

# ESG-REPORT '24

## BUSINESS SUSTAINABILITY KEY METRICS

- JANUARY 2025 -

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# WELCOME TO OUR ESG REPORT: PROGRESS IN 2024

At Hennecke GROUP, sustainability is not just a commitment but a guiding principle woven into every aspect of our operations. Our ESG strategy is designed to deliver long-term value for our customers by balancing ecological responsibility, social equity, and economic viability. In 2024, we reinforced this commitment through concrete actions and significant achievements, ensuring we continue to build a future-ready organization.

By continuously evaluating our processes and aligning them with our core values, we successfully conducted environmental audits across all our production sites in 2024. This allowed us to identify impactful measures for improvement. A major milestone was the ISO 14001 certification of our two largest production sites in Italy and Germany, further demonstrating our dedication to environmental management and compliance with international standards.

Sustainability at Hennecke is not only about the environment. It encompasses the "three P's" – People, Planet, Profit – which align with our ESG principles. In line with this holistic approach, we have implemented numerous projects across the environmental, social, and governance pillars, driving positive change and strengthening our position as a sustainable partner for all stakeholders.

Our efforts are rooted in a clear vision: to help our customers achieve their own sustainability goals. We continuously innovate and enhance our product and service portfolio, prioritizing solutions that reduce energy consumption, improve resource efficiency, and adapt to future needs.

2024 was another year of progress, proving that sustainability and business success go hand in hand. By integrating ESG values across all levels of our organization – from our teams and departments to our products – we deliver reliable, forward-looking solutions that create value for our company, our customers, and society as a whole.

Since 2020, we have consistently invested up to 5 percent of our annual turnover in ESG-related initiatives. In 2024, this commitment enabled us to achieve key milestones such as the ISO 14001 certification and company-wide environmental audits.



## ENVIRONMENTAL

We save resources and make a contribution to our environment



## SOCIAL

We offer a great place to work



## GOVERNANCE

Hennecke's responsibility to conduct business ethically and compliantly



A stylized, handwritten signature in blue ink, which appears to read "T. Wildt".

Thomas Wildt - CEO

# WHO WE ARE

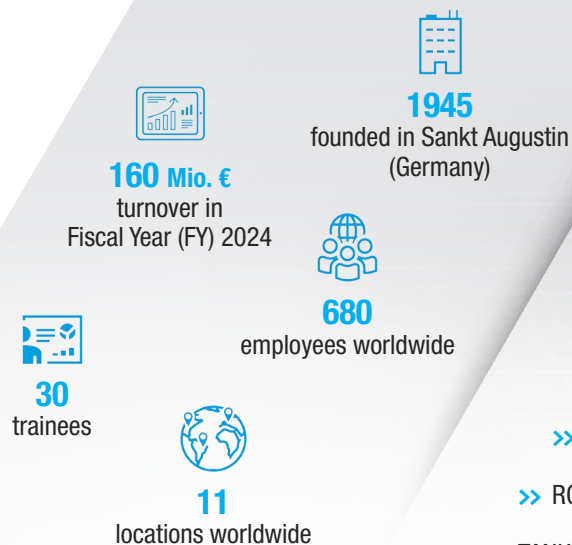


## WELCOME TO FASCINATION PUR WORLDWIDE

With a large annual budget for research and development, the core brands of the Hennecke GROUP produce high-quality machines, plants and systems for a wide portfolio of polyurethane processing technologies. Today there is barely a product idea in the area of multi-functional materials that cannot be realized by the global group of companies. The Hennecke GROUP is the parent brand for all corporate divisions and unites the product portfolios of the Hennecke Polyurethane Technology, Hennecke-OMS and Hennecke Roll Forming Technology trading brands, as well as the network of production sites and subsidiaries around the world.

Together with its international trade and service partners, the Hennecke GROUP supports its customers with a comprehensive sales and after-sales portfolio as well as competent consulting and engineering services in local languages. Since 2016 the leading investment company Capvis from Switzerland supports the Hennecke GROUP in its further internationalization and the development of new market segments.

