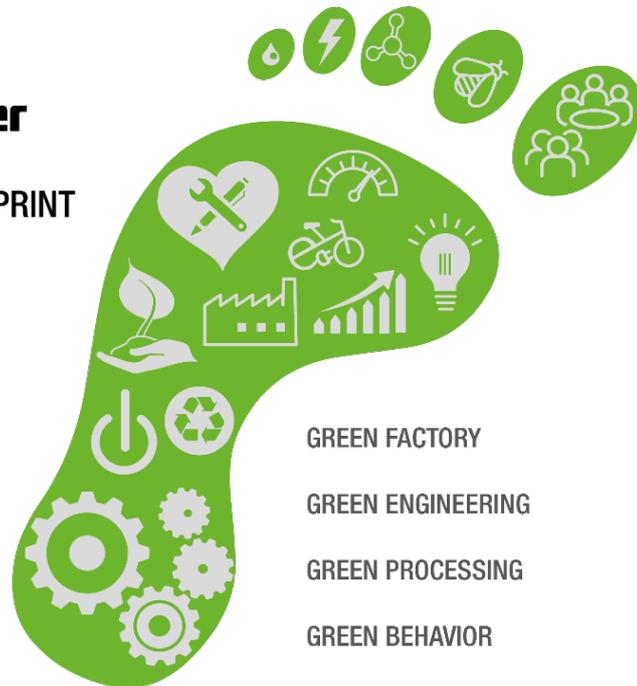


Sustainability Report 2021



ZERO CARBON FOOTPRINT



| Version | Date | Created by | Revision |
|---------|------------|------------|----------|
| 1.0 | 2021-06-22 | S. Mayer | New |

Contents

| | | |
|----------|--|-----------|
| 1 | Corporate philosophy | 4 |
| 1.1 | Our overall concept..... | 5 |
| 1.2 | Our mission..... | 6 |
| 1.3 | Our sustainability targets..... | 7 |
| 1.4 | Obligation..... | 8 |
| 2 | A strong partner | 9 |
| 2.1 | Leader of technology and finder of solutions | 9 |
| 2.2 | High-tech made in Baden-Württemberg | 9 |
| 2.3 | Company performance and staff development..... | 9 |
| 2.4 | Market shares and turnover per regions..... | 10 |
| 2.5 | Order and personnel structure | 10 |
| 2.6 | HH Academy: Driven by knowledge | 10 |
| 3 | Quality and sustainability organisation..... | 11 |
| 3.1 | QHSE organigram..... | 11 |
| 3.2 | Process Action System (PAS)..... | 11 |
| 4 | Sustainable development | 12 |
| 4.1 | UN Agenda 2030 | 12 |
| 4.2 | Applied sustainable procedures in machine construction at Harro Höfliger | 12 |
| 4.3 | Facts and figures | 14 |
| 4.4 | Responsibilities towards the supply chain | 17 |

| | | |
|----------|--|-----------|
| 5 | Process Action System update | 18 |
| 5.1 | Assessment of quality management 9001 | 18 |
| 5.2 | Assessment of GDPR | 21 |
| 5.3 | Assessment of anti-corruption management (ACM) | 22 |
| 5.4 | Assessment of compliance management system (CMS)..... | 22 |
| 5.5 | Assessment of information security management (ISM)..... | 23 |
| 5.6 | Assessment of occupational health and safety management (ASM) | 24 |
| 5.7 | Assessment of environmental management system (EMS) | 25 |
| 5.8 | Assessment of energy management system (EnMS)..... | 26 |
| 5.9 | Assessment of goals of UN Agenda 2030 | 27 |
| 6 | Training and promotion | 28 |
| 6.1 | Formal training for apprenticeships | 28 |
| 6.2 | Types of study offered..... | 28 |
| 7 | Cooperations | 29 |
| 7.1 | Excellence United | 29 |
| 7.2 | Alliance to Zero | 29 |
| 8 | Social and ethical commitment with ecosystem and biodiversity | 30 |
| 9 | Summary | 31 |

1 Corporate philosophy

Dear Reader of our Sustainability Report,

Independence, trust, loyalty, innovative power, creativity and the needs of our business partners always in sight – these have always been distinguishing factors at Harro Höfliger. We also wish to maintain this principle in the future. The foundation for this is not only our long-term thinking and actions but also solidarity in terms of our staff. With this in mind, we place value on continuity, reliability, closeness and mutual trust. These properties can be best fulfilled in their sustainability through the structure of the family-owned company.



Following our founder's vision, we have transferred the main areas of the company to a family trust, the Harro Höfliger Stiftung. This assures independence without individual persons having sole decision-making authority. The properties of a family-owned company are therefore closely connected to the structure of a highly dynamic industrial organisation.

This [code of conduct](#) brings together in one document our important ground rules and principles that are currently binding, just as they will be in the future. It is a requirement placed on ourselves, while at the same time being a pledge to the outside world to conduct ourselves responsibly in terms of customers, suppliers, the public, but also when dealing with each other within the company – in Germany and around the world.

1.1 Our overall concept

Our company was founded in 1975 by Harro Höfliger. Together with his wife, Marianne, and his partner, Manfred Reiser, he turned the one-man operation into a technology venture with international acclaim. As a family run business, we treat each other with respect. Honesty, candour and tolerance are important values at **HARRO HÖFLIGER**.

The hierarchies are on the same plane. People greet each other when they cross each other's paths. The doors are always open at all levels. We do not need appointments to discuss problems and we take time to find solutions together.

Being human is important to us. Our co-workers are included in the decision-making processes. Performance is recognised and agreements are adhered to. Many demands are made but a lot is also done. We consciously support joint activities.

[ALL YOU NEED] is our leitmotif. In other words, we orientate ourselves first and foremost around the desires and requirements of our customers.

The idea that everyone works together as a team is well established. We do not just sell machines but comprehensive solutions. Starting with the quotation right up to and including customer service, we have the customer project as a whole in mind.

Our aim is to establish and enhance our position at the pinnacle of engineering in all of our areas of business. With a wide-ranging knowledge base and modern working methods, we are the right partners for new developments from the concept of the project to series production.

During development of a machine, creativity and ideas are needed and are also promoted. To achieve this, we need good people who are capable of becoming part of a team.

In the area of technology, we are continuing to further develop ourselves and are always open to new requests and ideas from our customers. We make the impossible possible and work closely with our clients to realise this. In the process of doing so, we do not hold fast to our own ideas.

We place great value on the sustainable use of energy and raw materials and are committed to handling the resources that are available with care. In this context, we are also strongly committed to utilising photovoltaic and water treatment systems.

