



# Global Compact Communication on Progress

January 2020 - January 2021

**HAWE Hydraulik SE**

## **Global Compact Communication on Progress January 2020 - January 2021**

### **Foreword and declaration of support**

Dear Sir/Madam,

For the tenth year running, we are supporting the United Nations' Global Compact in the areas of human rights, labour standards, environmental protection and the fight against corruption, and we commit to promoting and actively implementing the ten principles throughout the HAWE Group as a whole.

At HAWE Hydraulik, the year 2020 was characterized by taking measures to curb the risk of coronavirus infection for our employees, but also saw the successful continuation of our business operations around the world. Despite the external challenges, we managed to implement or start quite a number of planned projects that fulfill the 10 principles.

Driven by the current situation, the digital transformation of our business and business model has gained considerable momentum. This has included factoring in both the above-mentioned issues and Corporate Governance in a systematic manner, and realizing hidden potential for optimization. Current global initiatives are continuing to stimulate our strategic orientation and our aim to realize projects throughout the Group in the areas of environmental protection, economic performance and social responsibility.

In this eighth progress report, we describe our measures for the ongoing improvement of the integration of the Global Compact and its principles in our business strategy, corporate culture and day-to-day operations. We also undertake to pass on this information to our stakeholder groups using our primary communication channels.

Robert Schullan  
CEO  
HAWE Hydraulik SE

## I. Human rights

### Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

### Principle 2:

make sure that they are not complicit in human rights abuses.

## Occupational safety and health protection

In addition to the ongoing roll-out of the occupational health and safety management system at HAWE Hydraulik SE sites in Germany, our production site in Slovenia has been the first non-German site to be certified.

The accident rate at HAWE Hydraulik SE has also continued on a downward trend. For 2020, the LTIFR (Lost Time Injury Frequency Rate) for production was 17 accidents (at least one lost working day) per 1 million working hours. In comparison, in 2017 this figure was 31.

In order to significantly reduce accident risk in production, especially during maintenance and repair work, measures to protect workers against falling were also implemented on machines and systems. This enabled us to reduce the risk of accidents even further.

We expanded a project from 2019 that centered around improving ergonomics and reducing the risk of accidents due to falls at the Sachsenkam site; workplaces at the Kaufbeuren and Freising sites were also equipped with specially tested workplace mats.

HAWE is committed to promoting health and safety and preventing accidents. For this reason, in 2020 we began collaborating with a health insurance company on an ergonomics project at the Kaufbeuren site. The project focuses on integrating exercises, e.g. strengthening the back muscles, at the workplace.

As the coronavirus pandemic unfolded, we reacted quickly to implement various measures to protect the health of our employees. In order to be best prepared for similar situations in future, and to continue improving how we manage emergencies, we developed a guideline for how to draw up an operational pandemic response plan.



## Export control

Alongside the reorganization of our export control, which was initiated in 2020, our exports are now also being systematically checked with regard to embargo measures, goods checks and purpose of use. Country-related embargo measures are decided by the United Nations or the EU. Depending on the scope of the restrictions, we can distinguish between three types of embargo measures: total embargoes, partial embargoes and arms embargoes. The terms that they stipulate lead to bans or authorization requirements, which have to be checked and adhered to.



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During goods checks, our goods are checked for whether they can be used for both civilian and military purposes (dual-use). This can also result in authorization requirements for us. For a known purpose of use in the areas of ABC weapons, civil nuclear installations in certain countries, or use by the military in countries with an imposed arms embargo, authorization has to be obtained.

The checks against the globally applicable US and EU sanctions lists are now being extended to include the partner data from HAWE's subsidiaries. The responsibility for the entire export control process lies with the CEO of HAWE Hydraulik SE, as the person responsible for exports. He is assisted by the export control officer, who monitors and coordinates the operational activities.

## Finalization of health insurance for all HAWE employees

In 2020, HAWE Hydraulik SE set-up a Group health insurance scheme for all employees of the companies, providing them with insurance cover in the event of an accident at work or during non-working hours. In this way, the company is able to provide its employees with a financial safety-net against accident-related strokes of fate. The company offers this voluntary social benefit for its employees free of charge and also pays the wage tax for this private non-cash benefit.



## Commitment to helping people in need

Every year, HAWE supports selected projects and activities, especially in the regional environment of its sites. These include donations for associations and societies, but also action groups, sponsorships, schools and sports clubs. Many of these ideas come from the HAWE employees themselves.

