

GLOBAL COMPACT COMMUNICATION ON PROGRESS

January 2021 - January 2022

HAWE Hydraulik SE

GLOBAL COMPACT COMMUNICATION ON PROGRESS

Januar 2021 - Januar 2022

FOREWORD AND DECLARATION OF SUPPORT

Dear Sir/Madam!

For the 11th 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 2021 was again 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.

The integration of the HAWE Group's worldwide sites has noticeably intensified in these special times. Not only in supporting each other with measures to protect employees and their families, but also in terms of the new dimensions of global cooperation in the supply chain, manufacturing and assembly that have opened up for HAWE. Many projects that are already underway and new ones in the pipeline are contributing to this. The established corporate principles and strategic orientation are applied on a cross-border basis, also in the areas of corporate governance, environmental protection, and social responsibility.

In this 9th 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



I. HUMAN RIGHTS



PRINCIPLE 1:

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

PRINCIPLE 2:

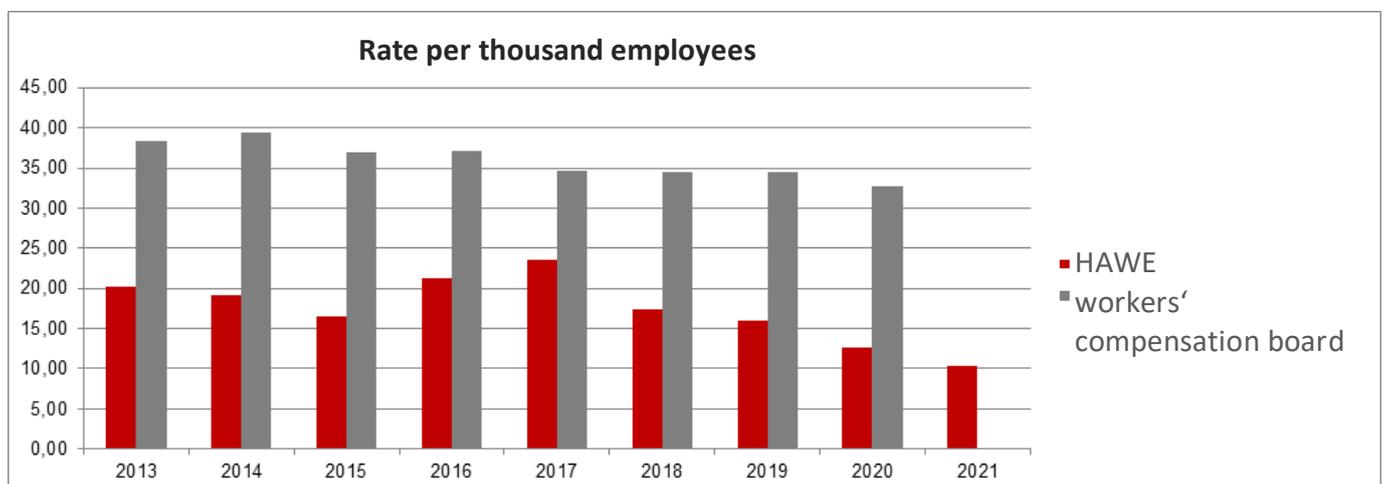
make sure that they are not complicit in human rights abuses.



OCCUPATIONAL SAFETY AND HEALTH PROTECTION

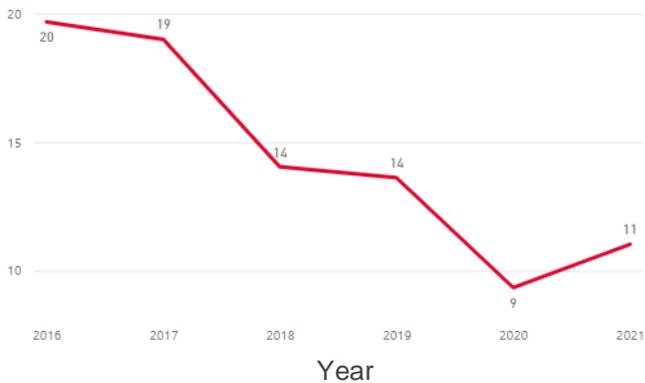
HAWE Hydraulik SE and HAWE Hidravlika d.o.o./ HAWE Hydraulik Systems d.o.o. are certified according to DIN EN ISO 45001 (occupational health and safety management). The certification was also successfully maintained in 2021.