Our future lies in well trained personnel. To this end, we invest in in-house training and continuing professional development. Despite a diversity of characters, we promote everyone according to their abilities. We employ them in areas where they perform their best. At the same time, we do not rest on our laurels but are open to change. Our organisation is adjusted to meet the demands. We continue to adapt.

Innovation and technical development on one hand, traditional values like trust, fairness, hard work, reliability and loyalty on the other form the basis of our success. This is also expressed in our long established working relationships with partners and suppliers.

In the next generation, we will thereby continue the ethos that Harro Höfliger began in 1975 when the owner-run company was founded.

We will preserve our independence.

1.2 Our mission

With the vision of our founder "We are and continue to be a family-owned company – attractive for employees and customers", we describe our image of the future.

We orientate our strategies and our corporate aims around this.

We have described the mandate of our company in our mission:

[ALL YOU NEED]

- We design customer-specific production solutions – from the process development stage and pilot systems to high performance lines.
- We begin our partnership with our customers in the pharmaceutical development phase.
- We ensure production reliability through service-oriented thinking and acting.
- We rely on our highly skilled and motivated employees. We are the technology leader in our core areas.
- We are profitable and are growing faster than the competition.

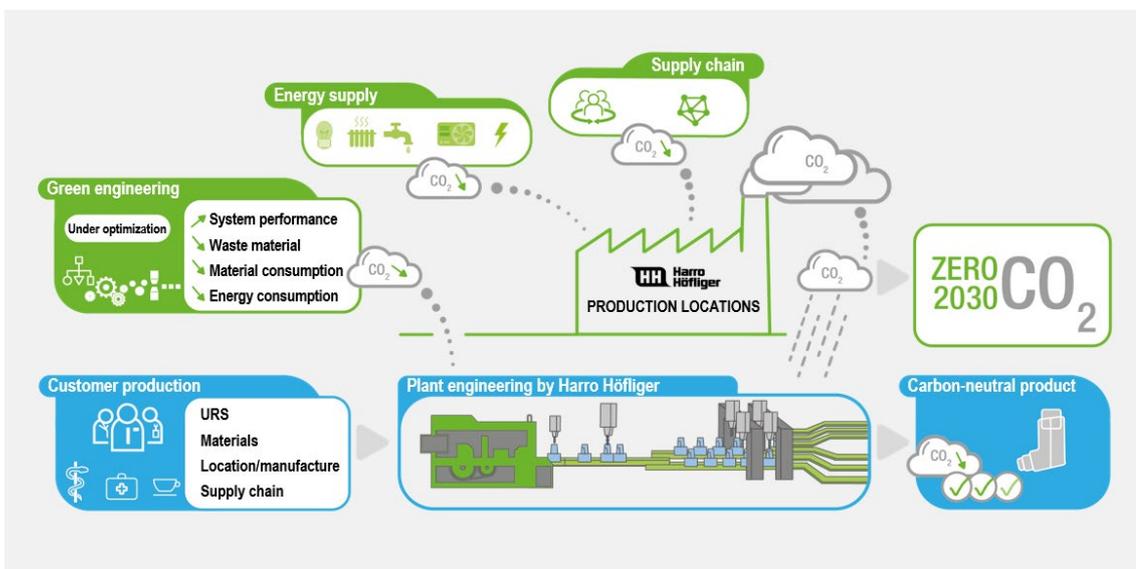
1.3 Our sustainability targets

Zero carbon emission by 2030:

Our production will become climate-neutral through CO₂ reduction measures within the company.

Our customers will produce climate-neutral products on our CO₂-reduced machines and systems.

[ALL YOU NEED] is to go green.



Current measures for sustainability:

| | | |
|--|--|---|
|  <p>Expansion of digital communication for mobile working models and customer service Reduction of business trips and traveling</p> |  <p>Sustainable print management for information material in paper form Reduction in volume of paper consumed by business processes</p> |  <p>Harro's Honey Factory: a sustainable project that extends further than honey as a product A host of other renaturation projects in the local network</p> |
|  <p>2021 Expansion of documentation on the energy balance of systems and machines</p> |  <p>More than 280 employees involved in the "e-bike leasing" campaign</p> |  <p>Electricity generated ecologically using photovoltaic technology (95,000 kWh/year) E-mobility charging stations on site</p> |

1.4 Obligation

Our corporate philosophy with the vision and the code of conduct stated on our company website, our overall concept, our mission and our sustainability targets are binding and in force for all departments of the organisation.

For the Senior Management

Harro Höfliger
Verpackungsmaschinen GmbH



Thomas Weller

[CEO]

For the Supervisory Board

Harro Höfliger
Verpackungsmaschinen GmbH



Markus Höfliger

[Chairman]

2 A strong partner

2.1 Leader of technology and finder of solutions

[ALL YOU NEED]

What you can expect
More than just mechanical engineering: We focus on the entire lifecycle of your product.

What drives us forward

- The excitement of the challenges you face and the successes you achieve
- Innovative complete solutions for manufacturing pharmaceutical and medical products, as well as consumer items