Supporting projects that focus on children and young people is a particular priority for us. This includes the "Kinderschutz München" initiative and the "Kinder- und Jugendhilfe Kaufbeuren" association. More information about selected projects can be found on the HAWE website.



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## II. Working standards

**Principle 3:**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:**

the elimination of all forms of forced and compulsory labour;

**Principle 5:**

the effective abolition of child labour; and

**Principle 6:**

the elimination of discrimination in respect of employment and occupation.

### Living integration and inclusion

At HAWE Hydraulik SE, there is a major focus on integration and inclusion in the daily working environment. We offer training sessions and specialist literature on this issue, so that the responsible people are always up to date with the latest information.

In recent years, the workplaces at HAWE have been re-equipped with height-adjustable desks, new office chairs and IP telephony. When it came to restructuring a workplace or installing an ergonomic workplace for a disabled employee, the HAWE representative body for severely disabled persons was regularly called upon for advice.

A number of in-person meetings had to be canceled in 2020 due to the current coronavirus situation, including works meetings. Yet in order to inform all HAWE employees about the situation for severely disabled employees at HAWE, the address by the representative body for the severely disabled was distributed by post together with the addresses by the Executive Board to HAWE employees in Germany.

During everyday work and at team meetings, deaf employees were supported at their workplaces by sign language interpreters via distance interpreting. This meant that it was possible to reduce person-person contact and thus the risk of infection in these instances, too. Yet communication was maintained to its usual degree.



## Adapted measures for disabled people

To protect employees at HAWE against a coronavirus infection, it became compulsory early on at all HAWE sites to wear a mask. But for disabled people, it sometimes isn't feasible to enforce the wearing of a mask. They may not understand why they should wear a mask, or there may be a physical reason why they are unable to wear something over their mouth and nose. After consulting with the HAWE company doctors, it was agreed that these people could be exempt from compulsory mask wearing in specific cases, depending on the situation. Our deaf employees were also permitted to remove their masks to facilitate communication, although the specified social distance rules had to be observed in these cases. If necessary, the distance between workplaces kept being increased, or the workplace was relocated to a meeting room.



## HAWE donates masks (MNS) to many establishments

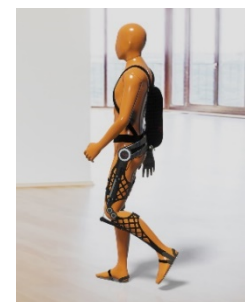
As coronavirus infection rates increased in spring 2020, so did the need for MNS masks in many establishments – ones that were not the immediate focus of the government and considered a priority for mask supply. Members of the international procurement team at HAWE scanned the globe in search of face masks for the company employees. They were able to leverage the company's network of suppliers and partners, which we have taken care to establish over the many years. We were able to procure significantly more masks than were required across the group of companies. This meant we were able to supply establishments such as hospitals, nurseries and nursing homes with this essential protective equipment with ease and without complications. Our supply efforts even transcended borders, e.g. by donating to hospitals and homeless shelters in Italy.



During their project day, trainees at HAWE sewed face masks out of fabric and donated these to the Munich-based organizations "Bahnhofsmission München" and "Kinderschutz München". The masks were sewn especially in children's sizes, so that they would fit a child's face properly.

## Collaborative research project on exoskeletons for medical purposes

Together with the Technical University of Munich and voxeljet AG, we embarked on a research project to develop what are known as "lightweight robots". The project called "Lowcost Lightweight Robots on demand" is funded by the Bavarian Ministry of Economic Affairs, Regional Development and Energy and is intended to radically reduce the development time when designing robots. The idea of this technology is to be able to design and offer a walking assistance tool to injured or disabled people in rehabilitation much more quickly. These tools should be comparable in shape and size with a human arm, and must be useable for a range of uses (e.g. rehabilitation, housework, trades, care) through variable end effectors. This relatively new business area for HAWE Hydraulik is proving



itself to be a new application area for hydraulic systems and its solutions. Due to the high power density of hydraulics, this technology has weight advantages compared with electrical drives, which can be realized in these instances.

## **New courses on HR matters added to the HAWE Academy**

In light of our current working patterns, where people are working from home more and meetings have gone online, it is important for HAWE managers to gain new insights and new tools so they can offer a consistently high standard of leadership and support to their employees. A new software solution was introduced in 2020 to facilitate this. The plan is to gradually roll it out to the international HAWE sites, too. The solution enables us to ensure that the high standards set in Germany for further training and HR management are also applied at HAWE's sites outside Germany. Head office will in future offer many different courses in English through the HAWE Academy, thus providing an easily accessible way of exchanging knowledge and experience at regular intervals. Courses tackling current topics were also promptly included in the range, such as on virtual leadership and project management.