As can be seen in diagram 1, the rate of accidents per thousand employees has fallen continuously since 2013. HAWE SE's accident figures are significantly lower than the average values of the responsible employers' liability insurance association. The consistent implementation of safeguards developed in the course of risk assessments has helped to achieve this.



I. HUMAN RIGHTS

This positive trend is confirmed by HAWE SE's last time injury frequency rate (LTIFR), which has decreased to 11 accidents per million working hours.



Improvements to test benches at all HAWE SE production sites have also been stepped up, in particular to reduce risks to employees in terms of physical (e.g. high pressures) and electrical hazards.

At all HAWE plant locations, employees are provided with the latest occupational safety equipment. Training courses on occupational health and safety are also held on a regular basis. At the Barbing plant, a "Safety Week" is planned for 2022, during which external experts will inform employees on the topics of health, occupational safety and precautions, but also conduct practical exercises.

Due to the pandemic, the ergonomics project at the Kaufbeuren site in collaboration with a health insurance company had to be interrupted. The project was resumed in October 2021 and is now nearing completion. The focus of the project is on integrating exercises at the workplace, for example to strengthen employees' back muscles. Their practical implementation is recorded on videos. The positive findings and results are being presented to other sites in order to promote implementation there too.

Vaccination offer for employees

As a precautionary measure to maintain staff health and increase community protection, flu vaccinations were offered in autumn 2021.

The measures already taken in 2020 to combat the coronavirus pandemic were also adapted and/or expanded at HAWE in 2021 in line with the prevailing situation.

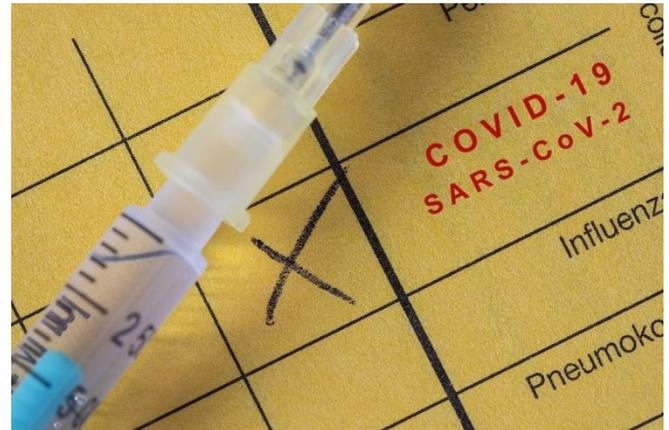


Image: AdobeStock_398465924

All HAWE employees received a vaccination offer for the first, second, and booster vaccinations in 2021. This made it easy for them to opt for vaccination locally. Internal appeals for vaccination were placed on the intranet several times by the company doctor and the Board of Management. An influenza vaccination was also offered at the sites via the company doctor.

EXPORT CONTROL

During export control, exports are systematically reviewed, including in the areas of embargo measures, goods control, and intended use. Country-related embargo measures are decided by the United Nations or the EU. Depending on the scope of the restrictions, a distinction is made between three types of embargo: total embargoes, partial embargoes, and arms embargoes. The regulations contained in these lead to bans or authorisation requirements, which are also checked and observed at HAWE.

Goods control involves checking whether the goods can be used for both civilian and military purposes (dual-use), and any resulting authorisation requirements are observed and implemented. For a known intended use in the areas of NBC weapons, civil nuclear facilities in certain countries, or a military end-use in countries subject to arms embargoes, authorisation must be obtained.



Checks against the globally applicable US and EU sanctions lists have also been extended to include the partner data of HAWE subsidiaries. Responsibility for the entire export control process lies with the CEO of HAWE Hydraulik SE as the person responsible for exports. He is assisted in this by the export control officer, who monitors and coordinates the operational activities.

As part of export control at HAWE Hydraulik, exports are systematically reviewed in the areas of personnel control, country control, goods control, and control of the intended use.