What distinguishes us

- Versatility
- Passion
- Precision
- Experience

2.2 High-tech made in Baden-Württemberg

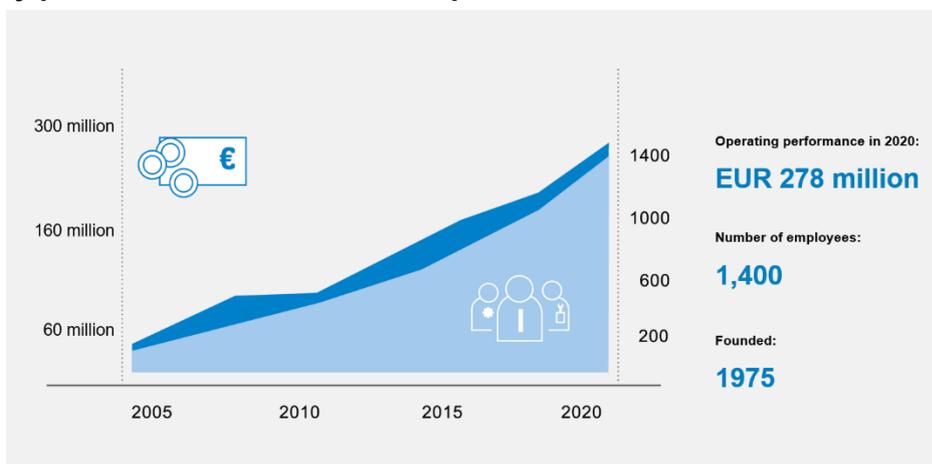
Assembly: 26,900 m²

Production: 2,500 m²

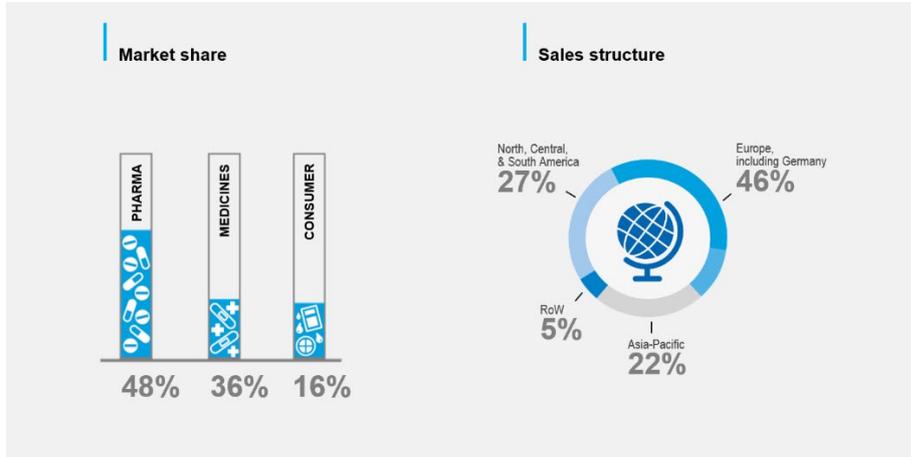
Logistics: 3,000 m²

Office space: 10,000 m²

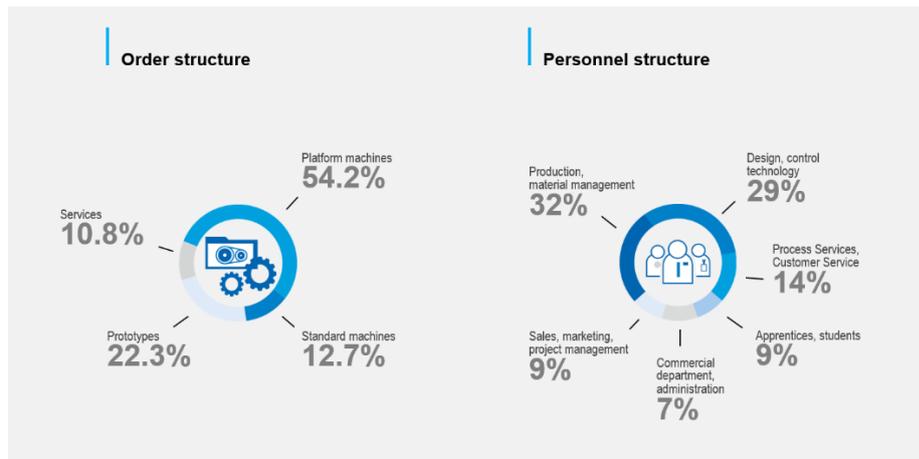
2.3 Company performance and staff development



2.4 Market shares and turnover per regions



2.5 Order and personnel structure

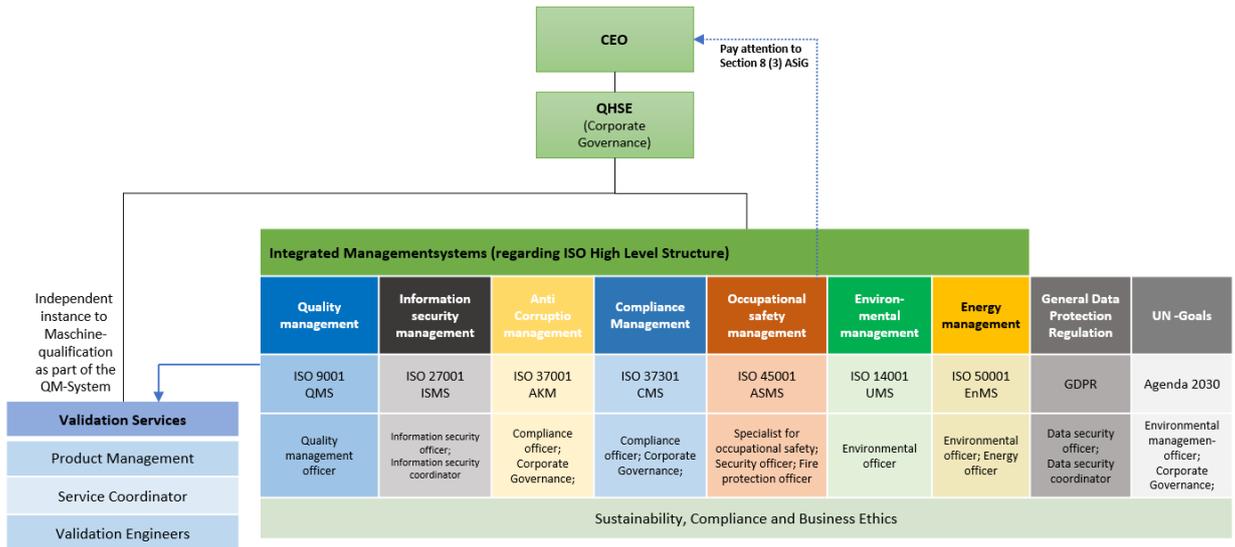


2.6 HH Academy: Driven by knowledge



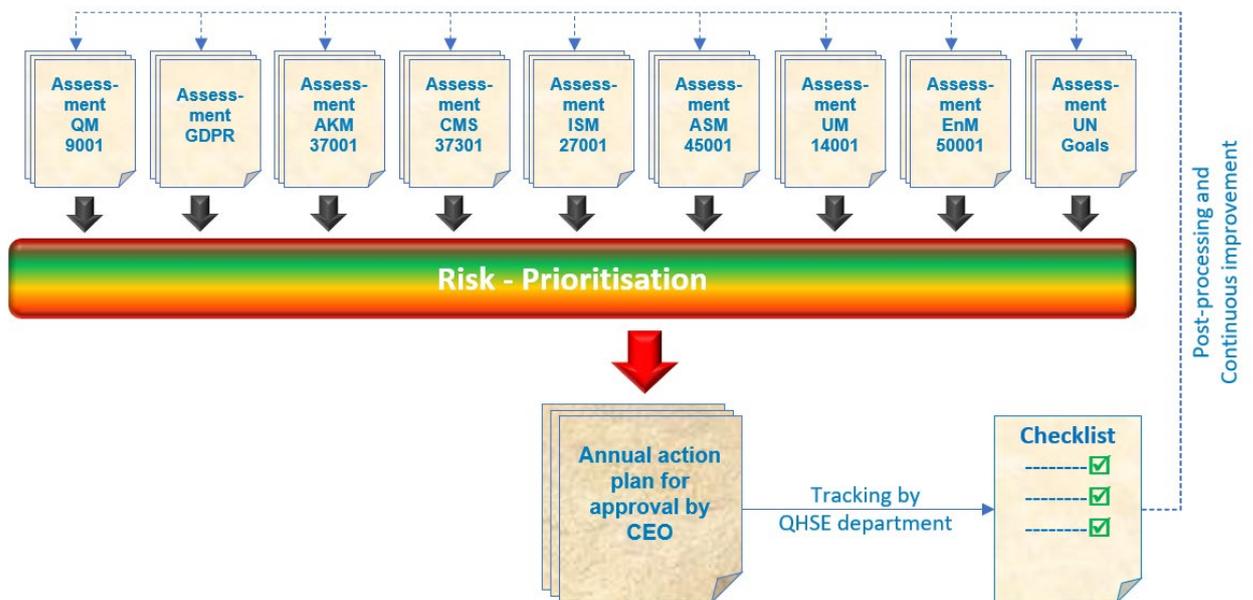
3 Quality and sustainability organisation

