



SUSTAINABILITY REPORT '25

Financial Statements for the Years 2023/24



FOREWORD

Markus Höfliger,
Chairman of the Supervisory Board

As a globally active, family-run company serving a wide number of differing customer markets, Harro Höfliger is aware of its responsibilities: to its customers, business partners and employees as well as to society and the environment.

This results in tasks and opportunities – we devote great attention to both. In close collaboration with our customers and suppliers, we continuously improve our processes and work to minimize the ecological footprint of our products – durable, high-quality machinery and production systems.

Not only the technology, but also the people at Harro make sustainability possible. We value their individuality and give them the space to develop according to their talents.

Through our family foundation, employee training and continuing education are firmly enshrined in our articles of association. To this end, we are committed beyond business concerns, for example to sports, culture and social projects.

In this report, we present our activities and progress in the area of sustainability – aware that there is always something to improve.

As Chairman of the Supervisory Board of Harro Höfliger, I am proud that the commitment to sustainability and climate protection is firmly anchored as a corporate goal. This makes us future-proof and is the legacy we create for future generations.

Markus Höfliger

CONTENT

1 STRATEGY AND MANAGEMENT

1.1	Harro Höfliger at a Glance	4
1.2	Sustainability Strategy	8
1.3	Sustainability Goals	11
1.4	Sustainability Organization	12
1.5	Stakeholder Management and Materiality Analysis	13

2 CLIMATE AND NATURE

2.1	Climate Neutrality	16
2.2	Resource efficiency and environmental protection	18
2.3	Circular Economy	21

3 PEOPLE AND SOCIETY

3.1	Diversity, employees and personnel development	25
3.2	Occupational health and safety	29
3.3	Responsibility in society and supply chain	32
	Human Rights Report	34
3.4	Product safety and integrity	36

4 GOVERNANCE

4.1	Corporate governance	38
4.2	Anti-corruption	39
4.3	Political engagement	40
4.4	Information Security	41
4.5	Reporting	42



1

STRATEGY AND MANAGEMENT

Harro Höfliger develops and manufactures production and packaging systems for customers all over the world. The company serves the global market with a network of state-of-the-art locations.

In addition to pharmaceutical and medical technology companies, brand manufacturers for consumer and home care products also rely on our highly specialized process solutions.

Our portfolio of machinery answers the needs of every level of industrialization, and our broad range of services cover the entire product life cycle.

We do not leave innovations 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 production lines. We are practically unbeatable at a microcosmic level: as a technology leader, we set the standards in the dosing of powder in minute quantities and in delicate production and assembly processes.

Our customers can count on the fact that we always deliver quality "Made by Harro". As well as our promise: We are more than mechanical engineering – we are ALL YOU NEED.

GRI 102-02

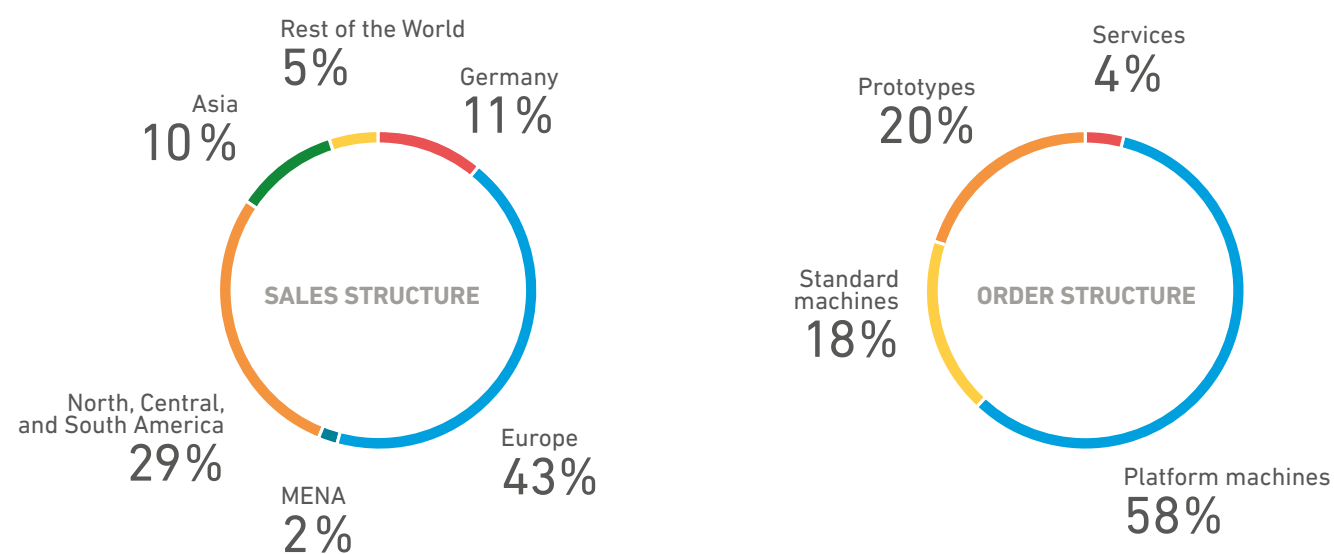
1.1	HARRO HÖFLIGER AT A GLANCE	4
1.2	SUSTAINABILITY STRATEGY	8
1.3	SUSTAINABILITY GOALS	11
1.4	SUSTAINABILITY ORGANIZATION	12
1.5	STAKEHOLDER MANAGEMENT AND MATERIALITY ANALYSIS	13

1.1 HARRO HÖFLIGER AT A GLANCE

GRI 102-01

GRI 102-06

Harro Höfliger Packaging Machines GmbH is a manufacturer of specialized machinery for the medical and pharmaceutical industries. On behalf of our customers, we develop specialized dosing techniques as well as assembly and packaging processes for virtually all major international pharmaceutical companies. With our machines, our customers fill capsules with active ingredients, assemble injectors or inhalers, produce patches or suturing materials, fill infusion bags, or package contact lenses. In total, we serve 16 different market segments within the medical and pharmaceutical sector. Our production focus is on machines and systems for the global pharmaceutical and medical-device industries, with a further share dedicated to consumer-goods applications. The majority of our revenue is generated in Europe.



GRI 102-02

As part of our business activities, we advise international corporations on the production and handling of medical and pharmaceutical products. Under the motto "From idea to production," value creation in our Pharma Services area begins with laboratory analysis of pharmaceutical products, continues with consulting on industrial manufacturing, and extends to the optimisation of pharmaceutical devices—such as inhalers or injectors—for series production. In our machinery division, we first develop laboratory equipment and approval-ready processes according to customer requirements. Once approved, these can be scaled up for market launch and mass production. Our machine portfolio covers every stage of industrialization, and our comprehensive services span the entire product lifecycle.

With our Customer Service, we ensure that our machines and systems operate efficiently and reliably for our customers throughout the entire product lifecycle. Our quality promise is embodied in the "Made by Harro" logo found on every machine.

In four decades, our company founder Harro Höfliger has developed his one-man business into a globally present company. When it came to succession planning, continuity and independence of the company were important to him. In 2013, he therefore contributed his shares to a family foundation, thus laying the foundation for an independent future.

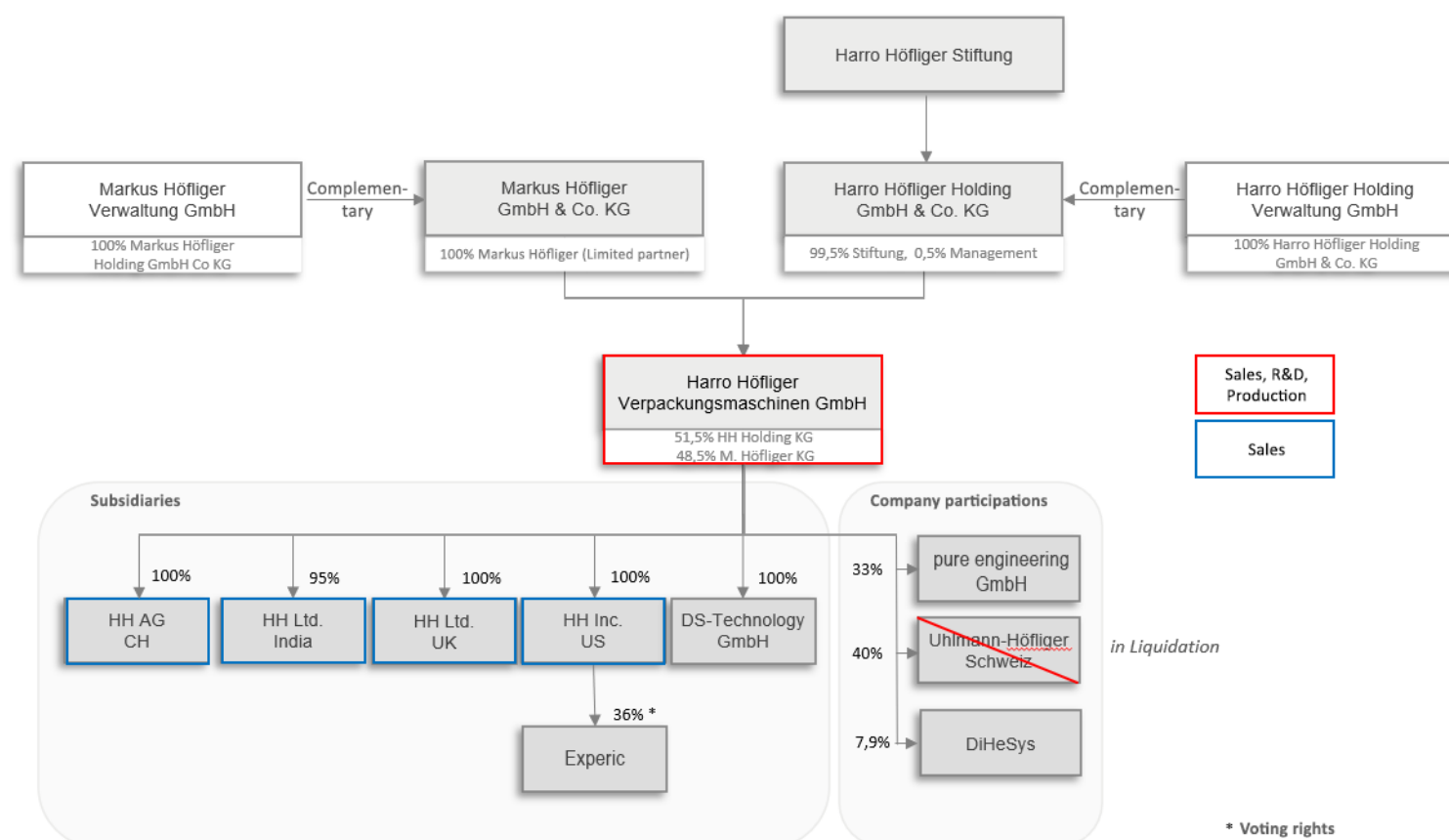
Ownership and legal form

Harro Höfliger Holding GmbH & Co. KG (the Harro Höfliger Foundation) has a 51.5% holding in Harro Höfliger Verpackungsmaschinen GmbH, while Markus Höfliger GmbH & Co. KG owns a 48.5% share. As the son of the company founder, Markus Höfliger holds the largest share in the company with his GmbH, along with the Harro Höfliger Foundation. With great passion and commitment, he continues to live his father's vision in his role as Chairman of the Supervisory Board.

GRI 102-05

Harro Höfliger Verpackungsmaschinen GmbH has a stake in the following companies:

- HH Ltd. UK (100 %)
- HH Inc. USA (100%) and thereby in Experic USA (36% voting rights)
- HH India (95 %)
- HH Schweiz AG (100 %)
- DS-Technology GmbH (100 %)
- pure engineering GmbH (33 %)
- DiHeSys (7.9 %)



GRI 201
Harro Höfliger in numbers

Employees
(31.12.2023)

1,990

Revenue
in € million

385

Equity in € million

86.3

Liabilities in € million

111.3

Total capital in € million

228.3

GRI 102-07
Our extensive product portfolio is divided into 4 technology areas and serves 16 different market segments:



Pharma & Device Services

Pharma Services
Device Services
Consulting



Machines & Technologies

Pharmaceutical Technologies
Web Forming Technologies
Web Converting
Medical Device Assembly T.
Parenteral Device Assembly T.
Packaging Technologies
Eng. & Innovation Services
Validation Services



Customer Services

Format Parts
Spare Parts
Lifecycle Management



Digital Innovations

Software Engineering
Sensor Technologies
Digital Applications

PHARMACEUTICAL TECHNOLOGIES



Inhalation
Products



Capsule Filling
& Weighing



Aseptic
Processes



Microneedles

WEB TECHNOLOGIES



Wound &
Skin Care



Ostomy &
Continence
Care



Transdermal
& Oral
Delivery
Systems



Portion Packs

ASSEMBLY TECHNOLOGIES



Medical & Pharmaceutical Device Assembly



PACKAGING TECHNOLOGIES



Packaging



Surgical
Sutures



Diagnostic
Products



Eye Care

GRI 102-03

The organization's headquarters are located in the town of Allmersbach im Tal, Germany.

The company's address is:

Harro Höfliger Verpackungsmaschinen GmbH
Helmholtzstraße 4
71573 Allmersbach im Tal, Germany

GRI 102-04

Other locations in Germany

Technology Center Backnang, 71522 Backnang
Logistics Center and Production, 71546 Großaspach
Production Plant, 71570 Oppenweiler
Production Plant, 74589 Satteldorf
Production Plant, 73278 Schlierbach

International Offices

Harro Höfliger Packaging Systems Ltd.
GU22 9LD Old Woking, UK

HARRO HÖFLIGER Packaging Systems Inc.
18901 Doylestown, PA, USA

Harro Hoeftiger Packaging Systems Pvt Ltd.
Bengaluru-560092, Karnataka, Indien

Harro Höfliger Nordic AB (from 10/2024)
Delbancogatan 4, 431 35 Mölndal

Harro Höfliger Schweiz AG (from 06/2023)
Pfeffingerstraße 19, 4153 Reinach

Harro Höfliger Hungary Kft. (from 07/2024)
Debrecen, Határ út 1/c, 4031 Ungarn

Other international branches:
Ireland, Turkey, China, Singapore



GRI 201
The following information is based on the annual financial statements and management reports of Harro Höfliger Holding GmbH & Co. KG and its subsidiaries for the 2023 fiscal year, as well as current figures for 2024.

GRI 201-01
Direct economic value generated and distributed
Performance overview and market positioning
The economic performance of Harro Höfliger Packaging Machines GmbH is reflected in stable revenue generation, a positive net income, and targeted investments in future technologies and sustainable initiatives. This secures the company’s long-term viability. By March 2024, we had already recorded order intake of EUR 244 million (+ 20 % above plan). At the end of March 2024, our order backlog stood at EUR 884 million, ensuring stable capacity utilisation through the end of 2025. This outlook gives us confidence in the future.
The uncertainties that predominated in procurement markets over the past year have largely normalized, stabilising prices at a high level. We continue to monitor the procurement of strategically important components closely but anticipate fewer bottlenecks than in the previous fiscal year.
Our goal is to minimise market risks by diversifying our customer base across different market segments. Continued strong expansion requires ongoing adjustment and review of our existing organisational structures.

Key figures on value creation and distribution

In the reporting year 2023, the Harro Höfliger Group generated total output of EUR 385.2 million. The table below shows the distribution of the economic value generated:

	Amount (rounded, EUR million)	Explanation
Revenue (including work in progress)	385.2	Total revenue from operating activities as published in the annual financial statements.
EBIT	6.6 1,7%	Profit before taxes and interest.
Income taxes	3.4	Tax payments deducted from operating income.
Material expenses	156.1	Expenses for materials consumed and purchased services.
Other operating expenses	56.7	Operating costs.
Personnel expenses	154.8	Direct payments to employees, including social benefits.
Consolidated net income	7.4	Result for the current financial year, including the share of profit attributable to non-controlling interests.

GRI 201-02
Financial impacts and other risks and opportunities related to climate change — Risks and Opportunities
The economic risks of climate change — for example, rising electricity and gas costs as well as increasingly frequent supply bottlenecks resulting from extreme weather events (droughts, heavy rainfall, hurricanes) — are actively addressed through our sustainability strategy.
At the same time, the modernisation of our building stock, the switch to green electricity, and the introduction of combined heat and power systems and photovoltaic installations offer opportunities to sustainably improve our climate footprint and permanently reduce our operating costs.

Investments in the energy transition:

To achieve our climate target of balance-sheet CO₂ neutrality in Scope 1 and Scope 2 by 2035 and to effect a 50 % reduction in emissions in these areas by 2030, we have earmarked EUR 2.5 million annually for the energy transition through 2035. With expert scientific support from Esslingen University of

Applied Sciences and our own cost-effectiveness calculations, we ensure that this transformation not only has a positive impact on the climate but also sustainably lowers our operating costs and makes us independent of price fluctuations on the energy market.

Measures:

Construction work on heating, cooling and control systems, as well as the energy-efficient renovation of buildings, commenced in 2023. The total volume of our investments in intangible assets and property, plant and equipment stood at EUR 7.4 million, EUR 7.7 million below the previous year’s figure of EUR 15.1 million.

Essentially, individual investments in operating equipment were made at the Allmersbach and Oppenweiler sites. In addition, the first phase of the transformation plan was funded during the financial year. These investments included, for example, the installation of a micro gas turbine, a small hydrogen storage unit to supply the turbine, an electrolyser for hydrogen production, and the construction of a cold and heat storage system for energy buffering. A photovoltaic system with a capacity of approximately 100 kilowatt hours was also completed. As of 31 December 2023, part of the investments remains in prepayments and assets under construction, while the remainder has been capitalised under operating equipment.

**Liabilities for defined benefit pension plans and other pension plans
Employee protection**

Harro Höfliger Packaging Machines GmbH places great importance on the financial security of its employees. In the reporting year, social security contributions and pension expenses totalling EUR 27 million included pension benefits of EUR 573,794 for employees.
Pension Commitments: As of the reporting date (year-end 2023), management pension commitments amount to EUR 1.2 million, secured and outsourced via a reinsurance policy.
Employee Savings Contributions: A subsidy of EUR 27 per employee is granted.

Government Grants and Other External Support

Grants have been applied for sustainable investments, particularly in the areas of energy savings and the energy transition.

Methodology, Accounting Principles, and Internal Control Systems

The annual financial statements are audited by an external auditing and tax consultancy firm in accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB).

In addition to the responsible department, the entire Management Board is involved in the preparation of the annual report and financial statements. Approval is granted during a meeting of the Supervisory Board.

Receivables and liabilities denominated in foreign currencies with a remaining term of up to one year are translated at the spot exchange rate on the balance sheet date; for maturities of more than one year, translation is based on the exchange rate at the time the transaction was initiated.

Controlling is responsible for monitoring and tracking accounting processes. In the event of discrepancies, the company’s in-house certified Compliance Officer may review the internal audit procedures.

GRI 201-03

GRI 201-04

GRI 103

GRI 203

Indirect Economic Impacts

As one of the larger employers and taxpayers in the region, we make a significant contribution to local prosperity and economic stability. We consider ourselves part of this local community and see it as our responsibility to make a meaningful contribution to social cohesion and societal well-being in our environment. We are continuously involved in economic, environmental, and social efforts, as well as in industry associations, business alliances and other organisations. Examples include supporting renaturation initiatives and other sustainable projects in the public interest.

GRI 203-01

Infrastructure Investments and Supported Services

In addition to direct employment, the indirect employment effects we generate are also important. These contribute to improving the social conditions of many small businesses in the region with whom we maintain long-term partnerships. A significant portion of our suppliers comes from the region or from nearby parts of Germany. We are proud to contribute to regional economic stability in this way. In the reporting year, no major infrastructure investments were made in the interest of local communities.

GRI 203-02

Significant Indirect Economic Impacts

The company contributes to economic development through training, employment, and regional investment.

Our international structure supports global technology transfer and value creation.

The majority of our customers come from the medical and/or pharmaceutical industries. Most of them have launched extensive sustainability programs and expect the same from us. As a machinery supplier, we are assessed not only on quality but also on the basis of our ongoing sustainability initiatives. More and more well-known customers are introducing minimum sustainability requirements into their supplier terms—for example, Ecovadis ratings or validated climate targets. Neglecting our own sustainability goals may therefore lead indirectly to reputational damage and loss of orders. Conversely, implementation of our sustainability strategy contributes—through the “trickle-down effect”—to sustainable development within our supplier network.

GRI 102-10

Significant Changes in the Organization

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

Location Commitment, Internationalization, and Strategic Focus

Harro Höfliger Packaging Machines GmbH looks back on 50 years of company history and maintains a strong commitment to its German location in Baden-Württemberg.

Location advantages: Our capacity for innovation continues to flourish in our Baden-Württemberg home—always taking advantage of favorable tax and contribution models that strengthen medium-sized businesses in international competition.

Internationalization: Starting in 2024, and in view of the availability of highly qualified specialists, we will expand our operational activities abroad for the first time. The newly established site in Debrecen, Hungary, adds production capacity and the flexibility needed to support further growth.



1.2 SUSTAINABILITY STRATEGY

GRI 102-14

Strategic analysis and measures

"Sustained economic success in harmony with people and the environment."

This idea forms the guiding principle of our sustainability strategy. It is based on our conviction that sustainable business practices not only have an impact on our profitability, but are the basis for the long-term survival of our company. This is the only way we can ensure in the long term our standing as a secure, reliable employer in the greater Stuttgart area and our ability to offer our customers the solutions they need for the realization of their important missions in the field of healthcare. As a successful company, we are committed to preserving our environment and protecting people. As part of a central sustainability strategy, Harro Höfliger is therefore taking measures in the following six sustainability dimensions: Prosperity, People, Planet, Purpose, Partnership and Peace. The definition and successful implementation of these measures is ensured by our Sustainability department and measured and controlled on the basis of sustainability-relevant key figures. Our team of sustainability experts takes on the advisory and coordinating role for all sustainability measures in the company.

