the latest valid GRI Standards and is published on the Harro Höfliger homepage ([www.hoeffliger.com/en/](http://www.hoeffliger.com/en/)).

#### GRI 102-46: Defining report content and topic boundaries

As a company with more than 1,600 employees and sales exceeding €300 million, we also regard it as our duty, in line with the EU proposal, to prepare our Sustainability Report in accordance with a valid standard.

The Global Reporting Initiative (GRI) standard is recognized as the internationally recognized standard and is therefore also used by Harro Höfliger in its respective current version with the relevant scope (Core).

In addition to the fundamentals of our company, general disclosures and management approach, the report also outlines our economic, ecological and social standards. A key element here is our newly created Code of Conduct, which also helps us define our relationship with our stakeholders.

The report is completed with the aid of a fully cross-referenced index in accordance with GRI, enabling the clear assignment of each topic area.

Furthermore, our QHSE team reviews the report for completeness before it is approved by the Executive Management and the Supervisory Board.

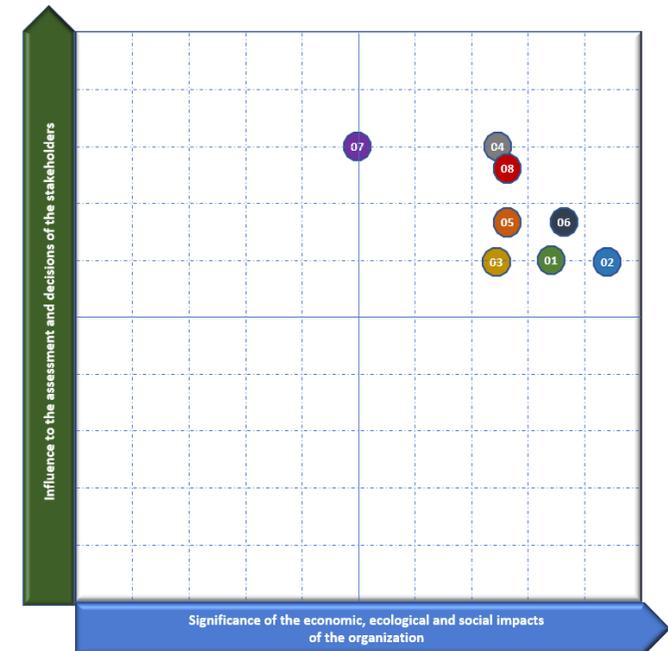
#### GRI 102-47: List of material topics

All material topics for Harro Höfliger are enshrined in the company's Code of Conduct:

- Statutes and Law
- Conflicts of interest
- Protection of Information
- Fair Competition and Transparency
- Respect
- Workplace
- Education and qualification
- Sustainable environmental and climate protection

The reporting on the approach taken by Harro Höfliger Verpackungsmaschinen GmbH for dealing with material issues is based on the company's applicable Code of Conduct. This Code of Conduct covers 8 essential topics to which a total of 33 ecological, economic and social topics can be assigned. The overall relevance of these 8 topic blocks for Harro Höfliger can be seen with the aid of the materiality matrix presented.

	Key topics	Assigned topic areas (aspects)
1	Statutes and law	Diversity and equal opportunities; non-discrimination Child labor; forced or compulsory labor Rights of indigenous peoples; review of compliance with human rights
2	Conflicts of interest	Combating corruption; freedom of association and collective bargaining Political influence; socioeconomic compliance
3	Protection of information	Security practices; protection of customer data Marketing and labeling
4	Fair competition and transparency	Economic performance; market presence Anti-competitive behavior
5	Respect	Indirect economic impacts Employment; employee-employer relationship
6	Workplace	Occupational health and safety Customer health and safety
7	Education and qualification	Training and education Social assessment of suppliers
8	Sustainable environmental and climate protection	Procurement practices Materials; energy; water; emissions Biodiversity; wastewater and waste Environmental compliance Environmental assessment of suppliers Local communities



The 17 global Sustainable Development Goals (SDGs) of the UN-Agenda 2030 are aimed at everyone: governments worldwide, but also civil society, the private sector and academia.

Harro Höfliger agrees with these 17 goals and has defined both internal and external measures for each item. For tracking purposes, these aspects have been assigned to our 8 essential topic areas from the areas of economy, ecology and social aspects of the Code of Conduct. Each of the essential 8 topic areas is assigned at least one key performance indicator (KPI) according to the SMART principle (**S**pecific, **M**easurable, **A**chievable, **R**elevant, **T**ime-framed).

The following topics were addressed as particularly significant in this report: economic performance, energy, non-discrimination, protection of customer data, employment, occupational health and safety, training and education, and the social evaluation of suppliers.

Work on expanding or adding KPIs is ongoing. Specifically working on data collection on all topics included in Scope 3 according to the GHG Protocol.

### [GRI 102-48: Restatements of information](#)

During revision of the Sustainability Report, the scope of the material topics was specifically revised and the GRI index employed.

The key performance indicators (KPIs) were re-selected in relation to the identified material issues

### [GRI 102-49: Changes in reporting](#)

Contrary to the last report, this Sustainability Report was prepared in accordance with the currently valid GRI Standards and is published once, following a shortened reporting period.

The previous report, dated June 9, 2021, was presented in a highly condensed manner in terms of content and included the following key points:

- Company philosophy
- Size and activities as a partner
- Quality and sustainability organization
- Sustainable development
- Management systems with PAS
- Training and advancement
- Cooperations
- Social and ethical commitment
- Ecosystem and biodiversity
- Closing remarks

Clear key performance indicators (KPIs) were included, but not clearly identifiable as such and in most cases listed without reference to the prior year.

However, a commitment to the 17 goals of the UN-Agenda 2030 was already clearly evident.

Owing to the management's decision to draft the future sustainability reports in accordance with the valid GRI Standards and the introduction of the Code of Conduct at Harro Höfliger, the content on the essential topics in particular were fully revised and the KPIs redefined and brought into an annually verifiable form.

The principles applied here were completeness, materiality for the company, stakeholder involvement and the sustainability context.

The greatest challenge during creation of the report was linking Harro Höfliger's Code of Conduct to the economic, ecological and social standards and the 17 goals of the UN-Agenda 2030.

Many of the topics are already clearly regulated by the legislation of the Federal Republic of Germany and do not require regular tracking with KPIs.

### [GRI 102-50: Reporting period](#)

Sustainability Report:

January 1, 2021 - December 31, 2021

Annual Report:

January 1, 2020 - December 31, 2020

### [GRI 102-51: Date of most recent report](#)

Harro Höfliger's previous Sustainability Report was published on June 9, 2021, but this did not yet correspond to the GRI standard.

### [GRI 102-52: Reporting cycle](#)

We intend to update our Sustainability Report on an annual basis. This will take place in each case following publication of our company's Annual Report in the Federal Gazette.

### [GRI 102-53: Contact point for questions regarding the report](#)

The contact person for our Annual Report is: Turgay Güngormus, CFO.

The contact person for our Sustainability Report is: Stefan Mayer, Senior Director QHSE and Compliance.

### [GRI 102-54: Claims of reporting in accordance with the GRI Standards](#)

#### About this Sustainability Report:

This report has been prepared in accordance with the GRI Standards: "Core" option.

The Report complies with the set of 36 GRI Standards for sustainability reports published in 2016 and is the first report on the topic of sustainability by Harro Höfliger Verpackungsmaschinen GmbH in accordance with the GRI standard. For the GRI 403 article, Occupational Health and Safety, the applicable current version of 2018 has been used.

### [GRI 102-55: GRI content index](#)

See the content index at the end of the report.

### [GRI 102-56: External assurance](#)

At Harro Höfliger, it is standard practice to have comprehensive company reports audited by external third-party companies. The appointment and assignment for this purpose is carried out in accordance with the internally defined purchasing conditions.

The assignment relates to a full audit of the Sustainability Report in accordance with the currently valid GRI Standards. Adaptation of the report is exclusively carried out for the "Core" reporting scope.

The third-party company appointed for the audit is an independent company accredited for this purpose. The audit is performed on behalf of the CEO and the Supervisory Board.

The report prepared by the auditing third-party company and the approved Sustainability Report are published jointly.