CHECK OF EMPLOYEE NAMES AGAINST SANCTIONS LISTS IN ACCORDANCE WITH THE ANTI-TERRORISM ORDINANCE

As part of the fight against terrorism and to prevent the financing of terrorist activities, HAWE and all subsidiaries of the HAWE Group in Europe conscientiously fulfil their legal obligation to regularly check employee data against the European Union's sanctions lists. These sanctions lists include people who have links to a terrorist organisation or are subject to an embargo measure. The sanctions list check started in November 2021 and will be carried out once a year in future for existing employees, freelancers, temporary staff, trainees, and students. In addition, the names of applicants are checked against the lists before a contract is drawn up. The data protection officer was involved in the planning from the beginning and approved the review process presented. The principles of data economy are observed. Third parties are prevented from gaining knowledge of the data.

HAWE SLOVENIA SITE CERTIFIED IN ACCORDANCE WITH THREE EHS ISO STANDARDS

After a very good basis was created over the last few years since the initial certifications of the HAWE Hydraulik SE sites, HAWE Slovenija was certified under the following three ISO standards in December 2020: Environmental Management (ISO 14001), Occupational Health and Safety Management (ISO 45001) and Energy Management (ISO 50001). As a result, the increasing requirements in terms of sustainability, environmental protection, and occupational health and safety will also be met by HAWE at this new site.



Image: HAWE Hydraulik

The overarching goal was full integration into HAWE Hydraulik SE's EHS (Environment, Health, and Safety) management system. In addition to the processes, interested parties such as authorities, customers and suppliers were taken into account. Targets set and achieved included on-site events to promote health, and training sessions to achieve the target of zero accidents. Documentation is also an essential part of certification to ensure that there is a corresponding set of supporting data. In future, the measures in Slovenia will be expanded and other HAWE sites and subsidiaries will also be certified in accordance with the EHS ISO standards.

COMMITMENT TO HELPING PEOPLE IN NEED

Every year, HAWE supports selected projects and activities, particularly in the regions where its sites are located. This includes donating to clubs and associations, as well as action groups, sponsorship schemes, schools, and sports clubs. Many of the suggestions come from HAWE employees themselves.

Supporting projects with children and young people is a particular priority. These include the "Kinderschutz München" and "Gesellschaft macht Schule" initiatives and the "Africa" UNICEF project mentioned further below. More information about selected projects can be found on the HAWE website.

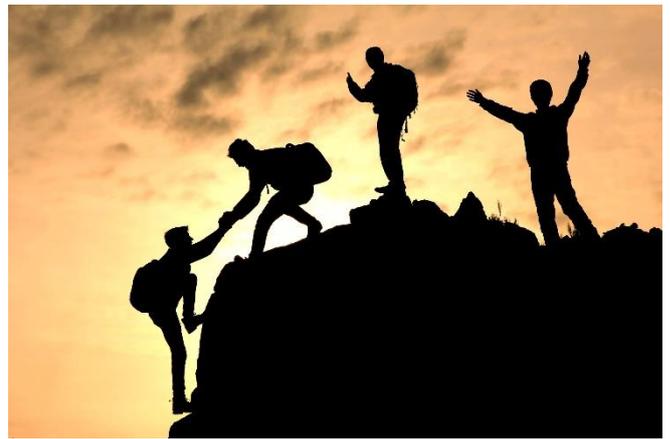


Image: Fotolia_79692824_L©crazymedia

II. WORKING STANDARDS



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 2021 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 planned speech by the representative body for the severely disabled was distributed by post together with the speeches 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.