## **IT department responds quickly to enable all administration employees to work from home**

As a result of the coronavirus pandemic and the ongoing spread of the virus, all employees working on administrative tasks (and who could, therefore, work from home) quickly required suitable, secure access to the HAWE network from their homes. We successfully achieved this by thinking ahead when drawing up the workstation strategy and providing state-of-the-art communication technology. We were able to offer mobile working across the board. Additionally, the proportion of administration employees working from home in some cases rose to 100%, which improved our CO2 balance as there was less commuting.



Photo: Fotolia

## **HAWE completes project aimed at reducing mental stress at work**

The term "mental stress" refers to all external influences that have a psychological impact on employees. They result from the employee executing their work task, from the employee's working environment, and from the way the work is organized. Examples include time pressure, workload, monotony, noise, etc. After developing and implementing various measures and setting out a process for use in the future, the project was able to be successfully concluded. As a result, mental stress will be taken into account as an integral part of hazard assessments in the future. This not only ensures compliance with the legal requirements, but also improves industrial safety and the protection of our employees' health.



## Introduction of Hoshin Kanri

In 2019, HAWE started to revise and restructure the current CIP (Continuous Improvement Process) in the production sites of HAWE SE. The goal was to use the knowledge and experience of all employees in production to continuously develop the efficiency of production. For this purpose, the Hoshin Kanri method, known from lean management, was introduced in a pilot area. Hoshin Kanri makes it possible to collect and effectively implement the ideas of our employees in a structured and targeted manner. Hoshin Kanri gives employees the opportunity to contribute their knowledge and experience on the one hand, and on the other hand to accompany them during implementation.

In 2020 and 2021, this methodology will now be installed in the other production sites and also in the first central area.



### III. Environmental protection

**Principle 7:**

Businesses should support a precautionary approach to environmental challenges;

**Principle 8:**

undertake initiatives to promote greater environmental responsibility; and

**Principle 9:**

encourage the development and diffusion of environmentally friendly technologies.

### Environmental and energy management

The world is currently undergoing a period of profound change, and we are experiencing enormous upheaval in all areas of our lives. However, this has also opened up new opportunities for our company. We need to grasp them and work together to overcome the challenges they pose. The key is to always balance our economic, environmental, and social responsibilities and rise to the challenges each and every day, at all HAWE sites. We have already been successful in this endeavor, but we are not resting on our laurels. For example, we are gradually applying the standards from Germany to our sites outside Germany, too. In 2020, we thus had our site in Slovenia certified to ISO 14001 and ISO 50001, the applicable environmental and energy management standards



### Energy consumption and emissions – key figures

A large part of our CO<sub>2</sub> emissions is attributable to our energy consumption, which is primarily the power we need to operate our production machinery. All of the technical building infrastructure, such as compressors, room ventilation systems, chillers, and hall lighting, also needs power. Unlike heating oil, natural gas is not just used as thermal energy for heating purposes, it is also burned to run production furnaces. Our consumption of diesel and gasoline is attributable solely to our fleet of passenger cars.



Our sites in Freising, Sachsenkam, and Kaufbeuren have their own solar panel systems on the roof, enabling us to generate our own renewable energy to meet our energy needs. Moreover, our Kaufbeuren site also has a cogeneration unit that runs on natural gas. It enables us to generate around 6% of our annual energy requirement ourselves directly on site.

## HAWE Hydraulik SE 2017 - 2020

Direct energy in MWh (Self-generated)	2017	2018	2019	2020
electricity	1.407	1.741	708	1.546
heater	2.061	2.854	1.427	2.724

### Indirect energy in MWh (External procurement)

electricity	20.113	20.652	19.864	19.595
natural gas	8.623	8.755	4.953	7.681
heating oil	332	279	333	273
diesel	1.683	1.531	1.751	1.355
petrol	46	98	128	87

### energy intensity (KWh/1000 € sale)

total energy	127	123	119	114
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### THG-Emissions (tons of CO2)

Scope 1	2.537	2.520	1.840	2.240
Scope 2	6.561	6.662	4.601	1.587



## Measures planned for 2021 to help protect the climate and environment

In order to achieve our specified goal of CO<sub>2</sub> neutrality sooner than planned, we decided this year to only purchase green electricity from our energy supplier from 2021 onwards. This applies to all of HAWE's sites in Germany. This power will exclusively be 100% hydroelectric power and we will obtain the corresponding certificates to verify this. As part of these efforts, we are assuming that our power consumption for 2021 will be 20,772 MWh. Compared with 2019 and 2020, we will therefore be able to reduce CO<sub>2</sub> emissions by around 6000 tons per year.