3.1 QHSE organigram



3.2 Process Action System (PAS)

Harro Höfliger GmbH has introduced a PAS to assure the post-processing of any deviations that are encountered and for ongoing improvement. The status of the PAS action plan - updated annually or according to current events - will be monitored at least quarterly in central meetings held by the head of the QHSE department.



4 Sustainable development

4.1 UN Agenda 2030

The 17 global Sustainable Development Goals of Agenda 2030 (SDG's) are directed at everyone: not only governments around the world but also civil society, the private sector and science.

Harro Höfliger Verpackungsmaschinen GmbH acknowledges these goals and has defined not only internal but also external measures for all points.



Image source: Website of the federal government on the topic of sustainability

4.2 Applied sustainable procedures in machine construction at Harro Höfliger

During the design and development phase, we place a great deal of importance on the environmental impact of our products. Some examples of energy reduction during the operation of our machines:

- With moving masses, a shift is made towards structures from bionics for which applicable and suitable design software is in use. A large amount of the electrical energy is converted into kinetic energy in the machines. As with electrical mobility, machines too can recuperate energy during the braking process. This energy can be stored and reintroduced into the system. We offer our customers the option of equipping the machines with active energy management devices. By reusing the braking energy, energy efficiency is increased as it can be used to facilitate a saving in current peaks of up to 10% for subsequent acceleration phases.

- With inhouse-developed measuring technology, we achieve further weight reductions of moveable components of up to 90% compared with conventional measuring systems.
- For each product, for each movement, our staff operate strictly according to the principles of "green design and development" by comparison and consideration with regards to whether e.g. an electric drive is more efficient than a pneumatic drive or whether a vacuum pump can be deployed better than a venturi nozzle.
- Our staff attend regular training courses on which topics such as correct sizing of pneumatics have become a quality standard. No surplus air consumption caused by excessively long lines or oversized cylinders. By correctly configuring components and optimising the hoses and circuits, the air requirement of the systems is minimised.
- We employ an analysis tool to determine the air consumption on machines in order e.g. to compare the air consumption on systems of the same design. This measurement helps our customers in laying out the network in their factory for our machines. During servicing, these consumptions are checked by us and, if necessary, inspected for leaks or other anomalies in the event of changes.

4.3 Facts and figures



For its employees, Harro Höfliger GmbH has established all social protection systems according to German law and employee remuneration is far higher than the minimum wage according to the principle of performance equality.

We require all of our contractors to follow our code of conduct and in this way ensure that relevant principles are also observed even outside our company.

Our company places great importance on diversity at Management level of the organisation. Not just a balanced mix of genders but also generations and cultures has been pursued with greater importance and aspired to in recent years. A mark of success in this regard in recent years has been the appointment of more women at Management level.

Currently, 13 of the 149 management posts are held by women. This equates to a percentage of 8.7%.

Aim for 2021: Continual increase.

We respect and support in particular the adherence of internationally recognised human and children's rights and reject all forms of forced and child labour. We employ the code of the Ethical Trading Initiative as a basis.



The number of apprentices in the company's own HH Academy in 2020 is currently 9% of 1400 employees which equates to 126 trainees.

Aim for 2021: 10% of workforce to be trainees

Harro Höfliger presently employs 2% severely handicapped people and aims, as has always been the case, to fully integrate them in the workplace. In cases where the required applicants do not come forward for jobs that we offer, we work very closely with various institutions for our labour supply. Failure to comply with the legislative requirement is presently compensated for by an equalisation levy.

Aim for 2021: Achievement of the legislative requirement of 5% (SchwbG)

By introducing the option of remote working with up to 20% for jobs with chiefly office activities, we have been able to achieve a higher level of flexibility for our

staff, who frequently expressed the desire for this. Not only that but we have been able to significantly reduce resources.

Models for expanding this topic even further are already being worked on.



With comprehensive preventative concepts such as workplace- and process-related risk assessments accompanied by suitable training, Harro Höfliger shows where its priorities lie – with its employees!

For this reason, safe workplaces have the highest priority at Harro Höfliger and necessary improvement measures are implemented immediately. A risk-based Process Action System provides support in its implementation.

The percentage of days off sick per employee in 2020 was 4.9%.

Aim for 2021: Lasting reduction to < 4.5%

The accident rate in 2020 in the company was 25 > 3 lost working days.

Aim for 2021: No accident with > 3 lost working days.

The average age in 2020 in the company was 39.5, with a fluctuation of 3.7%.

Aim for 2021: Lasting reduction of fluctuation < 3.5%.



Harro Höfliger offers filtered drinking water to its employees in the departments free of charge. The water is always available carbonated or still as well as chilled or hot.

Naturally, we ensure that all sanitary facilities comply with current legislation and are cleaned regularly. A clear separation of waste water containing active substances is ensured. With renaturing programmes, Harro Höfliger supports the restoration of water eco-systems and makes an important contribution in this way towards maintaining the water quality outside the company as well. Concepts for the use of biologically degradable plastics and training of our staff in water and waste reduction play a further part in this regard.

The total amount of water drawn in 2020 was 6953 m³

Aim for 2021: Reduction in the amount drawn.

The total amount of waste water produced in 2020 was 6902 m³

Aim for 2021: Reduction in the discharge amount.

The total amount of waste water with contaminants for combustion in 2020 was 51 m³

Aim for 2021: Reduction in the amount.



A programme for converting primary substances supplied to the company into renewable energy has also been launched, such as the increase in energy efficiency in connection with a reduction in the energy consumption as a sales ratio.

We are sustainably renovating our buildings with the necessary infrastructure and operate a sustainable planning system for industrial building expansion. In doing so, we ensure that where external planners are used they are committed to sustainability and CO2 reduction, and this too includes all contractors of Harro Höfliger.

In 2020, the total energy consumption was **9480 MWh**

Aim for 2021: Reduction in the total energy consumption by 5%.

The total amount of greenhouse gases produced by us in 2020 was **4805 t CO2**

Aim for 2021: Reduction in the total amount by 5%.