## Overview for tracking our topic-specific key figures

### Topic block 1 of our Code of Conduct:    *"Statutes and Law"*

[GRI 406: Non discrimination 2016](#)

[GRI 103: Management approach to GRI 406](#)

The exclusion of discrimination is one of our principles and is also excluded and not tolerated among our suppliers by means of the Code of Conduct. Harro Höfliger complies with international laws and the standards of the Federal Republic of Germany. This applies to our production sites as well as to all of our international subsidiaries.

Monitoring and follow-up of this management issue is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the established Process Action System (PAS) and the associated CAPA plan. The compliance instructions must be applied at Harro Höfliger (as described under GRI 406-01) to follow up on any suspicion of discrimination and to verify effectiveness. However, the application of internal work instruction AA 3.23-02 is not effective until the 2022 reporting period. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

<b>1. Statutes and Law</b>	Goals of the UN-Agenda 2030.	 
	Economic, environmental and social aspects.	Non discrimination;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We abide by laws and regulations at all times.</b>            Legally compliant and socially responsible Corporate Management is the basis for Harro Höfliger's business activities. Valid laws and regulations are adhered to at all times.            National laws and regulations take precedence over internal regulations. In our business transactions we act in accordance with the Code of Ethics of the International Society of Automation (ISA) and ISO 37001, which support companies in the fight against corruption.            We respect internationally recognized human rights and support compliance with them.            We follow the legal requirements for lobbying and avoid undue influence on politics and legislation under all circumstances.</p>

### GRI 406-01: Incidents of discrimination and corrective actions taken

The following main topics are evaluated in this context by Harro Höfliger:

- Ethnic origin/racism
- Gender and gender identity
- Religion/world view
- Disabilities/chronic diseases
- Age
- Sexual identity

Of course, other grounds for discrimination are also met with all consequences of disciplinary action without consideration.

All employees are trained in our company's Code of Conduct, including verification, and all suppliers are requested to commit to compliance, whereby our own comparable Code of Conduct is also recognized.

We have introduced a procedural instruction for the application of the compliance management system in accordance with ISO 37301 as an important basis for the relevant undertakings.

This makes reference to the quality and compliance policy of Harro Höfliger and also covers interested parties.

Potential compliance risks are identified and assessed with an associated instruction to perform a Compliance Management Risk Analysis.

Investigations of compliance violations are carried out in accordance with the work instruction specified in the KPIs.

Internal audits are used to monitor adherence to the correct procedure.

Concerns and/or legal violations can be reported by all employees at any time to an independently set-up e-mail address or to the compliance officer.

There were no suspected cases of this type in the reporting period (see KPI-01).

KPI-01	Number of suspected compliance cases according to the newly integrated CMS in accordance with ISO 37301 under the application of AA 3.23-02 in the reporting period.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Number	n.a	0								

## Topic block 2 of our Code of Conduct: "Conflicts of interest"

### [GRI 205: Anti-corruption 2016](#)

### [GRI 103: Management approach to GRI 205](#)

The exclusion of corruption in all of our business sectors and processes is one of our principles and is also excluded and not tolerated among our suppliers by means of the Code of Conduct. We use DIN ISO 37001 as a basis for integrating our anti-corruption management system, in addition to a general audit on the topic, at Harro Höfliger. Annex A of DIN ISO 37001 is used for status assessment. National laws and regulations take precedence over internal regulations. We act in accordance with the Code of Ethics of the International Society of Automation (ISA).

Monitoring and follow-up of this topic is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the established Process Action System (PAS) and the associated CAPA plan. Compliance instructions must be applied at Harro Höfliger (as described under GRI 406-01) to follow up on any suspicion of corruption and to verify effectiveness. There were no suspected cases of this type in the reporting period. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

2.Conflicts of interest	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Anti-corruption;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We make sure that one's own interests do not conflict with those of the company.</b></p> <p>As soon as one's own interests contradict those of the company, there is a conflict of interest. We do everything in our power to avoid conflicts of interest and to solve unavoidable conflicts as soon as possible. We respect the private sphere of every employee. Within the framework of our business, we are guided exclusively by the company's interests. Our employees act independently and will not demand or ask for monetary benefits, gifts or other favors and will protest against the prospects of such. Accepting gifts within the framework of the law up to the value of €35.00 is permitted. We see ourselves as part of society and support voluntary work, as well as recognized aid organizations and sustainability projects.</p>

**GRI 205-01: Operations assessed for risks related to corruption**

Monitoring all operating sites with regard to the risk of corruption, legal compliance and socially responsible corporate governance forms the basis for Harro Höfliger's entrepreneurial activities.

All Harro Höfliger's operating sites are located in the Federal Republic of Germany. No significant corruption risks were identified during inspection of the processes undertaken there. We fully comply with the currently applicable laws and regulations at all times. The inspection of all operating sites (100%) was carried out by the QHSE team using a risk analysis based on DIN ISO 37001:2018. Suspected cases of corruption are regarded as compliance violations at Harro Höfliger and are treated and followed up accordingly.

To date, this management system has only been audited internally. There are currently no plans for an external audit on this topic.

**GRI 205-02: Communication and training about anti-corruption policies and procedures**

We consider the topic of corruption to be comprehensively addressed, primarily by section 2, Conflict of interests, of our Code of Conduct. Training on the Code of Conduct was successfully carried out throughout the company.

We use centrally monitored software to track the scope of company-wide training on the Code of Conduct. Statistical evaluations at the end of the year are used as a basis for the regularly conducted training or instruction. The result forms the basis for KPI-02.

As already stated under GRI 406-01, all suppliers are requested to commit to compliance, whereby their own Code of Conduct is also recognized if comparable.

Our Code of Conduct is available to the public in German and English via our website. Our approach regarding this issue is therefore fully transparent.

**GRI 205-03: Confirmed incidents of corruption and actions taken**

There were no registered incidents of corruption in the reporting period, and hence no contract terminations or ongoing legal proceedings.

KPI-02	Evidence of employee training on the Code of Conduct at Harro Höfliger (information on the current number of employees in %)									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Training	n.a	92%								

### Topic block 3 of our Code of Conduct: "Protection of information"

#### [GRI 418: Customer Privacy 2016](#)

#### [GRI 103: Management approach to GRI 418](#)

The protection of customer data collected in connection with our production processes is not only an internal Harro Höfliger requirement, but also a requirement for our business partners and customers. We therefore secure customer data according to the requirements of DIN EN ISO/IEC 27001 and the applicable guidelines of the GDPR (certificates are available at all times on our website at <https://www.hoefliger.com/en/quality-and-environment>). Our IT systems are protected through extensive firewall, isolation and back-up systems. The evaluation of these systems serves as a check for effectiveness (see also GRI 418-01). When labeling our products (manufactured machines), we follow the specifications of the Machinery Directive. We are not aware of any violations in connection with faulty labeling and exclude such by means of extensive counter-checks and qualification services prior to delivery of the machines. We coordinate all large-scale communication and marketing activities with our external data protection and information security officer, including monitoring of legal compliance.

Monitoring and follow-up of this topic is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the established Process Action System (PAS) and the associated CAPA plan. The tracking of possible uncertainties, as described under GRI 418-01 with "Log4Shell," is carried out in cooperation with our IT department. There were no suspected cases of this type in the reporting period. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

3. Protection of Information	Goals of the UN-Agenda 2030.	 
	Economic, environmental and social aspects.	Customer Privacy;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We protect the business secrets of our company and those of our business partners.</b></p> <p>Our own data and information (business secrets) are of great value to our company. This is the reason why we treat business matters with strict confidentiality. We place great value on the completeness and correctness of the information provided by us, never misuse confidential information and do not pass this on to unauthorized persons.</p> <p>We protect data concerning the company and our employees as well as the personal data of our business partners from unjustified access, misuse and loss. We do so with all the suitable and appropriate technical and organizational means at our disposal in accordance to ISO/IEC 27001.</p>

**GRI 418-01: Substantiated complaints concerning breaches of customer privacy and losses of customer data**

We also use the company intranet for policy and instruction training and keep statistics for monitoring.

In addition to the requirements of the Machinery Directive for the identification of our machines and the necessary testing, it is very important to Harro Höfliger that the company slogan ALL YOU NEED with the addition "made by Harro" also appears on the machine plate as an unambiguous mark of origin. Our team is actively investigating the impact of security vulnerabilities in Harro Höfliger products and is in frequent contact with our suppliers.

To date, we have not discovered any security vulnerabilities in machines or services associated with us or our customers.