Image: AdobeStock_219378107

II. WORKING STANDARDS

COLLABORATIVE RESEARCH PROJECT ON EXOSKELETONS FOR MEDICAL PURPOSES

Further progress was made on the research project launched jointly with the Technical University of Munich and voxeljet AG to develop what are known as 'lightweight robots'. The project called 'Low-cost 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 size and shape to a human arm and be able to be used in a variety of ways (e.g. rehabilitation, housework, trades, care) through variable end effectors. This relatively new business area for HAWE Hydraulik is demonstrating a new area of application for hydraulics and its solutions. The high power density of hydraulics means that weight

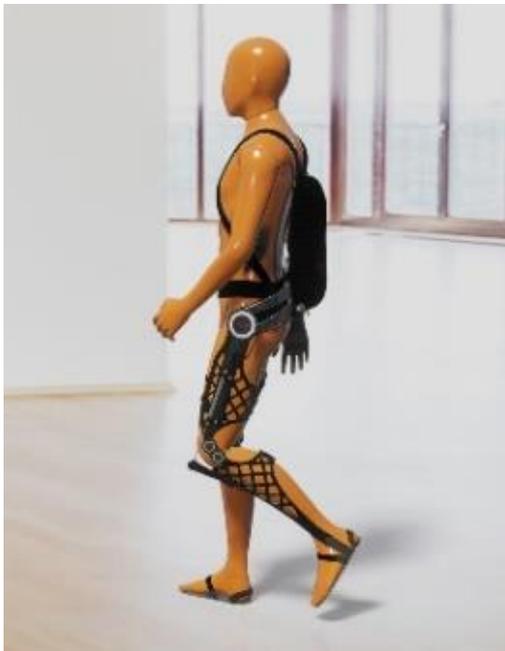


Image: HAWE Hydraulik

advantages over electric drives can be realised here. A severely disabled HAWE employee is playing an active part in the project.

E-LEARNING OFFERS NEWLY INCLUDED IN THE HAWE ACADEMY

Education and training are also shifting more and more into the virtual space. Because even when people are increasingly working from home and attending virtual meetings, the training of new employees and the upskilling of existing employees remains an important part of the business.

To be able to adapt the range of courses and services even more flexibly to the needs of employees worldwide, the HAWE Academy is gradually adding technical product training courses as well as overarching topics such as corporate culture and languages in the form of e-learning. These are offered throughout the Group in German and English. At the same time, topical courses, such as virtual leadership and project management, are also promptly incorporated into the programme.



II. WORKING STANDARDS

HAWE OFFERS HEALTH COACH PROGRAMME

HAWE Hydraulik SE has teamed up with a health insurance company to offer employees a free virtual health coach. Employees can easily access the coach via the internet or an app. A variety of individually selectable health goals are on offer, including increasing fitness, losing weight, managing stress, and quitting smoking. For each of the health goals, there are individual exercises together with videos where everything is explained in more detail.

In one plant, a health day was also organised in cooperation with a local fitness studio in compliance with the applicable pandemic guidelines.

HOSHIN KANRI INTRODUCED IN ALL PLANTS

Hoshin Kanri allows us to collect and effectively implement the ideas of our employees in a structured and targeted way. 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. This methodology has now been introduced and established at HAWE's production sites. The aim is to use the knowledge and experience of all production employees to continuously develop the efficiency of production.



Image: HAWE Hydraulik

III. ENVIRONMENTAL PROTECTION



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:

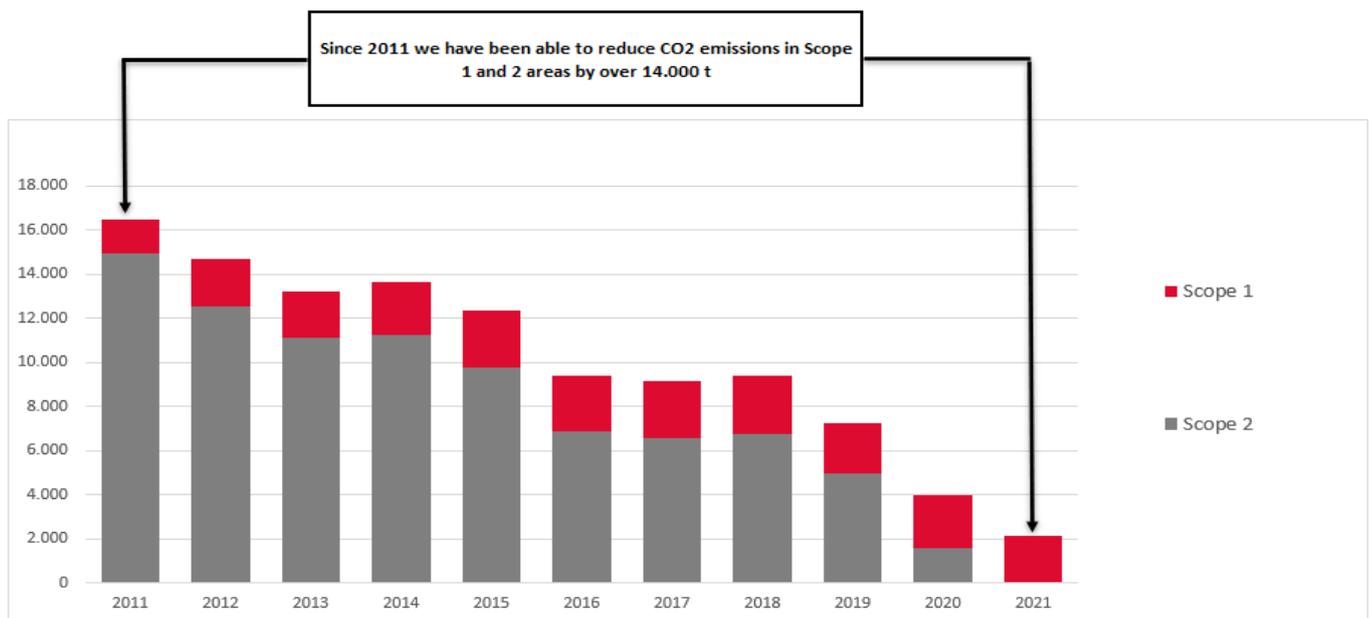
Encourage the development and diffusion of environmentally friendly technologies.



ENVIRONMENTAL AND ENERGY MANAGEMENT

The world is currently in a state of profound change and is experiencing major transformations in

all areas of life. This is creating new opportunities for our company, which must be seized and any challenges overcome together. In the process, it is important to find a balance between economic,



ecological, and social responsibility and to face the challenges every day and at all HAWE sites. We are not resting on our laurels. For example, we are gradually extending the standards in Germany to our foreign sites as well. Since 2011, HAWE has been continuously identifying and analysing potential for reducing its carbon footprint in terms of Scope 1 and Scope 2 emissions, i.e. the emissions over which we have a direct influence.

HAWE has reached a first milestone with almost 160 specific energy efficiency projects. Scope 1 and Scope 2 carbon emissions have been reduced by over 14,000 tonnes since 2011. As far as Scope 2 emissions are concerned, we have even been completely carbon neutral at all German HAWE sites since 2021.

ENERGY CONSUMPTION AND EMISSIONS – KEY FIGURES

The bulk of our carbon emissions is generated by our energy needs, which are mainly in the form of electricity for the operation of production machinery. In addition, the entire building services structure, such as compressors, air-conditioning systems, refrigeration machines and hall lighting, is powered by electricity. Unlike heating oil, natural gas is not only used purely as thermal energy for heating, but it is also used to operate production furnaces. Our diesel and petrol consumption 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

Energy consumption and emissions

HAWE Hydraulik SE 2018 - 2021

Direct energy in MWh (Self-generated)	2018	2019	2020	2021
electricity	1.741	708	1.565	1.559
heating	2.854	1.427	3.080	3.205

Indirect energy in MWh (External procurement)

electricity	22.189	21.416	19.600	21.809
natural gas	8.858	6.470	7.689	8.407
heating oil	279	333	273	307
diesel	1.531	1.751	1.374	1.268
petrol	98	128	89	65

energy intensity (MWh/1000 € sale)

total energy	149	130	129	128
--------------	-----	-----	-----	-----

THG-Emissions (tons of CO2)

Scope 1	2.616	2.328	2.423	2.440
Scope 2	6.773	4.957	1.588	0

Water footprint

Surface water	97.776	113.932	113.528	122.912
Groundwater	1.035.707	1.072.020	741.158	526.045
Public waterworks	17.173	16.512	13.645	14.423



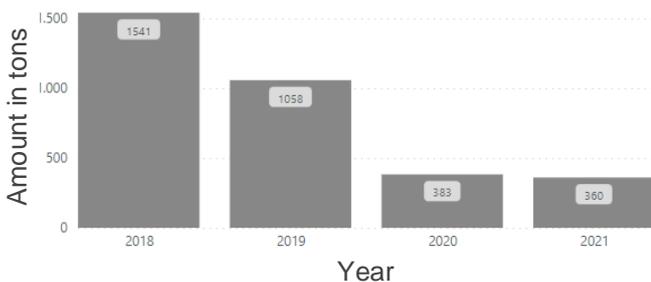
meet our energy needs. In addition, our Kaufbeuren site has a combined heat and power plant powered by natural gas, which we use to generate around 6% of our annual electricity requirements ourselves on site.