We are aiming to continuously increase the proportion of renewable energy we generate ourselves from our solar panel systems from 2021 onward. Our systems currently achieve around 350 KWp and generate 300 MWh of power each year. In 2021, the first step will be to increase their power by around 650 KWp to approx. 1000 KWp, which will enable us to generate around 1000 MWh of power each year. This increase of 650 KWp on our roofs equates to an area roughly the size of 1.5 – 2 soccer fields.



## Projects carried out in 2020 to save energy and monitor power consumption at our sites

An intelligent compressor control system was installed in the production plants. It enables us to monitor our processes with even greater precision and allows for simple integration in our digital landscape for the building control systems.

In order to more effectively monitor the energy flows at our newly certified HAWE site in Slovenia, we carried out conversion work which involved retrofitting automated electricity meters.

Following the introduction of a new, standardized energy management software system, all of HAWE's sites in Germany can now be mapped and included in technical monitoring.

## Focus on greater efficiency for product development

By developing efficient and safe products, the Product Portfolio Management department makes an important contribution to optimizing the hydraulic functions fitted to our customers' machines.

We have identified a clear need for highly efficient hydraulic solutions. Mobile machines are subject to increasingly strict requirements in terms of their energy efficiency, which can no longer be met simply by optimizing the combustion engine. Creative freedom is required for this, and the only way to achieve this is to use a system of combustion engine and/or e-motor and highly efficient operating hydraulics where all elements dovetail perfectly with one another. By designing coordinated systems encompassing the electric main drive, the power supply from the batteries, and optimized hydraulics, it is also possible to significantly extend the operating time, which is a key factor for users.

Another trend we have seen in recent years is the rapid increase in requirements from environmental policy and the country-specific norms and safety standards. While this does mean that we need to spend more time and effort maintaining our existing product portfolio, it also affords us the opportunity to create entirely new, sustainable products and solutions based on new materials, enhanced safety technologies, and economical supply chains and production concepts.

The hydraulics system and hydraulic components also constitute a very sustainable, economical technology on account of their durability, energy efficiency, and the fact that the components are often easy to recycle.

## Travel reduced by using digital communication methods

Videoconferencing had already been introduced last year, but it is now being used much more frequently across the company. This technology has also been received much better by our employees, in large part due to the travel restrictions imposed as a result of the global coronavirus pandemic. The range of tools was also expanded further and various different training courses were offered.

Large national and international meetings were held exclusively online, meaning none of the attendees had to travel anywhere. In many cases, our person-person contact with customers also had to shift online as a result of the pandemic. As a



Photo: AdobeStock

result, we avoided the flights and train/car journeys that we used to take for this, further helping to protect the environment.

There is also an increasing number of regular online training courses and subject-specific self-learning courses, reducing the amount of travel without any loss of training opportunities.

## **Paperless manufacturing at the sites**

As of today, there are almost no paper drawings left in the HAWE production sites. The "Digital Production Drawing" project has thus been successfully rolled out and completed. As a consistent further development towards the paperless factory, the "Digital Production Documents" project was started at the end of 2020. Here, as with the drawings, all documents required for production, such as tool lists or setting instructions, will also only be displayed digitally at the workstations.

## **Digital Shop Floor Management**

Work on digital store floor management is underway at the SE production sites, and a pilot area was already launched here in 2020. The aim is to digitally display all production-relevant notices, which were previously almost exclusively in paper form. Due to the positive progress of the prototype so far, this project will be further advanced in 2021 and rolled out to other areas.

## **Tool data management and CAM**

With the fundamental revision of our tool data management, which entered the implementation phase at the beginning of 2020, the production of the HAWE production sites has the possibility to digitally simulate the manufacturing process, e.g. within a machining center by means of CAM (Computer Added Manufacturing). This makes it possible, among other things, to optimize machining processes within the machine and this, without actual machining. This helps to save raw materials and increases the resource efficiency of manufacturing.

In addition, the new tool data management system makes it possible to use tools exactly to the end of their service life, as the hours already worked by the tool are recorded by means of RFID and tool usage data recording and constantly compared with the optimum service life. In this way, we also contribute to the efficient utilization of the resources employed.