In addition, Harro Höfliger performs extensive vulnerability assessments and is aware of vulnerabilities affecting, for example, Apache Log4j, including CVE-2021-44228 and CVE-2021-45046, also known as Log4Shell.

There were no substantiated complaints regarding breaches of customer data protection, loss of customer data, or successful attacks on our servers or by e-mail during the reporting period (see KPI-03).

We record around 300 attacks per month on the servers' firewalls. In terms of incoming e-mail, we record up to 30,000 blocked e-mails per month, which are evaluated both on a country-specific and criteria-specific basis. Internal follow-up, including subsequent improvement measures, is carried out immediately in the event of successful attacks.

KPI-03	Scope of successful attacks that could <u>not</u> be averted by our systems.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Access to servers	Not evaluated	0								
Access via e-mail	Not evaluated	0								

## **Topic block 4 of our Code of Conduct: "Fair Competition and Transparency"**

### [GRI 201: Economic performance 2016](#)

### [GRI 103: Management approach to GRI 201](#)

Our consistently good economic performance ensures the sustainable existence of our company. The current order backlog secures us full capacity utilization for 2022.

The objective of our company is to minimize our market risks through a broad diversification of customers across various market segments. Owing to the strong expansion of our company, we have to continuously adapt our own organization to these growing corporate structures and review our existing organizational structure.

Through quality-controlled management, value creation, and service processes, we ensure a structured supply chain for our machines in all technology areas.

With a tax and contributions burden on corporations of around 30%, Germany is well above the OECD average and is increasingly losing international competitiveness. Nonetheless, we are committed to the German location and will focus our entire innovative strength in our home state of Baden-Württemberg. However, always with an eye on the available tax and contribution models that strengthen us as an SME and support us in international competition.

The review and inspection of the annual financial statements of Harro Höfliger is carried out by an external auditing and tax consultancy firm in accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB) with regard to correctness. In addition to the responsible department, the entire management as well as the Supervisory Board of Harro Höfliger are involved in the preparation of the Annual Report and the Annual Financial Statements. Approval takes place within the context of a shareholders' meeting. Receivables and liabilities in foreign currencies with a remaining term of up to one year are translated at the average spot exchange rate on the balance sheet date. Accordingly, unrealized profits and losses from foreign currency translation are included in these financial statements.

In the case of a remaining term of more than one year, translation is carried out using the exchange rate at the date of accrual.

At Harro Höfliger, economic performance as measured using EBIT. The associated KPI-04 is presented at the end of section GRI 201.

The monitoring and follow-up of this issue is the responsibility of Controlling at Harro Höfliger. An internal inspection of the audit procedures can be carried out by the in-house certified compliance officer if discrepancies are suspected.

The effectiveness of the quality, performance and legally compliant approach is reflected in EBIT following the annual economic audit. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

4. Fair Competition and Transparency	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Economic performance;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We achieve sustainable business performance through fair and honest conduct.</b></p> <p>We maintain trusting, fair and respectful business relations with our business partners and expect the same from them. We communicate our guiding principles to our business partners and expect the same from them. We encourage them to follow the same standards in their own transactions. We take into account the laws and regulations of the countries in which we work.</p> <p>We adhere to the internationally recognized standards of good business management. All employees contribute towards ensuring that our business transactions are complete and correctly documented. A transparent financial reporting serves to manage the steering of the company.</p>

### GRI 201-01: Direct economic value generated and distributed

In 2021, the sales revenues of Harro Höfliger Verpackungsmaschinen GmbH, taking into account work in progress and other operating income, amounted to €278 million (rounded).

Material expenses of €111 million (rounded), personnel expenses of €114 million (rounded), other operating expenses of €12 million (rounded) and taxes of €3 million (rounded) on income must be taken into account. The annual net profit therefore amounts to €8 million (rounded) for the period from January 1 to December 31, 2021.

The predicted sales revenues for 2022 amount to €311 million.

### GRI 201-02: Financial implications and other risks and opportunities due to climate change

The company plans to achieve the CO<sub>2</sub> neutrality target in Scope 1 and Scope 2 by 2030 with investments aimed at switching to green electricity and green gas, the use of combined heat and power systems and photovoltaic systems. The risk of increased electricity and gas costs in the future is to be offset by the opportunity of introducing climate-neutral in-house energy generation and use of electricity and hydrogen. An investment of approx. 7.5 million is planned until 2030.

A very big challenge is posed to our company by the worldwide prevailing supply shortage of technical systems, which we need for construction of the machines and systems we sell.

With the aid of an in-house task force on material procurement, various solutions were identified to compensate for delivery delays. By closely involving our customers and understanding their current situation, we were able to avoid legal disputes relating to the non-performance of contracts.

A decline in the pandemic situation is expected to significantly improve the supply situation in the subsequent years of 2020 and 2021.

### GRI 201-03: Defined benefit plan obligations and other retirement plans

Social security contributions and expenses for pensions amounted to €19 million (rounded) in 2021.

As at the end of 2021, pension commitments for the management amount to €1.2 million, which are counter-financed and outsourced with the help of a reinsurance policy. In addition, a €27 share is given to each employee as a subsidy in the form of a capital-forming benefit. This corresponds to €0.3 million in 2021.

### GRI 201-04: Financial assistance received from government

The available subsidies for sustainable investments in energy saving measures were applied for. These funds have not yet been allocated.

KPI-04	Achievement of an EBIT (earnings before interest and taxes) exceeding 3%									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
EBIT	0.9%	3.5%								

\*EBIT exceptionally low due to the impact of the coronavirus.

## Topic block 5 of our Code of Conduct: "Respect"

### [GRI 203: Indirect economic impacts 2016](#)

### [GRI 103: Management approach to GRI 203](#)

The status regarding the topic of sustainability is of very great importance to Harro Höfliger and is seen by our customers as part of their evaluation when discussing an order. Moreover, as one of the larger employers and taxpayers in the region, we make a major contribution to the region's prosperity and economic stability. We see ourselves as part of this local community and regard it as our obligation to make a relevant contribution to societal prosperity and social cohesion within our environment. We are continuously involved in economic, ecological and social as well as industrial, economic and other associations, and participate, for example, in renaturation and other sustainable projects in the public interest.

Monitoring and follow-up of this topic is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the established Process Action System (PAS) and the associated CAPA plan. Our customers now demand a rating above 50 in all categories on the EcoVadis web portal. To this end we are constantly working to improve our processes. The effectiveness of our internal measures are directly mirrored by the EcoVadis evaluation. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

5. Respect	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Indirect economic impacts;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We treat every person with dignity and respect.</b></p> <p>Our employees are the basis of our business transactions and success. In accordance with ensuring equal opportunities for all, neither a person's age, disability, ethnic origin, skin color, sex, pregnancy, sexual identity, nationality nor their religion or civil status play a role in employee selection. We respect the right to free speech and protection of personal rights and the private sphere.</p> <p>All employees have the right to fair pay. We assess our employees on the basis of their performance and give them hereto fair feedback. We treat each other with dignity and respect. Employees who do not follow these guidelines are not suitable for our company. We endeavor to solve problems within the workplace quickly and confidentially while taking into account the interests of all parties. Managers support their employees to achieve an acceptable work-life balance.</p>

### GRI 203-01: Infrastructure investments and services supported

We strengthen Harro Höfliger's market presence through active communication with our employees, partners and customers. Regular feedback from the various levels enables us to identify both our risks and our opportunities in good time and to take the appropriate measures.

With our IT project "one," which is currently in operation, we aim to contribute toward improving the networking of all Harro Höfliger locations and to promote communication.



In addition to the direct effects, the indirect employment effects are also significant since they lead to an improvement in the social conditions of many smaller companies from the region with which we cooperate on a permanent basis. A significant proportion of our suppliers come from the region or at least from the immediate vicinity in Germany. We are proud that this enables us to contribute to regional stability.

### GRI 203-02: Significant indirect economic impacts

The majority of our customers come from the medical and/or pharmaceutical industry. Most of these customers have launched extensive sustainability programs and expect the same from our company. As a machinery supplier, we are evaluated not only on quality, but also on the basis of our ongoing sustainability projects. Web portals such as EcoVadis, CDP, Avetta and/or SBTi serve as information portals for our customers. The most important portal for our company is EcoVadis. Here we have to expect a significant loss of sales in the future if the rating for our company is below 50 points. Unfortunately, we have not yet been able to achieve this in the area of sustainable procurement. However, we are working intensively on improving these processes.