The sustainable development of the company is a transparent process that we provide information about as part of our sustainability reporting. We are guided in this development by international norms and standards such as the 17 Sustainable Development Goals of the UN Agenda 2030 and the Greenhouse Gas Protocol. At the request of our customers, we also report on rating platforms such as Ecovadis and CDP. In early 2025, our climate targets were validated by the Science Based Targets Initiative (SBTi), which we joined in 2021. In 2021, we published the first sustainability report in accordance with the GRI Core Standard and had it externally audited by DEKRA. In 2021, we joined the Baden-Württemberg Climate Alliance, a partnership between the state and companies that want to become climate-neutral in the medium to long term. The joint climate protection agreement describes concrete measures to achieve the company's climate protection goals. In the course of the alliance, the state of Baden-Württemberg and the companies support each other.

We see the fulfilment of statutory reporting obligations such as the Corporate Sustainability Reporting Directive (CSRD) from 2027 and the Supply Chain Due Diligence Act (LkSG) since 2024 as an opportunity to reflect on our actions and continuously develop our company.

Our sustainability efforts are supported and confirmed by certified environmental management (ISO 14001) and information security management (ISO 27001) as well as quality management (ISO 9001).



**"Sustained economic success in harmony
with people and the environment."**

ALL YOU NEED

Statement from the highest decision-maker
Harro Höfliger’s standard: ALL YOU NEED.
“We are and will remain: a future-proof company – attractive for employees and partners.”

GRI 102-14

This first sentence of our mission statement shapes Harro Höfliger’s corporate management and strategy. As a family-run company, we operate sustainably, think long-term and pay attention to the interests of employees and business partners. Our corporate values form the compass for our actions: trust, fairness, openness and mutual respect are an integral part of all of our interactions.

We attach great importance to the sustainable use of energy and raw materials and strive to use available resources sparingly. In this context, we are also increasingly committed to the use of combined heat and power, photovoltaics and in the field of e-mobility. Our very ambitious goal is to achieve CO₂ neutrality with our company through internal measures.

To this end, we have established a dedicated Sustainability department that reports directly to the CFO and supports our Supply Chain Management (SCM) and Facility Management in developing sustainable energy concepts.

By introducing our Supplier Code of Conduct, we also involve our supply chain in the area of sustainable procurement.

In addition, we have set ourselves the goal of working with our partners in the Alliance to Zero to determine the greenhouse gases we produce in accordance with the DIN EN ISO 14064/14067 standards. Harro Höfliger has introduced a Process Action System (PAS) to ensure that deviations are addressed and continuous improvement is pursued.

By regularly monitoring and updating the associated Corrective and Preventive Action Plan (CAPA) in meetings chaired by the head of the QHSE department, we ensure continuous improvement within the company. Various internal initiatives and projects contribute to the ongoing modernisation and digitalisation of our processes.

GRI 102-29

Identifying and managing economic, environmental, and social impacts
Our sustainability strategy and the resulting measures are based on a comprehensive materiality analysis, which our Sustainability Management conducts annually in dialogue with internal and external stakeholders.

All planned sustainability projects are presented to the Management Board as well as the Supervisory Board, and are subject to approval and follow-up monitoring by both bodies.

“A long-term, trusting customer relationship is, for us, an important facet of sustainability, and has always been a key success factor.” We are creating a solid foundation for such relationships through transparent communication – as in this Sustainability Report – and open dialogue. We are actively responding to our customers’ ambitious goals with our sustainability strategy.”



Thomas Weller, CEO

We are exposed to various risks in the course of our business activities. In order to be able to react to these risks at short notice, Harro Höfliger has integrated a Business Continuity Management System (BCMS). In this management system, all management, value creation, and service processes are examined for their risks of failure or default, and appropriate countermeasures are initiated. Larger uncontrolled failures can thus be avoided or ruled out.

GRI 102-11

Effectiveness of risk management procedures

GRI 102-30

By actively pursuing economic and environmental agreements (GRI 102-12), our participation in social charters and active membership in industrial, economic and other associations (GRI 102-13), we continuously gain new insights that we can also incorporate into our company.

An evaluation of our management is carried out both with the help of the regular internal management review and through employee surveys.

At the instigation of Harro Höfliger’s Management Board, a comprehensive sustainability program was launched to record the company’s impacts in accordance with the GHG Protocol and to initiate measures to reduce CO₂. The primary goal is to achieve zero CO₂ emissions for Scope 1 and Scope 2 by 2035 at the latest.

Our environmental, energy, information security, occupational safety and sustainable procurement systems are implemented at our company in accordance with the applicable DIN guidelines and operated based on the plan–do–check–act (PDCA) cycle. A risk analysis forms the basis for continuous improvement in each case. Monitoring is carried out with the help of a Process Action System (PAS), which maps a risk-based correction list for each of the systems. The progress and effectiveness of the PAS is tracked in our Management Review.

Review of economic, environmental, and social topics

GRI 102-31

A Management Review of economic, environmental, and social topics is conducted at least once a year with the participation of the entire Management Board and, at minimum, the Chairman of the Supervisory Board. In this context, the status of all management systems used at the company, including the UN 2030 Agenda, is presented. The potential risks and their possible impacts as well as the opportunities that arise are clearly presented for all key topics. Critical concerns or incidents are also openly discussed.

Role of the highest governance body in sustainability reporting

GRI 102-32

The head of the Sustainability department, Stefan Mayer, has been defined as the responsible contact person for sustainability reporting and compliance issues at Harro Höfliger. The report is approved by the CEO and the Chairman of the Supervisory Board.

Communicating critical concerns

GRI 102-33

Critical concerns are also discussed and further processed immediately in connection with the management review or, if necessary, by the QHSE department and the Management Board.

Nature and total number of critical concerns

GRI 102-34

The most important sustainability requirements raised by customers recently were the assurance of human rights in our supply chain and, above all, the validation of our climate targets by the SBTi. The latter were closely linked to questions surrounding the security and future viability of our energy supply—also in the context of Russia’s war of aggression and the expected increase in greenhouse gas pricing.

This assessment led to the implementation of the “Energy Program 2035” transformation plan, the definition of science-based climate targets, and our joining of the UN Global Compact.

GRI 102-15

Key impacts

Harro Höfliger is committed to being a reliable partner for our customers—even in challenging circumstances. As already described in connection with our integrated Business Continuity Management System, all of our management, value creation and service processes undergo an extensive Business Impact (BI) analysis.

As a mechanical engineering company based in southern Germany, we operate seven technology centers in Baden-Württemberg as well as subsidiaries for service and sales in the USA, the UK and India. Since 2024, we have also operated a new site in Debrecen, Hungary. Our headquarters and all other production sites are located in rural areas north-east of Stuttgart. Due to our size and stable market position, we create valuable jobs and apprenticeships in the region and maintain good relations with the communities of Allmersbach im Tal and Backnang, as well as with our neighbors and other local and regional stakeholders.

Our facilities are primarily used for machine assembly and as office buildings. As such, the majority of our emissions and potential negative impacts arise from the procurement of raw materials and goods. Further sources include fossil fuel emissions from heating, mobility and logistics. A significant share of our total emissions occurs during the operation of our machines by our customers. As this depends on the electricity mix in use, for which no data is currently available to us and over which we have no control, it is not included in our direct emissions accounting.

Opportunities

Industry – The growing and relatively crisis-resistant medical and pharmaceutical sector has kept our order books full for years. With our high-quality and increasingly energy-efficient machines, we have the opportunity to reduce resource consumption in the medium term while maintaining the same safety standards.

Risks

Skilled labor shortage – Our sites in Germany are located in a picturesque area known for its orchards, vineyards and forests. However, this setting comes with relatively poor access to public transport and high housing costs typical of an economically strong metropolitan region—factors that contribute to an intensely competitive labor market. We see these as challenges when it comes to attracting young skilled workers.

Natural hazards – Severe or critical disruptions could be caused by flooding or fires. We address these risks through comprehensive assessments and countermeasures.

Cyberattacks – Our IT systems are protected by extensive firewall, segmentation and backup systems. Nevertheless, phishing and hacker attacks remain serious potential risks in our view.

Key impacts of our business operations (inside-out)

#	Influencing factor	Impact	Degree	Measures
1	GHG emissions from Scope 1 and 2 at our sites	Negative	High	CO ₂ e-neutral production by 2035
2	Greenhouse gas (GHG) emissions from business travel and commuting	Negative	High	Replace business trips with online appointments. Electrify the company car fleet. Provide incentives for alternative forms of mobility.
3	Consumption of resources such as metal, plastic and electrical equipment to produce machinery	Negative	Medium	Increase the recycled content of raw materials where possible. Reduce material use (lightweight construction).
4	Energy consumption of the machines in operation	Negative	High	Reduce energy consumption, e.g. through lightweight construction, more efficient drives, better design.
5	Manufacture of sterile, high-performance and officially approved machines designed to produce medicine and medical devices for treatment of diseases and ailments in the world.	Positive	High	Ensure consistent quality through quality management, validation, certification, and good customer service.
6	Secure jobs in a responsible, fulfilling environment with good pay and family-friendly working conditions	Positive	Medium	Increase profitability, e.g. through process improvements and organizational development. Expand family-friendly services.
7	Corporate citizenship in the sense of community engagement, support for associations and voluntary work.	Positive	Low	Strengthen efforts to promote voluntary work and good relationships with municipalities and schools, etc.

Key opportunities and risks for our company (outside-in)

#	Opportunity/Risk	Impact	Degree	Measures
1	Shortage of skilled workers due to demographic change, poor transportation connections to many of our production plants, and competition for recruiting in southern Germany	Negative	High	Strengthen the employer brand, and invest in staff members and managers. Internationalize (develop new locations).
2	Fluctuating and rising energy and CO ₂ prices	Negative	Medium	Improve energy efficiency in production, convert to low-CO ₂ energy sources, and increase the self-supply ratio.
3	Unstable international supply chains for raw materials and high-tech components	Negative	Medium	Diversify the supply chain for key components.
4	Trend of de-globalization in the pharmaceutical sector: relocation of our customers' production facilities from the Far East to Europe or the United States, or establishment there of new facilities	Positive	High	Active marketing, reduction of delivery times by setting up new production facilities.
5	Trend towards health awareness and trend towards individual medication	Positive	Low	Participate in company holdings in the personalized medication sector.
6	Trend towards a circular economy	Potential	High	Build and expand materials knowledge in everything relating to sustainable, circular, sterile products and reusability of applicators.
7	Increasing customer demands for supplier sustainability	Potential	Medium	Minimizing competitive risks through active, sustainable development and transparent sustainability communication.
8	Regulatory requirements	Potential	Medium	Establishment of a central sustainability management system and expansion of the compliance area

1.3 SUSTAINABILITY GOALS

1. Introduction of sustainability management

The sustainable orientation of the company is an essential basis for its long-term economic success and thus for the continued existence of Harro Höfliger.

Implementing our sustainability strategy in a targeted manner requires extensive measures that must be developed, planned, measured and controlled by a sustainability management function centrally embedded within the company.

Introduced in 2023, the sustainability management function provides strategic advice to managers and coordinates all sustainability measures throughout the company.

2. UN Agenda: CO₂-neutral business model by the end of fiscal year 2045

The consequences of global warming are adversely impacting many of our most important sales markets, leading to environmental disasters, massive human suffering and, not least, to global economic upheaval.

As an internationally active company, we also have a responsibility to maintain and improve the quality of life on our planet for future generations.

That is why we are pursuing ambitious goals to keep the global impact of our business activities to a minimum. One key aspect of these efforts is to prevent greenhouse gas emissions along our entire value chain by 2045 at the latest. In terms of Scopes 1 and 2, we will achieve net zero CO₂e emissions by 2035.

In line with the Paris Agreement, we are already implementing emission-reduction measures today and evaluating them using an internal CO₂ price.

3. Conservative use of resources: Increase efficiency by 15% by 2028

Using energy and raw materials responsibly and sparingly not only helps protect the environment – resource efficiency also reduces direct costs and gives the company a competitive advantage.

Rising prices for fossil fuels due to wars and global crises are becoming an increasing factor of uncertainty for our success. Making the company as independent as possible from energy supplies and thereby sustainably reducing operating costs is therefore another key task that Harro Höfliger is addressing.

We bundle the measures for this in our Energy Programme 2030 – our transformation plan for the climate-neutral supply of buildings and infrastructure.

We measurably reduce resource use by avoiding waste in manufacturing and production. By developing efficient mechanical engineering concepts, we conserve raw materials and energy – not only in our own production, but also in our customers' operations over the long term.

4. Enhancing profitability

Forward-looking projects pay off in the long term but must be financed with today's resources. That is why it is important to sustainably increase the company's profit through targeted programs in order to maintain flexibility for innovations and investments.

We bundle these measures in our Operational Excellence Strategy.

We monitor the effectiveness of all our measures by means of a central KPI cockpit based on relevant performance indicators.

5. Strategic research and development

As a partner to the healthcare and pharmaceutical industries, we develop machines used to produce and package medical devices and pharmaceuticals for all regions of the world. With our expertise and targeted research initiatives, we help make these socially important products safer, more effective and more widely available.

The success of our company today depends on our ability to anticipate and identify early the needs of future demand, changes in market conditions, our competitors' market strategies, technical developments and environmental influences.

Global trends such as digitalization, individualization, ecological and social shifts in values, and demographic change indirectly influence our company, our customers, markets and entire sectors of the economy.

In order to turn the resulting opportunities into future competitive advantages, we engage in intensive dialogue with our stakeholders. They are important catalysts who help us identify potential and align our products and services with changing conditions. Through partnerships and initiatives with our customers, we contribute to innovation.

6. Sustainable supply chain: Auditing over 90% of Harro Höfliger's suppliers in accordance with Germany's Supply Chain Act (LkSG) by the end of fiscal year 2030

Reliable partners and stable supply chains are crucial to our company's success. Through strict supplier management and sustainable procurement, we ensure a crisis-proof supply of raw materials, parts and assemblies.

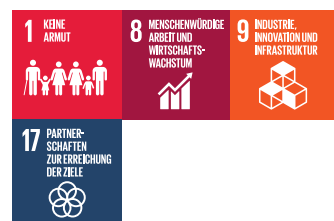
Important fields of action include fair, long-term trading relationships, diversification of strategically important supplies, and evaluation of the supply chain on the basis of sustainability criteria such as the political situation in the country of origin, delivery routes, respect for human rights and fair labor practices.

This strategy excludes deliveries from suppliers that systematically violate human rights. We are accountable for our supply chain within the framework of the legal requirements of the Supply Chain Due Diligence Act.

7. Increase in employee retention to 98%

Our employees – with their knowledge, skills and motivation – are the key to long-term business success. Finding talent during a shortage of skilled labor is time-consuming and costly. At the same time, we compete directly with large industrial companies in the region.

That is why our goal is to become one of the most attractive employers in the area. Through targeted programs, we increase employee satisfaction and thus their loyalty to us, while also attracting new talent.



1.4 SUSTAINABILITY ORGANIZATION

GRI 102-18	<p>Governance Structure</p> <p>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 Board is divided into different functions. Sustainability topics are overseen by the Sustainability Unit, which is assigned to the Finance division and reports directly to the CFO (GRI 102-19).</p>	
GRI 102-19	<p>Delegation of Responsibility for Economic, Ecological and Social Issues</p> <p>Overall responsibility for the central monitoring and management of sustainability issues has been delegated by the Management Board of Harro Höfliger to the Sustainability Unit under the leadership of Stefan Mayer. He is a certified Compliance Officer and serves as the direct contact person for all sustainability-related matters. Central steering committees are formed depending on the scope of each project.</p>	
GRI 102-20	<p>Responsibility for Economic, Ecological and Social Issues</p> <p>The key elements of our sustainability strategy are set out in our Basic Principle Statement on Corporate Social Responsibility, which has been signed and published by our Chairman of the Supervisory Board, Markus Höfliger, and CEO Thomas Weller. It outlines the main points of the internal sustainability strategy adopted by the Management Board.</p> <p>The strategy is developed and operationalized by the central Sustainability Unit. Final approval of the strategy and its target indicators is the responsibility of the Management Board (CEO, COO, CFO).</p> <p>Responsibility for sustainability management, target coordination and reporting lies with Sustainability Manager Jan Türk and Sustainability Officer Julien Bohn.</p> <p>The Sustainability Unit organizes a multi-member, interdisciplinary sustainability team consisting of experts in sustainable procurement, sustainable personnel development, green engineering and controlling. The group meets in monthly jour fixe sessions.</p> <p>This sustainability team defines sustainability goals and measures in the respective departments. Implementation of these measures is coordinated by Sustainability Management and reported to the Management Board in monthly management jour fixe meetings. Approval of sustainability measures lies with the Management Board and, in the case of more extensive measures, the Supervisory Board. Other relevant departments that maintain close cooperation with the Sustainability Unit include: Marketing (internal and external communication), Organizational Development (internal project management), Facility Management, Customer Service and Human Resources.</p>	
GRI 102-21	<p>Dialogue with Stakeholders on Economic, Ecological and Social Issues</p> <p>The development of strategies and measures takes place in close consultation with various stakeholders. The Sustainability Team presents the overall sustainability strategy model to the Management Board and the Supervisory Board (comprising Markus Höfliger and two external members) for review, approval and budget release.</p> <p>For final decision-making, the responsible committees may consult directly with the Management Board or Supervisory Board at any time if questions arise. Once a decision is made, the Sustainability Team transfers the implementation of individual activities to the responsible departments, with the requirement to submit regular progress reports.</p>	
	<p>Composition of the Highest Governance Body and its Committees</p> <p>Members of the Supervisory Board:</p> <ul style="list-style-type: none"> Markus Höfliger, Chairman of the Supervisory Board (in office since 2019) Hartmut Jenner, CEO and Chairman of the Board of Alfred Kärcher SE & Co. KG, Supervisory Board Member (in office since 2018) Siegfried Drost, formerly Managing Director of Uhlmann Pac-Systeme GmbH & Co. KG (until 2019), Supervisory Board Member (in office since 2018) 	GRI 102-22
	<p>Chair of the Highest Governance Body</p> <p>The company founder's son, Markus Höfliger, ended his previous role as CFO in 2019 and in the same year assumed the position of Chairman of the Supervisory Board after his father, Harro Höfliger, stepped down at his own request.</p>	GRI 102-23
	<p>Nomination and Selection Procedure for the Highest Supervisory Body</p> <p>Under the leadership of company founder Harro Höfliger, the directors of the company decided in early 2018 to establish a Supervisory Board chaired by the founder himself. The two elected members of the Supervisory Board remain in office to this day.</p>	GRI 102-24
	<p>Conflicts of Interest</p> <p>Company founder Harro Höfliger appointed today's CEO, Thomas Weller, and Peter Claußnitzer as CTO to the Management Board back in 2001. Since 2008, Uwe Amann in Human Resources and Heinrich Havenstein in Production have complemented the management team. In 2023, Alexander Herb succeeded Turgay Güngormus as CFO of Harro Höfliger Packaging Machines GmbH. There are no conflicts of interest.</p>	GRI 102-25
	<p>Role of the Highest Governance Body in Setting Goals, Values and Strategies</p> <p>The company's goals, values and strategies are always defined jointly at top management level once the latest business figures are available and taking sustainability aspects into account.</p>	GRI 102-26
	<p>Collective Knowledge of the Highest Governance Body</p> <p>Markus Höfliger, the company founder's son, has been closely involved in the development of the company since the beginning. His previous responsibilities as CFO, with insight into all of the company's processes, provide the ideal foundation for his role as Chairman of the Supervisory Board. As CEO and Chairman of the Board of Alfred Kärcher SE & Co. KG, Hartmut Jenner is ideally suited to serve on the Supervisory Board of Harro Höfliger. He contributes deep understanding of the structures and business needs of a globally operating company. The same applies to Siegfried Drost, who served as Managing Director of Uhlmann Pac-Systeme GmbH & Co. KG until 2019 and is likewise familiar with all relevant matters in an internationally active business environment.</p>	GRI 102-27
	<p>Evaluating the Highest Governance Body's Performance</p> <p>In the interest of the company, regular meetings of the Supervisory Board are held jointly with the Management Board. Markus Höfliger is available to all Harro Höfliger employees during regular office hours to answer any questions relating to the Supervisory Board.</p>	GRI 102-28

1.5 STAKEHOLDER MANAGEMENT AND MATERIALITY ANALYSIS

GRI 102-42

Stakeholder Identification

Stakeholders are identified and assessed based on their potential impact and their ability to consistently provide products and services, taking into account opportunities and risks. The respective requirements and expectations of the various stakeholders are considered. Previously implemented measures are also recorded and evaluated in terms of how effectively potential opportunities have been leveraged and which residual risks remain. Additional measures are then defined on this basis.

GRI 102-43

Stakeholder Analysis and Stakeholder Dialogue Regarding Sustainability Aspects

Approach to Stakeholder Engagement
Stakeholders are involved in development and production processes at Harro Höfliger as needed, in accordance with defined procedures. Different forms of communication are used: for internal processes, emphasis is placed on face-to-face communication and surveys; for external processes, digital communication is prioritized for sustainability reasons (GRI 102-42). The resulting dialogue structures with individual stakeholder groups are as follows:

GRI 102-44

Key Topics and Concerns Raised
1 – Employee Concerns

As part of the Top Job Evaluation, we conducted employee surveys in 2022 and 2024 using a standardized questionnaire provided by the University of St. Gallen. With a response rate of 70%, we obtained representative results and identified key areas for action in the categories Leadership & Vision, Diversity & Sustainability, and New Work & Innovation. The results were evaluated by the Management Board, and appropriate measures were initiated accordingly.

TOP JOB-GESAMTERGEBNIS											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
LEADERSHIP & EMPOWERMENT											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
ENERGIE & RESILIENZ											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
KULTUR & ZUSAMMENARBEIT											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
MITARBEITERBINDUNG & TALENTMANAGEMENT											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
DIVERSITÄT & NACHHALTIGKEIT											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
NEW WORK & INNOVATION											
D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+

We are pleased to have achieved a very high response rate and to be recognized as one of the top employers in the SME sector by being awarded the TOP JOB seal. Nevertheless, workshops with individual departments were promptly launched to identify potential for improvement within each topic area.

