

# UN Global Compact

## Communication on Progress 2021

Sustainability is an integral part of Haniel's corporate strategy. With our enkelfähig approach we want to prove that sustainable business models are not only profitable, they even perform better in the longterm. Our idea of a future worth living is based on sustainable value creation which is in harmony with the protection of the environment and serves the well-being of all species.

We apply our own sustainability rating to all potential acquisition targets and our portfolio and product development ("Future Worth Living" rating), the components of which go even further than ESG requirements. We have incorporated sustainability into our Group-wide operating system, the Haniel Operating Way. It will not be enough for us to become enkelfähig by ourselves, it will take many more companies to join in and many more people who are willing to take new paths.

We are therefore not only reaffirming our commitment to the ten principles of the UN Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption, but also contribute to their dissemination in the Haniel Group and beyond. In this way, we are living up to our membership in the UN Global Compact since March 27, 2014 – and continue to drive forward the development of an enkelfähig economy. In this annual progress report, we describe our measures to continuously improve the integration of the of the of the UN Global Compact and its its ten principles into our business strategy, corporate culture and our daily operations.



**Thomas Schmidt**  
CEO Franz Haniel & Cie. GmbH



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## Communication on Progress 2021

Principle	Obligations and management systems	2021 measures	Performance in 2021
<b>Human rights and labour standards (1/2)</b>			
1. Supporting human rights 2. Excluding human rights abuses 3. Safeguarding the freedom of association and the right to collective bargaining 4. Eliminating all forms of forced labour 5. Abolishing child labour 6. Eliminating discrimination	Code of Ethics	Haniel respects internationally recognized human rights, such as the UN Global Compact, and supports their observance. Human rights and labour standards are embedded in the Code of Ethics, which we adopted in 2021. The portfolio companies are required to issue appropriate regulations.	As part of the improvement of the compliance management system, we have fundamentally revised the Haniel Code of Conduct. In eight principles, the new Haniel Code of Ethics defines, among other things, the essential employee rights and aspects of company co-determination to which Haniel is committed and whose protection the company ensures. This included the approval by the Supervisory Board, the publication of the Code of Ethics in digital and printed form as well as internal and external communication.
	Whistleblowing system	In addition to the already established reporting channels, we have set up an additional IT-based whistleblowing system ("SpeakUp" platform). The internal reporting channels are designed to maintain the confidentiality of the integrity of the whistleblower and third parties mentioned in the complaint and to prevent unauthorized employees from accessing them.	During the reporting period, the Haniel Group introduced an electronic whistleblower system. This gives employees and business partners the opportunity to point out irregularities and report violations of laws and internal guidelines without risk to themselves..
	"enklafähig" investments by the holding company: A: Management processes throughout the investment cycle phases B: Decision-making processes for financial investments	We only invest in business models that can now and in the long run make a positive contribution to a future worth living. We thereby focus on our three investment pillars: People, Planet, Progress. We base our specific selection on the Sustainable Development Goals of the United Nations and global megatrends. To evaluate the sustainability of business models and products on this basis, we have developed our own rigorous assessment system. It is guided by our 10 Future Worth Living (FWL) principles.	A: Application of Future Worth Living rating to all PPP companies; establishment of a sustainability community and inclusion of the topic of sustainability in the Haniel Operating Way (HOW), e.g. Sustainability Foundation B: Application of sustainability aspects in the decision-making processes for financial assets
	Investment projects of the divisions: Investment and business valuation policy	Integration of sustainability aspects and principles of the Code of Ethics in investment and business valuation policy	Application of sustainability aspects in the decision-making processes for investment projects of the divisions
	Sustainable purchasing	Holding company purchasing policy taking into account sustainability aspects and principles of the Code of Ethics	Ongoing consideration for Purchasing Processes
	Anti-discrimination	We create fair and safe places to work where everyone can develop their potential. We will not tolerate discriminations based in ethnicity, gender, religious beliefs, special needs, age, sexual identity, social status or political opinions. This is anchored in our Code of Ethics.	Information for employees on the General Equal Opportunity Act (AGG). If necessary, employees can find an overview of the relevant contact persons on the intranet. We also provide an anonymous hotline.
	Development and further training	We attach great importance to continuous feedback in order to promote the competencies and potential of our employees. We therefore create individual development plans as part of our performance management process.  We offer various development opportunities through internal and external training providers as well as on the job in the context of job rotation and foreign assignments.	Individual development measures based on needs as a result of performance dialogues, including training on the topics of performance management, leadership, sustainability, etc.
	Health management	In order to maintain the performance of our employees, we offer various preventive measures to promote and maintain health.	In 2021, services included preventive checkups, massage, sports classes (back training, soccer and functional training), health check-ups (EPC, skin screening, colon cancer screening), vaccination and the provision of VDU workstation glasses.