Therefore, the target for KPI-05 is the Ecovadis Silver status as this guarantees the achievement of a rating above 50 points.

KPI-05	At least achievement and permanent maintenance of "Silver" status on the Ecovadis Internet platform.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	< 30	Bronze								

[GRI 401: Employment 2016](#)
[GRI 103: Management approach to GRI 401](#)

As described in our Code of Conduct, our employees form the basis of our business activities and our success. That is why we see the employee turnover rate as an important metric for our company (see KPI-06).

The open culture of discussion is a matter of course for everyone. At Harro Höfliger, the door to the employees' supervisor is always open. Operational changes are also communicated immediately through our intranet site – by our CEO Thomas Weller in person. The direct communication approach has also proven to be a major advantage in the context of the COVID-19 pandemic. Our employees were immediately informed about new regulations and the necessary rules of conduct in the usual manner. This has enabled us to prevent any major stoppages.

At Harro Höfliger, employees are remunerated exclusively on the basis of performance, responsibility and behavior. No other aspects are taken into account. Monitoring and follow-up relating to this topic is the responsibility of the Human Resources (HR) department at Harro Höfliger and is directly supported and monitored by management. There were no suspected cases of process violations of this type during the reporting period. The effectiveness of our HR activities is evidenced through the regular review of staff turnover rates. The management approach is described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

5. Respect	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Employment;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We treat every person with dignity and respect.</b></p> <p>Our employees are the basis of our business transactions and success. In accordance with ensuring equal opportunities for all, neither a person's age, disability, ethnic origin, skin color, sex, pregnancy, sexual identity, nationality nor their religion or civil status play a role in employee selection. We respect the right to free speech and protection of personal rights and the private sphere.</p> <p>All employees have the right to fair pay. We assess our employees on the basis of their performance and give them hereto fair feedback. We treat each other with dignity and respect. Employees who do not follow these guidelines are not suitable for our company. We endeavor to solve problems within the workplace quickly and confidently while taking into account the interests of all parties. Managers support their employees to achieve an acceptable work-life balance.</p>

### GRI 401-01: New employee hires and employee turnover

The number of employees at Harro Höfliger has increased by more than 300 within the last two years, while we still succeeded in maintaining a staff turnover rate of less than 2.5% (2.3%). To be taken into account here are a rate of 0.2% of employees leaving the company for the purpose of further training, a rate of 1.0% of employees leaving the company due to retirement and a further 0.5% due to family reunifications. We make these calculations via our employee portal. In order to fully integrate employees with disabilities, we work very closely with various institutions for our labor supply. If the statutory minimum rate is not met, we will of course pay the required compensatory levy. Since the differentiation of employees by age group would only be feasible with an extremely high level of manual effort, we will not report on this until the 2023 Annual Report.

Employee Overview	2019	2019 in %	2020	2020 in %	2021	2021 in %	2022	2022 in %	2023	2023 in %	2024	2024 in %	2025	2025 in %	2026	2026 in %	2027	2027 in %	2028	2028 in %	2029	2029 in %
Employees (total)	1340	100	1440	100	1541	100																
Of these female	247	18	281	20	315	20																
Of these male	1093	82	1159	80	1228	80																
Of these with permanent employment contracts	was not rated for this period		1426	99	1526	99																
Of these with fixed-term employment contracts	was not rated for this period		14	1	15	1																
Of these full-time employees	1256	94	1319	92	1382	90																
Of these female	173	14	181	14	189	14																
Of these male	1083	86	1138	86	1193	86																
Of these part-time employees	84	6	123	8	161	10																
Of these female	74	88	100	81	126	78																
Of these male	10	12	23	19	35	22																

### GRI 401-02: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Company benefits in accordance with the legal requirements of the Federal Republic of Germany are granted to all employees who have successfully completed their 6-month probationary period at Harro Höfliger. No distinction is made here between operating sites.

KPI-06	Stable staff turnover rate below 3.0%									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	3.7%	2.3%								

## Topic block 6 of our Code of Conduct: "Workplace"

### [GRI 403: Occupational health and safety 2018](#)

### [GRI 103: Management approach to GRI 403](#)

Healthy employees ensure the sustainable performance of Harro Höfliger as a business enterprise.

Harro Höfliger has established an integrated management system in accordance with DIN ISO 45001 for the structured integration, maintenance and continuous improvement of all company health and safety topics. In addition, a software system has been installed that is used to centrally monitor all necessary hazardous substances, instructions, operational instructions, safety data sheets, risk assessments, as well as accidents at work and much more. This management system is implemented at all Harro Höfliger locations.

Monitoring and follow-up of this topic is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the established Process Action System (PAS) and the associated CAPA plan. An extensive team supports our in-house safety officer (SO) in his work. There were no suspected cases of process violations during the reporting period. The effectiveness of our preventive measures relating to occupational health and safety is implemented with the aid of injury statistics kept in-house (see also GRI 403-01ff). The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

6. Workplace	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Occupational health and safety;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We provide our staff with a safe and healthy work environment.</b></p> <p>Work safety is achieved through leading by example and the willingness of our employees to take responsibility. We expect all employees to observe relevant work protection and work safety regulations. This calls for environmentally friendly and safe working methods. It is for this reason that we observe all valid environmental laws and use sustainable technologies as far as possible.</p> <p>We treat our work materials carefully and use these solely for the purpose for which they are required. We endeavor to use our resources efficiently.</p>

### GRI 403-01: Occupational health and safety management system

As a basis for integration, operational implementation and the process for continuous improvement in the application of the Occupational Health and Safety Management System (OHSMS) in accordance with DIN EN ISO 45001 at Harro Höfliger Verpackungsmaschinen GmbH, a procedural instruction was created that applies to all Harro Höfliger employees. The management system also serves to prevent work-related injuries and illness among employees and to provide permanently safe and healthy workplaces.

Management recognizes and accepts overall responsibility and accountability for preventing work-related injuries and illnesses and providing safe workplaces and activities. Operational management for this is assumed by the Senior Director QHSE. The main responsibility for managing, monitoring and continuously improving the Occupational Health and Safety Management System (OHSMS) has been transferred by the management to the occupational safety officer (SO).

The SO is supported by several functions (employees with additional training) in the performance of their duties:

- Safety officer
- First aiders
- Fire protection officer
- Fire protection assistant
- Hazardous materials officer
- External company doctor

### GRI 403-02: Hazard identification, risk assessment, and incident investigation

At Harro Höfliger, the following main topics are assigned to the occupational safety management area:

- Occupational health and safety
- Company fire and building protection
- Company hazardous material management
- Company requirements and legal obligations

For each of these topics, risk analyses must be carried out to identify possible hazards and the resulting opportunities must be assigned to defined risk-minimizing measures.

The operational implementation of the Occupational Health and Safety Management System (OHSMS) is promoted and permanently ensured by the following measures:

- Provision of the necessary resources in the individual work areas
- Creation of sufficient competence through regular briefings and further training on the occupational health and safety topics relevant to the area of work.
- Increase awareness of occupational health and safety issues relevant to the area of work through regular communication and description of incidents and investigation findings.
- External communication on occupational health and safety issues to service providers and partners as well as the required legal communication obligations (accident reports, etc.).

- Regularly updating of the managed occupational health and safety rules documentation to ensure compliance with real-world conditions.
- Integration of change management for the purpose of adaptation when products, work equipment, working conditions and working environments change.
- Integration of supply chain management (SCM) into the OHSMS to ensure the necessary approvals for the use of work equipment, supplies, and hazardous materials.
- Establishment of appropriate contingency plans for potential emergency situations, including periodic review of their effectiveness. The provision of first aid forms part of this planning.

At HH, accidents and incidents can be recorded and/or reported using a variety of tools and documentation methods. Training is provided on the relevant procedures during the regular instruction on occupational health and safety (once per year).

- The incident/event is reported verbally by an employee to their immediate supervisor.
- The incident/event is reported verbally by an employee to the first aider.
- The incident/event is reported verbally by an employee to the safety officer (SO) or to the Senior Director QHSE.
- If the situation is clear and unambiguous for an employee, the rescue service (0)112 is notified first and then an internal notification made.