## "Zero Waste" project continues

The "Zero Waste" project was launched back in 2018 and was originally known as "Zero Plastics". Since then, HAWE has already been able to save three tons of plastic waste using the measures promoted by the project. A brief overview of some of the measures taken in 2020 is provided below:

By using refillable eco-sprayers for detergents, around 150 plastic bottles per year have been eliminated at the Kaufbeuren plant alone.

Also in Kaufbeuren, 400 rolls (equating to 12 tons) of fresh fiber paper are being replaced with recycled paper each year, with immediate effect.

For the new-build work in Kaufbeuren, it was decided to re-install the existing facade (measuring 185 m<sup>2</sup>) on the new building section instead of creating a brand new facade. This not only saved on new construction materials, but also prevented a large amount of waste.

At the Freising plant, an automated cup washer underwent initial testing. The aim is to stop disposable coffee cups being used in future.



## "Qualification concept for sustainable cooling lubrication strategies" project continues

Production technology based on machining plays an important role in HAWE's production. Wet machining using cooling lubricants is the predominant method.

In order to obtain innovative technological ideas and exploit potential in this area, HAWE has been participating in the "Qualification concept for sustainable cooling lubricant strategies" project since mid-2019. The focus is on an internal transfer of knowledge and methods concerning cooling lubricants (KSS) within the framework of a modular training concept.

Training modules on the following topics were held in 2020:

- Cleaning the system, replacing cooling lubricants, disposal
- Extraction
- Care and maintenance
- Minimum quantity lubrication

This funded project is led by the Chair for Resource and Energy Efficient Production Machines (REP) at Friedrich Alexander University Erlangen-Nuremberg.

## Upgraded centralized system for cooling lubricants in Freising

An upgraded centralized system for cooling lubricants went into operation at our Freising site in the first quarter of 2020. It enabled us to make more efficient use of resources by using smaller amounts of cooling lubricant emulsion, which meant

there was less to dispose of. It also made work safer as the process became more stable and a smaller amount of biocides could be used.

## Sheep mow the lawn and bees pollinate the flowers and trees around the Kaufbeuren plant

In order to regularly mow the green areas around the HAWE Group's largest plant in Kaufbeuren, sheep were again used in 2020 instead of lawn mowers and mulchers. Employees were again able to adopt sheep and the trainees assumed responsibility for looking after them. It was therefore the second year that this very ecological form of green space maintenance had been used. However, there were twice as many sheep this time.



Motivated by this project, the idea was born to leave part of the existing green spaces as meadows and to put up bee boxes. Because they distribute pollen, bees are indispensable for preserving the biodiversity of plants, animals, and our food. Without pollination there would be no seed formation, which, in turn, forms the basis for the survival of plants.



The first young colonies were purchased in 2020 and successfully positioned on site. A total of eight employees are responsible for the bees. The project is being supported and led on site by a HAWE employee and beekeeper with several years' experience of keeping their own bees. Before the project started, HAWE purchased the beekeeping tools required and made them available free of charge to the employees who were interested in taking part. These include beekeeping boxes and other tools required for looking after bees hygienically and appropriately.

The aim of this measure is to further boost HAWE's commitment when it comes to biodiversity. This beekeeping project perfectly complements the existing project where sheep are used to graze the green spaces around the Kaufbeuren plant.

## Electric power for travel between our sites

HAWE Hydraulik welcomes the use of electric vehicles or plug-in hybrids for the daily commute to work, and also makes it an attractive prospect from a financial point of view. The first all-electric pool vehicle with an electric drive system was purchased in 2020 and made available for regular use by all HAWE employees. Plans are afoot to purchase another electric pool vehicle in 2021. Charging stations have now also been provided at all large HAWE sites in Aschheim, Freising, Kaufbeuren, and Sachsenkam.



Additionally, all HAWE plants now have access to the company-wide vehicle pool. When employees need to travel between plants, they can now book not only a vehicle, but also simply a free space in a vehicle if someone else is already going.

## Free water available at all production sites

Despite the difficult economic climate in 2020, our offer to provide free water at all of HAWE SE's production sites was able to be implemented as planned. Since this year, all HAWE factory halls have water stations providing still or sparkling water. This is not just an important measure to help ensure HAWE employees have a healthy diet, it is also beneficial in terms of sustainability. By providing free water, HAWE is also expecting to see a drastic reduction in the use of disposable plastic bottles.