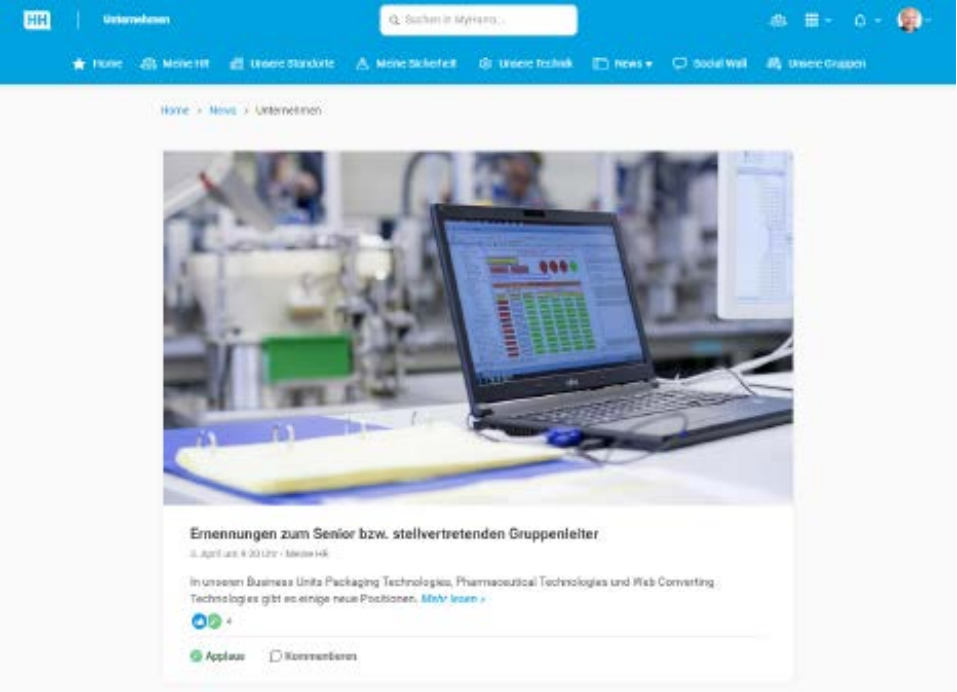
2 – Customer Concerns

We have observed growing interest from our customers in sustainable products and our sustainability measures. The number of sustainability questionnaires and inquiries via rating platforms such as Ecovadis or CDP is steadily increasing. The primary focus is on the greenhouse gas accounting of our machines (i.e. product carbon footprint), our specific climate targets, and issues related to occupational health and safety as well as employee turnover. Increasingly, customers expect external validation or certification of sustainability-related disclosures.

3 – Supplier Concerns

We conduct continuous supplier evaluations using a comprehensive assessment that includes topics such as sustainable business practices, quality and delivery reliability. This enables us to respond quickly and reliably in the event of deviations. To ensure supply chain security, we rely on regular supplier meetings and long-term supplier relationships. The dialogue with suppliers primarily focuses on the following topics:
Assurance of delivery reliability during critical supply phases, combined with timely payment at fair prices and supply of products in the required quality.
Commitment to follow-up orders, provided that Harro Höfliger’s quality and sustainability requirements are met.
Clear order specifications including all necessary requirements, expert quality inspections of delivered goods, and a regulated complaints process.
Direct, Interactive Employee Participation
Our central “Social Intranet” provides all employees with up-to-date information from various areas of the company. All employees can access this content through their company account, rate posts, and communicate directly. This enables transparent and immediate communication with the workforce.

Employees can submit project ideas and suggestions for improvement through our internal suggestion system. These are reviewed by our Organizational Development department and followed up on



1.5 STAKEHOLDER MANAGEMENT AND MATERIALITY ANALYSIS

List of stakeholder groups

Internal functional areas

Stakeholder group	Interests	Sustainability communication
Supervisory Board, Management Board	<ul style="list-style-type: none"> Image and public perception Approval of construction projects Approval of subsidies for sustainable investments Improving our reputation Gaining competitive advantages Supporting innovation Strengthening customer trust and confidence 	<ul style="list-style-type: none"> Annual review Monthly sustainability jour fixe meeting Coordination of the sustainability strategy
Procurement staff (buyers)	<ul style="list-style-type: none"> Compliance with legal requirements Risk mitigation Identifying opportunities Reducing costs Driving innovation Motivating buyers 	<ul style="list-style-type: none"> Continuous representation in the Sustainability Team
Responsible for specifications	<ul style="list-style-type: none"> More sustainable goods and services Ensuring usability Quality assurance Ensuring authenticity Ensuring availability 	<ul style="list-style-type: none"> Consultation in the Sustainability Team Involvement in the procurement process
Production staff	<ul style="list-style-type: none"> Use of state-of-the-art components and concepts Design of efficient machines Adherence to schedules Product quality inspection Ensuring machine function 	<ul style="list-style-type: none"> Continuous representation in the Sustainability Team
QHSE Compliance Human Resources	<ul style="list-style-type: none"> Improving health and safety Improving sustainability Supporting innovation Value creation with social responsibility 	<ul style="list-style-type: none"> Continuous representation in the Sustainability Team
Finance, Controlling	<ul style="list-style-type: none"> Good sustainability ratings as a basis for granting cheap loans Provision of sustainability-relevant key figures Monitoring of payment terms Monitoring of return on investment Reconciliation of financial reporting and sustainability reporting 	<ul style="list-style-type: none"> Continuous representation in the Sustainability Team
Sustainability Management	<ul style="list-style-type: none"> Approval of resources for the implementation of the sustainability strategy Managerial attention from Management Board and line managers Strong network in all areas of the company Networking with other companies 	<ul style="list-style-type: none"> Continuous representation in the Sustainability Team
Workforce	<ul style="list-style-type: none"> Meaningful employment in a sustainable company Secure, long-term employment Comprehensible corporate strategy with a long-term perspective Good working conditions in terms of salary, flexibility, health promotion, further training, fairness 	<ul style="list-style-type: none"> Internal sustainability communication Mission Statement and Code of Conduct Sustainability Report Employee performance and career development review (annual interview) once a year and as needed Training courses once annually and as needed

Supply chain

GRI 102-40

Stakeholder group	Interests	Sustainability communication
Suppliers and service providers	<ul style="list-style-type: none"> Prompt payment Achieving a fair price Information on customer requirements Fair contract terms and conditions Creating a demand for more sustainable goods and services 	<ul style="list-style-type: none"> Continuous supplier dialogue, supplier audits if required Annual supplier meetings Supplier days (irregular) Terms and Conditions of Supply and Code of Conduct (continuous)
Contract workers	<ul style="list-style-type: none"> Prompt payment Achieving a fair price Fair contract terms and conditions Healthy/safe working conditions 	<ul style="list-style-type: none"> Code of Conduct
Business partners, cooperation partners, consultants	<ul style="list-style-type: none"> Improving collaboration Developing innovations Creating mutual benefits Fair contract terms and conditions 	<ul style="list-style-type: none"> Close coordination on equal footing for joint projects (on request, at least once per quarter) Non-Disclosure Agreements

Other stakeholders

Stakeholder group	Interests	Sustainability communication
Customers and users	<ul style="list-style-type: none"> On-time delivery Purchase/use of sustainable products with a long service life and high efficiency Purchase and use of sustainable services Achieving a fair price High quality product Transparency regarding climate-relevant indicators for our company and our products 	<ul style="list-style-type: none"> Presentations, coordination and agreement at least once monthly and when specifically requested Honest communication Reporting of key climate-relevant performance indicators Fair advisory and sales processes Continuous involvement in development, FMEA, acceptance tests
Local community	<ul style="list-style-type: none"> Provision of local employment and training Presentations at schools Promoting prosperity/income Living in a healthy world Promotion of local initiatives, schools and associations Avoidance of emissions and pollution from traffic, light, noise, construction activities Participation in the annual summer festival 	<ul style="list-style-type: none"> Job fairs (several times a year), open house (annually), visits to schools and kindergartens Summer festival (annually) Support of local associations and initiatives Local press Sustainability Report Personal dialogue
Competitors / Competition	<ul style="list-style-type: none"> Fair competition Industry-wide sustainability initiatives Image of the industry 	<ul style="list-style-type: none"> Sustainability Report Regular exchange
Government Agencies, Public Sector, Academia	<ul style="list-style-type: none"> Compliance with legal requirements and obligations Taking responsibility for the environmental impact of business activities Protection of human rights Support of basic services Protection of the environment Support for research in the form of cooperation 	<ul style="list-style-type: none"> Sustainability and Financial Report Applications for funding for sustainable transformation Education and research partnerships with universities
Financial service providers, insurance companies, auditors	<ul style="list-style-type: none"> Timely provision of key figures Sustainable development of the company (secure financial investment) Transparency and open communication about sustainability measures and risk analyses 	<ul style="list-style-type: none"> Dialogue as needed, at least once annually Sustainability Report and Financial Data



2

CLIMATE AND NATURE

The consequences of global warming are adversely impacting many of our most important sales markets, leading to environmental disasters, massive human suffering and, not least, to global economic upheaval. The effects are also becoming increasingly noticeable in Germany, for example in the form of flooding, drought, extreme heat, and rising health burdens.

As an internationally active company, we also have a responsibility to maintain and improve the quality of life on our planet for future generations.

That is why we are pursuing ambitious goals to keep the global impact of our business activities to a minimum. One key aspect of these efforts is the prevention of all greenhouse gas emissions along our entire value chain by 2045 at the latest. With regard to Scopes 1 and 2, we aim to achieve net zero CO₂e emissions by 2035 at the latest.

We care for our future and operate sustainably.

As a commercial enterprise, we develop and manufacture production and packaging systems for customers worldwide and offer extensive services within this scope. In this context, sustainable environmental and climate protection as well as resource efficiency are important corporate goals.

Whether in the development of new products and services or in the manufacture of production systems, we ensure that all associated effects on the environment and climate are kept to a minimum, and that our products make a positive contribution to environmental and climate protection.

We are continuously engaged in developing innovative energy concepts, efficient machine technology, and low-emission materials that support ecologically sustainable development.

Code of Conduct 8

2.1	CLIMATE NEUTRALITY	16
2.2	RESOURCE EFFICIENCY AND ENVIRONMENTAL PROTECTION	18
2.3	CIRCULAR ECONOMY	21

2.1 CLIMATE NEUTRALITY

GRI 305

Strategy

Since 2019, we have been calculating our greenhouse gas emissions annually in accordance with the GHG Protocol for Scopes 1 and 2. In 2023, we completed our Scope 3 assessment for the first time and defined 2023 as the base year for our short- and long-term climate strategy.

Our target is to reduce Scope 1 and 2 emissions by 50% by 2030, by 90% by 2035, and to reach net-zero balance sheet emissions from 2035 onward.

For Scope 3, we aim to reduce emissions by 42% by 2035 and by 90% by 2045, reaching net-zero emissions across our entire value chain from that point forward.

Our 2023 carbon footprint and the calculation methods used were developed and audited in 2024 together with an external consultancy. Our climate targets were validated by the SBTi in January 2025.

To achieve our Scope 1 and 2 targets and continuously reduce our energy-related consumption, we rely on the purchase of green electricity, the decarbonization of our vehicle fleet, and a comprehensive energy program in line with our transformation plan.

In order to reach our net-zero target for Scope 3, we are currently developing a comprehensive decarbonization strategy, which we plan to implement both internally and in collaboration with our customers and suppliers.

We see the key to reducing emissions in the purchase of low-emission raw materials and intermediate products, combined with a shift toward a circular economy.

Our short-term goal of reducing Scope 3 emissions by 42% within five years is ambitious and is therefore being pursued with high priority.

GRI 305-01

Direct and indirect emissions ¹

Emitter	2019	2022	2023	Differenz 22/23
SCOPE 1	1,653.4	2,016.5	1,694.5	- 16.0 %
Company cars and transport	852.7	919.9	632.7	- 31.2 %
Use of fuels for internal combustion	800.7	1,054.5	991.6	- 6.0 %
Fugitive emissions	-	42.1	70.3	+ 67.0 %
SCOPE 2 (market based)	2,561.6	1,748.1	2,145.4	
Electricity consumption (location-based)			3,849.9	
Electricity consumption (market-based)	2,561.6	1,748.1	2,145.4	+ 22.7 %
SCOPE 3 ²	-	5,808.5	38,148.1	
3,1 Purchased goods and services	-	2,089.5 ²	9,527.4 ³	-
3,2 Capital goods	-	-	1,170.9	-
3,3 Fuel- and energy-related activities (not included in Scope 1 or 2)	-	-	1,135.7	-
3,4 Upstream transportation and distribution (by external service providers)	-	103.1 ²	2,353.8	-
3,5 Waste generated in operations	-	1,020.5	622.66 ³	-
3,6 Business travel	-	744.6	1,169.3	+ 57 %
3,7 Employee commuting	-	1,573.3	1,633.2	+ 3.8 %
3,11 Use of sold products (machine operation phase)	-	-	19,719.9	-
3,12 End-of-life treatment of sold products	-	-	129.4	-
3,15 Investments	-	-	685.8	-
Other Emissions		277.5	-	-
Total	4,215.0¹	9,573.1	41,988.0	

¹ Conversion based on stored emission factors using "ecocockpit"

² Incomplete recording of Scope 3 before 2023

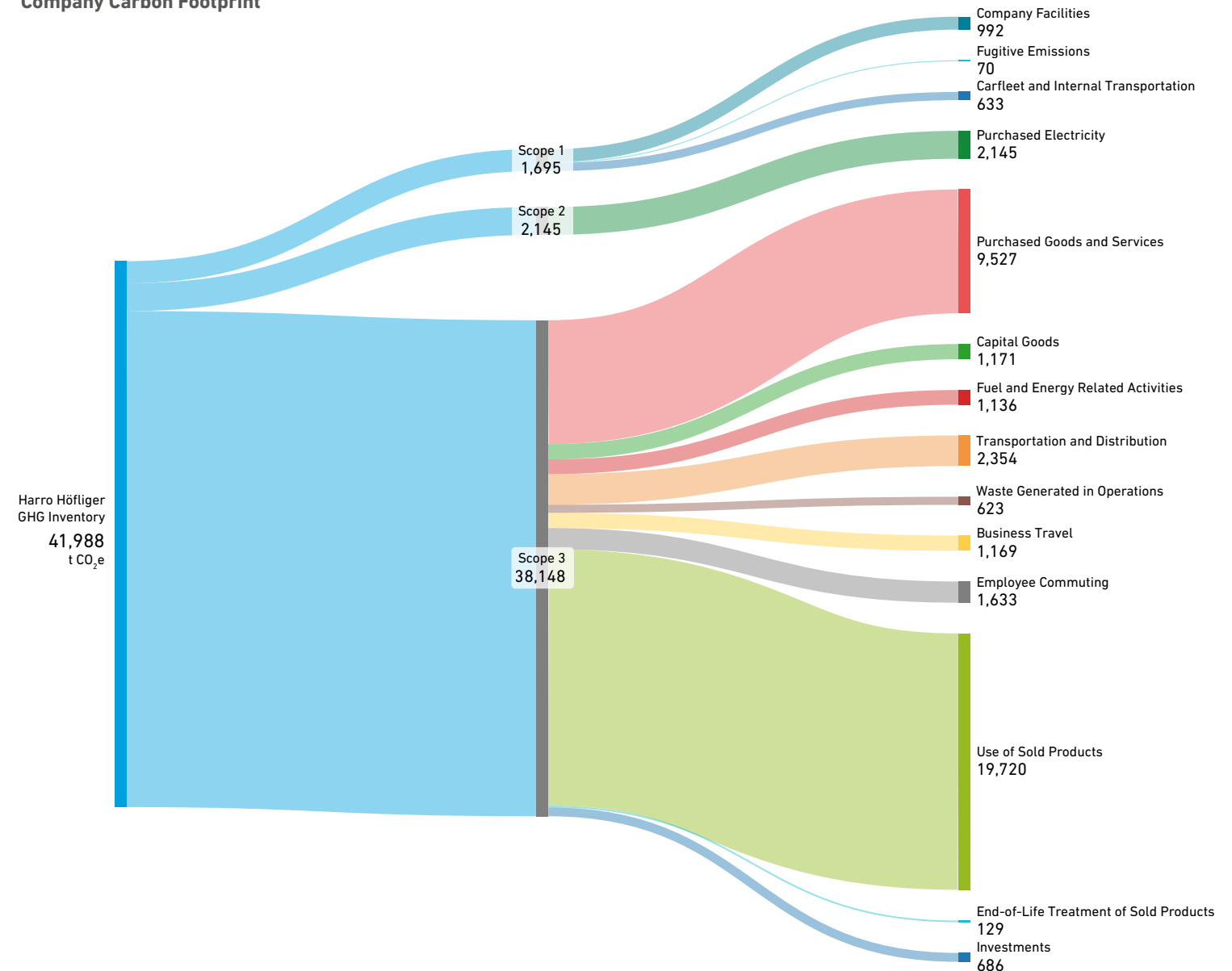
³ Correction of the calculation model

- not recorded

GRI 305-02

GRI 305-03

Company Carbon Footprint



GRI 103

Management Approach

Responsibility for monitoring and tracking the climate strategy at Harro Höfliger lies with the Sustainability Unit in coordination with the Management Board.

The provision of the required data and the implementation of the strategy are handled by Supply Chain Management (SCM) and Environmental Management.

Supplier invoices recorded by SCM are converted into a greenhouse gas balance by Sustainability Management using dedicated software.

The emission values and the progress of emissions reductions are a fixed agenda item in the sustainability four fixe meetings with the Management Board.

GRI 305-05

The Energy Programme 2035 is a central transformation component of Harro Höfliger's sustainability strategy. In 2023, we extended our existing climate programme to all sites and adjusted our net-zero target for Scopes 1 and 2 to 2035 in this context. The conversion of fossil-fueled heating systems and energy-intensive air-conditioning units to heat pumps and a highly efficient hydrogen-powered system with a large proportion of self-produced energy not only permanently reduces the company's operating costs. The transformation will make us independent of external energy supplies in the long term. At the same time, it reduces our climate-damaging emissions at our sites, making it an important investment in climate protection.

Making our company's energy supply climate-friendly, secure and cost-effective in the long term is a very complex but strategically important undertaking. In this, we receive scientific support from external partners and, for example, Esslingen University of Applied Sciences. The university actively supports Harro Höfliger in the transformation process and contributes its knowledge and experience in the fields of hydrogen technologies and energy management. Esslingen University of Applied Sciences is involved in a research programme to promote climate-neutral technologies. At the same time, Harro Höfliger benefits from government subsidies for the expansion of the energy concept.

Strategic goals

- Reduce operating costs for heating, cooling and electricity by at least 20% by 2028,
- Reduce supply risk and cost risk,
- Reduce greenhouse gas emissions in Scope 1 and 2 by 50% by 2030 and completely avoid them by 2035.