The following points must be observed when reporting any accident:

- Where is the exact location of the accident (building, story, room)?
- What has happened (fire accident, electrical accident, fall)?
- How many people are injured?
- What are the injuries (respiratory arrest, severe bleeding, etc.)?
- Wait for questions (do not end the emergency call yourself)

In the event of an accident/incident abroad, return transport may also be necessary. In addition, the Harro Höfliger internal sub-process TP 3.01-13 "Accident Abroad" must be observed.

At Harro Höfliger, special safety stations are installed in each work area, which show the correct procedure to follow in the event of an internal incident or accident. All the necessary first aid items are present at each station.



Example of a safety station

The incidents and accidents that have occurred are summarized in a report at regular intervals and presented and evaluated at the Occupational Safety Committee (OSC) meetings held 4 times a year.

The following risk matrix is used to evaluate the further course of action for the follow-up of incidents and accidents:

Identification of the Risk Priority Factor (RPF)		Health impact	
		Number with short-term influence (curing)	Number with long-term influence (permanent harm)
Risk level of the incidents	Low	0	1 (< 3 Tage)
	Medium	1 (< 3 Tage)	2 (> 3 Tage)
	High	2 (> 3 Tage)	3 (serious accident)

	Measures in case of incidents
0	No further action.
1	Internal assessment of whether another risk exists.
2	Summary report and discussion in the ASA on how to proceed --> at least additional training for the person concerned
3	Summary report, discussion in the ASA with the following immediate measures to improve the situation.

In the case of reporting, the following factors are considered:

- Number of employees at HH
- Number of occurring first aid incidents
- How many of these involve long-term absences (LTA) reported to the authorities as the result of an accident (> 3 days)
- Number of lost workdays

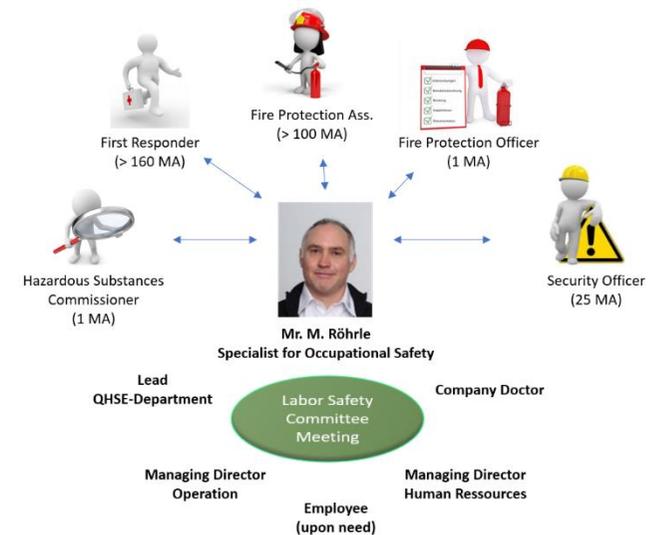
**GRI 403-03: Occupational health services**

Occupational health care is provided with the help of an external company. This company provides the services of the company doctor and manages the Harro Höfliger employees' health data.

This completely rules out any favoritism or disadvantages. Under German law, Harro Höfliger is only informed by the company doctor whether the employee is fit for work or not.

**GRI 403-04: Worker participation, consultation, and communication on occupational health and safety**

The OSC meeting, which takes place four times a year, is attended by the company doctor, the management of Operations and Human Resources, the occupational safety specialist and the head of the QHSE department. If necessary or upon request, employees are invited to raise specific health or safety-related topics or to suggest improvements. All relevant regulations and information on Harro Höfliger's occupational safety and health system is available to every employee at any time via the intranet.



**GRI 403-05: Worker training on occupational health and safety**

All employees are trained in the health and safety topics relevant to their job upon joining the company and at regular intervals (in most cases at least once a year) thereafter. Evidence of training is documented using a system managed centrally by the QHSE department.

The central training courses here relate to occupational safety and fire protection. Safety training relevant to the activity (e.g. computer workstation) is then conducted in the respective areas.

**GRI 403-06: Promotion of worker health**

For each work area, Harro Höfliger prepares risk assessments in accordance with the requirements of the Occupational Health and Safety Act (ArbSchG) of the Federal Republic of Germany and eliminates the identified risks as far as possible.

Follow-up on this takes place at OSC meetings held four times a year.

Additional health prevention offerings include:

Keep-fit videos, online offerings for seminars, presentations, keynote talks, but also fitness programs involving aqua fitness, Pilates, health checks, step competitions and bike challenges.



**GRI 403-07: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

All machines and services offered in this context are carried out in accordance with the following guidelines, among others, and thus reduce risks to health and safety in accordance with the best possible procedures:

- Machinery Directive 2006/42/EC (European Economic Community)
  - Latest adjustment through Regulation (EU) No. 167/2013
  - Regulates a standardized level of protection through accident prevention for machines when placed on the market within the European Economic Area (EEA) as well as Switzerland and Turkey.
- Low Voltage Directive (2014/35/EU)
  - Directive concerning electrical equipment for use within certain voltage limits. (50 – 1000V ~, 75 – 1500V ~, with some exceptions)
- EMC Directive 2014/30/EU - electromagnetic compatibility
  - Functional safety of the object without unwanted signals during electromagnetic interference

During the course of qualification and validation measures relating to the machines manufactured by Harro Höfliger, all necessary aspects of compliance with the CE verification and corresponding marking are checked.

No violations relating to the impact of our machines and services have been reported to date. Extensive reviews and strict compliance with guidelines and laws ensure this.

### GRI 403-08: Workers covered by an occupational health and safety management system

All employees listed under GRI 401-01 are covered by the management system (ISO 45001) implemented at Harro Höfliger.

Correct implementation of the management system in accordance with DIN EN ISO 45001 has currently only been demonstrated through internal audits. The corresponding reports are part of the annual Management Review.

External certification is in preparation for 2024.

External companies that have to carry out risk related activities in our company are trained by the responsible Harro Höfliger staff with regard to occupational safety and health protection during the course of a risk discussion. The corresponding documentation forms part of this training.

### GRI 403-09: Work-related injuries

No work-related injuries with fatal or serious consequences occurred among Harro Höfliger employees during the reporting period.

The following documentable work-related injuries with absences from work exceeding 3 days were recorded during the reporting period (see also KPI-07):

- 3 laceration injuries
- 3 bruising injuries
- 2 muscular injuries

### GRI 403-10: Work-related ill health

At Harro Höfliger, work in a high-risk environment only takes place in connection with active ingredients that may be processed in special clean rooms following extensive training with the appropriate personal protective equipment (PPE).

KPI-07	No occupational injury with a loss of working time exceeding 3 days must be strived for on a permanent basis.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	25	8								

## Topic block 7 of our Code of Conduct: "Education and qualification"

### [GRI 404: Training and education 2016](#)

### [GRI 103: Management approach to GRI 404](#)

For a company producing machines for special applications, good training and education of its employees is elementary. Harro Höfliger offers all new employees extensive training in their respective areas of work, including during their six-month induction period. After the end of the induction period and final acceptance into the employment relationship, all employees can choose from a training catalog offering more than 100 different courses/training activities. After consultation with the responsible supervisor, these can be attended at no cost. A high level of competence among our employees secures the future of our company, as do the future skilled employees trained at our in-house academy. Accordingly, we indicate this training rate in KPI-08 at the end of the GRI 404 section.

Monitoring and follow-up relating to this topic is the responsibility of the Human Resources (HR) department at Harro Höfliger and is directly supported and monitored by management. We use the annual training quota to verify the effectiveness of our promotional activities and our structured approach before and during the training and development of our employees. There were no suspected cases of process violations of this type during the reporting period. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

7. Education and qualification	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Training and education;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We support our employees in their professional and personal development.</b></p> <p>The skills and abilities of all employees are elementary for the secure and successful future of Harro Höfliger. We therefore constantly ensure comprehensive introductory, part-time and job-related training as well as further education. We also promote the personal development of everyone and support the desire for career progress.</p> <p>We involve our suppliers in educational activities and encourage them to also enable their employees to receive comprehensive training and further education. Conversely, Harro Höfliger regularly provides its suppliers with technical know-how in order to achieve the best possible results within the scope of our mutual cooperation.</p>

#### GRI 404-01: Average hours of training per year per employee

Harro Höfliger considers its employees to be its most valuable asset. However, it does not keep track of the actual training and development hours completed per year and employee.