CLIMATE AND ENVIRONMENTAL PROTECTION MEASURES

In order to achieve our goal of carbon neutrality faster than planned, we decided this year to purchase only green electricity from our power supplier for all HAWE sites in Germany from 2021. This is supported by corresponding proofs of origin showing that it consists of 100% hydropower.

In 2021, the planned expansions of our photovoltaic roof areas by 650 KWp were successfully implemented at our plant in Kaufbeuren. In 2022, we will expand our roof areas by another 1,700 KWp of photovoltaic modules, which means that we will have a total of around 2,500 KWp of power available on the roofs in Kaufbeuren as the final expansion stage.

Waste emulsion



MODERNISATION OF THE WASTE WATER EVAPORATOR SYSTEM

The waste water evaporator system at our Kaufbeuren site has been overhauled and modernisations carried out so that it would continue to comply with the

specified waste water limit values. This has drastically reduced the amount of used emulsion to be disposed of (> 70% saving compared to 2018).

HAWE HYDRAULIK BUILDS NEW PLANT IN CHINA IN ACCORDANCE WITH GROUP-WIDE GUIDELINES

HAWE Hydraulik is merging its two existing production facilities in China at a new, modern site being built in Wuxi. In the future, system solutions for key industries such as wind turbines, solar plants, machine tools and medical technology will be built here primarily for the local market. Construction work on the new building began in mid-March 2021. Approximately 250 employees will work at the new plant near Lake Taihu. In addition to production areas with integrated office areas, the approx. 25,000 m2 building will also have a canteen. HAWE's closely cooperating project team from Germany and China is combining the requirements from both worlds for this new, on-site building project. On the one hand, there are the values of the parent company from Germany, namely energy and environmental management as well as occupational health and safety. On the other hand, a very high level of cost discipline has been incorporated, together with topics such as Feng Shui for the right orientation of the future office space.



Image: HAWE Hydraulik

FOCUS ON GREATER EFFICIENCY FOR PRODUCT DEVELOPMENT

By developing efficient and safe products, the Product Portfolio Management department makes an important contribution to optimising the hydraulically operated functions of our customers' machines.

Mobile machines are subject to increasingly stringent energy efficiency requirements, which can no longer be met solely by optimising combustion engines. Only perfectly coordinated systems consisting of an internal combustion engine and/or electric motor and highly efficient working hydraulics offer the necessary design scope. By designing precisely coordinated systems encompassing the electric main drive, power supply from batteries, and optimised hydraulics, it is also possible to significantly extend the operating time, which is a key factor for users.

Another trend in recent years has been the increased requirements from environmental policy and 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 engineering, and resource-saving supply chains and manufacturing concepts.

In addition, the hydraulic system and its components offer a very sustainable, resource-saving technology due to their durability, energy efficiency and often very recyclable components.

HAWE IS COMMITTED TO GENERATING ELECTRICITY FROM SOLAR ENERGY

Since 2014, HAWE Hydraulik has been a member of the German Concentrated Solar Power (DCSP) industry association, which was founded in 2013. This

is where HAWE engineers, among others, are involved in advancing the potential applications of solar technology for the production of green electricity, green heat and green hydrogen.



Deutscher Industrieverband
Concentrated Solar Power

In addition, HAWE has been a member of the Asociación Concentración Solar de Potencia (ACSP) in Chile since August 2021. The association also promotes the development of renewable power generation through solar thermal energy in South America. Through these memberships, HAWE is underlining its defined philosophy of promoting sustainable technologies while also contributing to the careful and efficient use of resources with its product portfolio.