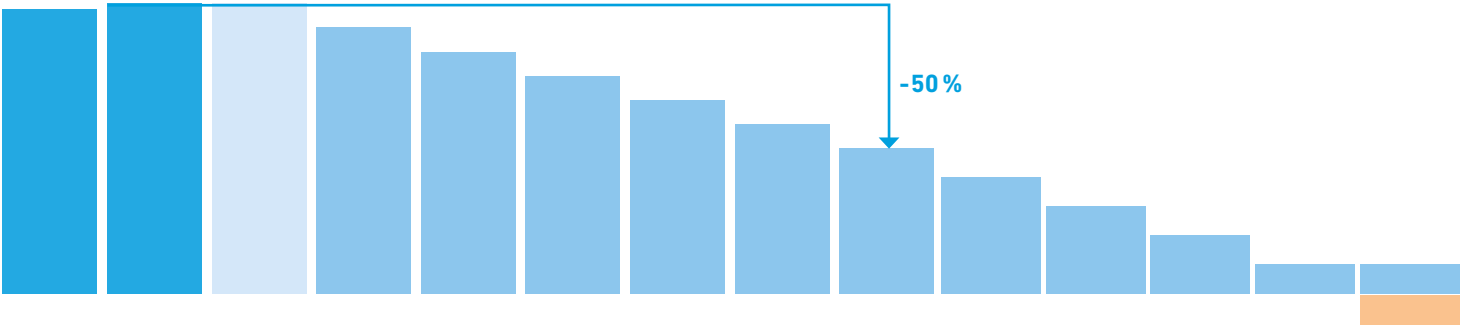
Phase 1: Construction of a pilot system (planned implementation: 2024–2025)

Basic operating principle:

- Production of small quantities of H₂ from self-generated solar power
- Production of H₂ at weekends (with lower self-consumption of electricity)
- Combustion of hydrogen in a gas turbine to generate electricity and heat
- Intelligent control of equipment and systems as well as heating and cooling capacity in the production plants through sensor technology and controls

Outlook Phases 2–7, period 2024–2035

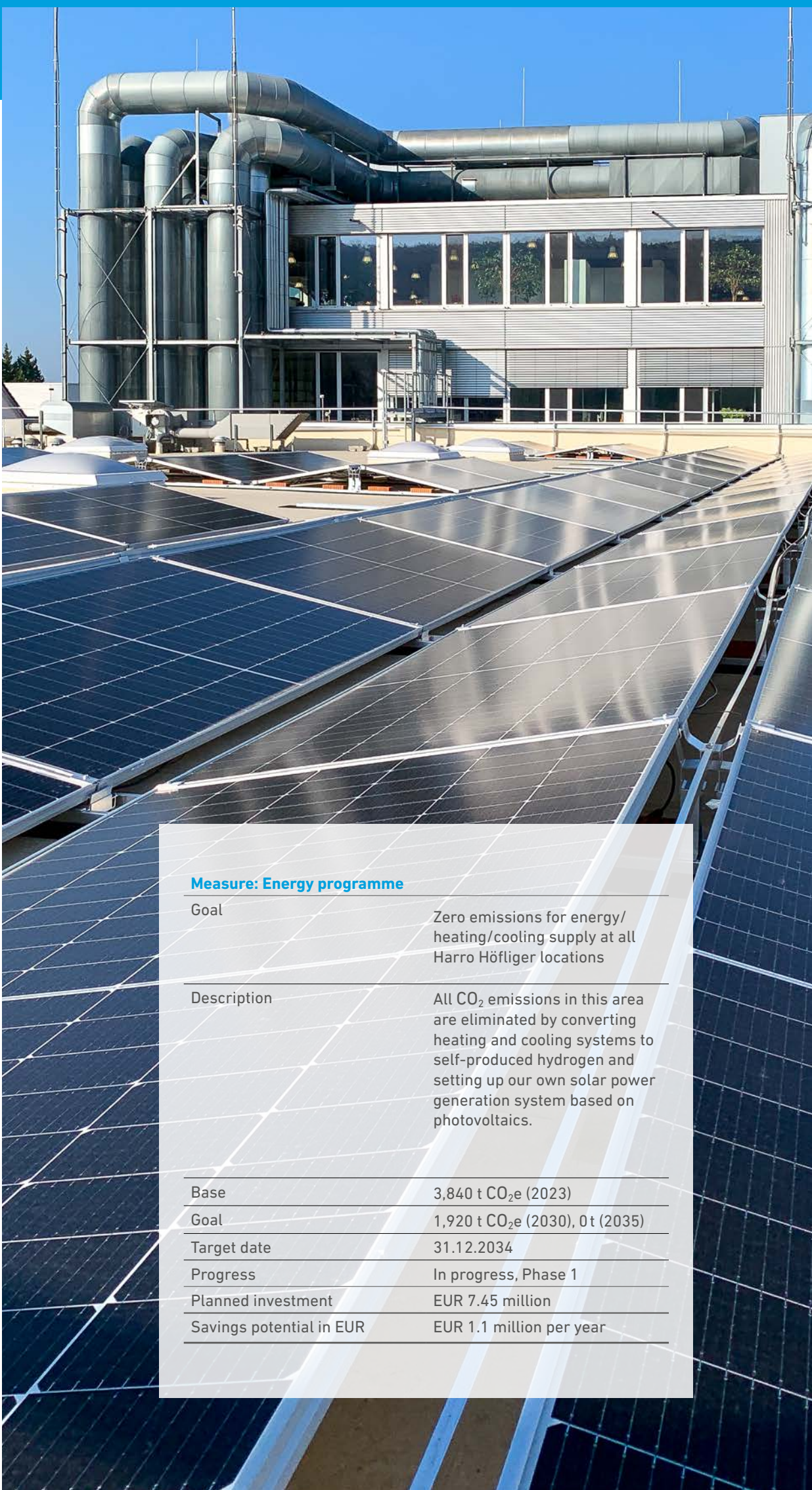
- Upscaling the system: photovoltaic power systems on all available surfaces, including parking lots
- Additional testing of heat pumps in combination with PVT modules at further buildings
- Scaling of electrolysis capacities at the Allmersbach site
- Battery storage for buffering peak loads
- Energy-efficient renovation of company-owned buildings
- Implementation
- The project is being implemented in cooperation between the Building Management, Sustainability Management, and SCM units. External partners and a cooperative arrangement with Esslingen University of Applied Sciences provide the technical support and take charge of execution.



Decarbonization targets (Energy Scope 1+2)

GHG Emissions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Energy Emissions Total	3,765	3,840	3,840	3,520	3,200	2,880	2,560	2,240	1,920	1,536	1,152	768	384	0

¹ Figures for 2024 – 2030 correspond to the reductions achieved by implementing the energy program phases



Measure: Energy programme

Goal	Zero emissions for energy/ heating/cooling supply at all Harro Höfliger locations
Description	All CO ₂ emissions in this area are eliminated by converting heating and cooling systems to self-produced hydrogen and setting up our own solar power generation system based on photovoltaics.
Base	3,840 t CO ₂ e (2023)
Goal	1,920 t CO ₂ e (2030), 0 t (2035)
Target date	31.12.2034
Progress	In progress, Phase 1
Planned investment	EUR 7.45 million
Savings potential in EUR	EUR 1.1 million per year

2.2 RESOURCE EFFICIENCY AND ENVIRONMENTAL PROTECTION

GRI 302-01

Strategy

We require energy to manufacture our machinery and equipment, primarily for the pharmaceutical industry. Harro Höfliger procures energy in the form of heating oil, natural gas and electricity. The fuels used have not yet come entirely from renewable sources. Energy is used to heat buildings, but primarily for cooling, production machinery, IT infrastructure and lighting, for example. With the highest share of total energy consumption, electricity is the most important form of energy in all plants. In 2023, the share of green electricity in our energy mix was 60%. Since 2024, we have been sourcing 100% green electricity. Through measures such as our Energy Programme 2035 and Green Engineering, we are working to permanently reduce our energy demand.

GRI 103

Management Approach

Monitoring and tracking of consumption and key performance indicators is the responsibility of Harro Höfliger's Supply Chain Management (SCM). The targeted implementation of energy-saving measures is the responsibility of Environmental Management and our Sustainability Team. From 2025, the effectiveness of energy-saving measures will be monitored by an energy management system in accordance with ISO 50001. The effectiveness of our energy transformation concept is being scientifically monitored from 2023 to 2027 by the INEP Institute at Esslingen University of Applied Sciences.

Heating energy

The company uses fossil fuels (heating oil, natural gas) for heating purposes. This makes us dependent on external supplies and market-driven prices. The use of these fuels results in CO₂ emissions. Due to carbon pricing, the costs for this will rise significantly in the coming years. Fossil fuels are to be fully replaced by renewable energy by 2035. The associated measures are outlined in the energy transformation plan adopted in 2022. In addition to reducing emissions, the goal is to make the company independent of external energy suppliers and volatile market prices. To evaluate the energy efficiency of our buildings, we determine the weather-adjusted efficiency ratio of heating energy to building area. In 2023, this value dropped to 59.9 kWh/m² (2022: 78.7 kWh/m²).

Electricity (building cooling)

Almost all company buildings are cooled in summer using electricity-intensive air conditioning systems. Due to global warming, demand for cooling is expected to increase, meaning that more cooling capacity will be needed in the future. Our new buildings are therefore being optimized in terms of energy performance to minimize cooling needs. Existing buildings are gradually being insulated.

Electricity (lighting)

Lighting systems in all buildings have been steadily replaced with LED lighting in recent years to reduce electricity consumption. New installations use LED technology. Corridors and staircases are equipped with motion detectors and are only lit when needed. Demand-driven lighting in production and office areas has not yet been implemented.

Electricity (IT infrastructure)

The company operates several data centers and maintains IT infrastructure at all sites. Each employee is provided with a PC/tablet and mobile device. The power consumption for employee computers has been reduced in recent years by switching to laptops. A new, central data center is currently under construction to further improve efficiency.

Electricity (system engineering)

Even during assembly and testing, the systems built by Harro Höfliger consume electricity. This is used, for example, for motors, sealing units, control systems and the provision of compressed air. To reduce electricity consumption during production and in ongoing operation at the customer site, a Green Engineering programme has been launched to identify potential savings and increase efficiency.

Electricity (manufacturing)

Harro Höfliger operates several modern but energy-intensive machines for parts manufacturing. From today's perspective, a reduction in electricity consumption for production is not feasible. Thanks to our Energy Programme 2035, however, the required electricity will in future be largely self-generated or sourced in a climate-neutral way.

Resource consumption (energy within the organization)¹

Consumption	2019	2022	2023	YoY Difference
Building area (m ²)	53,859	78,996	78,446	– 0.70 %
Heating energy consumption (GJ)	13,208	14,840	15,974	+ 7.64 %
Heating energy kWh/m ² (adjusted) ²	84.7	78.7	59.9	– 23.89 %
Heating costs €/m ² (adjusted) ²	3.77	4.27	5.10	+ 19.44 %
Electricity consumption (GJ)	24,727	27,260	30,080	+ 10.34 %
– from renewable sources (GJ) ³	0 (0 %)	16,337 (60 %)	18,048 (60 %)	+ 10.47 % (+ 0%)

¹ Based on utility billing data
² Annual total consumption / building area
³ Share of renewable energy in the electricity mix according to the utility company

Waste heat

In 2024, we established a waste heat register for all German sites for the first time, listing all usable sources of waste heat. Our value creation takes place primarily through manual work in assembly and office areas. Some equipment, such as compressed air compressors, is already equipped with heat recovery systems. Waste heat also occurs during the operation of individual heating systems, numerous decentralized split-type air conditioning units, and certain manufacturing equipment. As we do not use process heat or operate large central systems, our company only generates small, decentralized sources of waste heat that, based on current assessments, are not considered economically viable for reuse.

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

This report does not separately disclose energy consumption outside the organization. Such energy is primarily required for the operation of our machines by customers, for the extraction and production of materials used in our value chain, as well as for logistics, business travel and employee commuting. From our current perspective, none of these areas can be considered energy-intensive. A distribution of energy requirements can be derived from the emissions data presented in GRI 305 (see page 17).

GRI 302-03 **Energy intensity / energy efficiency ratio**

Harro Höfliger calculates energy intensity based on total energy consumption (within the organization) and annual sales revenue and determines this figure on an annual basis. The calculation is as follows: Energy ratio = total energy consumption of the company (consumption inside and outside) / sales revenue (GRI 201-01).

A lower ratio indicates more energy-efficient value creation. Due to the heterogeneous product range typical of custom machine manufacturing, determining the energy demand per product or service is not expedient for assessing our efficiency, which is why we refer to the overall energy ratio here as well.

GRI 302-05

As part of our sustainability strategy, we have set ourselves the goal of improving resource efficiency by 15% by the end of 2028 compared to the base year 2019. This corresponds to an energy efficiency ratio of 123. In the reporting year, the ratio was 13% lower than in the previous year. However, the figures are not directly comparable, as revenue and consumption were based solely on German sites up to 2022, whereas from 2023 onward, international values have been included.

Energy efficiency ratio ¹	Germany		Global
	2019	2022	2023
Energy consumption (GJ)	41,150	42,100	46,053
Revenue (€ million)	284	306	385
Energy efficiency quotient	144.9	137.6	119.6

¹ Scope 1+2

GRI 302-04 **Reducing energy consumption**

Our energy consumption within the organization (Scope 1+2) increased by 9.4% year-on-year. This was due to the expansion of production capacity in newly acquired sites and the inclusion of international sites in our carbon accounting. In addition, the gradual implementation of our transformation plan is currently leading to a temporary further increase in energy consumption. The energy demand is expected to decrease through the step-by-step renovation of buildings. With the commissioning of our pilot plant and the conversion of facilities to heat pumps, we expect a measurable reduction in external energy purchases starting from the 2025 reporting year.

The downward trend in travel activities observed since 2021, especially air travel, did not continue in 2023. Energy consumption for flights amounted to 1,073 GJ in 2023 (694 GJ in 2022), but still fell short of pre-pandemic levels (1,633 GJ in 2019). A stricter travel policy published in 2024 — stipulating that business travel must be critically assessed and flights under 1,000 kilometers should only be taken in exceptional cases — has not yet affected the KPIs presented in this report.

The conversion of our vehicle fleet to more efficient vehicles and electric drives is progressing slowly. The share of BEVs in the total fleet increased from 12% to over 15%. The fleet average dropped to 119 g CO₂e/100 km in 2023 (compared to 133 g in 2022).

In the area of Green Engineering, we are actively working on measures to reduce the energy consumption of our machines during operation (see chapter “Green Engineering”).

The introduction of up to 40% remote working hours has enabled us to reduce commuting-related emissions since the year 2022. Combined with the ongoing rollout of our desk-sharing model — which allows employees to book workspaces as needed — this will also affect future office space requirements and the planning of future buildings.



GRI 303	Water management
GRI 303-01	<p>We see ourselves as part of a local community and believe it is our obligation to make a relevant contribution to environmental protection.</p> <p>We are continuously involved in economic, ecological and social as well as in industrial, economic or other associations and participate, for example, in renaturation and other sustainable projects in the public interest.</p> <p>Water is not needed for production processes in our company, but is used for cleaning purposes and in the sanitary areas. In this respect, our business operations have no significant impact on the municipal water balance.</p>
GRI 303-02	<p>Water contamination can occur in our pharmaceutical laboratories and when testing machines with pharmaceutical products. When active ingredients are used, the resultant wastewater is routed directly from our cleanrooms into central collection tanks by means of a special electronically controlled wastewater separation system. This water is collected by a special disposal company and sent for incineration. As part of our environmental and hazardous substances management, we regulate the handling of hazardous substances and wastewater by means of mandatory training courses with certification (see also GRI 403-10, the section on "Protection against exposure to hazardous substances").</p>
GRI 303-03	Water supply <p>Our locations in Allmersbach, Backnang, Großaspach and Oppenweiler are supplied with drinking water by Stadtwerke Backnang, the other locations by the respective regional municipal utilities. The town of Backnang obtains its drinking water mainly from Baden-Württemberg's state water supply utility in Donauried, near the city of Ulm. The special-purpose association Zweckverband Wasserversorgung Nordostwürttemberg (NOW) is responsible for ensuring reliable transport of the water to Backnang. Before transport, the water is cleaned, sterilized and chlorinated. The hardness level of Backnang's drinking water is medium in all supply zones. The quality of Backnang's drinking water significantly exceeds the requirements of the drinking water regulations.</p> <p>Regular checks of the water quality in the municipality of Allmersbach im Tal also ensure its quality. Water sources are not negatively impacted by these small volumes of water sampling. Nevertheless, Harro Höfliger tries to reduce the sampling volume as much as possible by optimizing its building cleaning processes.</p>
GRI 303-05	<p>Harro Höfliger takes tap water for the legally compliant sanitary supply, for the regular cleaning of our buildings, for the canteen operation and for the supply of drinking water dispensers with free drinking water.</p> <p>The planned conversion of the energy supply provides for the production of hydrogen as a storage medium. A slight increase in the amount of water drawn is to be expected in the future.</p>
GRI 303-04	Wastewater, discharge, discharge into oceans <p>Harro Höfliger's wastewater is discharged into the public sewer network of the respective municipalities. As this wastewater is exclusively from the sanitation facilities and normal cleaning water from building cleaning operations, no special treatment is required. Harro Höfliger's wastewater discharges are exclusively connected to the public sewer network of the respective municipalities. The water is fed to the local sewage treatment plants.</p>

Water management¹

Consumption	2019	2022	2023	YoY Difference
Water consumption (m³)	10,128	11,629	10,476	- 10 %
Waste water (m³)	10,083	11,567	10,366	- 10 %
Hazardous wastewater (m³)	45	62	110	+ 77 %

¹ Data collection based on meter reading and supplier/disposal company billing

Environmental Compliance	GRI 307
<p>Harro Höfliger maintains an extensive legal register in order to comply with the applicable legal regime. We are supported by an external legal firm and take into account federal, EU, state and local law. Certification on the topics of environment and energy is very important to Harro Höfliger. Certification in accordance with DIN EN ISO 14001 has already been successfully achieved. Certification in accordance with DIN EN ISO 50001 is targeted for 2025.</p>	
<p>Harro Höfliger operates its company facilities at its locations in the German towns of Allmersbach im Tal, Backnang, Großaspach, Schlierbach, Oppenweiler, Rommelshausen, and Satteldorf. The Allmersbach im Tal site in particular is to be regarded as an industrial mixed area.</p>	
Management Approach	GRI 103
<p>The monitoring and tracking of environmental compliance is the responsibility of the QHSE department at Harro Höfliger and is ensured with the help of the extensive legal register. The inspection of the register is also the responsibility of Harro Höfliger's certified Compliance Officer. In order to monitor any suspected violations of legal regulations, all in-house compliance directives and instructions in force at Harro Höfliger must be applied. There were no such suspected cases in the reporting period. The auditing is carried out by an external accredited testing company (DEKRA).</p>	
Non-compliance with environmental laws and regulations	GRI 307-01
<p>Any impact on the local, surrounding community will be kept to a minimum as far as possible. Night-time peace and quiet is ensured for the adjacent residents, primarily through significant noise control measures. In addition, noise and traffic nuisances are largely prevented by the selective timing of delivery activities by truck.</p> <p>All updates on the individual legal topics are reviewed by the externally appointed lawyers and evaluated for their relevance.</p> <p>The relevant changes are entered into the in-house legal register and, where necessary, appropriate training is provided. This ensures compliance in all areas throughout.</p>	

Environmental management certification of production sites

(covers all German sites; currently only service/sales sites internationally)

Standard	2022	2023	Sites
ISO 14001	certified	certified	7/7

2.3 CIRCULAR ECONOMY

GRI 306-01

Waste Management

Different types of waste are generated in our value creation process. These can be divided into recyclable materials, non-hazardous waste (such as packaging materials, municipal waste, etc.), and hazardous waste (such as chemicals or wastewater from the pharmaceutical laboratory).

To build our machinery, Harro Höfliger procures raw materials and goods that must be packaged for safe transportation. This generates larger quantities of packaging waste – primarily at our logistics center in Großaspach – which are separated and professionally disposed of. Packaging is also used for internal transport processes to protect valuable machine components.

Due to the depth of our value creation processes, we manufacture many parts in-house. During the milling of metal parts, residual quantities of metals, swarf, and contaminated cooling water are generated, which constitute significant waste. These are fed directly into the recycling chain via a professional disposal company.

Municipal waste is also generated in significant quantities through plant operations and the provision of supplies to employees. Hazardous substances occur in only very small quantities and in a few processes within our company. The internal transport and disposal of these substances by specialized companies is monitored by our hazardous substances officer and strictly regulated by internal processes and procedural instructions.

Ultimately, our machines must also be dismantled at the end of their service life. However, reuse and refurbish concepts developed by our Customer Service can significantly extend the service life of our machines. The modular, platform-based design enables retrofitting and modernization of the systems as well as their dismantling and largely material recycling at the end of their service life.

If a customer decides to decommission a machine, we may offer to buy it back or assist in identifying a buyer. However, this is often not feasible due to the high degree of specialization of our machines. If direct reuse is not an option, our machines are typically acquired by dealers in used machinery, who attempt to resell the machine in whole or in part, with remaining components being recycled.

GRI 306-02

We consider all waste generated to be a waste of resources. Our stated goal is therefore to avoid all waste in manufacturing and production and to measurably reduce the use of resources. We are working on various initiatives to identify and eliminate resource waste wherever possible.

GRI 306-04

All waste generated at our company is disposed of by contracted specialist companies. Disposal certificates and invoices are digitized by our Supply Chain Management, and waste code numbers are assigned and evaluated.

GRI 306-05

The volume of recyclable materials rose slightly in 2023. However, due to a significant overall increase in waste volumes, the proportion of recyclable materials decreased from 49 % to 35 %.

This sharp increase in total waste volume compared to the previous year is due to several construction and renovation projects associated with the expansion of our production areas. Nearly 400 tons of excavated soil had to be removed. Municipal waste also increased from 222 to 332 tons.

"Many products become sustainable by remaining in use for as long as possible." Our machines are designed for high efficiency and a long service life. Both can be expanded through maintenance, repair and upgrades of hardware and software. On the technical side, we also rely on energy-saving devices – pneumatics, vacuum, drives – and provide extensive training to the system operators so they know how to produce their products in resource-saving ways."

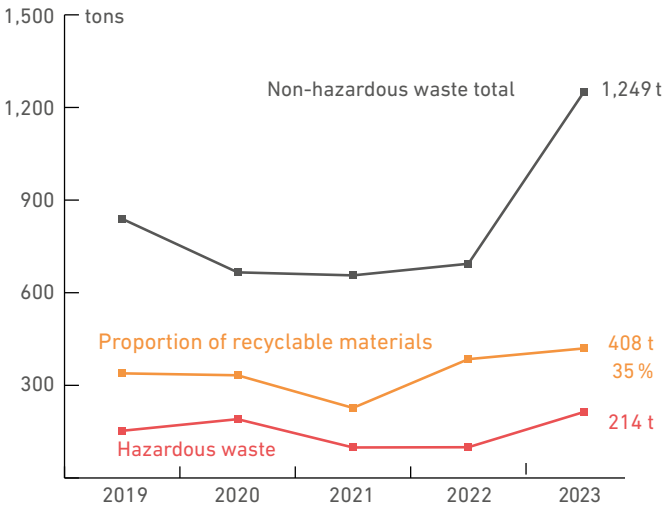


Peter Claußnitzer, CTO

GRI 306-03

Accumulated waste: Types of waste in 2023 with quantity (in metric tons)

Type of waste	Non-recyclable material	Recyclable material	Disposal
Non-hazardous w. (1,249.35 t)	840.70	408.65	
Excavated soil	387.54		Landfill
Municipal waste	332.51		Incineration
Metal		141.30	Recycling
Paper		115.01	Recycling
Wood	91.99		Incineration
Concrete		58.82	Recycling
Food waste		39.36	Composting
Asphalt		18.46	Recycling
Construction waste		16.02	Landfl.+ Recygl.
Other	15.51		Incineration
Electric cable		13.33	Recycling
Packaging w. residual materials	8.81		Incineration
Chemicals	3.19		Incineration
Plastic		3.11	Incin.+ Recygl.
Paving stones		2.75	Recycling
Solution	1.17		Incineration
Electrical appliances		0.50	Recycling
Hazardous waste (213.50 t)	202.58	10.91	
Cleaning fluids	110.00		Incineration
Chemicals	77.30		Incineration
Electrical appliances		9.60	Recycling
Solution	9.00		Incineration
Other	5.33		Incineration
Metal		1.31	Recycling
Packaging w. residual materials	0.51		Incineration
Municipal waste	0.40		Incineration
Oil waste	0.04		Incineration
Total quantity (1,462.85 t)	1,043.29	419.56	



GRI 301

Strategy

Our business model – the construction of high-performance machines for the medical and pharmaceutical industries – has a significant impact in the following areas:

- 1. Raw materials and components purchased
- 2. Energy required by the machines during assembly and in operation at the customer's site.