For each employee recorded during the year, Harro Höfliger calculates an average external training time of 10 hours per year. An average cost of €50 is assumed for each hour of training. This assumption forms the basis for the available training budget. Internal training and instruction activities are not included in this budget. No distinction is made here between genders.

#### GRI 404-02: Programs to improve employees' skills and to help during the transition

With our own training academy, which currently has 126 trainees, and the offer of several courses of study, we are helping to secure sustainable economic performance in the region.

The company provides its employees with a comprehensive training catalog and an extensive budget (€800,000 budgeted for 1600 employees in 2022).

#### GRI 404-03: Percentage of employees receiving regular performance and career development reviews

A personal interview (annual interview) is held with each employee (100%) of the company at least once a year. Goals, possible career developments and future compensation, for example, as well as positive and negative experiences or opportunities for improvement are discussed during these interviews. Again, no distinction is made here between genders.

KPI-08	The aim here is to achieve a training ratio exceeding 100 trainees/students on a permanent basis.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	134	129								

**GRI 414: Social assessment of suppliers 2016**

**GRI 103: Management approach to GRI 414**

The social evaluation of the suppliers is very important for Harro Höfliger as part of the topic of sustainability and is included in the evaluation by our customers for order inquiries. Harro Höfliger therefore follows DIN ISO 20400 - "Sustainable Procurement" with the alignment of all procurement goals to the interests of our stakeholders in accordance with a sustainability mindset.

We rely primarily on our Code of Conduct to assess the social competence of our suppliers. We oblige all of our suppliers to apply this standard. Alternatively, the suppliers' own comparable codes of conduct are also accepted. For suppliers involved in parts production with subsequent product contact, additional supplier audits can be carried out by our in-house auditors. In this context, the social competence of the suppliers is evaluated in addition to quality, environmental and climate-relevant aspects. We cover the relevant monitoring in KPI-09 at the end of this section.

The monitoring and follow-up of this topic is the responsibility of Supply Chain Management (SCM) at Harro Höfliger, with the QHSE team providing support and also accompanying supplier audits if required. There were no relevant suspected violations of our Code of Conduct among our suppliers during the reporting period. Statistics kept in SCM system on supplier feedback regarding supplier commitment are used for the purpose of an annual effectiveness review. The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

7. Education and qualification	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Social assessment of suppliers;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We support our employees in their professional and personal development.</b></p> <p>The skills and abilities of all employees are elementary for the secure and successful future of Harro Höfliger. We therefore constantly ensure comprehensive introductory, part-time and job-related training as well as further education. We also promote the personal development of everyone and support the desire for career progress.</p> <p>We involve our suppliers in educational activities and encourage them to also enable their employees to receive comprehensive training and further education. Conversely, Harro Höfliger regularly provides its suppliers with technical know-how in order to achieve the best possible results within the scope of our mutual cooperation.</p>

**GRI 414-01: New suppliers screened against social criteria**

Through the introduction of our Code of Conduct, we have begun to hold further in-depth discussions with our largest suppliers and have committed all of them to compliance with the Code or a comparable guideline of their own.

The Executive Management of Harro Höfliger has clearly stated that suppliers who do not commit to our Code of Conduct or a comparable guideline must be immediately removed from the supply chain.

Accordingly, 100% of new suppliers are subjected to a social audit based on our Code of Conduct, in addition to the conditional and qualitative audit.

**GRI 414-02: Negative social impacts in the supply chain and measures taken**

Harro Höfliger relies on long-term relationships with its suppliers. Each of these suppliers has been evaluated with respect to their social skills. No negative social effects have been identified within the reporting period. All suppliers are evaluated using a tool specifically designed to monitor sustainable operations.

Rank	Lieferant	Telegruppe	Staat	Lieferanten Nr.	Umsatz Lieferant Mio €	Jährl. EKV in €	Risikopotenzial Länderisiko	Produktionsland	Compliance Risk Index (CRI)	Corruption Perception Index (CPI)	Ländersicherheit in %	Bewertung Länderisiko	Risikopotenzial LKSG	Italienskodex (Code of conduct)	Kernarbeitsnormen	ISO 9001 (Qualitätsmanagement)	ISO 14001 (Umweltmanagement)	ISO 50001 (Energie management)	ISO 45001 (Arbeitsschutzmanagement)	Gefahrenpotenzial LKSG Summe	LKSG in %	Bewertung Erfüllunggrad LKSG in %	Nachhaltigkeit in %	Bewertung Nachhaltigkeit	Wahlmöglichkeiten	Präventions- und Abhilfemaßnahmen	Wendigkeit	In wahrscheinl.	In Priorität	Zeittermin	Maßnahmen	
1		Technologien	IRL		44			Ireland	72%	72%	72%	gering	1	1	1					3	50%	mittel	61%	Nachhaltig		##	##	x				
2		Technologien	CH		200			Switzerland	70%	85%	78%	gering	1	1						2	33%	mittel	55%	Nachhaltig		##	##	x				
3		Kaufteile	D		260			Germany	71%	80%	75%	gering	1	1	1	1				4	67%	groß	71%	Nachhaltig		##	##	x				
4		Kaufteile	D		28910			Germany	71%	80%	75%	gering	1	1	1	1			1	5	83%	groß	79%	Nachhaltig		##	##	x				
5		Technologien	D		39,8			Germany	71%	80%	75%	gering	1	1						2	33%	mittel	54%	Nachhaltig		##	##	x				
6		Fertigungsteile	VRC		578			China	27%	42%	34%	hoch	1	1					1	3	50%	mittel	42%	teilweise Nachhaltig		##	x	##				
7		Kaufteile	D		3354			Germany	71%	80%	75%	gering	1	1	1	1			1	5	83%	groß	79%	Nachhaltig		##	##	x				
8		NPM	D		40			Germany	71%	80%	75%	gering	1	1	1	0				3	50%	mittel	63%	Nachhaltig		##	##	x				
9		NPM	D		4,93			Germany	71%	80%	75%	gering	1	1	1	0				3	50%	mittel	63%	Nachhaltig		##	##	x				
10		Kaufteile	D		6192,4			Germany	71%	80%	75%	gering	1	1	1	1			1	5	83%	groß	79%	Nachhaltig		##	##	x				
11		Fertigungsteile	HK		12,75			Hong Kong	49%	77%	63%	mittel	1	1	1	0				3	50%	mittel	56%	Nachhaltig		##	##	x				

KPI-09	Proof of suppliers' commitment to our Code of Conduct relating to more than 80% of our purchasing volume.									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	Not yet verified!	> 95%								

## Topic block 8 of our Code of Conduct: *"Sustainable environmental and climate protection"*

### [GRI 302: Energy 2016](#)

### [GRI 103: Management approach to GRI 302](#)

We need energy to manufacture our machinery and equipment, mainly for the pharmaceutical industry. Electricity is the most important form of energy at all plants, accounting for the highest share of total energy consumption. Other energy sources include gas and heating oil for heating buildings and fossil fuels for the vehicle fleet. The fuel used so far has not come exclusively from renewable sources.

In order to achieve our strategic goal of CO<sub>2</sub> neutrality for Scopes 1 and 2 by 2030 and to continuously reduce energy-related consumption, we run an energy program in which we pursue our operational goals (e.g. improvement of energy monitoring, complete conversion of lighting in the plants to LED technology, conversion to 100% CO<sub>2</sub> neutral electricity and gas procurement, etc.). Through internal and external audits, monitoring of key figures and regular plant inspections, we control our processes for continuous sustainable improvement. The company expects to achieve Scope 3 by 2040.