## Participation in benchmarking project run by the BVMW and Fraunhofer IPK

In 2020, HAWE Hydraulik took part in the benchmarking project run by the BVMW (German Association for Small and Medium-Sized Businesses) and Fraunhofer IPK (Fraunhofer Institute for Production Systems and Design Technology). The aim was to obtain an objective assessment compared against other companies, and identify potential areas to work on in order to achieve further improvements for the topics concerned.



Before taking part in the benchmarking project, we completed a questionnaire containing just over 100 key figures from the areas of sustainable business, environmental compatibility, and social responsibility.

The benchmarking system used here was based on an integrated sustainability model, which looked at the aforementioned areas and evaluated them using performance indicators. Further details can be found here:

<https://www.ipk.fraunhofer.de/en/publications/futur/futur-2020-1/benchmarking-smes.html>

## Membership of AGEEN (association of energy efficiency networks in Germany)

HAWE has been an active member of AGEEN (Arbeitsgemeinschaft der Energieeffizienz-Netzwerke in Deutschland; association of energy efficiency networks in Germany) since January 2020, helping to support around 3000 companies in Germany (based on current figures) on matters relating to energy efficiency. A network management system for running regional energy efficiency networks for medium-sized and large businesses has been developed in Germany, starting in 2002 with the very first energy efficiency network. This system has continued to be improved, tested, and expanded up to the present day. This management system has been known as [LEEN \(Learning Energy Efficiency Networks\)](#) since 2008.



The recommendations from AGEEN and the criteria for being awarded the quality seal go beyond those of the recognition standard from the initiative launched by German industry and the German federal government (IEEN). Based on experience gained by the AGEEN members, they result in faster and higher savings in energy costs and, accordingly, higher reductions in CO2 emissions.

31 networks and two network companies (HAWE was the first company in 2018) have so far been awarded the official AGEEN quality seal. Our experience in energy efficiency spans more than 10 years, which means we not only meet the requirements, but can also pass on our experience and successful models to the other members on a regular basis.

## Financial support for UNICEF initiative

HAWE supports the [UNICEF](#) initiative "Plastic waste as a building block for the future" in the Ivory Coast. In this project, UNICEF is working together with the Colombian company "Conceptos Plásticos" by establishing a recycling market that converts plastic waste into durable and cost-effective building materials. These, in turn, are used to create new classrooms for the children there who are currently unable to attend school due to a lack of space.

With the help of the converted materials from the recycling market, the classrooms can be built at a low price. As a result, the children on the Ivory Coast have access to better education and upgraded classrooms. Thus, the children are provided with a clean environment in which they can live and learn healthily.

Furthermore, almost half of the households, many of them single mothers, live in poverty and only 5% of the plastic waste is recycled. This inadequate waste disposal is responsible for about 60% of diseases, e.g. malaria and respiratory diseases. The initiative empowers the (often single) mothers by employing them in the recycling markets and thus creating income opportunities. The project also helps to prevent and reduce diseases.

HAWE Hydraulik has supported this initiative since 2019, and will provide 50,000 euros annually from 2020 onwards in order to develop and promote this project in the future.





## IV. Anti-corruption

### Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

### Training on corruption

An internal training course has been provided in the HAWE Academy to make it easier for our employees to implement the compliance rules in their daily work, and to provide practical examples. This training describes typical situations where conflicts with rule-compliant behavior could arise in everyday work.



Compliance with laws and internal rules on anti-corruption is also monitored as part of the external audit. Individual incidents are reported directly to the Management Board so that it can take appropriate action. An e-mail address has been set up so that anyone can report suspected breaches of HAWE's code of integrity in confidence.

### Group-wide reporting

Uniform Group-wide reporting supports the improvement of the performance of profit & loss and the balance sheets in the HAWE Group and the subsidiaries.



The established Group-wide management reporting has been expanded in 2020 to include additional key figures - the cash conversion cycle. The cash conversion cycle provides information about the cash operating cycle, i.e. how many days a company needs to recover the expenses for goods purchases from the customer through the sale of goods. The reports are available for both actual and plan data.

For statutory financial reporting in accordance with German commercial law, subsidiaries and the HAWE Group use standardized reports from our consolidation system.

### Risk management

The fraud check is regularly included in the annual audit. The check can vary and can be adapted to suit changing framework conditions. In addition to the audit of the books, the auditors are commissioned to question and certify each HAWE subsidiary's adherence to minimum standards in risk management and compliance as well as the security precautions taken. Measures are derived and their implementation is reviewed on a regular basis.



Photo: Fotolia

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