

Aldenhoven, 15. January 2021

## Sustainability strategy of the HALEX Group

### Environment, Social, Governance (ESG)

ESG stands for Environment, Social, Governance. Its aim is on the fields of responsible management towards the environment, positive social behavior and towards having appropriate control measures in place to guarantee compliance with laws and regulations. The underlying strategy intends for a sustainable and resource-saving management. Thus, decisions made by a company are checked not only with regard to economic implications, but also with regard to ecological and social aspects. Specifically, the company evaluates its social and ecological footprint and defines measures that, on the one hand, make positive contributions in terms of social impact and, on the other hand, have the lowest possible environmental impact.

In particular, the topic of environmental and climate protection has justifiably gained significantly in importance in the past years. We, the HALEX Group, want to continue to make our contribution as a responsible company to this topic in the future and therefore we commit ourselves to the following goal:

### **Vision 2030: CO<sub>2</sub> neutrality of the HALEX group**

The HALEX Group has set itself the goal of being CO<sub>2</sub>-neutral by 2030. With this ambitious goal, we want to underline the high importance of sustainable, resource-saving value creation and motivate every employee to actively participate in the design of our future.

## ESG-strategy of the HALEX Group

In a resource-intensive industry, we are aware of our special responsibility towards society and towards future generations. **Through our ESG-strategy, we are committed to sustainable, ecological and socially responsible management at all HALEX Group locations.** The defined ESG criteria actively shape our actions and are part of our daily decisions making process.

## Environment

The aim is to make an important contribution to achieving the climate goals by **investing in the most modern, energy-efficient systems and technology.** We use **advanced process heat recovery systems** to continuously improve the energy efficiency of our production processes. In addition, more **intensive exhaust aftertreatment of the existing systems** can make a positive contribution to steadily decrease CO<sub>2</sub> emissions. As part of the HALEX Group's far-reaching digitization strategy, the use of software optimization can save energy and other resources and reduce material waste. **Modern, digital measurement concepts** allow us to measure electricity and gas consumption and to minimize our energy consumption by actively controlling the processes. In addition, there is a **permanent review of the type of hardening services offered**, based on eco-efficiency and the overall ecological footprint of the resulting product.

For us, it goes without saying that the measures and goals we have set apply not only to the HALEX Group, but also to contractors along our supply chains. There is an intensive exchange with our contractors for this purpose. Specifically: **Suppliers are also selected based on defined ESG-relevant criteria.**

In addition, we motivate our employees to actively participate through our **company suggestion scheme**, also in terms of energy savings. In the annual budget meetings, the local managing directors present a specific plan of initiatives to save energy, which is developed in advance in cooperation with the responsible energy managers, operations managers and the local management.

Each of the HALEX locations is certified with ISO 50.001 energy management and ISO 14.001 environmental management and is not only committed within the framework of the certification regulations, but also heavily beyond, so that our companies can demonstrate constant energetic improvement.

In order to make our contribution to the federal government's 2030 and 2050 climate targets, **we are already getting the majority of our electricity from renewable energies.** This reduces our carbon footprint significantly.

## Social

The HALEX Group relies heavily on its employees as an important contributor of the company's success. Regarding this, we see ourselves as part of the society and **are therefore actively involved in the communities at our locations.**

Through continuous **investments in safety measures** as well as **internal and external trainings**, the HALEX Group guarantees a **high standard of occupational safety and employee competence.** **Equal opportunities and diversity** among the Group's employees are fundamental components of the corporate culture. **Individual support and training opportunities** are planned and made possible locally in cooperation with the management. **A strong team is an essential key to success!**

Our employees are the heart of our group. Thus, we place great importance to an appreciative and constructive corporate culture. Our low employee turnover proves the success of our corporate culture.

We are particularly proud of the fact that we can offer young people who are looking to start their careers a good selection of **qualified training positions.** The aim of our training is to gain these young people as long-term employees for our group. The high quality of our training programs makes an important regional and social contribution and is accordingly positively recognized. For example, our

company FORTE in Stollberg has received several awards from the IHK as an “exemplary training company”.

The HALEX Group is actively involved as part of a supportive and responsible society through its individual locations in the respective community and supports sports clubs and the local fire brigade, among other things. Be it the young footballers of the F2 of FC Stollberg, the "big boys" of the VFL Baskets from Treuchtlingen or seasoned men in fire brigade uniforms. In order to **support future generations at an early stage**, the Weißenburg site has been cooperating for years with the University of Bayreuth in the "Elefant Racing e.V." association, in which students can build their own formula racing cars and develop their engineering skills.

## Governance

The HALEX Group with its companies stands for CUSTOMER FOCUS, ENTREPRENEURSHIP, LONG-TERM ORIENTATION, INTEGRITY and SPEED. These **clearly defined corporate values** are the basis of all our actions and accompany us in every decision. To safeguard these values, the HALEX Holding discusses the corporate success of each individual company with the respective managing directors and ensures an objective assessment basis through **transparent, standardized key performance indicators**. With our **Code of Conduct**, the HALEX Holding created appropriate framework conditions for fair, sustainable management for the entire group and adequately monitors compliance.

To ensure the employee satisfaction, **individual feedback meetings** take place at a local level and while there is a **company suggestion and reward system** as well. In addition, the managing directors are always available to your employees with an open ear, so that it is guaranteed that problems can be identified and solved at an early stage.

Control and monitoring of our energy-management strategy takes place both internally (by the management of HALEX Holding) and externally through the **regular ISO certifications and audits** by independent, third parties. There are also local **energy management officers** in charge who report to a **group-wide quality management system** in which key energy figures are recorded. Action plans for

energy-saving projects are assigned centrally and are regularly assessed by the local managing directors and the HALEX Holding.



Sven Killmer

CEO HALEX Gruppe



Timo Röskes

CFO HALEX Gruppe