The monitoring and follow-up of this topic is the responsibility of Supply Chain Management (SCM) at Harro Höfliger, with the QHSE team providing support. There were no relevant suspected violations of contract among our suppliers during the reporting period. In the future, the effectiveness of the energy-reducing measures will be assessed through balancing with the aid of the centrally managed software "Quentic". The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

<b>8. Sustainable environmental and climate protection</b>	Goals of the UN-Agenda 2030.	  
	Economic, environmental and social aspects.	Energy;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We care for our future and operate sustainably.</b></p> <p>As a commercial enterprise, we develop and manufacture production and packaging systems for customers worldwide and additionally offer extensive support services. In this context, sustainable environmental and climate protection as well as resource efficiency are important corporate goals.</p> <p>In the development of new products and services as well as in the manufacture of production systems, we ensure that any resulting impact on the environment and climate is kept as low as possible and that our products make a positive contribution to environmental and climate protection.</p> <p>We are constantly working on innovative mobility and energy concepts that contribute to ecologically sustainable development.</p>

**GRI 302-01: Energy consumption within the organization**

Area of application	2019 in GJ	2020 in GJ	2021 in GJ	2022 in GJ	2023 in GJ	2024 in GJ	2025 in GJ	2026 in GJ	2027 in GJ	2028 in GJ	2029 in GJ
Consumption of non-renewable fuels (here also minus % share of renewable fuels).	13,150	12,365	16,188								
Consumption of renewable fuels (here also minus % share of non-renewable fuels).	58	36	50								
Consumption of purchased electricity (district heating, district cooling or steam n.a.)	24,727	25,232	25,933								
Self-generated electricity for heating, cooling or hydrogen production	0	0	0								
Electricity sold (no heating or cooling energy sales planned)	0	0	0								
<b>Total energy consumption:</b>	<b>37,935</b>	<b>37,597</b>	<b>42,171</b>								

Conversion: Basis:      1 kWh = 3.6 MJ; 1.0 MJ = 0.001 GJ  
 Heating oil:      36.0 MJ/l                      Pellets: 18.77 MJ/kg  
 Gas:      58.6 MJ/l = 32 MJ/kg

**GRI 302-02: Energy consumption outside of the organization**

Currently, the business trips undertaken can be only included in terms of external energy consumption based on the records from the travel service providers. Work is constantly underway to determine other key consumption factors such as the transport of goods.

Area of application	2019 in GJ	2020 in GJ	2021 in GJ	2022 in GJ	2023 in GJ	2024 in GJ	2025 in GJ	2026 in GJ	2027 in GJ	2028 in GJ	2029 in GJ
Energy consumption in connection with business air travel.	1,633	472	537								
Energy consumption of company vehicles.	9,399	6,125	8,325								
Consumption figures other significant types of consumption (currently not yet available)	---	---	---								
<b>Total energy consumption:</b>	<b>11,032</b>	<b>6,597</b>	<b>8,862</b>								

Conversion: Basis:      1 kWh = 3.6 MJ; 1.0 MJ = 0.001 GJ  
 Motor vehicles:      Euro 5 reg. gasoline = 8.67 kWh/l = 31.21 MJ; Euro 5 reg. diesel = 9.797 kWh/l = 35.24 MJ;  
 Airplane:      kerosene = 34.2 MJ/l; consumption = 3.56 l/100km and person; emissions = 380 g CO<sub>2</sub>/km

### GRI 302-03: Energy intensity

Harro Höfliger calculates the intensity of energy consumption based on its annual sales and determines this as a key KPI - 11 on an annual basis (see end of section GRI 302). This results in the following calculation:

Energy quotient = total energy consumption of the company (internal and external consumption inside) / sales revenues (GRI 201-01)

Area of application	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total energy consumption within the organization (GJ)	37,935	37,597	42,171								
Total energy consumption outside the organization (GJ)	11,032	6,597	8,862								
Sales revenues in the relevant year (€ millions)	284	265	278								
<b>Energy quotient:</b>	<b>172.42</b>	<b>166.77</b>	<b>183.57</b>								

Note: The additional consumption in 2021 resulted mainly from the commissioning phase of two additional production buildings.

### GRI 302-04: Reduction of energy consumption

By frequently switching from face-to-face meetings to meetings via various software tools and using, for example, Hololens glasses technology for remote customer acceptance of our machines, significant savings were made on business travel during the coronavirus period.

This is also reflected in the presentation of energy requirements under GRI 302-02.

### GRI 302-05: Reductions in energy requirements of products and services

The reduction or additional consumption of annual energy at Harro Höfliger is determined using the energy quotient presented under GRI 302-03. Due to the annual change in the order situation and the resources employed, we do not regard any other method of presentation as being useful.

KPI-10	Achievement and maintenance of an energy quotient according to GRI 302-03 exceeding 100 as of the year 2025										
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status	172.42	166.77	183.57								

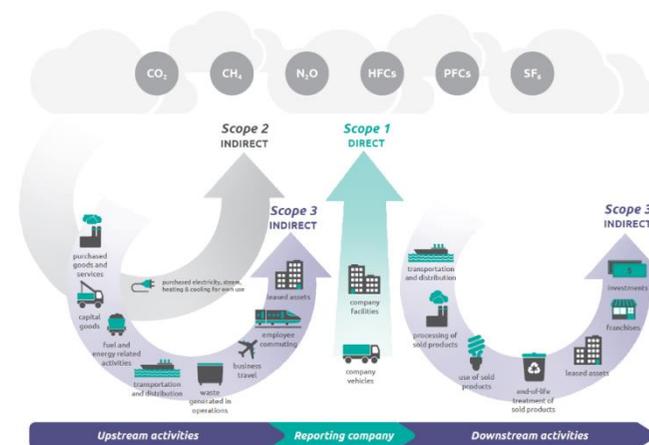
[GRI 307: Environmental compliance 2016](#)

[GRI 103: Management approach to GRI 307](#)

Harro Höfliger maintains an extensive legal register in order to comply with the applicable legal regime. In doing so, we are supported by an external legal firm and take into account federal, EU and state law as well as the relevant municipal law.

Harro Höfliger attaches great importance to certification on the topics of environment and energy. Certification according to DIN EN ISO 14001 has already been successfully achieved. Certification according to DIN EN ISO 50001 is being targeted for 2023.

Harro Höfliger operates its operating facilities in Allmersbach im Tal, Backnang, Aspach and Satteldorf. The Allmersbach im Tal site in particular can be regarded as a mixed industrial area.



Monitoring and follow-up of this topic is the responsibility of the QHSE department at Harro Höfliger and is ensured with the aid of the extensive legal register. These review activities are additionally the responsibility of Harro Höfliger's certified compliance officer. In order to monitor suspected violations of legal regulations, the existing internal compliance instructions must be applied at Harro Höfliger. There were no suspected cases of this type in the reporting period. The respective auditing activities are carried out by an accredited external auditing company (DEKRA). The management approach and materiality are described in the following table including the assignment to economic, ecological and social aspects, and the goals from the UN-Agenda 2030.

8. Sustainable environmental and climate protection	Goals of the UN-Agenda 2030.	
	Economic, environmental and social aspects.	Environmental compliance;
	Management approach and materiality for Harro Höfliger described in the Code of Conduct.	<p><b>We care for our future and operate sustainably.</b></p> <p>As a commercial enterprise, we develop and manufacture production and packaging systems for customers worldwide and additionally offer extensive support services. In this context, sustainable environmental and climate protection as well as resource efficiency are important corporate goals.</p> <p>In the development of new products and services as well as in the manufacture of production systems, we ensure that any resulting impact on the environment and climate is kept as low as possible and that our products make a positive contribution to environmental and climate protection.</p> <p>We are constantly working on innovative mobility and energy concepts that contribute to ecologically sustainable development.</p>

### GRI 307-01: Non-compliance with environmental laws and regulations

Any impacts on the local, surrounding community is be minimized to the greatest possible extent. Nighttime peace and quiet is ensured for the adjacent residents is primarily achieved through significant noise protection measures. In addition, nuisance is largely avoided by the selective timing of delivery activities by truck.

Maintenance of volunteer support activities and involvement with local clubs, local foundations, and business associations.

The company's intensive involvement in various investments and activities beneficial to the community further strengthens the good neighborly relationship. We promote an active health and safety culture among our employees and visitors to public family events through various programs.

All updates to individual legal topics are reviewed by externally appointed lawyers and evaluated for their relevance.

The relevant changes are entered into the in-house legal register and, where necessary, appropriate training is provided. As a result, compliance is consistently ensured in all areas.

KPI-11	Establishment and maintenance of certifications relating to energy and environmental aspects (DIN EN ISO 50001 and DIN EN ISO 14001).									
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Status 14001	Certified	Certified								
Status 50001	Not available	In preparation								

**The contact person for content related questions on our Sustainability Report is:**

Stefan Mayer, Senior Director QHSE - Certified Compliance Officer

[stefan.mayer@hoefliger.de](mailto:stefan.mayer@hoefliger.de)

**Closing remarks**

The management and Supervisory Board of Harro Höfliger have decided to deal even more intensively with the topic of sustainability, corporate social responsibility and business ethics. The present report is our first sustainability report in accordance with the GRI standard, with the aim of subjecting it to regular updates. DEKRA was commissioned to conduct an external audit of this Sustainability Report. A corresponding test report is included. In the future, we will be regularly evaluated on the topics of sustainability, ethics, labor and human rights, etc. via the internet portals EcoVadis, CDP, Avetta and SBTi, thus ensuring that all stakeholders are well informed.