The resulting emissions are currently determined as a product carbon footprint (PCF) in the context of our GHG Scope 3 accounting, using a model-based and approximate approach. In parallel with improving the quality of available data, we are working to reduce these emissions both along the supply chain and in terms of the efficiency of our machines. Further impacts, such as those caused by logistics, sales activities, etc., are not addressed in this chapter due to their relatively small effect and the associated principle of proportionality.

GRI 301-01

Our machines consist of thousands of individual parts, control units, cables, hose connections and functional assemblies, most of which are purchased from German suppliers. For the production of milled parts (mainly made of aluminum or stainless steel), we have our own in-house manufacturing facilities.

At present, we do not record the total weight of materials used or differentiate between renewable and non-renewable materials. However, it can be stated in general terms that the majority of materials used in our machines are steel, stainless steel and aluminum. These materials are traded as valuable raw materials worldwide and are fed back into the recycling system via specialist recycling companies after the end of the machines' service life.

Many of our partners pursue their own sustainability strategies and are gradually increasing the proportion of recycled materials in their products. Unfortunately, at present, it is difficult to obtain differentiated information in a standardized data exchange format. We are therefore currently unable to make any statements regarding the proportion of renewable materials used or the recycling content of the goods we purchase.

During the annual supplier meetings, social and environmental sustainability criteria are addressed in addition to financial and qualitative aspects, using a predefined discussion template. To implement this process efficiently, we introduced a database-supported software solution for supplier monitoring in 2023. We are currently adapting our processes step by step to meet new requirements. Starting in 2024, this solution will enable us to assess and conduct risk evaluations for large parts of our supply chain – as also required by Germany's Supply Chain Act (LkSG).

Harro Höfliger machines are designed and built for the production of one or more specific products. Their service life is typically 15 to 20 years, which is ensured by regular maintenance and servicing. Together with our Customer Service, the systems are often further optimized during production in order to increase overall efficiency, reduce errors and production waste, or reduce downtimes. Depending on the product life cycle of the product being manufactured, the machines can also be used for longer periods or converted for the production of comparable successor products. Continuous optimization and retrofit measures in the area of Customer Service therefore play an important role in terms of sustainability.

Green Engineering

Key aspects of our value creation include, firstly, the product carbon footprint (PCF) of our systems, which is significantly influenced by the materials used and the provision of our infrastructure, and secondly the entire product lifecycle during the machines' service life. The emissions caused by our production facilities account for only 1–2 % of the PCF of the pharmaceutical products manufactured on our systems. Nevertheless, we are actively working on alternative mechanical engineering concepts in the field of green engineering in order to reduce the power consumption of our systems in operation and standby.

In the design phase of our machines, we already focus on improved production times and shorter throughput times in order to save energy. Additively manufactured components can be optimized for lightweight construction in a resource-saving and sustainable way using topology optimization software. The selection of the right material plays a key role in this context. For example, the weight of axles or grippers can be significantly reduced.

Functions integrated directly into machine components – such as air ducts, components, cooling ducts and mechanical functions – enable optimal installation with short routing paths and thus reduced energy consumption.

Our drive systems (e.g. servo drives) are always designed to match the actual load case so that no unnecessary energy is consumed. Thanks to the digitalized combination of electrical and pneumatic systems, we consistently use the optimum medium to move system components.

An example of particularly resource-efficient technology is sealing. Conventional processes rely on heat sealing, which requires large amounts of energy. Many products can also be sealed with water. If this is the case, Harro Höfliger applies this new method. Depending on the machine, switching from heat to water can save around 20 kW of electrical power for heating.

Our customers require data on the CO2 footprint (= PCF) of the machines they purchase in order to determine their GHG emissions under Scope 3.2 (Capital Goods) and in turn to calculate the PCFs of their own products. The ability to provide the PCF, as well as the PCF value itself, will become a medium- and long-term factor influencing our customers' purchasing decisions. We therefore developed a tool at an early stage to enable the automated calculation of the PCF so we can provide machine-specific data to our customers on request.

In addition, we are working in various projects to reduce CO2 emissions. By breaking down CO2 emissions over the various phases of the machine lifecycle, we can implement targeted measures to reduce the PCF while taking economic efficiency into account.

Targets achieved

- Development of a proprietary calculation tool for automated PCF determination for both standardized and customized machines (PCF calculation available for any machine on request)
- PCF calculation based on ISO 14040/14044 and the Greenhouse Gas Protocol
- Calculations currently based primarily on average values (Ecoinvent database), as hardly any primary data from suppliers are available at present

Further objectives and measures

- Improve calculation accuracy by collecting more primary data
- Reduce PCFs through Green Engineering and sustainable procurement (ongoing)
- External validation of calculations

Circular Economy in Mechanical Engineering

Harro Höfliger pursues a systematic, holistic end-of-life (EoL) approach based on circular economy principles. The aim is to extend life cycles, conserve resources and generate both ecological and economic benefits. The measures taken are not only technical in nature but also strategic and service-oriented.

Our white paper “Circular Economy in Mechanical Engineering” presents a comprehensive range of approaches for implementing the circular economy in the end-of-life context. The key approaches are derived from the “10 Rs” of circularity and include the following measures:

Repair

- Targeted repairs to extend the service life of machines
- Use of remote support (including HoloLens 2) to minimize downtime and travel-related emissions

Refurbishment

- Maintenance management through preventive and reactive servicing
- Overhaul of machines including modern replacement parts
- Extended warranty (up to 7,200 operating hours or 2 years)

Remanufacturing

- Mechanical and software upgrades to modernize existing machines
- Implementation of new technical concepts on existing systems (e.g. conversion to more efficient technologies)

Reuse

- Direct reuse of components (e.g. recovered during disassembly)
- Rental models for standardized machine platforms for temporary use

Resale

- Facilitation of used machine sales between customers
- Contribution to resource conservation and cost savings, especially for smaller companies

Disassembly

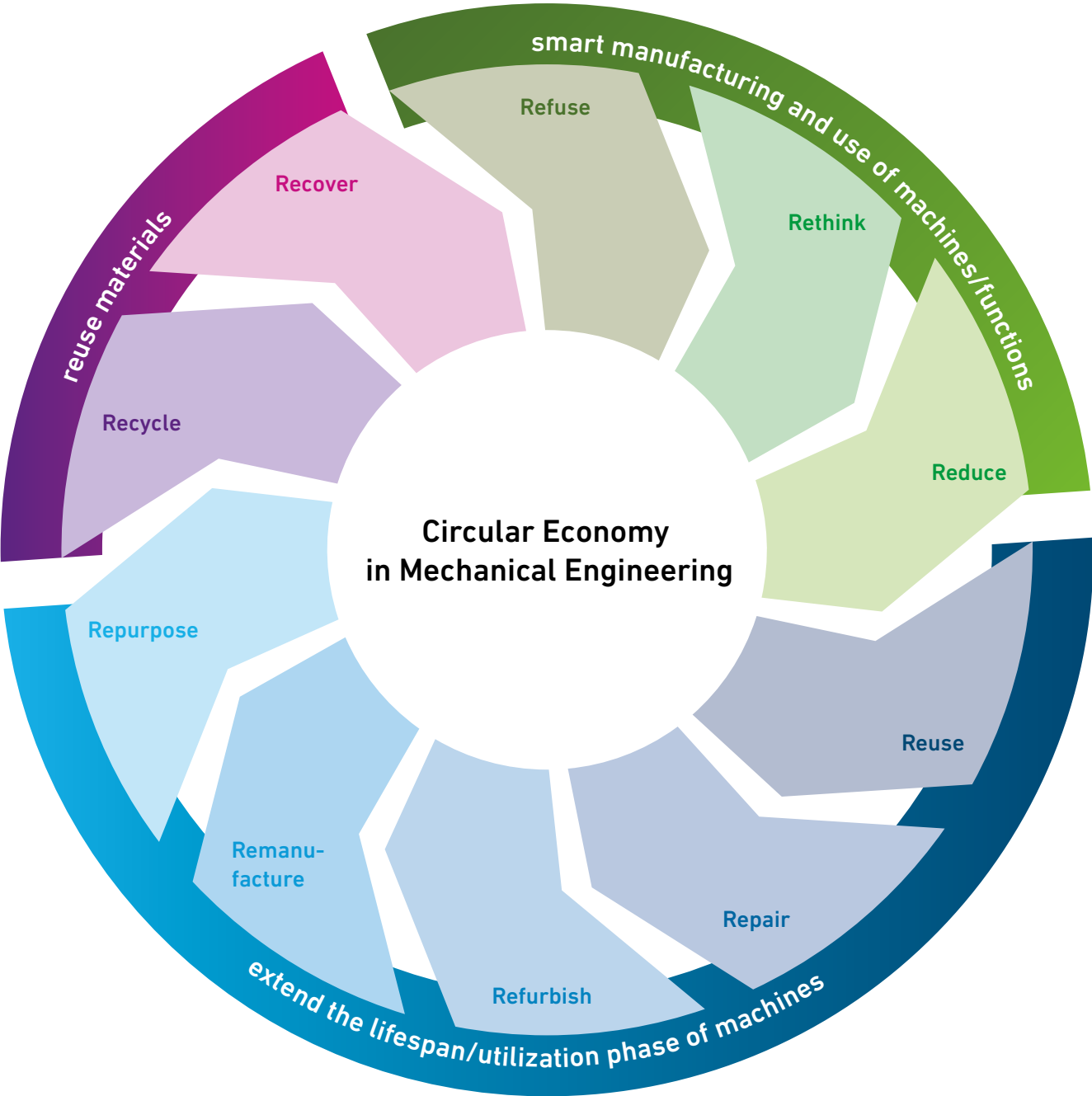
- Targeted disassembly and identification of reusable components
- Material-specific sorting to reduce waste and increase material recovery

Spare Parts & Obsolete Parts Management

- Early identification and replacement of discontinued parts
- Development of retrofit kits to extend the production cycle
- Personalized 3D spare parts catalog for customers

Manufacturing

- Resource-efficient design methods (e.g. lightweight construction, additive manufacturing)
- Integration of energy-efficient functions directly into components (e.g. air and cooling ducts)





3 PEOPLE AND SOCIETY

Our employees – with their knowledge, skills and motivation – are the key to long-term business success. Finding talent in times of a skilled labor shortage is time-consuming and costly. At the same time, we are in direct competition with large industrial companies in the area.

That is why our goal is to become one of the most attractive employers in the region. Through targeted programs, we increase employee satisfaction and, in turn, their loyalty to the company, while also attracting new talent. Professional qualifications and social skills are the keys to prosperity and peace. Through our family trust, vocational training and continuing education are enshrined in our articles of association as a core part of our commitment. Our in-house training academy offers young people the opportunity to embark on a qualified career path.

Our continuing education program ensures that our employees stay up to date in technical, job-specific, and social matters.

Code of Conduct 5

We treat every individual with dignity and respect.

Our workforce is the foundation of our business activities and success. In the interest of equal opportunities, factors such as age, disability, ethnic origin, skin color, gender, pregnancy, sexual identity, nationality, religion, or marital status play no role in the recruitment process. We respect the right to freedom of expression as well as the protection of personal rights and privacy.

All employees have the right to appropriate remuneration. We assess our employees based on their performance and provide fair feedback on their work. We treat each other with dignity and respect. Employees who violate this fundamental principle are not a good fit for our company. We strive to resolve workplace issues promptly, confidentially, and with consideration for all interests involved. Managers support their team members in balancing their professional and private lives.

3.1	DIVERSITY, EMPLOYEES AND PERSONNEL DEVELOPMENT	25
3.2	OCCUPATIONAL HEALTH AND SAFETY	29
3.3	RESPONSIBILITY WITHIN SOCIETY AND OUR SUPPLY NETWORK	32
	HUMAN RIGHTS REPORT	34
3.4	PRODUCT SAFETY AND INTEGRITY	36

3.1 DIVERSITY, EMPLOYEES AND PERSONNEL DEVELOPMENT

GRI 103

Concrete measures and objectives in the areas of diversity and equal opportunity are to be developed in the coming years and implemented by 2030 at the latest. Responsibility for these efforts lies with Human Resources Management. As described in our Code of Conduct, our employees form the basis of our business activities and our success. That is why we regard employee surveys and the employee turnover rate as key indicators of the success of our human resources management and of the company's long-term viability.

Working atmosphere and communication

A culture of open dialogue is a matter of course for everyone at Harro Höfliger. The doors to supervisors are always open to all employees. Any operational changes are communicated immediately by our Management Board via the intranet. Employees use this platform and its thematic subgroups – which cover both work-related and social topics – for efficient and cross-departmental exchange.

GRI 401-01

New employee hires and employee turnover

The number of employees at Harro Höfliger continued to increase in the past year. To ensure full integration of employees with disabilities, we work closely with various partner institutions. Employees with disabilities are integrated in all areas of the company. If vacancies cannot be filled, we pay the legally required compensatory levy.

GRI 401-02

Company benefits

Company benefits in accordance with the legal requirements of the Federal Republic of Germany are granted to all employees who have successfully completed their six-month probationary period. No distinction is made between full-time and part-time contracts. Additional benefits such as bonus payments, holiday and Christmas bonuses, and paid leave are granted on a pro rata basis depending on the length of service and the scope of the employment relationship.

GRI 406

Non-discrimination

The exclusion of discrimination is one of the fundamental principles of our corporate policy and is firmly anchored in our Code of Conduct. Harro Höfliger complies with international laws and the standards of the Federal Republic of Germany. This applies both to our production sites and to all international subsidiaries.

"As a family-based company that seeks to contribute to a better tomorrow, our people are, for us, the key to lasting economic success." We are actively committed to a corporate culture in which our cooperative interaction with one another is characterized by mutual respect. We also demand this from our suppliers."



Uwe Amann, CHRO

GRI 102-08

Personnel structure

Germany ¹	End of 2023
Employees (Headcount)	1743
– of whom female	(19 %) 331
– of whom male	(81 %) 1412
– permanent	1718
– fixed-term	25
Employee turnover rate	4,5 %
Full-time	(84 %) 1472
– of whom female	(13 %) 191
– of whom male	(87 %) 1281
Part-time	(16 %) 271
– of whom female	(55 %) 148
– of whom male	(45 %) 123
Severely disabled employees	(1,9 %) 30
Employees in management positions	(8.5 %) 146
– of whom female	(6.8 %) 10
– of whom male	(93.2 %) 136
– of whom other	n/a
– under 30	(4.5 %) 7
– between 30 and 50	(65.2 %) 95
– between 50 and 60	(23.8 %) 35
– over 60	(6.2 %) 9
Employees without management responsibility	(91.5 %) 1572
– of whom female	(20.2 %) 318
– of whom male	(79.8 %) 1254
– davon other	k. A.
– under 30	(27.6 %) 433
– between 30 and 50	(46.6 %) 717
– between 50 and 60	(19.4 %) 306
– over 60	(7.4 %) 116
International ¹	
India	50
USA	33
UK	27
Company wide ²	
Employees (FTE according to annual financial statement)	1990

¹ Source: HRM, Headcount, end of the year

² Source: Controlling, FTE, end of the year

GRI 102-35

Wage review and compensation policy

Employees are remunerated exclusively based on performance, responsibility and conduct. Other factors are not taken into account. Tracking and follow-up in this area are the responsibility of the Human Resources (HR) department at Harro Höfliger and are supported and monitored by the Management Board. No suspected cases of violations were identified during the reporting period. The effectiveness of our HR activities is demonstrated through regular review of the staff turnover rate. Harro Höfliger has established all legally required social protection systems and pays wages above the minimum wage of EUR 12.00 per hour prescribed in Germany (as of 2023).

GRI 102-36

Ensuring a living wage

Harro Höfliger conducts annual benchmark analyses of the pay structure of permanent staff to ensure that wages remain sufficient to secure a living. For our production sites in Germany and India, we calculate the living wage each year based on statistical data on the cost of living and rent. For example, in 2023 the calculated living wage for a single employee in the Rems-Murr district (where our German sites are located) was EUR 13.29 per hour. Our regular reviews confirm that in 2023 all permanent employees at Harro Höfliger received wages above the living wage threshold.

Living Wages ¹		
	2023	% permanent employees above living wage threshold
GER, Rems-Murr District	13.29 €/h	100
IND, Bengaluru	289 ₹/h	96 ²

¹ Research by Harro Höfliger
² 4% entry-level employees/trainees

GRI 102-36

Salary determination process

The general annual salary adjustment is decided each year by the Management Board in collaboration with the Supervisory Board, based on the company's economic performance. As a rule, this increase takes effect on February 1. Exceptional performance and commitment are additionally recognized through individual salary increases. The principle of performance and gender equality applies. In addition to the contractually agreed base salary, the company pays voluntary performance-based bonuses that enable all employees to participate in the company's success. These are usually paid with the April payroll. A full bonus is granted to employees whose performance and conduct met expectations, who were employed for the full year, and whose employment was not terminated at the time of payment. Bonuses are granted only after the regular weekly working hours have been fulfilled. Employees for whom overtime is already covered by their base salary are excluded from these rules. Employees also receive holiday and Christmas bonuses as well as special payments, e.g. inflation compensation bonuses.

GRI 102-37

GRI 102-38

Ratio and increase in total annual compensation

Due to the strongly socially and performance-oriented nature of our compensation system, we do not calculate the ratio of the total annual compensation of the highest-paid employees to the median total annual compensation of all employees.

Collective bargaining agreements

Harro Höfliger is not a member of an employers' association, and no collective bargaining agreements are currently in effect. None of our employees are therefore covered by such agreements. Our employees are always at the center of our attention and form the foundation of our economic success. 100 % of employees receive a legally binding employment contract. These contracts comply with the legal requirements of the respective country and are drawn up with the involvement of the Supervisory Board, the Management Board, the responsible HR staff, and employee representatives responsible for all aspects of health, safety and labor law.

GRI 102-41

Code of Conduct 1

We always comply with laws and regulations

Legally compliant and socially responsible corporate governance is the foundation of Harro Höfliger’s business activities. We fully comply with all applicable laws and regulations at all times. National laws and regulations take precedence over internal company rules. In our commitment to respecting internationally recognized human rights and to combating corruption, we follow the guidelines of the International Society of Automation (ISA), ISO 37001, and the ten principles of the UN Global Compact. We strictly reject all forms of forced labor and child labor. We comply with legal requirements for lobbying and avoid any improper influence on politics and legislation under all circumstances.

GRI 406-01

Incidents of discrimination and remedial measures taken

The following key topics are evaluated equally across all sites as part of our human rights risk analysis:

- Ethnic origin / racism
- Gender and gender identity
- Religion / beliefs
- Disabilities / chronic illnesses
- Age
- Sexual identity

Of course, all other forms of discrimination are also addressed rigorously and with full consequences. All employees are trained in the company’s Code of Conduct, with documented proof of completion. Our suppliers are expected to commit to the values and standards set out therein, although their own comparable Codes of Conduct may also be recognized.

As an important foundation for implementation, we have introduced a procedural instruction for applying the compliance management system in accordance with ISO 37301. This references Harro Höfliger’s quality and compliance policies and also includes relevant stakeholders. Potential compliance risks are identified and evaluated using an associated instruction for conducting a compliance management risk analysis. Investigations of compliance violations are conducted in accordance with the aforementioned internal instruction. Internal audits are used to monitor compliance with the procedure.

Concerns and/or violations of the law may be reported at any time by all employees via the anonymous whistleblowing procedure or directly to the Compliance Officer.

There were no such reports or suspected cases during the reporting period.

GRI 103

Management approach

At Harro Höfliger, the QHSE department is responsible for monitoring and following up on this management topic. This is ensured through the established Process Action System (PAS) and the associated CAPA plan. In order to track suspected cases of discrimination and assess the effectiveness of actions taken, Harro Höfliger applies the compliance instructions described under GRI 406-01. Internal work instruction AA 3.23-02 has been valid since the 2022 reporting period.

Diversity¹

	2021	2022	2023	YoY Difference
Reported discrimination cases according to ISO 37301	0	0	0	=

¹ Evaluation by Compliance Officer



GRI 404

Training and skills development

People, with their individual inclinations and abilities, are at the center of all our efforts and play a key role in ensuring that our company remains true to its guiding principle of ALL YOU NEED in the long term. Professional qualifications and social skills are the key to prosperity and peace. Through our family trust, training and continuing education are firmly anchored in our articles of association as part of our commitment. Our in-house training academy offers young people the opportunity to embark on a qualified career path.

For a company that manufactures machinery for specialized applications, high-quality training and continuing education of employees is of fundamental importance. With over 120 apprentices and students at our in-house training academy, we contribute to the sustainable economic strength of the region. A high level of competence among our employees is just as crucial for securing the future of our company as the emerging skilled professionals trained at our academy. All new employees receive extensive training on their respective work areas during the six-month onboarding phase. In knowledge-intensive fields such as control technology, we operate our own in-house academy that provides intensive preparation for new talents starting their careers at Harro Höfliger.

Code of Conduct 7

We support our employees in their professional and personal development.

The skills and abilities of our workforce are essential for a secure and successful future for Harro Höfliger. We therefore ensure a wide range of introductory, on-the-job and job-specific training opportunities. At the same time, we foster the personal development of all employees and support their ambition for professional advancement.

We actively involve our suppliers in training activities and encourage them to offer their own employees comprehensive training and continuing education. Conversely, Harro Höfliger regularly shares technical know-how with its suppliers in order to achieve the best possible results in collaboration.

GRI 103

Management approach

The Human Resources (HRM) department at Harro Höfliger is responsible for monitoring and follow-up in this area and is directly supported and overseen by the Management Board. To evaluate the effectiveness of our recruitment measures and our structured approach to training and skills development, we use the annual training quota and employee turnover rate as key performance indicators for employee retention. The measurement of the annual budget for continuing education serves to ensure and manage sustainable personnel development. There were no suspected cases of process violations of this kind during the reporting period.