During the planning phase of its industrial buildings, Harro Höfliger ensures the sustainable utilisation of space. For the movement of goods and persons, the company also employs electrically-powered transport systems for sustainable energy use.

Electric bike leasing for employees and electric vehicles as company cars are also supported by Harro Höfliger. To better monitor the use of resources, a comprehensive data recording concept was introduced. Consumption, yield losses, waste and waste recycling can be evaluated comprehensively and therefore sustainably reduced.

To protect eco-systems, we ensure that there is a suitable amount of woodlands and marsh areas on our company sites. Harro's Honey Factory is another example for the sustainable protection of biodiversity and the preservation of habitats.

Yields loss in in-house production in 2020 was **66%**

Aim for 2021: Reduction to < 5%.

The total amount of waste in 2020 was **856 t**, of which **333 t** was recyclable.

Aim for 2021: Reduction to 800 t

The inclusion of suppliers is assured by an agreement to our terms and conditions and thereby our code of conduct. In addition, we will launch a comprehensive opinion poll.

Aim for 2021: Feedback from questionnaire \geq 80%



Harro Höfliger has introduced its own code of conduct and published it for all employees and interested parties. All employees and external partners have been made aware of their obligation. All critical data are managed and stored in accordance with the data protection act (German DSGVO).

For our information security system (ISMS), an up-to-date, external and very positively rated audit was carried out. Harro Höfliger only procures fair trade purchase parts for its machines and commits its employees to procuring only fair trade products too.

We rely on our existing international knowledge to do this.

4.4 Responsibilities towards the supply chain

All of our suppliers and service providers (contractors) are obliged to adhere to the code of conduct by way of our general terms and conditions and are also held to account in terms of sustainability with the aid of questionnaires and audits. In addition, the questionnaires are used to survey the legislative requirements regarding the adherence to occupational health and safety.

Any suppliers who refuse to comply with the general terms and conditions are excluded from the supply chain.

5 Process Action System update

5.1 Assessment of quality management DIN EN ISO 9001

The DIN EN ISO 9001:2015 implemented by Harro Höfliger is orientated around the basic structure for management standards as laid down in the ISO directive and has 10 chapters:

- 1_Area of application
- 2_Normative references
- 3_Terms and definitions
- 4_Context of the organisation
- 5_Leadership
- 6_Planning for the QM system
- 7_Support
- 8_Operation
- 9_Performance rating
- 10_Improvement

Applying the principles of Quality Management entails systematically recording customer expectations, taking them into account by agreeing upon suitable goals and measures as well as effectively and efficiently fulfilling them as part of defined processes using the skills and abilities of all employees and cultivated relationships with relevant interested partners.

In their basic structure, all integrated management systems follow the DIN EN ISO 9001:2015 with comparable chapters.

Data protection and information security are viewed as elementary at Harro Höfliger Verpackungsmaschinen GmbH alongside the ongoing monitoring of anti-corruption security in accordance with DIN ISO 37001:2018. A system pursuant to DIN EN ISO/IEC 27001:2017 serves as a basis for setting up, implementing, maintaining and continually improving a documented information security management.

In addition to quality management, we have established an energy management system in accordance with DIN EN ISO 50001:2018 and an environmental management system compliant with DIN EN ISO 14001:2015 as an important contribution towards sustaining a healthy environment. This brings together defined environmental targets and an environmental programme alongside our company environmental policy.

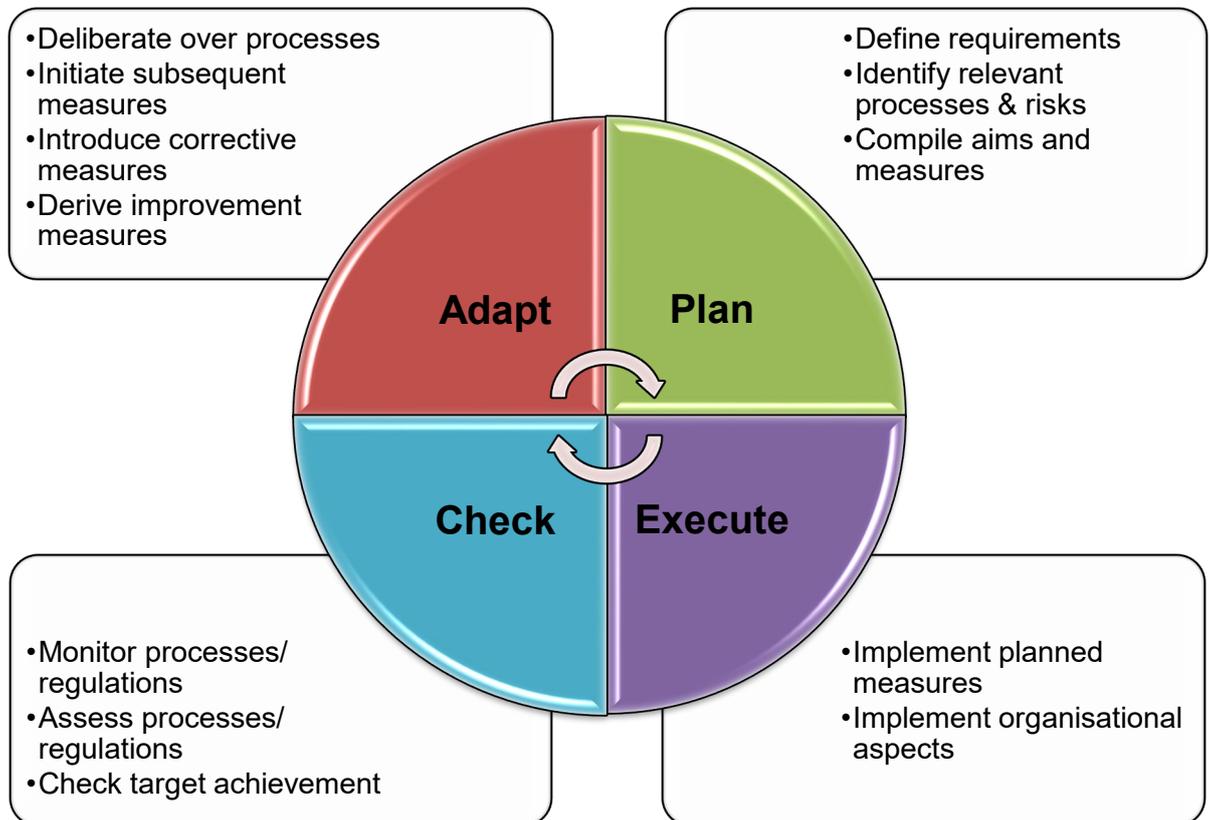
With the aid of the newly introduced ISO 37301, we are able to safeguard the subject of compliance management.