**WE SUPPORT SAVING OUR FUTURE**

## GRI – CONTENT INDEX (1)

General Disclosures		Pages	Comments
	<a href="#">Introduction and Foundation</a>	<a href="#">2</a>	
<b>GRI 101</b>	<b>Foundation 2016</b>	<a href="#">2</a>	
<b>GRI 102</b>	<b>General Disclosures 2016</b>	<a href="#">3</a>	
	<a href="#">Organizational profile</a>	<a href="#">3</a>	
GRI 102-01	Name of the organization	<a href="#">3</a>	
GRI 102-02	Activities, brands, products, and services	<a href="#">3</a>	
GRI 102-03	Location of headquarters	<a href="#">3</a>	
GRI 102-04	Location of operations	<a href="#">4</a>	
GRI 102-05	Ownership and legal form	<a href="#">5</a>	
GRI 102-06	Markets served	<a href="#">5</a>	
GRI 102-07	Scale of the organization	<a href="#">5, 6, 7</a>	
GRI 102-08	Information on employees and other workers	<a href="#">7</a>	
GRI 102-09	Supply chain	<a href="#">8</a>	
GRI 102-10	Significant changes to the organization and its supply chain	<a href="#">9</a>	
GRI 102-11	Precautionary Principle or approach	<a href="#">9</a>	
GRI 102-12	External initiatives	<a href="#">9</a>	
GRI 102-13	Membership of associations	<a href="#">10</a>	
	<a href="#">Strategy</a>	<a href="#">13</a>	
GRI 102-14	Statement from senior decision-maker	<a href="#">13</a>	
GRI 102-15	Key impacts, risks, and opportunities	<a href="#">14</a>	
	<a href="#">Ethics and integrity</a>	<a href="#">15</a>	
GRI 102-16	Values, principles, standards, and norms of behavior	<a href="#">15</a>	
GRI 102-17	Mechanisms for advice and concerns about ethics	<a href="#">16</a>	
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GRI 102-19	Delegating authority	<a href="#">17</a>	
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GRI 102-27	Collective knowledge of highest governance body	<a href="#">18</a>	
GRI 102-28	Evaluating the highest governance body's performance	<a href="#">19</a>	
GRI 102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">19</a>	
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GRI 102-31	Review of economic, environmental, and social topics	<a href="#">20</a>	
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Key information		Pages	Comments
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<b>GRI 203</b>	<b>Indirect economic impacts 2016</b>	<a href="#">39</a>	CoC - Respect
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GRI 203-01	Infrastructure investments and services supported	<a href="#">40</a>	
GRI 203-02	Significant indirect economic impacts	<a href="#">40</a>	
<b>GRI 205</b>	<b>Anti-corruption 2016</b>	<a href="#">32</a>	CoC - Conflict of interests
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<b>GRI 401</b>	<b>Employment 2016</b>	<a href="#">41</a>	CoC - Respect
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GRI 401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">42</a>	
<b>GRI 403</b>	<b>Occupational health and safety 2018</b>	<a href="#">43</a>	CoC - Workplace
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GRI 403-01	Occupational health and safety management system	<a href="#">44</a>	
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GRI 403-03	Occupational health services	<a href="#">46</a>	
GRI 403-04	Worker participation, consultation, and communication on occupational health and safety	<a href="#">46</a>	
GRI 403-05	Worker training on occupational health and safety	<a href="#">47</a>	
GRI 403-06	Promotion of worker health	<a href="#">47</a>	
GRI 403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">47</a>	
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<b>GRI 418</b>	<b>Customer Privacy 2016</b>	<a href="#">34</a>	CoC - Protection of Information
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Abbreviation: CoC = Code of Conduct (reference to the sections of the CoC of Harro Höfliger)

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Date 27.10.2022

## Independent Assurance Statement

### Sustainability Report 2021 Harro Höfliger Verpackungsmaschinen GmbH

This assurance statement refers to the audit of the sustainability report 2021 of Harro Höfliger Verpackungsmaschinen GmbH, which was carried out by DEKRA Assurance Services GmbH in 2022 at the Harro Höfliger Verpackungsmaschinen GmbH site in Allmersbach im Tal.

The 2021 sustainability report refers in particular to the German headquarters in Allmersbach as well as the technology centre in Backnang, the logistics centre in Aspach, the production plants in Satteldorf and Schlierbach, and the development site in Remstal. For reasons of materiality, the worldwide sales offices and agencies are only marginally considered in the sustainability report. Company holdings are not explicitly considered.

#### Applied Auditing Standard

DEKRA Assurance Services GmbH has performed an independent sustainability audit in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised) with regard to the disclosures and key figures in the sustainability report 2021 of Harro Höfliger Verpackungsmaschinen GmbH, Allmersbach im Tal, Germany, for the reporting period from 1 January 2021 to 31 December 2021.

#### Audit Scope

As an independent partner, DEKRA Assurance Services GmbH reviews the credibility, transparency, completeness, and plausibility of the information in the sustainability report. The validation of the sustainability-relevant disclosures presented in the report was planned and carried out in such a way that we can express our conclusion with limited assurance. Based on a materiality and risk assessment, the internal management structure, systems, processes, process instructions and key indicators were validated to obtain limited assurance.

### Audit Summary

As part of the limited assurance engagement, an on-site audit, a document review and interviews with employees were conducted. The following audit activities were performed:

- Obtaining an understanding of the structure of the sustainability organisation
- Inspection of the corporate policy, the Code of Conduct, company agreements and documents on the corporate organisation (e.g. organisation charts, procedural instructions)
- Critical review of the corporate materiality analysis to identify material sustainability issues and derived measures
- Interviews with employees responsible for setting and monitoring the sustainability strategy, including those responsible for sustainability, management systems, quality, human resources, supply chain management, and compliance
- Review and critical assessment of the systems and processes for the collection, processing and control of the information and key figures in the sustainability report
- Analytical assessment of the disclosures in the report and performance of evidence-based, sample-based audit activities with regard to internal and external documents

### Result and Recommendations

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability-related disclosures in the sustainability report 2021 of Harro Höfliger Verpackungsmaschinen GmbH are not materially true and correct. The audited report in the present version fulfils the requirements of the GRI Standards Option "Core".

	Compliance	Comments
<b>Application Note</b>	✓	Option: Core
<b>GRI 101: Fundamentals – Principles of Reporting</b>	✓	In future, stakeholders should be involved more intensively in the process.
<b>GRI 102: General Disclosures</b>	✓	
<b>GRI 103: Management Approach</b>	✓	
<b>Disclosure of Material Topics</b>	✓	The information should be successively expanded and include additional topics, such as CO <sub>2</sub> emissions and materials in the future.
<b>GRI Content Index</b>	✓	

Evidence of registration of the report with the Global Reporting Initiative was not part of the audit.

Without restricting the above result, we recommend the following measures to further develop sustainability reporting:

- Successive expansion of the topics covered, e.g. CO<sub>2</sub> emissions and materials
- Establishment of standardised processes for the regular collection of key figures and compilation of information to ensure consistently high data quality
- Introduction of the 4-eyes principle to avoid transmission errors

### Use of this Declaration

Harro Höfliger Verpackungsmaschinen GmbH may only use this declaration in combination with the audited sustainability report in order to inform external parties about the reliability of the sustainability report in accordance with the guidelines of the GRI standards. The company may only reproduce this declaration in full and without omissions, changes or additions. The responsibility for all information presented in the sustainability report lies with Harro Höfliger Verpackungsmaschinen GmbH.

### Independence

DEKRA Assurance Services GmbH ensures independence by adhering to ethical requirements and professional standards based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct, as well as applicable legal, regulatory and quality assurance requirements.

The members of the audit team were not involved in any activities that could lead to a conflict of interest.

Stuttgart, 27 October 2022

**DEKRA Assurance Services GmbH**

i.V.   


**Peter Ruschin**  
Head of Sustainability Services

i.V.   


**Dr. oec. HSG Zoe Rost**  
Product Manager Sustainability Services