Average number of hours of training and continuing education per employee per year

Harro Höfliger calculates an average of 10 hours of external training per employee per year. Converted to the entire workforce in Germany, the average training budget per employee was EUR 430 per person in 2023. Training opportunities are not granted on the basis of origin, gender, or sexual orientation; therefore, no separate breakdown is provided.

GRI 404-01

Programs to enhance employee competencies and support transitions

After the onboarding phase and final confirmation of permanent employment, all employees have access to a training catalog with more than 100 different courses and workshops. Following consultation with the relevant supervisor, these can be used by employees free of charge. Through our on-the-job continuing education program, we ensure that our employees remain up to date in their technical, workplace-related and social competencies.

GRI 404-02

Every permanent employee is given the opportunity to save working hours in a time value account, which can later be used toward phased retirement or early retirement at the end of their professional career.

Percentage of employees receiving regular performance and career development reviews

Regular employee reviews are established at the company and conducted as needed by supervisors. Prior to salary review rounds, each supervisor is required to evaluate their team members and, if applicable, submit a proposal for individual salary adjustments to the HR department. No distinction is made on the basis of gender, origin or sexual orientation.

GRI 404-03

3.2 OCCUPATIONAL HEALTH AND SAFETY

Code of Conduct 6

Occupational Health and Safety

We provide our workforce with a safe and healthy working environment.

Occupational safety is achieved through leading by example and the willingness of our employees to take responsibility. We expect everyone to comply with the relevant occupational health and safety regulations.

This also includes environmentally conscious and sustainable working methods. For this reason, we observe all applicable environmental laws and use sustainable technologies wherever possible.

We handle our equipment with care and use it solely for its intended purpose. We constantly strive to use our resources efficiently.

GRI 403

Healthy employees safeguard the long-term performance of Harro Höfliger as a commercial enterprise. To systematically integrate, maintain and continuously improve all occupational health and safety topics, Harro Höfliger has implemented an integrated management system in accordance with DIN EN ISO 45001. In addition, a software system has been installed to centrally monitor all relevant hazardous substances, instructions, operating procedures, safety data sheets, risk assessments, workplace accidents and more. The management system is applied at all Harro Höfliger sites.

GRI 103

Responsibility for monitoring and follow-up lies with Harro Höfliger's QHSE department. An extensive team supports our in-house Occupational Safety Specialist (OSS) in the performance of their duties. There were no suspected violations of this process during the reporting period. The effectiveness of our preventive measures in the area of occupational health and safety is ensured with the aid of the incident statistics we maintain in-house (see also GRI 403-01ff).

GRI 403-01

Occupational Health and Safety Management System

A documented procedural instruction was created as the basis for integrating, implementing and continuously improving the Occupational Health and Safety Management System (OHSMS) in accordance with DIN EN ISO 45001 at Harro Höfliger Verpackungsmaschinen GmbH. This applies to all employees listed under GRI 102-08. The management system also serves to prevent work-related injuries and illness and to ensure the provision of safe and healthy workplaces on a permanent basis.

GRI 403-08

External companies carrying out risk-related activities at our sites receive occupational health and safety training from the responsible Harro Höfliger employees as part of a risk meeting. The associated documentation forms part of this training.

The Management Board acknowledges and assumes overall responsibility and accountability for the prevention of work-related injuries and illness and for providing safe and healthy workplaces and activities. Operational responsibility lies with the Director QHSE. The Management Board has assigned the primary responsibility for managing, monitoring and continuously improving the OHSMS to the Occupational Safety Specialist (OSS).

The OSS is supported in the performance of their duties by several employees with additional qualifications:

- Safety officers
- First aiders
- Fire protection officer
- Fire protection assistants
- Hazardous substances officer
- External company doctor
- Dangerous goods officer
- Laser safety officer
- Radiation protection officer
- Authorized electrical engineers

Hazard Identification, Risk Assessment and Incident Investigation

The following key topics fall within the scope of the OHSMS at Harro Höfliger:

- Occupational health and safety
- Fire and building protection
- Hazardous materials management
- Operational requirements and legal obligations

Risk analyses are carried out for each of these topics. On this basis, risk mitigation measures are defined and potential opportunities are assessed.

Operational implementation of the OHSMS is promoted and ensured through the following measures:

- Provision of the necessary resources in all work areas
- Establishment of adequate competence through regular training and continuing education on the occupational health and safety topics relevant to each work area
- Raising awareness of relevant occupational health and safety issues through regular communication and incident reporting and analysis
- External communication on OHSMS topics to service providers and partners, including fulfilment of legal communication obligations (e.g. accident reports)
- Regular updates to controlled OHS documentation to ensure alignment with actual working conditions
- Integration of change management processes to respond to changes in products, equipment, working conditions and environments
- Integration of Supply Chain Management (SCM) into the OHSMS to ensure approvals for the use of equipment, materials and hazardous substances
- Establishment of appropriate emergency response plans, including regular reviews of their effectiveness. First aid provision is part of this planning.

Accidents and incidents at Harro Höfliger must be recorded and/or reported using various tools and documentation methods. Procedures and measures to prevent accidents are part of the mandatory annual safety training provided to all employees. Incidents and accidents are compiled in a regular report and presented and evaluated at the quarterly Occupational Safety Committee (OSC) meetings.

Special safety stations are installed in every work area at Harro Höfliger, showing instructions on how to proceed in the event of an internal incident or accident. All necessary first-aid equipment and materials are available at each station.

GRI 403-02

GRI 403-02

Risk Management

The following risk matrix is used to evaluate what further course of action should be taken to follow up on incidents and accidents.

Identification of the Risk Priority Factor (RPF)		Health impact	
		Number with short-term influence (Cure)	Number with long-term influence (permanent damage)
Incident risk levels	Low	0	1 (< 3 days)
	Medium	1 (< 3 days)	2 (> 3 days)
	High	2 (> 3 days)	3 (serious accident)

Actions to be taken in case of incidents	
0	No further action
1	Internal assessment of whether there is another risk
2	Summary report and discussion in the ASA on the further procedure → at least retraining of the person concerned
3	Summary report, discussion in the ASA with the following immediate measures to improve the condition

GRI 403-03

Occupational Health Services

Occupational health care is provided with the help of an external company. This company provides the company doctor and manages the health data of Harro Höfliger employees. This approach completely rules out any favoritism or disadvantaging of anyone. Under German law, in the event of an occupational accident, Harro Höfliger is only informed by the attending doctor whether the employee is fit to work or not. Through our company doctor, we offer annual flu vaccinations on a voluntary basis. During the COVID-19 pandemic, we organized vaccination appointments for our employees in cooperation with local family doctors.

GRI 403-04

Employee participation, consultation and communication on occupational health and safety

The Occupational Safety Committee (OSC) meeting, which takes place four times a year, is attended by the company doctor, the Senior Managers of Operations and Human Resources, the Occupational Safety Specialist, a representative of the Safety Officers and the Head of the QHSE Department. If necessary or on request, employees are invited to present specific health- or safety-related topics or suggested improvements.

All relevant regulations and information on Harro Höfliger’s occupational health and safety system is available to every employee at any time via the intranet section “My Safety”.

GRI 403-05

Employee training on occupational health and safety

All employees are trained in the health and safety topics relevant to their job when they join the company and at regular intervals thereafter (in most cases at least once a year). The extensive range of training courses also specifically addresses health risks resulting from repetitive and unilateral strain (Repetitive Strain Injury – RSI). In this context, annually recurring training on ergonomics in the workplace is mandatory.

Training is documented and verified using a system managed centrally by the QHSE Department. The core training courses cover occupational health and safety, information security, data protection and fire safety. Additional job-specific safety training is provided in the respective departments.

Overview of mandatory training courses in the system (employee view)

Allgemein verfügbare Online-Unterweisungen					
	Nummer	Gültig bis		Qualifikationen	Bezeichnung
	0047	15.10.2024	Durchführung starten	Brandschutz: Flucht und Rettungswege	Brandschutz: Flucht und Rettungswege, jährli...
	0048	15.10.2024	Durchführung starten	Erste Hilfe	Erste Hilfe, jährliche Unterweisung_V1.1
	0050	15.10.2024	Durchführung starten	Gefahrstoffe - sicherer Umgang	Gefahrstoffe & Wirkstoffe: sicherer Umgang, ...
	0057	15.10.2024	Durchführung starten	Leitern, Tritte, Gerüste	Leitern, Tritte und Gerüste, jährliche Unterwei...
	0058	23.10.2024	Durchführung starten	Sicherheits- und Gesundheitskennzeichnung	Sicherheits- und Gesundheitsschutzkennzeich...
	0004	17.11.2024	Durchführung starten	IT-Sicherheit	IT-Sicherheit, jährliche Unterweisung
	0052	17.11.2024	Durchführung starten	Heben und Tragen von Lasten	Heben und Tragen von Lasten, jährliche Unte...
	0076	17.11.2024	Durchführung starten	Betrieblicher Datenschutz	Betrieblicher Datenschutz, jährliche Unterwei...
	0043	23.11.2024	Durchführung starten	Büro- und Bildschirmarbeit sicher und gesund	Büro- und Bildschirmarbeiten_V1.1

GRI 403-09

Work-related injuries

No work-related injuries with fatal or serious consequences occurred among Harro Höfliger employees during the reporting period. Occupational accidents at Harro Höfliger are recorded in a centrally maintained accident logbook and evaluated annually by the QHSE Department. The relevant work-related injuries are listed in the following table

Occupational safety¹

	2021	2022	2023	YoY Difference
Accidents < 3 days of work disability	3	6	10	+ 4
Accidents >= 3 days of work disability	18	17	15	- 2
Total Recordable Incident Rate ²	1,53	1,58	1,62	+ 0,04
Total accident logbook entries ³	301 (298)	271 (266)	376	+ 105
of these, skin injuries	22	22	26	+4
of these, bruise injuries ³	13(11)	21 (20)	31	+ 10
of these, crush injuries	24	19	36	+ 17
of these, cut injuries ³	189 (188)	157 (155)	216	+ 59
of these, electric shock injuries	4	2	6	+ 4
of these, miscellaneous injuries	7	9	23	+ 14
Training records: Handling of hazardous materials (percentage of all employees)	42	41	38	- 3
Training records: Mandatory training (percentage of all employees)	100 %	100 %	100 %	=

¹ Evaluations: Digital accident logbook and QHSE training system by QHSE

² Injuries requiring medical treatment * 200,000 / total working hours

³ Corrected calculation method, previous values in brackets

GRI 403-10

Work-related illnesses

At Harro Höfliger, work in a high-risk environment is limited to the handling of active ingredients, which may only be processed in special cleanrooms after extensive training and the use of appropriate personal protective equipment (PPE) (see following section). No work-related illnesses were recorded during the reporting period.

Protection against exposure to hazardous substances

Some customer orders require tests with medicinal products containing active ingredients that have the potential to harm our employees. All trials and tests with such substances may only be carried out at Harro Höfliger in specially controlled and designated areas. For this reason, Harro Höfliger operates its own cleanrooms and a dedicated laboratory that enables safe handling of active ingredients. Employees in this area first receive general cleanroom training to understand the cleanroom environment. This is followed by training specific to the active ingredients in use. The effects and risks are discussed, the use of personal protective equipment is explained, and the disposal process (both of solids and of the cleaning water from the room) is outlined. Each active ingredient to be processed is assessed by our in-house pharmacists as part of a standardized process. Appropriate protective measures are defined and personally explained by the pharmacists. If there is any uncertainty or the risk is deemed too high, the substance is rejected.

Access to the laboratory and cleanrooms is generally restricted to trained employees from the Pharma and Device Services (PDS) division. Access is controlled by the internal access management system. Special access chips can also be issued to additional staff and cleaning personnel following successful completion of cleanroom training.

We apply different protection concepts in our cleanrooms depending on the potency of the active ingredients in use. All cleanrooms operate under negative pressure with 100% fresh air supply and air filtration (HEPA filter) to ensure that no active ingredients are released into the assembly hall or the environment. The proper functioning of the ventilation system is monitored by a dedicated HVAC team, which immediately initiates countermeasures in the event of a malfunction to prevent contamination.

In trials involving environmentally harmful active ingredients, wastewater is collected separately and disposed of as hazardous waste to prevent the release of harmful substances into the sewer system or municipal wastewater treatment plant. A switchable water separation system is installed for this purpose and is automatically regulated depending on room use.

To test our machines, customers provide placebo products without pharmaceutical effect. Each product received by Harro Höfliger is checked for identity to ensure that it contains no active ingredient and to determine whether it can be used in the assembly hall or must be handled in the cleanroom. For easy identification, customer products are labeled with clearly color-coded stickers. 100% of all employees (including in the assembly hall) are trained in the safe handling of customer products.

Active ingredients are stored in a separate warehouse. Logistics employees are trained to forward suspicious cases (products resembling powdered or liquid medicines) directly to Pharma Services for inspection. The relevant procedural instructions and processes are documented in Harro Höfliger's quality management system.

An internal advisory and reporting system is available to all employees by telephone and online. This service is especially aimed at field technicians who may be unsure about unknown substances in their working environment. Our experienced pharmacists assist in identifying hazards and defining protective measures for our employees.

Management Approach

The monitoring and control of the handling of hazardous and active substances is the responsibility of the Hazardous Substances Officer and the management of Pharma Services. Risk assessments are in place for all work in cleanrooms, laboratories, and warehouses, and are reviewed and updated at regular intervals. Handling of hazardous substances is documented by our hazardous substances management team in the form of procedural and work instructions as well as relevant training in our training system. All hazardous substances are reviewed by our hazardous substances expert and recorded in the digital hazardous substances register, which is accessible to all employees.

Promoting employee health

Harro Höfliger conducts risk assessments for every work area in accordance with the requirements of the Occupational Health and Safety Act (ArbSchG) of the Federal Republic of Germany, and eliminates identified risks as far as possible. Follow-up is conducted during the Occupational Safety Committee (OSC) meetings held four times a year.

Our company's Occupational Health Management, which is part of Human Resources Management (HRM), offers various courses and presentations throughout the year to promote the physical and mental well-being of our employees. Information about these programs is shared via the intranet, and participation is generally free of charge. In addition, our training catalog includes further offerings such as courses on stress management and self-organization. These courses are available to all employees, and the costs are covered by Harro Höfliger.

GRI 103

GRI 403-06

3.3 RESPONSIBILITY WITHIN SOCIETY AND OUR SUPPLY NETWORK

GRI 102-09

As a medium-sized mechanical engineering company based in Germany, Harro Höfliger is committed to the sustainable procurement of raw materials and services. The aim of our procurement strategy is to ensure uninterrupted production while leveraging the full potential of the procurement market. The following sections provide an overview of our sustainable sourcing practices, regulatory compliance, and exemplary dealings with suppliers and the entire supply chain.

Through strict supplier management and sustainable procurement, we ensure a crisis-proof supply of raw materials, components and assemblies.

Key fields of action include fair, long-term trading relationships, the diversification of strategically important supplies, and the evaluation of the supply chain based on sustainability criteria such as the political situation in the country of origin, delivery route, respect for human rights and fair labour practices. Our strategy excludes any supplies from suppliers where human rights are systematically violated. We are accountable for our supply chain within the framework of the legal requirements of the German Supply Chain Due Diligence Act.

"For us, regional procurement is a key process for sustainable success. It significantly reduces the CO₂ footprint, simplifies logistics and strengthens the local economy."



Thomas Heckner, COO

Regional procurement and strengthening the local economy

Harro Höfliger sources the majority of its supplies from German vendors. This is not only for economic reasons, but also strengthens the local economy and minimizes transport risks and emissions. By working closely with regional partners, we actively contribute to job creation and the promotion of sustainable business practices in our region. The share of supplies sourced from German vendors increased by 2.8% year-on-year and stood at 88.5% in 2023. The share of goods sourced outside Europe was most recently 3.5%.

Supplier structure and diversity

The number of suppliers increased by 6.12% from 1,421 in 2021 to 1,508 in 2023. Suppliers of production materials from the mechanical engineering sector account for the largest share of procurement: 80.2% of expenditure was for production parts, purchased parts and purchased technologies.

A particular characteristic of our supplier structure is its diversity: We deliberately work with small and medium-sized enterprises with whom we have established personal business relationships. The SME share of our procurement volume currently stands at approximately 65%.

The total procurement volume for production and non-production materials amounted to EUR 191.2 million in 2023.

Code of Conduct 4

We achieve sustainable business performance through fair and honest conduct.

We maintain trusting, fair and respectful relationships with our business partners and expect the same from them. We communicate our guiding principles to our partners with regard to ethical and responsible conduct and encourage them to align their actions accordingly. We take into account the laws and regulations of the countries in which we operate.

We comply with internationally recognized standards of good corporate governance. All employees contribute to ensuring that our business transactions are fully and correctly documented. Transparent financial reporting serves to properly manage our company.

Supplier social evaluation

The social evaluation of suppliers is an important component of sustainable procurement at Harro Höfliger and is taken into account by our customers when submitting order inquiries. Harro Höfliger therefore follows DIN ISO 20400 – "Sustainable Procurement" – aligning all procurement goals with the interests of our stakeholders in line with a sustainability mindset.

To assess the social responsibility of our suppliers, we rely on our Code of Conduct as well as a software-based risk analysis. For suppliers involved in parts production with subsequent product contact, additional supplier audits may be carried out by our in-house auditors. In this context, in addition to quality, environmental and climate-relevant aspects, the social responsibility of suppliers is also evaluated.

GRI 414

Management approach

Monitoring and follow-up of this topic is the responsibility of Supply Chain Management (SCM) at Harro Höfliger, with support provided by the QHSE team and, if necessary, supplier audits. A statistic maintained in the SCM system on supplier feedback regarding supplier commitment serves as the basis for the annual effectiveness review. The associated measures are monitored using key performance indicators collected annually.

Processes for sustainable procurement are defined as guidelines and procedural instructions within our QM system. These requirements are mandatory for all purchasing staff. They are continuously improved and staff members are regularly trained on these requirements.

GRI 103

Sustainable procurement – supplier structure (figures in €)

Supplier structure	2021	2022	2023	YoY Difference
Purchasing volume	129,682,864	144,427,978	191,193,695	+ 24 %
Share in Germany	84.9%	87.7%	88.5%	+ 1 %
Share in EU (excl. Germany)	11.6%	6.3%	8.0%	+ 21 %
Global share	3.5%	6.0%	3.5%	– 71 %
Production parts	24.1%	29.4%	22.6%	– 30 %
Purchased parts	28.1%	31.9%	30.7%	– 4 %
Technologies	25.8%	17.4%	26.9%	+ 35 %
Non-production materials (NPM)	22.0%	21.2%	19.8%	– 7 %
Total Number of Suppliers	1,421	1,444	1,508	+ 4 %
– Production parts	237	264	264	=
– Purchased parts	550	538	580	+ 7 %
– Technologies	149	143	151	+ 5 %
– NPM	485	499	513	+ 3 %

Code of Conduct and supplier commitment

Ethical and sustainable conduct are fundamental values of our company. We are committed not only to legal compliance but also to upholding the standards we have set for ourselves. In our Code of Conduct, we have defined our values and principles and set clear rules for responsibly dealing with suppliers and the people in our supply chain. Our Code of Conduct provides binding directives for our employees. We also apply these standards to our suppliers through our purchasing terms and conditions, requiring them to comply with our (or an equivalent) Code of Conduct.

GRI 414-01

With the publication of our Code of Conduct, we began holding discussions with our largest suppliers. Since 2023, all new suppliers are required to commit to our Code of Conduct or a comparable policy. Suppliers who have signed our declaration or a comparable one are flagged accordingly in our ERP system for evaluation purposes. (See also Human Rights Report – Code of Conduct on the following page.)

By management resolution, Harro Höfliger has stipulated that any suppliers who do not commit to our Code of Conduct or an equivalent obligation must be immediately removed from the supply chain. No suspected cases of violations of our Code of Conduct by suppliers were reported during the reporting period.

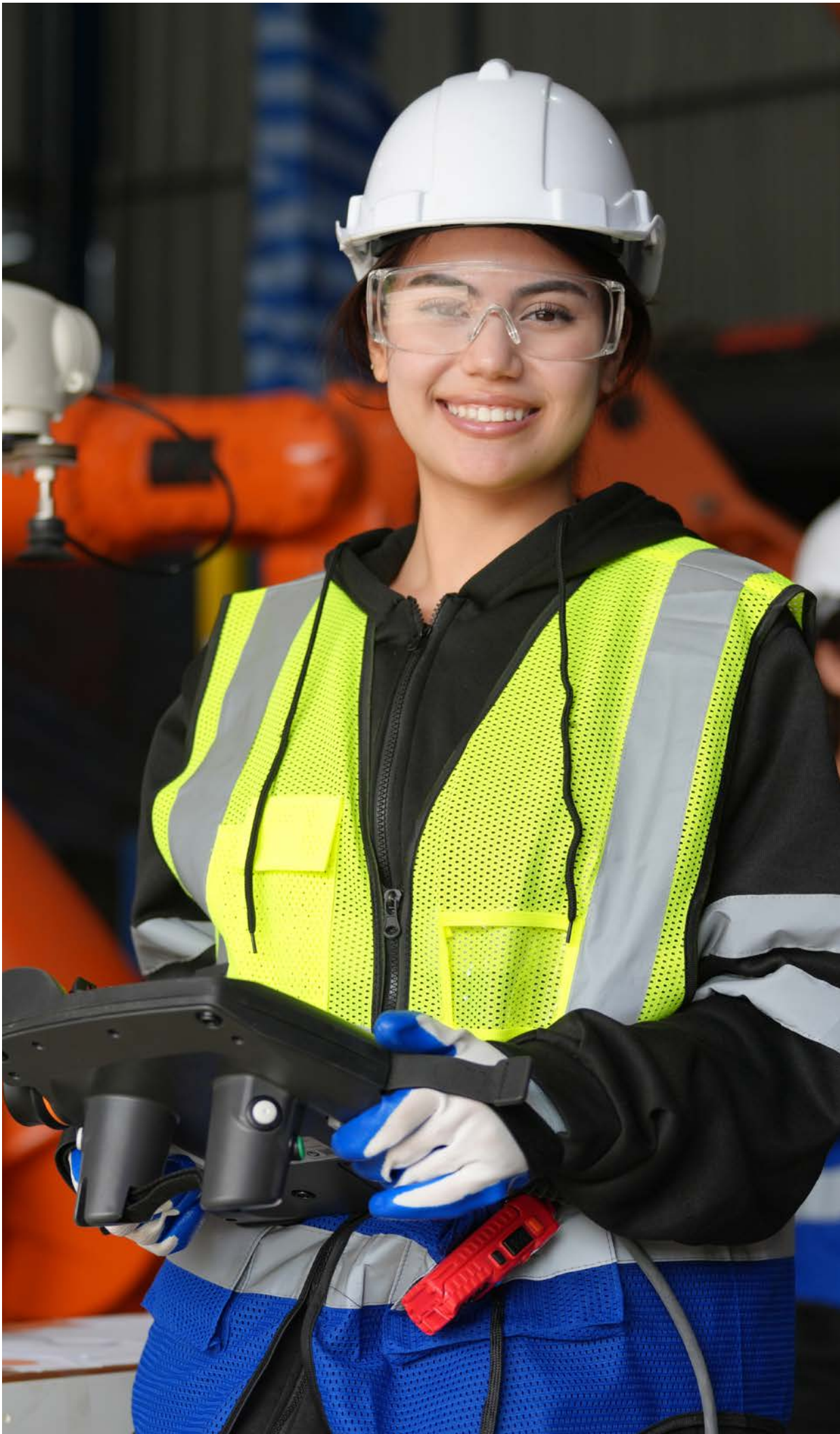
In addition, we have established a supplier qualification system to ensure compliance with our purchasing conditions and the quality of the procured goods. In particular, before entering into a contract, we assess potential suppliers in terms of established quality and environmental management systems, their ability to ensure sustainable production, and their capacity to deliver the required product quality. Procedures for sustainability risk analysis of our suppliers are being successively developed in the course of introducing digital supplier risk management software. This includes an assessment of environmental and social practices.