For the integration of occupational health and safety in the company and therefore also for the preservation of competitiveness, Harro Höfliger Verpackungsmaschinen GmbH follows DIN EN ISO 45001:2018 with regard to employment protection.

A PDCA cycle has been established for all integrated management systems.

Harro Höfliger Verpackungsmaschinen GmbH opted for a process-orientated approach during the introduction of the management systems.

For this reason the PDCA cycle (plan, do, check, act) is applied not only to the quality management system but also all other management systems.

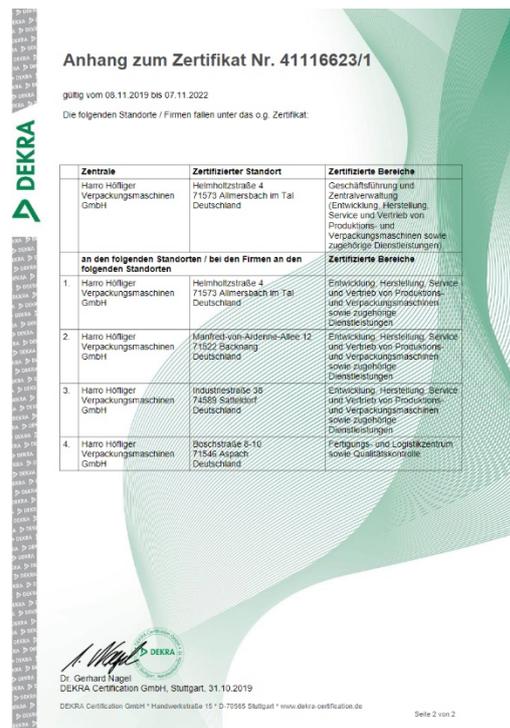


As a future-orientated company, Harro Höfliger Verpackungsmaschinen GmbH utilises the synergy effects from integrated management systems of the ISO high-level structure. The following goals shall be reached in the process:

- Reduction in management complexity through common documentation of individual systems.
- Identification and optimisation of interfaces and simplification of complex process and organisation structures.
- Increase in efficiency by avoiding a duplication of efforts with associated saving of costs and time.
- Exposure of conflicting requirements and possible target conflicts with an increase in acceptance among employees
- Fulfilment of requirements of our customers, employees, business partners and legislators
- Positive contribution towards achieving the objectives of the specified 17 goals of the United Nations in the area of sustainability
- Avoidance of corruption and bribery at all management levels

The integrated management systems are presented in 3 manuals.

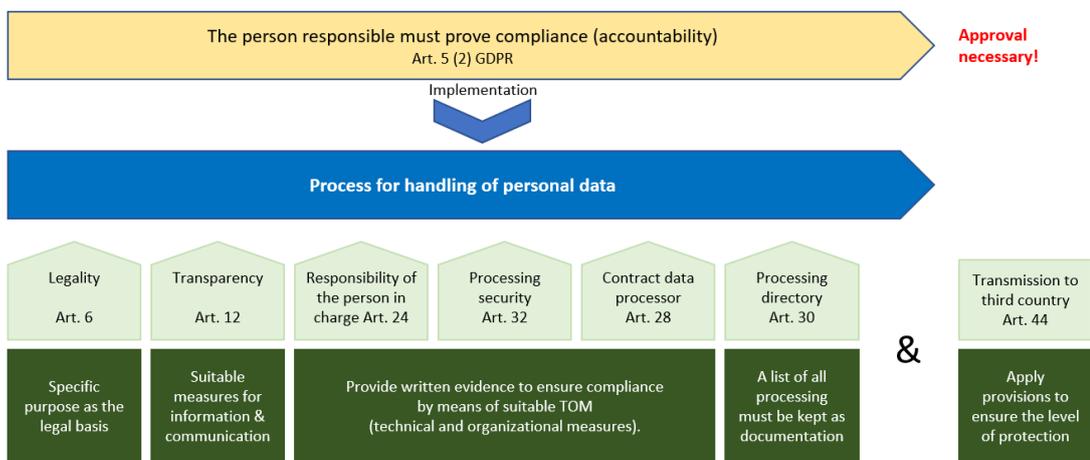
The last DIN EN ISO 9001 certification of the company took place in November 2019.



5.2 Assessment of GDPR

With the aid of a procedural instruction, Harro Höfliger GmbH has established a procedure for integration, operational use and the process for continual improvement during implementation of the data protection management system in accordance with the General Data Protection Regulation (GDPR) at Harro Höfliger Verpackungsmaschinen GmbH (HH).

The inclusion is based on the following process:



The implementation follows the PDCA cycle described in the area of quality management.

In connection with the GDPR, a stock-check is carried out during the planning phase to understand the data protection-relevant processes, rules and monitoring. Furthermore, a necessary gap analysis is carried out for the legal compliance assessment and for identifying any action required.

The organisation and preparation of the requisite adaptation measures is covered under the step "Execution" of the PDCA cycle in the same way as execution of the necessary measures for adherence to the GDPR.

In the step "Check", measures for monitoring and assessment of the newly introduced processes are established in order to check target achievement.

Among these are random tests of the newly implemented processes, checks of the training courses held and internal audits.

For adaptation, provision is made for topics such as corrective measures, optimisations and ongoing improvement.

All pending measures or anomalies in the audits are recorded in the central Process Action System (PAS) with prioritisation.

This assures ongoing monitoring and improvement for processing compliant with data protection regulations.

On conclusion of the internal establishment and checking, external audits are initiated and deployed alongside monitoring.

5.3 Assessment of anti-corruption management (ACM)

To assess the risk of corruption, Harro Höfliger GmbH maintains a rating system within the management structure to combat corruption. This system is used not only to identify potential risks of corruption but also to classify the criticality with subsequent course of action.

ACM risks at company level are determined with the aid of a SWOT analysis.

The ensuing procedure for risk assessment in the area of anti-corruption management (ACM) in accordance with DIN ISO 37001:2018 and the handling of deviations at Harro Höfliger Verpackungsmaschinen GmbH (HH) is defined by means of a work instruction and implemented accordingly.

Fundamental requirements on the topic of ACM are clearly laid down in the company's code of conduct.

All pending measures or anomalies in the audits are recorded in the central Process Action System (PAS) with prioritisation.

5.4 Assessment of compliance management system (CMS)

To safeguard legal compliance, Harro Höfliger GmbH has decided to introduce a system in accordance with the new ISO 37301:2021.

The processes will be established equivalent to all integrated management systems as per the PDCA cycle and all pending measures or anomalies in the course of the audit will be recorded in the central Process Action System (PAS) with prioritisation.