DIGITAL COMMUNICATION TOOLS REDUCE TRAVEL

Virtual meetings, workshops, and customer presentations are part of everyday life for all HAWE employees. The benefits of these tools are recognised and they are readily used, with any necessary expansions to their environment and consolidations where possible. Training on the tools is offered regularly through the HAWE Academy.

Fairly large national and international meetings were also held online, meaning that participants did not have to travel. The air, rail and car journeys that these meetings used to require were avoided, making an additional contribution to environmental protection.

The increasing range of regular online training and topic-specific self-study courses is also reducing the number of trips without any reduction in training opportunities.

CONTINUATION OF THE “ZERO WASTE” PROJECT

A lot has happened since the launch of the Zero Waste project in 2018, when it was still called “Zero Plastics”. Today, we can proudly say that we are saving 4.2 tonnes of plastic each year. These savings come from reduction, reuse and recycling. When it comes to those last two points, we make sure that, firstly, we buy in recycled materials and, secondly, we feed materials that have been sorted out into the recycling process. In addition, over 30 tonnes of cardboard, paper, and board were switched to alternatives made from secondary raw materials. A brief overview of our activities in 2021:

The use of waste bags made from recycled material allows 145 kg of primary plastic to be saved annually. Our German subsidiaries have also become involved in the project. At Schienle, for example, delivery note bags and adhesive tape have been changed from plastic to paper. A second use has even been found for old coffee grounds, which employees are using as fertiliser for their own plants.



ZERO WASTE

Our copy paper consumption has been decreasing for years. Our aim nevertheless is to switch to recycled paper. Remaining stock is currently being used up, after which recycled paper will be used.

CONTINUATION OF “QUALIFICATION CONCEPT FOR SUSTAINABLE COOLING LUBRICATION STRATEGIES” PROJECT

This project is now in its third year. In order to maintain innovative, technological approaches and exploit potential in this area, HAWE has been participating in the “Qualification concept for sustainable cooling lubrication strategies” project since mid-2019. The focus is on an internal transfer of knowledge and methods on the subject of cooling lubricants (coolants) within the framework of a modular training concept.

Training modules on the following topics were held in 2021:

- Automation of coolant diagnostics
- Lubricants for minimum quantity lubrication
- Fluid management practice on site

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

SHEEP MOW THE LAWN AND BEES POLLINATE FLOWERS AND TREES AROUND THE KAUFBEUREN PLANT

The ecological form of green area maintenance by our sheep in Kaufbeuren has now entered its third year. Once again, our fluffy white helpers have taken over the “mowing” instead of lawnmowers and mulchers. Employees were able to adopt sheep and trainees assumed responsibility for their on-site care.



Image: HAWE Hydraulik

In addition, existing green spaces were left as meadow areas and beehives were installed. Because they distribute pollen, bees are indispensable for maintaining 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.



Image: HAWE Hydraulik

The first young colonies were purchased and successfully established in 2020. A total of eight employees were responsible for the bees in 2021. The project is supported and led on site by a HAWE employee and beekeeper who already has several

years' experience of keeping their own bees. Before the project actually started, HAWE purchased the necessary beekeeping equipment and made it available to interested employees free of charge. The equipment includes beekeeping boxes and other tools that are necessary for the hygienic and species-appropriate keeping of bees. This initiative further strengthened HAWE's commitment in the area of biodiversity.

ELECTRIC POWER FOR TRAVEL BETWEEN OUR SITES

The use of electric vehicles is welcomed and encouraged at HAWE. Charging points are available at the larger HAWE sites in Aschheim, Barbing, Freising, Kaufbeuren and Sachsenkam. Employees can also charge their private electric vehicles there free of charge.

There are now nine purely electric vehicles in the HAWE fleet and at least eight more e-vehicles will be added in 2022. The electric pool vehicles are regularly used for journeys between sites, as the routes are perfectly suited for this and there is no longer any need to stop at a filling station. To create additional synergies, employees can also book places on shared rides via the internal booking platform so that the vehicles can travel even more efficiently.

Electric vehicles are available for selection as company vehicles with private use on a par with fuel-powered vehicles for the relevant employees.