GRI 412

Human Rights Policy

Harro Höfliger is fully aware of its responsibility to respect and promote human rights in all areas of its business activities and throughout its supply chain. In line with the International Bill of Human Rights and the principles of the UN Global Compact, which we joined in 2024, we are committed to the highest standards in the areas of human rights, labor standards, environmental protection, and anti-corruption.

- Our human rights policy is based on the following principles:
- Respect for human rights throughout the entire supply chain
 - Compliance with the German Supply Chain Due Diligence Act (LkSG)
 - Prevention and monitoring to avoid human rights violations
 - Sanctions and remediation in cases of human rights violations
 - Regular reporting on progress and challenges



HUMAN RIGHTS REPORT

Harro Höfliger Verpackungsmaschinen GmbH has clearly committed to ensuring the respect of human rights in its business operations and along its supply chain. In 2024, we joined the UN Global Compact, thereby strengthening our commitment to its ten principles in the areas of human rights, labor standards, environmental protection, and anti-corruption. In the same year, we updated our Code of Conduct. We also developed a sustainability training for our Procurement department and trained 100% of the relevant staff. This report provides a transparent overview of our actions, progress, and challenges in 2024.

Governance and Strategy

GRI 103

Responsibility for the implementation and monitoring of human rights due diligence and anti-corruption measures lies with our Compliance Officer and Human Rights Representative, Stefan Mayer. He is supported by the Supply Chain Management, Compliance, and Sustainability teams, which regularly report to Executive Management.

Implementation of the Supply Chain Due Diligence Act

Since 2023, Harro Höfliger has fulfilled all requirements of the Supply Chain Due Diligence Act (LkSG) and has further improved its processes for identifying, assessing, and mitigating human rights risks. Key measures include:

Risk Management: Our AI-powered supplier risk management tool assesses human rights risks based on factors such as geographic location, industry, and past incidents. This allows for targeted risk prevention, especially in high-risk areas. The implementation of this software has significantly enhanced our ability to identify human rights and corruption risks.

Real-Time Risk Assessment: Supplier profiles are continuously monitored for risk factors and automatically updated as new information becomes available. In 2024, 100% of our 2,496 suppliers were monitored using the software. Based on this, 84 suppliers were subjected to a manual, in-depth risk analysis.

GRI 414-2

Preventive Measures: In 2024, elevated risks were identified at 12 suppliers, and mitigation actions in the form of questionnaires were initiated. No supplier was found to pose a very high risk requiring remediation, audits, or offboarding.

Code of Conduct

Since 2023, our Code of Conduct has been binding for all new and top-tier suppliers. The Code defines strict standards on:

- Compliance with international human rights standards
- Fair working conditions and wages
- Environmental protection
- Anti-corruption

The Code of Conduct is an integral part of our purchasing conditions and is accepted by all new suppliers. In 2024, 100% of our new suppliers and 177 of our top 200 suppliers accepted our Code of Conduct or a comparable alternative.

Nachhaltigkeit in der Lieferkette	
Lieferantenbewertung Code of Conduct	2024
Lieferanten mit CoC (Anzahl)	316
Einkaufsvolumen Anteil CoC	86 %

Whistleblowing Channel

As part of our human rights due diligence and anti-corruption efforts, we launched a public whistleblowing channel at the end of 2024, replacing the previously externally managed mailbox. This new channel is available to employees, suppliers, and external stakeholders and allows anonymous reporting of potential human rights violations or corruption. All reports are reviewed and followed up by an independent external body.

Anti-Corruption Policy

In 2024, we introduced a new anti-corruption policy that clearly defines behavior for avoiding corruption and handling suspected cases. Key elements include:

- Avoidance of corruption in all business areas
- Business partner screening
- Anti-corruption management in accordance with ISO 37001
- Sanctions
- Reporting of suspected cases

The publication of this updated policy led to greater employee awareness and clear procedures for handling potential corruption incidents.

Negative Impacts in the Supply Chain, Reported Violations

The following violations were reported in the reporting year and were followed up through internal and external mechanisms in line with our processes:

- Reported whistleblower cases: none
- Confirmed cases of corruption: none

Working Conditions

In 2024, Harro Höfliger again surveyed employees regarding their satisfaction, working conditions, and individual stress levels as part of the "TopJob" survey. Each category could score a maximum of 100 points. The results confirmed consistently strong performance, in line with the TopJob company average:

- Psychological safety: 68 points
- Trust: 68 points
- Exhaustion: 52 points (best score: 0)
- Work-life balance: 63 points
- Health: 73 points
- Diversity climate: 73 points

Progress and Challenges

In 2024, Harro Höfliger made significant progress in implementing its human rights and anti-corruption measures: Successes: The integration of our AI tool has improved the efficiency of our risk assessment process. Our whistleblowing channel has contributed to transparent handling of human rights and corruption concerns. Challenges: One of the key challenges remains ensuring compliance with these standards throughout the supply chain, as we currently do not collect information on subcontractors beyond tier:n. Without regulatory pressure, the industry is unlikely to develop a comprehensive international reporting structure voluntarily. Uncertainties regarding European and German legislation (potential repeal of the LkSG, unclear implementation requirements of the CSDDD) are slowing down this development to the detriment of workers in countries with low human rights standards.

Outlook for 2025

Expansion of the AI tool: Additional data sources and advanced algorithms will further improve risk assessments.

Expansion of the whistleblowing system: The system will be made available in more languages and communication channels.

Conclusion

In 2024, Harro Höfliger Verpackungsmaschinen GmbH clearly committed to the highest standards in the areas of human rights and anti-corruption through its accession to the UN Global Compact, implementation of the LkSG, and continuous training, monitoring, and a binding Code of Conduct. Ongoing monitoring and transparency of our processes and outcomes are essential to our future success and our role as a role model within the industry.

DECLARATION OF PRINCIPLES DELIVERY CHAIN DUE DILIGENCE ACT (LKSG)



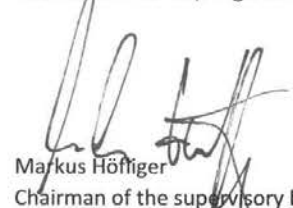
As a company with international business relationships, Harro Höfliger sees it as its responsibility to ensure human rights and environmental protection within its supply chains are adhered to. For this reason, we structure our cooperation with our suppliers and partners based on the United Nations 2030 Agenda for sustainable procurement, development and production.

We are expressly committed to respecting and complying with relevant regulations on human rights and environmental protection. In doing so, we are aware of the risks and possible lack of transparency in case of shortfalls in the enforcement of applicable human rights and environmental standards. Even if we cannot completely rule out anomalies, we face the challenges these represent, but also use the opportunities of global procurement and sales markets.

In order to meet our responsibility for people and the environment, we have established the following risk minimization measures:

- We carry out regular software-based risk analyzes that also use data from the Global Compliance Solutions Group (GCSG) and Transparency International to classify the respective country risks.
- All suppliers are obliged to comply with our Code of Conduct or their own comparable guideline.
- If immediate dangers to people and the environment are identified in the supply chain, we immediately develop measures to eliminate or at least reduce them in direct cooperation with the supplier or partner.
- If the measures developed are not implemented or not processed in a goal-oriented manner, we reserve the right to immediately terminate the business relationship.
- Suspected cases of human rights violations or non-compliance with environmental standards can be reported worldwide to our independent control body at confidential@hoeffliger.com.
- All reported suspicious cases are processed, checked and evaluated by an independent authority. In the event of violations, countermeasures are initiated immediately.
- Our principles documented in our Code of Conduct are accessible to all employees, suppliers and partners. Internally, we hold regular training courses.
- During the annual management review, Senior Management is presented with the risks, implemented measures and an evaluation of their effectiveness.
- In addition, all measures described are checked and further developed by the internal Human Rights Officer as required.

Allmersbach im Tal, August 15, 2023


Markus Höfliger
Chairman of the supervisory board


Thomas Weller
CEO

DECLARATION OF PRINCIPLES ON CORPORATE SOCIAL RESPONSIBILITY (CSR)



The sustainable orientation of our business practices forms an essential basis for the economic success and thus the continued existence of our company.

Harro Höfliger therefore takes economic, social, and ecological measures as part of a central sustainability strategy.



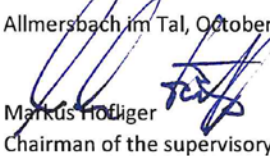
The successful implementation of these measures is ensured by an interdisciplinary sustainability team and measured and controlled using sustainability-relevant key figures. Our sustainability team takes on the advisory and coordinating role for all sustainability measures in the company.

We view the fulfillment of legal reporting obligations such as the Corporate Sustainability Reporting Directive (CSRD) and the Supply Chain Due Diligence Act (SCDDA) as an opportunity to reflect on our actions and to continuously develop our company.

We consider the following CSR topics to be essential and evaluate them using the aforementioned key figures:

-  **PROSPERITY** Forward-looking projects pay off in the long term but must be financed with today's resources. It is therefore important to sustainably increase the company's profits through targeted programs to maintain scope for innovation and investment.
-  **PROSPERITY PURPOSE PARTNERSHIP** The success of our company today depends on our ability to identify future demand needs, changes in market conditions, market strategies of our competitors, technical development processes and ecological influencing factors at an early stage.
-  **PROSPERITY PLANET** We avoid waste in manufacturing and production and thus measurably reduce the need for resources used. By developing efficient machine concepts, we save raw materials and energy - not only in production, but also in long-term operations for our customers.
-  **PLANET** We pursue ambitious goals to limit the global impact of our business activities to a minimum. A key aspect here is the avoidance of any greenhouse gas emissions along our entire value chain.
-  **PEOPLE** Our employees with their knowledge, skills and motivation are the key to long-term business success. We strive to be one of the most attractive employers in the region and rely on targeted programs to increase employee satisfaction and attract new ones.
-  **PEACE PEOPLE PARTNERSHIP** Important areas of action include fair, long-term trading relationships, diversification of strategically important supplies and the assessment of the supply chain based on sustainability criteria such as the political situation in the country of origin, delivery route, respect for human rights and fair working practices. We follow the guidelines of the Ethical Trading Initiative (ETI).

Allmersbach im Tal, October 20th, 2023


Markus Höfliger
Chairman of the supervisory board


Thomas Weller
CEO

3.4 PRODUCT SAFETY AND INTEGRITY

GRI 403-07

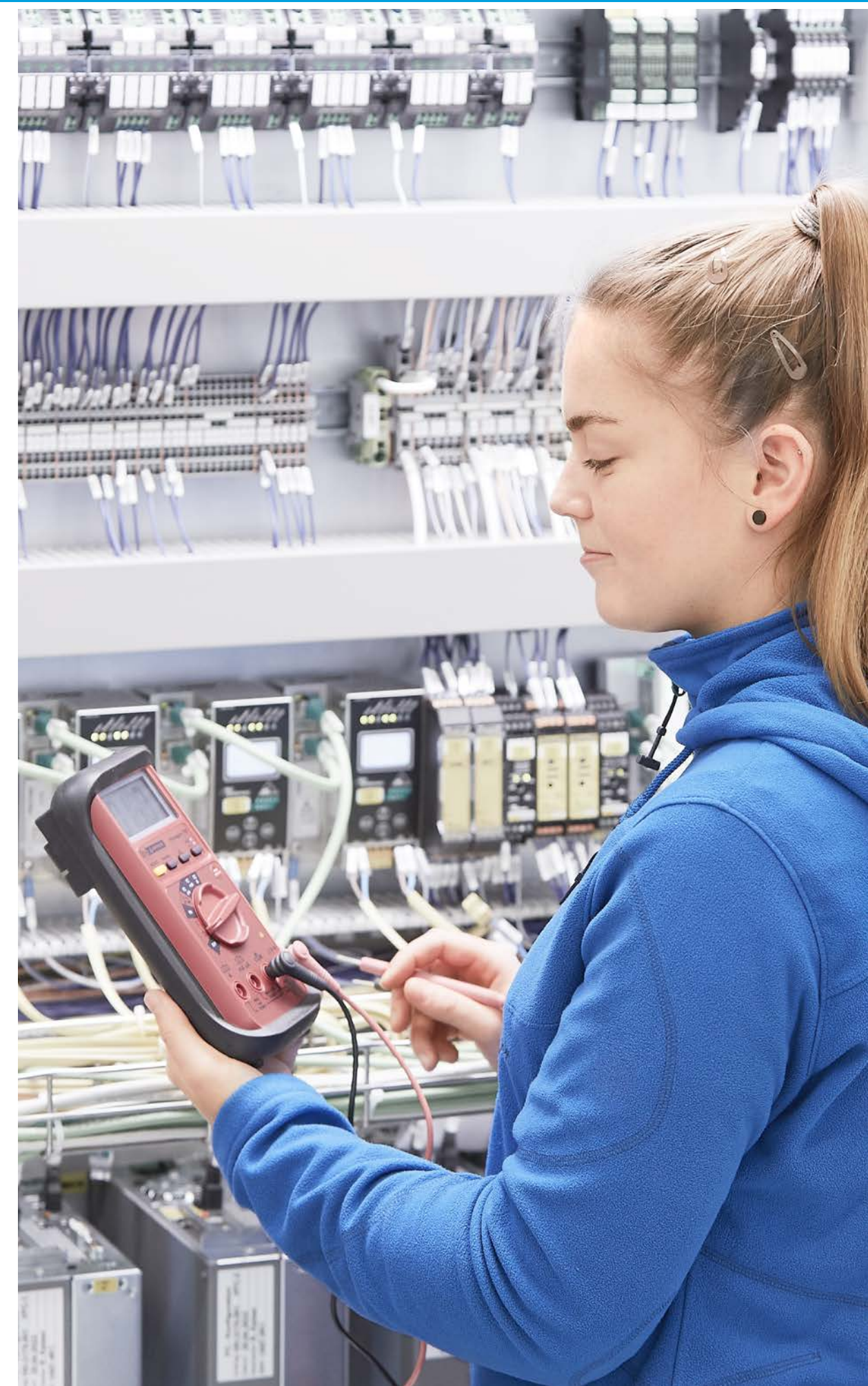
Prevention and mitigation of occupational health and safety impacts directly related to business relationships

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

- Machinery Directive 2023/1230 starting 2023 (European Economic Community)
 - Regulates a uniform level of protection for accident prevention for machinery when it is placed on the market within the European Economic Area (EEA) as well as Switzerland and Turkey.
- Low Voltage Directive (2014/35/EU)
 - Directive on electrical equipment for use within certain voltage limits. (50–1000 V ~, 75–1500 V ~, with some exceptions)
- EMC Directive (EMC) 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. Detailed inspections and strict compliance with guidelines and laws ensure this.





4

GOVERNANCE

Integrity is a high priority for Harro Höfliger's business activities. These activities must always be in line with our values.

Clearly defined responsibilities, specified guidelines and transparent processes are the basis for our success. In order to ensure that we act in accordance with our values and standards, we have established a company-wide compliance management system.

The tasks of the governance functions also include monitoring and managing relevant business risks and complying with corporate due diligence obligations.

The company is involved in various initiatives and associations. The dialogue with our stakeholders is intended to promote the exchange of ideas and a common understanding of sustainability.

4.1	CORPORATE GOVERNANCE	38
4.2	ANTI-CORRUPTION	39
4.3	POLITICAL ENGAGEMENT	40
4.4	INFORMATION SECURITY	41
4.5	REPORTING	42

4.1 CORPORATE GOVERNANCE

GRI 102-16

Our Mission Statement – Independence, Trust and Loyalty

Harro Höfliger Verpackungsmaschinen GmbH was founded in 1975 by Harro Höfliger. Together with his wife Marianne Höfliger and his partner Manfred Reiser, he developed the one-man business into a technology company with an international reputation.

- In a family-run environment, we treat one another with respect and appreciation. Honesty, openness and tolerance are important values at Harro Höfliger. Our hierarchies are flat, and we maintain an open-door policy at all levels. Everyone greets each other. We do not need an appointment to discuss problems – we seek solutions together.
- Our employees are involved in decision-making processes. Performance is recognized, and agreements are kept. We demand a lot, but also give a lot. Joint activities are actively encouraged.
- We invest in training and professional development and support every individual according to their abilities.
- We assign people to the roles that best suit their strengths. At the same time, we remain open to change and continue to evolve.
- We do not simply sell machines – we deliver holistic solutions long before and after a system is built.

ALL YOU NEED is our guiding principle.

This means that we are guided first and foremost by the wishes and needs of our customers.

Our aim is to establish and expand our leading technological position in all our business areas. We are open to new inquiries and ideas from our customers. We do not cling to preconceived notions – we strive to make the impossible possible and work closely with our customers throughout the implementation process.

Innovation and technological progress on the one hand, and traditional values such as trust, fairness, diligence, reliability and loyalty on the other, form the foundation for our success and for trusted partnerships with our customers and suppliers.

The restructuring of the company into four technology divisions was a key step toward ensuring our long-term viability. With the extensive expansion of cleanrooms and Process Services, Harro Höfliger is taking its own approach to providing knowledge-based support to its business partners. Our central production and logistics site allows for maximum independence and streamlined supply chains. We have anchored the integrity of our corporate actions in a binding Code of Conduct.

This ensures that what began in 1975 as a family-run company will be carried forward by the next generation.

Our Vision describes the future we aspire to.

We align our strategies and business goals accordingly:

"We are and will remain: a future-proof family business
– attractive for employees and partners."

Our mission outlines our purpose as a company:

- We are the technology leader in our core markets.
- We design customer-specific production solutions.
- We support our customers from development to production.
- We ensure process reliability.
- We trust in our qualified employees.
- We work together with respect and in a spirit of partnership.
- We are profitable.
- We operate sustainably.

Procedures for Advice and Ethical Concerns

Ethical and sustainable action are fundamental values of our company. We are not only committed to legal compliance – each of us is responsible for upholding the high standards we have set ourselves. This means everyone undertakes to observe our principles and policies as well as all applicable national and international laws and regulations.

Our cooperation is based on the values and principles defined in our Code of Conduct. This Code represents binding instructions for action across the company and is accessible to all employees via the internal company network (intranet).

In addition to the Code of Conduct, all employees receive mandatory training on key topics such as data protection, information security and secure password practices through our centralized training platform. The successful completion of this training is systemically monitored and ensured by the respective line managers (see also GRI 403-05, Employee training in occupational health and safety). We are fully aware that this Code of Conduct can only be upheld through the personal commitment of each individual.

We categorically reject all forms of corruption and the participation in or tolerance of bribery. We uphold the principle of legality and respect the recognized customs of the countries in which we operate – provided that no legal norms are violated.

Integrity and respect for the rights of others shape how we interact with employees, business partners and society.

We particularly respect and support the observance of internationally recognized human rights and children's rights and reject all forms of forced labor and child labor.

Dealing with Violations

Violations of these principles or of legal requirements that are also punishable by law must be reported. The investigation of compliance violations is governed by an internal work instruction. This document outlines the process for handling suspected violations:

Whistleblower system: Suspected violations may be reported by employees via our whistleblowing channel, to Harro Höfliger's Compliance Officer, to designated third parties (e.g. Data Protection Officer), or as a result of internal compliance reviews or audits. The reporting format is entirely at the discretion of the individual and can be made either openly or anonymously. Every report received is processed. No compliance violations were reported in the reporting period.

GRI 102-17

4.2 ANTI-CORRUPTION

Code of Conduct 2

Conflicts of Interest

We ensure that personal interests do not conflict with the interests of the company.

As soon as personal interests contradict those of the company, a conflict of interest arises. We do everything we can to avoid conflicts of interest or to resolve unavoidable conflicts as quickly as possible. In doing so, we respect the privacy of every employee. In the course of our professional activities, we are guided exclusively by the interests of the company. Our employees act independently and will not demand or ask for monetary benefits, gifts or other favors, nor will they leave any such prospects of incentives unopposed. The acceptance of gifts within the legally permitted framework up to a maximum value of EUR 50.00 or the equivalent amount in local currency is permitted.

We see ourselves as part of society and support voluntary work as well as recognized aid organizations and sustainability projects.