Principle	Obligations and management systems	2021 measures	Performance in 2021
<b>Human rights and labour standards (2/2)</b>			
	Maintaining employability	We offer a wide range of preventive measures as part of occupational health management as well as support for reintegration into the workplace.	Joint development of individual solutions for affected employees.
	Work-life balance	Comprehensive range of flexible hybrid working time models to promote work-life balance	Childcare subsidy for children not of school age.  PME Family Service offering free webinars and coaching as well as homecare/eldercare, childcare, health coaching, life situation coaching and crisis counseling.
	Diversity	A: Promoting the proportion of women in management positions B: Company agreement on partial retirement C: Raising awareness among employees D: Diversity charter, establishment of a Diversity & Inclusion Management System to eliminate discrimination	A: Aiming for a target level with regard to the proportion of women in the holding company of 50 percent at management level. B: Internal communication and individual advisory services for interested employees. C: Continuous internal communication, publication of a guidebook on gender-equitable language, information events and participatory activities on Pride Day Germany D: Signing of Diversity & Inclusion targets, establishment of a Diversity & Inclusion network, implementation of measures and initiatives as part of Pride Month, as well as additional training on anti-discrimination, unconscious bias and equal treatment for all employees, monitoring through employee surveys.
<b>Environmental protection</b>			
7. Precautionary environmental protection 8. Promoting greater environmental responsibility 9. Diffusion of environmentally friendly technologies	Code of Ethics	The responsible treatment of the environment and natural resources is anchored in the Code of Ethics.  The portfolio companies are required to issue corresponding regulations.	Integration into the Code of Ethics, ongoing implementation
	Reduction of ecological impacts	To reduce the ecological impact, we take various measures at our site: A: Carbon footprint measurement and development of an ambitious climate strategy for the Haniel holding company B: Increase in energy efficiency at the headquarter C: Procurement of electricity from renewable energy sources D: Sustainable fleet: Car policy E: Climate-neutral letter dispatch F: Sustainable company catering: purchase of regional as well as environmentally and socially compatible foods. G: Participation in the global CleanUp Challenge	We implemented the following measures in these categories in 2021: A: Measurement and analysis of the holding company's carbon footprint (Scope 1 & 2 as well as relevant sub-scopes in Scope 3 according to GHG protocol: market-based and location-based): Location based, 2021:1,536t CO2e Scope 1 – 944t CO2e Scope 2 – 172t CO2e Scope 3 (Most relevant) – 420t CO2e We are therefore around 27 percent below our CO2e emissions in the previous year (Location-based, 2020: 2,099t CO2e). The holding company has been CO2e neutral since 2020. B: Reduction in electricity consumption by 30 percent compared with 2020 C: Use of electricity from 100% renewable sources by the holding company D: Procurement of solely hybrid or fully electric vehicles; expansion of charging infrastructure E: Use of climate-neutral letter dispatch F: tap water dispenser and organic coffee; limited use of frozen products at the employee restaurant and at least one vegetarian dish on the menu G: Employee action for the CleanUp Challenge in Duisburg-Ruhrort
	Commitment to biodiversity	We contribute to biodiversity with our beehive at the company's headquarters.	Settlement of two new bee colonies



Principle	Obligations and management systems	2021 measures	Performance in 2021
<b>Anti-corruption</b>			
10. Measures against corruption	Code of Conduct	We do not tolerate any form of bribery or corruption. Compliance-relevant topics, such as anti-corruption aspects, are anchored in the Code of Ethics. The portfolio companies are required to issue corresponding regulations.	Integration into the Code of Ethics, ongoing implementation
	Compliance management systems	Compliance is one of our strategic priorities. We ensure compliance with statutory and internal company regulations by continuously improving and developing all elements of the compliance management system.	Continuous implementation of measures.
	Raising awareness of employees	We raise employee awareness through training on compliance-relevant topics, internal communication measures and measure success through employee surveys.	The eight principles of the Code of Ethics are an integral part of welcome and introduction events for new employees. Compliance training courses for specific target groups with a focus on anti-corruption are repeated annually.