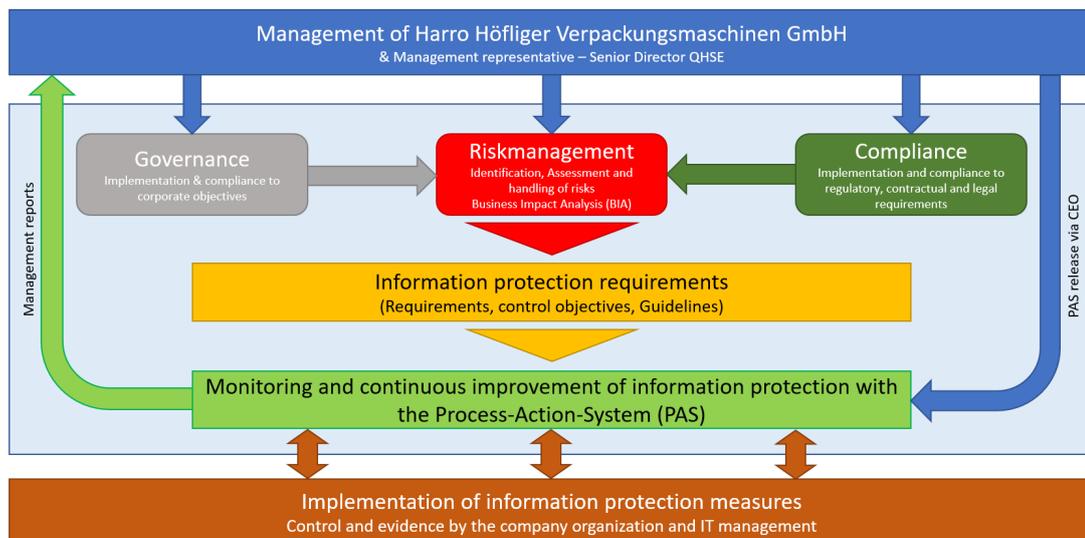
The email address: compliance@hoefliger.de has been setup specifically for any violations in compliance and can be used by our internal and external interested parties for confidentially reporting compliance issues.

The number of compliance violations and corruption cases is part of the annual Management Review.

5.5 Assessment of information security management (ISM)

With the aid of a procedural instruction, a procedure has been implemented at Harro Höfliger Verpackungsmaschinen GmbH (HH) for integration, operational use and the process for continual improvement during implementation of the information protection management system in accordance with DIN EN ISO/IEC 27001:2017.

The implementation of integration is based on the following process:



The inclusion of the ISM system follows the process-orientated approach (PDCA cycle) described in the QM manual.

In the first process step, the identification, the assessment and the handling of risks are carried out in consideration of the company objectives and the adherence to compliance.

The specified risk analysis was carried out according to the requirements of a work instruction especially written for this purpose. It assesses the business impact throughout the entire corporation.

For all systems, elementary hazards, force majeure, organisational shortcomings, human error, technical failure, negligent acts, personnel availability, reliability of services and incorrect handling of machine and production data are assessed.

An audit of the company was carried out by TÜV Rheinland in May 2021 with an extremely positive outcome. At the time of this report we are awaiting the certificate.

5.6 Assessment of occupational health and safety management (ASM)

Occupational health and safety management at Harro Höfliger GmbH is part of the processes illustrated and described in the HSE manual.

As with all integrated management systems, the inclusion of the ASM system follows the process-orientated approach (PDCA cycle) described in the QM manual.

At company level, the risks on the topic of occupational health and safety are recorded using a SWOT analysis. Particularly in the areas of occupational health and safety and the environment, the topics here are likewise elementary.

At production level, the following risk analyses are carried out at Harro Höfliger GmbH in the area of health & safety (HS) on the basis of DIN EN ISO 45001:2018 and measures implemented:

- Main risks concerning process safety
- Fire risks and risks relating to the interruption of operation
- Work safety risks
- Physical risks
- Risks caused by poor workplace hygiene
- Risks caused by radiation
- Ergonomic risks

On the topic of environment (including sustainability), there are also the following assessments in accordance with DIN EN ISO 14001:2015 and DIN EN ISO 50001:2018:

- Risks relating to environmental effects
- Risks relating to energy consumption

Strategic and operative HSE goals are defined and tracked in the Process Action System (PAS). It is the responsibility of the Senior Director of QHSE and the management to document the implementation of the company goals and to monitor the achievement of goals.

Also in the area of HSE, Harro Höfliger GmbH must be ready for changes to the requirements and necessities at all times. Particularly due to the continued growth of the company, new work environments arise as well as challenges that impact the environment.

For this reason, the structure, active care and monitoring have been transferred centrally to the Senior Director QHSE by the highest management level of Harro Höfliger GmbH as well.

5.7 Assessment of environmental management system (EMS)

Sustainability is an integral part of our long-term company strategy. Certified according to DIN EN ISO 14001:2015, we document the careful use of natural resources and the environmental compatibility of our products. In terms of production, we engineer all processes so that they are as energy-efficient and environmentally friendly as possible – this philosophy starts from the procurement of materials and continues through to recycling. Furthermore, we are committed with targeted measures for the environment, such as the generation of green electricity.

As with all integrated management systems, the inclusion of the EM system follows the process-orientated approach (PDCA cycle) described in the QM manual.

During procurement, we take account of the impacts on the environment with regard to utilisation and disposal.

We place importance on resource conservation, energy saving and environmental comparability during the design and development of our systems as well as during the planning of our building projects. Economic activity and production often require encroachment on nature and the environment. Due to this we willingly take the responsibility to continually improve the environmental compatibility of our products and to reduce the impact on natural resources. Environmental protection does not just benefit natural resources, it also positively affects our company. We therefore seek cost-effective, environmentally and socially compatible solutions for our products, from manufacturing to disposal. The development of a well-founded environmental awareness during day-to-day work applies to all employees.

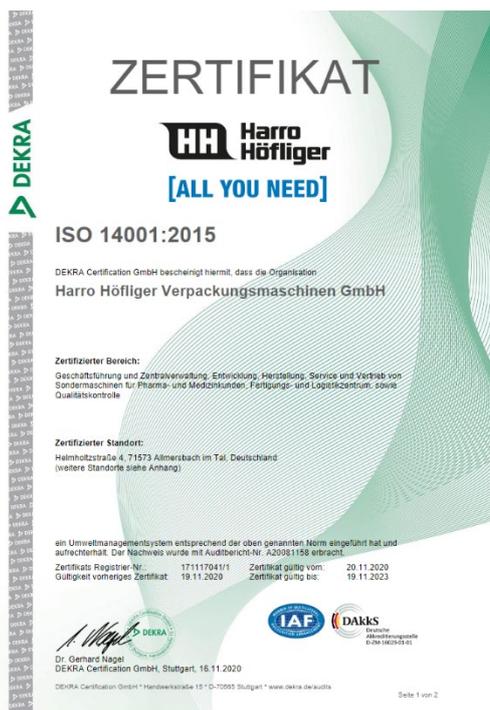
We promote the environmental awareness of our employees and ensure that in environment-relevant areas courses and further training measures are offered.