GRI 103

Management Approach

The exclusion of corruption in all of our business sectors and processes is one of our fundamental principles. Corruption is also ruled out and not tolerated among our suppliers by means of our Code of Conduct. In addition to a general subject review, we use DIN ISO 37001 as a basis for integrating our anti-corruption management system at Harro Höfliger. Annex A of DIN ISO 37001 is used for status assessment. National laws and regulations take precedence over internal rules. In our actions, we are guided by the requirements of the "Code of Ethics" of the International Society of Automation (ISA).

The monitoring and follow-up of this topic is the responsibility of the Compliance Officer at Harro Höfliger and is ensured with the help of the established Process Action System (PAS) and the associated CAPA plan. In order to follow up on suspected corruption and to verify effectiveness, the compliance instructions must be applied at Harro Höfliger (as described in GRI 406-01).

Operations Assessed for Risks Related to Corruption

The inspection of all company sites with regard to the risk of corruption, legal compliance and socially responsible management forms the basis for Harro Höfliger's entrepreneurial activities.

No significant corruption risks were identified in connection with the review of the processes implemented there. We comply fully and at all times with the laws and regulations currently in force. The review of all company sites (100% scope) 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.

So far, this management system has only been audited internally. An external audit on this topic is not yet planned.

GRI 205-01

Communication and Training on Anti-Corruption Policies and Procedures

We consider the topic of corruption to be comprehensively addressed, with a focus on Section 2 – Conflicts of Interest – of our Code of Conduct. Company-wide mandatory training on the Code of Conduct has been successfully completed.

To ensure traceability of company-wide training activities on the topic of "Code of Conduct", we use centrally monitored software. Statistical evaluations at the end of the year form the basis for the regular training and instruction sessions.

As already stated under GRI 406-01, all suppliers are required 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 both German and English on our website, making our approach to this topic fully transparent.

GRI 205-02

Confirmed Corruption Incidents and Actions Taken

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

GRI 205-03

4.3 POLITICAL ENGAGEMENT

WE SUPPORT



GRI 415

Due to our business activities, legislative procedures concerning packaging regulations, the approval of pharmaceutical products as well as basic regulations on energy efficiency and supply chain due diligence are of interest to Harro Höfliger. We are currently following developments in the EU Omnibus procedure related to reporting obligations such as the CSDDD, CSRD, CBAM and EUDR. In addition, regulatory developments concerning restricted substances such as PFAS and the F-gas regulation are relevant to our strategic decision-making.

There are no submissions in legislative procedures, entries in lobby lists, party donations or contributions to governments to report.

GRI 415-1

Innovation and technical progress on the one hand, and traditional values such as trust, fairness, diligence, reliability and loyalty on the other, form the basis for our success. This is also reflected in our close cooperation with partners, suppliers and professional associations. Our close partnership with the members of Excellence United and our membership in Packaging Valley round off our cooperation with external partners.

Local engagement

Through our voluntary engagement in the region, we strengthen good neighborly relations and take an active part in regional projects and discussions. We are happy to support local foundations and associations not only financially, but also with great personal commitment. These include the sponsorship of the Allmersbach Meadow Festival, support for local sports clubs, and the sponsorship of the pediatric emergency ambulance "Felix" of the Björn Steiger Foundation in Winnenden.

In addition, we maintain close contact with schools and universities in our catchment area through our involvement in foundations and sponsoring associations.

As a member of Climate Alliance BW, we are in close contact with numerous companies active in climate protection in Baden-Württemberg as well as Umwelttechnik BW – the Baden-Württemberg State Agency for Environmental Technology and Resource Efficiency.

Our company is a member of the following associations:

Industry/Economy

- Backnang Industrial Association (voluntary)
- Chamber of Industry and Commerce (Rems-Murr, Heilbronn-Franken) (mandatory)
- Association of Taxpayers Baden-Württemberg e.V. (voluntary)
- German-Algerian Chamber of Industry and Commerce (voluntary)
- Packaging Valley e.V. (voluntary)
- APV e.V. (voluntary)

Social agreements (voluntary)

- Pro BHBW Mosbach Foundation
- Support associations of various educational institutions and universities
- TSG Backnang 1846
- SG Sonnenhof Großaspach
- Björn Steiger Foundation

External initiatives

In addition to our commitment to the 17 Sustainable Development Goals (SDGs) of the UN 2030 Agenda, Harro Höfliger is a member of the Alliance to Zero association, supporting the transition of the product life cycle for the pharmaceutical and biotech sectors to achieve net-zero emissions in line with the Paris Climate Agreement.

We are also a project partner in the research initiative "MEiK – Medical disposable products in the circular economy." The goal of this project is to develop, demonstrate and assess a largely climate-friendly and high-quality material recycling system for single-use medical products with a high plastic content in Germany, taking into account both environmental and economic criteria.

We regularly report on our current status on topics such as environment, labor and human rights, ethics and sustainable procurement via the platforms of EcoVadis, CDP and Avetta – mostly at the instigation of our customers.

Our commitment to climate goals is published on the "Companies taking action" listing of the SBTi. Our endorsement of the 10 principles of the UN Global Compact is also published in the respective company overview.

GRI 102-13

GRI 102-12

4.4 INFORMATION SECURITY

GRI 418

Data Protection and Information Security

As part of our business activities, we attach great importance to the protection of personal data and the security of our information systems. The protection of customer data collected in connection with our production processes is not only an internal requirement, but also a demand of our business partners and customers.

Measures to Ensure Information Security

To ensure comprehensive information security, we have implemented a range of measures:

- Implementation of an Information Security Management System (ISMS): The central IT systems for all Harro Höfliger locations are operated and administered centrally by Harro Höfliger Verpackungsmaschinen GmbH. Some subsidiaries of Harro Höfliger operate their own IT applications, which are managed independently.
- Implementation of the General Data Protection Regulation (GDPR): At Harro Höfliger Verpackungsmaschinen GmbH, we have implemented the GDPR to protect the personal rights of each individual.
- Appointment of a Compliance Officer: A Compliance Officer has been appointed to monitor compliance with data protection and security guidelines.
- Regular audits and penetration testing: Our IT systems are regularly audited and tested by independent third parties to identify and eliminate vulnerabilities.
- Appointment of an Information Security Officer: An Information Security Officer has been appointed by the Management Board to ensure compliance with ISO 27001 and regulatory requirements.

GRI 103

Information Security Management System in accordance with ISO 27001

Our ISO 27001-compliant Information Security Management System is designed to prevent unauthorized access to our data and to safeguard the integrity and confidentiality of our information.

Depending on their area of responsibility, our employees are granted access to our IT network via provided devices. We conduct regular training and instructional briefings to ensure that all employees possess the necessary knowledge and skills to handle our IT systems securely. Access to our network is strictly regulated to protect our data. Our IT security staff continuously monitor potential vulnerabilities.

Outlook

Beginning in 2025, the Information Security Management System will be gradually rolled out to all international sites to ensure consistent security standards worldwide and protect the data of our customers, suppliers, and employees.

We protect the trade secrets of our company and our business partners.

Our in-house data and information (trade secrets) are of great value to our company. Therefore, we treat business matters with the strictest confidentiality. We place great importance on the completeness and accuracy of the information we prepare, never misuse confidential information, and do not pass it on to unauthorized third parties.

We protect company and employee data as well as personal data of our business partners against unauthorized access, misuse, or loss. This is achieved using all appropriate and suitable technical and organizational measures in accordance with ISO/IEC 27001.

Information Security Certification

Standard	2022	2023
ISO 27001	certified	certified

Information Security

Norm	2022	2023
Information Security Incidents	1	3

GRI 418-01

Substantiated complaints concerning breaches and losses of customer data – Whistleblowing system

We are committed to respecting the interests of our employees, customers, suppliers, society, nature, and other stakeholders. We regularly review our own actions through risk analyses and assessments of material impacts and influences.

If you have any indications that we are not meeting our own standards, we encourage you to report them to us. We take reports and suspected cases very seriously and have them reviewed by an independent body in accordance with our compliance policy.

Our whistleblowing system is a secure, digital channel for confidential reporting. Through this company-wide, free-of-charge and anonymous system, suspected violations of our Code of Conduct, applicable laws, or human rights and environmental risks or breaches can be reported.


There were no substantiated complaints regarding breaches of customer data protection, loss of sensitive data, or successful attacks on our servers or email systems during the reporting period.

Raising employee awareness

As the volume and quality of phishing emails continues to increase, we are intensifying our efforts to raise employee awareness through an internal training program.

Protection against phishing emails: How to protect yourself and your data

Protect yourself from phishing emails by staying vigilant, checking links and attachments, reporting suspicious messages, and not revealing sensitive information.



In the past few days, we have received an increasing number of phishing emails aimed at stealing sensitive data. Please note that we currently have to pay more attention to possible cyberattacks. These e-mails often contain links or attachments that, when clicked or opened, install malware or access personal information. What is special is that many of these phishing emails contain truthful internal business content, which makes them appear particularly credible.

In order to better protect ourselves from such attacks, we would like to sensitize you again and give you some important tips:

1. **Be vigilant for unexpected emails:** Always question the origin and purpose of an email, even if it comes from an internal address. Phishing emails can look very convincing and even pretend to be known senders.
2. **Check the links and attachments:** Don't immediately click on links or open attachments, especially if the email seems suspicious. Take a close look to see if the URL is trustworthy and if the attachment is expected.
3. **Reports suspicious emails immediately:** If you receive a suspicious email, report it to our IT department immediately. This helps us to react quickly and analyze and prevent possible threats.
4. **Do not disclose sensitive information:** Be careful about sharing personal or business information via email. Reputable companies and colleagues will never ask for passwords or other sensitive data via email.
5. **Educate yourself regularly:** Take part in our training courses and information events on IT security to stay up to date and expand your knowledge.

Together, we can strengthen the security of our company and better protect ourselves against cyberattacks. Your attention and caution are crucial.

If you have any questions or uncertainties, our IT department is always at your disposal.

Thank you very much for your support.

Your IT

4.5 REPORTING

GRI 102-45

About this Sustainability Report

This Sustainability Report, like the Annual Report, refers to Harro Höfliger Holding GmbH & Co. KG, headquartered in Allmersbach im Tal, including its international sites. The report is prepared in accordance with the currently applicable GRI standards and is published on Harro Höfliger's website (www.hoeftliger.com).

GRI 102-46

Defining report content and topic boundaries

As a company with more than 1,700 employees and sales revenue exceeding EUR 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) standards are recognized as the international standard, of which we apply the "core" scope as the basis for this report and expand to include additional sections that are material to us.

In addition to the fundamentals of our company, general disclosures and management approach, the report also outlines our economic, environmental, and social standards. When defining the scope of the report, we refer to our materiality analysis, in which we have defined material impacts, opportunities and risks for the company and thus the fields of action that are relevant to us.

The report is completed with the aid of a fully cross-referenced index in accordance with the GRI, enabling the clear assignment of each topic area. In addition, our sustainability team checks the report for completeness before it is approved by the management and the supervisory board.

GRI 102-47

List of material topics

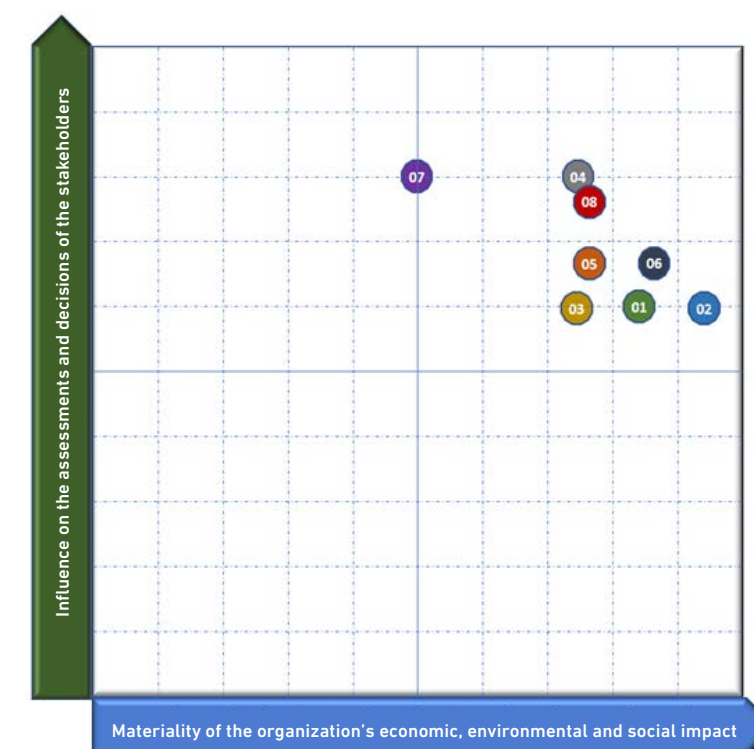
The 17 global goals for sustainable development of the UN 2030 Agenda, the Sustainable Development Goals (SDGs), are aimed at everyone: governments worldwide, but also civil society, the private sector and science.

Harro Höfliger commits to these 17 global sustainability goals and has defined its sustainability strategy in line with these fields of action (see GRI 102-14, Strategic analysis). In order to achieve the goals, we have assigned aspects of the SDGs to the 8 topics that are material to our company in the areas of economy, ecology and social issues, on which our Code of Conduct is based. For each of the main eight topics, measurable goals are set with corresponding KPIs.

The following topics were dealt with as particularly important in this report: economic performance, energy efficiency and climate change, non-discrimination, protection of customer data, employment, occupational health and safety, training and the social evaluation of suppliers. We are constantly working on expanding or supplementing KPIs. In accordance with the GHG Protocol, we are currently placing particular emphasis on collecting data on all emissions contained in Scope 3, which largely result from the production and operation of our machines as well as from the upstream supply chain.

Reporting on the approach that Harro Höfliger Verpackungsmaschinen GmbH takes to dealing with material issues is carried out on the basis of the company's valid Code of Conduct. This Code of Conduct contains 8 material topics, to which a total of 33 ecological, economic and social topics can be assigned. The overall relevance of these eight topic blocks for Harro Höfliger can be seen with the aid of the materiality matrix as presented.

	Material topics	Associated sustainability aspects
1	Statutes and law	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Combating corruption; freedom of association and collective bargaining Political influence; socioeconomic compliance
3	Information protection	<ul style="list-style-type: none"> Security practices; Protection of customer data Marketing and labeling
4	Fair competition and transparency	<ul style="list-style-type: none"> Economic performance; market presence Anti-competitive behavior
5	Respect	<ul style="list-style-type: none"> Indirect economic impacts Employment; employee-employer relationship
6	Workplace	<ul style="list-style-type: none"> Occupational health and safety Customer health and safety
7	Education and qualification	<ul style="list-style-type: none"> Training and education Supplier Social Evaluation
8	Sustainable environmental and climate protection	<ul style="list-style-type: none"> Procurement practices Materials; energy; water; emissions Biodiversity; wastewater and waste Environmental compliance Environmental assessment of suppliers Local communities



4.5 REPORTING

GRI 102-48

Restatements of information

As part of the update of the Sustainability Report, certain information has been added. The previously incomplete GHG accounting was fully recorded for the first time in 2023 and is published in this report. The required breakdown of workforce structure and information on living wages has been expanded. In addition, we are publishing our first Human Rights Report for 2024 as part of this Sustainability Report. The scope of reporting was expanded for the first time to include the entire corporate structure and now also covers international sites.

The climate strategy previously communicated aimed to achieve net-zero emissions for Scope 1 and 2 at German sites by 2030 and Scope 3 by 2040. In the course of internationalization, a holistic perspective, and the definition of science-based targets, we have postponed the net-zero target for the entire company across all scopes by five years.

GRI 102-49

Change in reporting

New calculations of Scope 3 data and expanded waste accounting were added to this report and reflect the current state of knowledge.

GRI 102-50

Reporting period

Sustainability Report 2025: The report is based on the consolidated financial statements and the climate balance for the year 2023 (January 1, 2023 – December 31, 2023). In addition, the report includes statements referring to fiscal years 2023 and 2024. Some statements relate to targets set for the future. These reflect the current planning status. Since we understand the sustainable development of our company to be a dynamic process, these statements may be subject to change at a later date.

GRI 102-51

Date of last report

The last Sustainability Report prepared by Harro Höfliger in accordance with the GRI Standards was published in August 2024.

GRI 102-52

Reporting cycle

We aim to update our Sustainability Report annually. In view of the CSRD, which is expected to apply to us from 2027 onward, we will publish the report annually together with the management report starting in 2028.

GRI 102-53

Contact person for questions about the report

The contact person for our Annual Report is: Mr. Alexander Herb, CFO

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

Statement on reporting in accordance with the GRI Standards

This Sustainability Report has been prepared in accordance with the GRI Standards: Core Option. The report follows the set of 36 GRI Standards for Sustainability Reporting issued in 2016 and is the second report on sustainability in accordance with the GRI Standards by Harro Höfliger Verpackungsmaschinen GmbH. The standard is supplemented by the chapters 303 Water, 305 Emissions, and 306 Waste.

The current version from 2018 was used for the disclosures GRI 403 Occupational Health and Safety and GRI 303 Water, while the version from 2020 served as the basis for GRI 306 Waste.

GRI Content Index

See content index at the end of the report.

External audit

In view of the mandatory external audit of future CSRD reporting, we are foregoing an external audit of this report.

Image credits

Image material and graphics: Harro Höfliger, except for:
Cover image (E - stock.adobe.com), Page 27 (zinkevych – stock.adobe.com),
Page 33 (Chuanchai Pundej – stock.adobe.com)

GRI 102-54

GRI 102-55

GRI 102-56

4.5 REPORTING

Harro Code of Conduct

Code of Conduct 1	27
Code of Conduct 2	39
Code of Conduct 3	41
Code of Conduct 4	32
Code of Conduct 5	24
Code of Conduct 6	29
Code of Conduct 7	28
Code of Conduct 8	15

Organizational profile

GRI 102-01	4
GRI 102-02	4
GRI 102-02	3
GRI 102-03	5
GRI 102-04	5
GRI 102-05	4
GRI 102-06	4
GRI 102-07	5
GRI 102-08	25
GRI 102-09	32
GRI 102-10	7
GRI 102-11	9
GRI 102-12	40
GRI 102-13	40

Strategy and Analysis

GRI 102-14	8, 9
GRI 102-15	10

Ethics and integrity

GRI 102-16	38
GRI 102-17	38

Governance

GRI 102-18	12
GRI 102-19	12
GRI 102-20	12
GRI 102-21	12
GRI 102-22	12
GRI 102-23	12
GRI 102-24	12
GRI 102-25	12
GRI 102-26	12
GRI 102-27	12
GRI 102-28	12
GRI 102-29	9
GRI 102-30	9

GRI 102-31	9
GRI 102-32	9
GRI 102-33	9
GRI 102-34	9
GRI 102-35	26
GRI 102-36	26
GRI 102-37	26
GRI 102-38	26

Stakeholder engagement

GRI 102-40	14
GRI 102-41	26
GRI 102-42	13
GRI 102-43	13
GRI 102-44	13

Reporting practice

GRI 102-45	42
GRI 102-46	42
GRI 102-47	42
GRI 102-48	43
GRI 102-49	43
GRI 102-50	43
GRI 102-51	43
GRI 102-52	43
GRI 102-53	43
GRI 102-54	43
GRI 102-55	43
GRI 102-56	43

Material topics

GRI 201	6
GRI 201-01	6
GRI 201-02	6
GRI 201-03	6
GRI 201-04	6

Indirect economic impacts

GRI 203	7
GRI 203-01	7
GRI 203-02	7

Anti-corruption

GRI 205-01	39
GRI 205-02	39
GRI 205-03	39

Material flow, circular economy

GRI 301	22
GRI 301-01	22

Energy

GRI 302-01	18
GRI 302-02	19
GRI 302-03	19
GRI 302-04	19
GRI 302-05	19

Water

GRI 303	20
GRI 303-01	20
GRI 303-02	20
GRI 303-03	20
GRI 303-04	20
GRI 303-05	20

Emissions

GRI 305	16, 22
GRI 305-01	16
GRI 305-02	16
GRI 305-03	16
GRI 305-05	17

Waste

GRI 306-01	21
GRI 306-02	21
GRI 306-03	21
GRI 306-04	21
GRI 306-05	21

Environmental Compliance

GRI 307	20
GRI 307-01	20

Employment

GRI 401-01	25
GRI 401-02	25

Occupational health and safety

GRI 403	29
GRI 403-01	29
GRI 403-02	29, 30
GRI 403-02	30
GRI 403-03	30
GRI 403-04	30

GRI 403-05	30
GRI 403-06	31
GRI 403-07	36
GRI 403-08	29
GRI 403-09	30
GRI 403-10	31

Training and education

GRI 404	28
GRI 404-01	28
GRI 404-02	28
GRI 404-03	28

Non-discrimination

GRI 406	25
GRI 406-01	27

Human Rights

GRI 412	33
---------	----

Supplier Social Evaluation

GRI 414	32
GRI 414-01	33
GRI 414-02	34

Political engagement

GRI 415	40
GRI 415-01	40

Protection of customer data

GRI 418	41
GRI 418-01	41

Management approaches

GRI 103 zu 201	6
GRI 103 zu 205	39
GRI 103 zu 305	16
GRI 103 zu 307	20
GRI 103 zu 401	25
GRI 103 zu 403	31
GRI 103 zu 404	28
GRI 103 zu 406	27
GRI 103 zu 412	34
GRI 103 zu 414	32
GRI 103 zu 418	41

INHALATION PRODUCTS

ASEPTIC PROCESSES

PACKAGING

NEW & CUSTOMIZED
TECHNOLOGIES

MEDICAL & PHARMACEUTICAL
DEVICE ASSEMBLY

CAPSULE FILLING &
WEIGHING

PORTION PACKS

TRANSDERMAL & ORAL
DELIVERY SYSTEMS

MICRONEEDLES

OSTOMY &
CONTINENCE CARE

EYE CARE

DIAGNOSTIC PRODUCTS

WOUND & SKIN CARE

SURGICAL SUTURES

WWW.HOEFLIGER.COM