BOARD OF MANAGEMENT PROVIDES STAINLESS STEEL WATER BOTTLES FREE OF CHARGE

Hawe employees can have free carbonated and non-carbonated water on tap at all HAWE sites in Germany. This is not just an important measure to help ensure HAWE employees have a healthy diet, it is also beneficial in terms of sustainability. In addition, a stainless steel water bottle was provided free of charge to every employee in September 2021. The provision of this practical and high-quality water bottle is intended to further reduce the use of disposable bottles.

Hawe IS PART OF THE FIRST CLIMATE PROTECTION NETWORK IN Bavaria

After more than 10 successful years of participation in energy efficiency networks, HAWE joined the first climate protection network in Bavaria in 2021.

Many years of experience in energy efficiency networks have shown the potential of this cooperative approach. Exchanging experiences fosters the development of skills among local implementers and lowers the transaction costs involved in increasing energy efficiency. The newly launched “dekarbN” decarbonisation network transfers these advantages of networking to the ambitions of industrial companies to significantly or completely eliminate their greenhouse gases.

The ambitious goals of the German government to achieve the Paris climate protection targets require the decarbonisation of all industrial sectors. To achieve this goal, every single company, including those with less energy-intensive value chains, will have to make its contribution. This requires an individual decarbonisation strategy tailored to the specifics of each company and its production sites.

It was against this background that the dekarbN network was launched. On 25 February 2021, the network participants met for a digital kick-off event organised by FfE, the network’s sponsor. The aim of the network is to provide each participating company with a tailor-made decarbonisation roadmap that can be implemented in concrete terms at the end of the three-year network period. An additional objective is for companies to develop the necessary competence



to design and implement their own concrete decarbonisation strategies. To achieve this, new, practice-oriented methods are presented in quarterly workshops and experiences exchanged.

WORK STARTED ON THE DEVELOPMENT OF A SUSTAINABILITY CONCEPT

In 2021, a project was launched to develop a for the development of a more far-reaching sustainability strategy. The aim is to create the conditions for future sustainability management and to develop strategic sustainability goals. The project is based on the well-known pillars of economy, ecology, and social issues. In a workshop, ideas for lighthouse projects were developed in addition to a gap analysis, and a roadmap or working plan was drawn up. The project will continue in 2022.



SUSTAINABILITY @ HAWE

PROJECT LAUNCHED TO DETERMINE A PRODUCT CARBON FOOTPRINT

Greenhouse gas emissions (Scope 1 and Scope 2) have been recorded over the last few years for the HAWE SE sites. As climate neutrality becomes an increasingly important issue, the focus is also shifting to the entire carbon footprint (including Scope 3) along the life cycle of products.



Image: Fotolia_47017249_M©Maksim_Samasiuk

This project is intended to create the basis for assessing carbon saving potential throughout the product development and manufacturing process, right up to the first step at the factory gate/delivery. The results should form the basis for the evaluation of a further product(s).

The kick-off meeting was held in December 2021, and the project will continue in 2022.

FINANCIAL SUPPORT FOR UNICEF INITIATIVE

HAWE is supporting UNICEF's "Turning trash into building blocks for children's futures" initiative in Côte d'Ivoire. In this project, UNICEF is working with the

Colombian company "Conceptos Plásticos" to develop a recycling market that converts plastic waste into durable and cost-effective building materials. In turn, these are used to create new classrooms for local children who are currently unable to attend school due to a lack of rooms.

The classrooms can be built at a low price with the help of converted materials from the recycling market. The project will thus give the children in Côte d'Ivoire access to better education and upgraded classrooms, providing them with a clean environment in which they can live and learn in a healthy way.



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

HAWE Hydraulik has been supporting this initiative since 2019 and will provide 50,000 euros annually from 2020 to continue developing and promoting this project in the future.

IV. ANTI-CORRUPTION



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.



Bild Fotolia_51971305_XS©mindscanner

GROUP-WIDE REPORTING

Standardised reporting has been established across the Group at HAWE Hydraulik. This report, which is drawn up on a monthly basis, makes it possible to detect risks in the business activities in a reliable manner, and above all in good time. The employees of our subsidiaries worldwide now also use this form of standardised reporting on a regular basis.

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.