The recording of environmental data shall form the basis for the long-term saving of energy and resources.

We adhere to environmental legislation, legal requirements and arrangements as well as the binding obligations defined by ourselves. These are regularly checked and updated as necessary.

All pending measures or anomalies in the audits are recorded in the central Process Action System (PAS) with prioritisation levels.

The last DIN EN ISO 14001 certification of the company took place in November 2020.



5.8 Assessment of energy management system (EnMS)

The structure of the EnMS at Harro Höfliger GmbH is based on the DIN EN ISO/IEC 50001:2018. The processes in the HSE manual are observed across all of our regional sites.

This integrated management system also follows the process-orientated approach (PDCA cycle) described in the QM manual.

For recording and rating, internal and external risk-laden influences relating to energy management at HH are considered and classified according to their overall criticality.

External influences in this regard are national or industry-specific requirements or standards, constraints or limitations of the energy supply, safety and reliability, energy costs or availability of energy types, weather influences, influences of climate change and influence on greenhouse gas (GHG) emissions.

Internal influences are core business targets and strategy, asset management plans, financial resources that have an impact on the company, maturity and culture of energy management, considerations of sustainability, emergency plans in the event of energy supply interruption, maturity of current technology and operating risks and liability considerations.

All pending measures or anomalies in the audits are recorded in the central Process Action System (PAS) with prioritisation.

5.9 Assessment of goals of UN Agenda 2030

This topic has already been covered in detail under item 4 of this document.

6 Training and promotion

6.1 Formal training for apprenticeships

create your future

Our modular system enables the training of the following industrial professions via the IHK (Chamber of Industry and Commerce) Stuttgart:

- Mechatronics Engineer
- Electronics Technician for Automation Technology
- Industrial Business Management Assistant



We actively support our young generation with a successful training program. Just how successful, for instance, is shown by numerous awards received and a long list of winners of competitions held by the Chamber of Trade and the Chamber of Industry and Commerce (IHK).

6.2 Types of study offered

create your future

The cooperative bachelor degree program at the Baden-Württemberg Cooperative State University (DHBW) in Stuttgart or Mosbach as well as a cooperative postsecondary education at the Ulm University (Ulm Model) includes the following:

- Mechanical Engineering (B.Eng) – Packaging and Automation Technology
- Information Technology (B.Eng) – Information Technology Engineering
- Business Management and Engineering (B.Eng) – International Technical Sales Mgmt.
- Business Management and Engineering (B.Eng) – International Production and Logistics
- Business Information Systems (B.Sc)
- B.Eng. and Industrial Mechanic (Ulm Model)
- B.Eng. and Electronics Technician for Automation Technology (Ulm Model)



7 Cooperations

7.1 Excellence United



Excellence United
The Community of Experts

- The entire support of your value chain from a single source while observing the high Excellence United standards.
- Best-in-class equipment and services with high problem-solving expertise and focus on pharmaceutical products.
- Cost benefits for the overall project.
No surcharges on merchandise for projects involving more than one manufacturer within Excellence United.
- A worldwide service network which is unique in size, presence and branch focus.

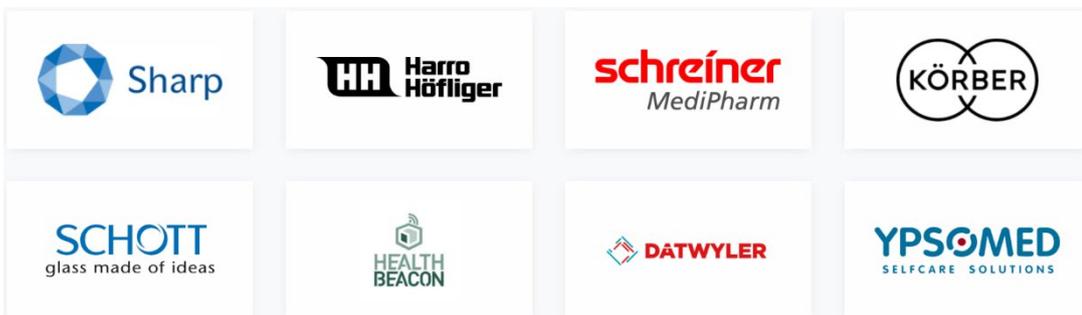



7.2 Alliance to Zero



Our federation has set itself the task of facilitating the transition of the supply chain for the pharmaceutical and biotech sector to adhere to net zero emissions in agreement with the aim of the Paris climate agreement.

Eight founding organisations have established a non-profit membership association that represents the pharmaceutical supply chain.



8 Social and ethical commitment with ecosystem and biodiversity



Renaturing of the Allmersbach that flows through the heart of our town.

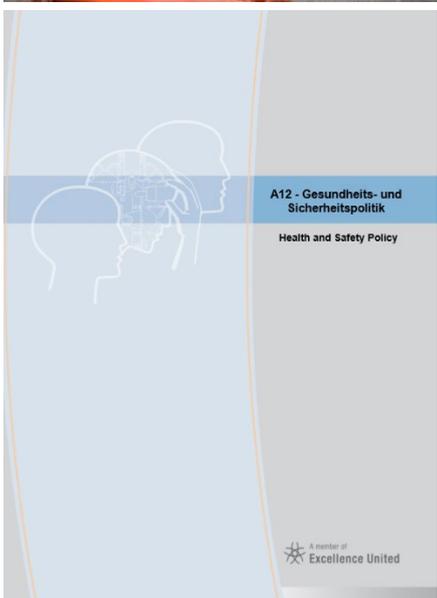
Reforestation and silviculture in harmony with the existing landscape all around our company premises.

We actively contribute towards maintaining the diversity of flora and fauna in the surrounding area by sponsoring bee colonies that have made their home on our company site.



Development of a sound environmental awareness among all employees.

Promotion of an active health and safety culture for employees and visitors to our sites.



Company health management for employees.

Adherence to the [ETI base code](#) of the Ethical Trading Initiative.



9 Summary

The management and the supervisory board of Harro Höfliger GmbH have agreed in principle to become more intensively involved in sustainability, corporate social responsibility and company ethics. This report is our first sustainability report with the aim of updating it every 2 years.

In future, we will report at regular intervals on the topics of sustainability, ethics, labour and human rights etc. via the internet portals CDP and EcoVadis and through this will assure continued good public relations.

Contact for questions relating to the contents of this sustainability report:

Stefan Mayer, Senior Director QHSE

stefan.mayer@hoefliger.de