### Key facts:



### Hennecke GROUP product portfolio:

- >> HIGH AND LOW PRESSURE METERING MACHINES
- >> COMPOSITES AND ADVANCED APPLICATIONS
- >> SLABSTOCK LINES
- >> SANDWICH PANEL LINES
- >> MOLDED FOAM LINES
- >> TECHNICAL INSULATION LINES
- >> ROLL FORMING LINES
- >> TANK FARM TECHNOLOGIES
- >> ENVIRONMENTAL TECHNOLOGIES

### Hennecke GROUP 360°SERVICE portfolio:

- >> ENVIRONMENTAL SERVICES
- >> RETROFIT SOLUTIONS
- >> SPARE PARTS & REPAIRS
- >> PREVENTIVE SERVICES
- >> TRAININGS & SEMINARS
- >> SMART SERVICES



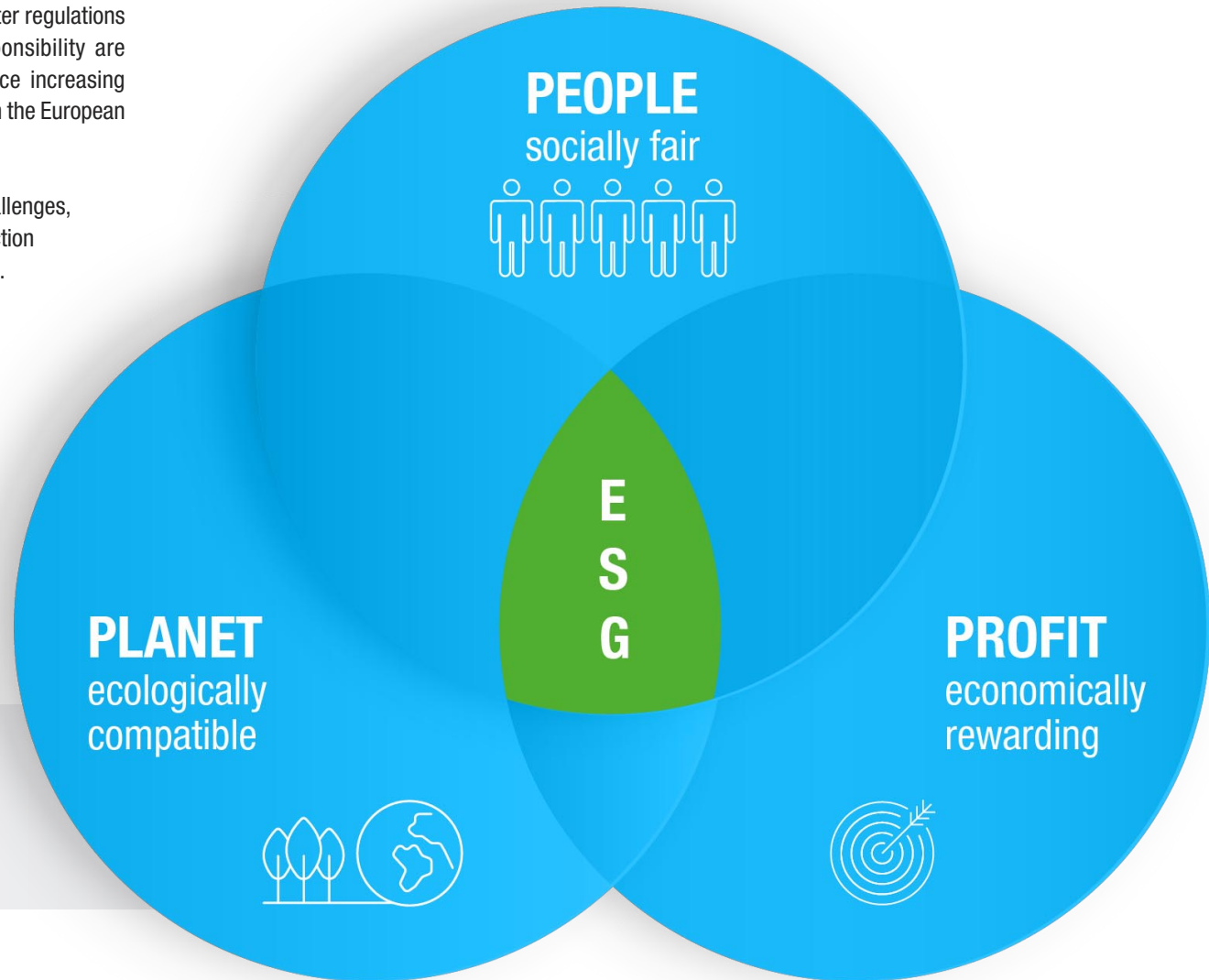
# SUSTAINABILITY STRATEGY

In a world where climate change, rising energy costs, and stricter regulations are reshaping industries, sustainability and corporate responsibility are essential for business resilience and growth. Businesses face increasing demands, such as meeting the CO2 reduction targets outlined in the European Green Deal.

In 2024, Hennecke took significant steps to address these challenges, including achieving ISO 14001 certification for its largest production sites and conducting environmental audits across all locations. These efforts reflect our commitment to transparency regarding sustainability-related opportunities and risks, as well as our impact on people and the environment.

Hennecke's senior management team prioritizes ESG as a strategic focus for the company. Thomas Wildt, CEO of Hennecke, states: "ESG positively influences our business by creating value for people, the planet, and profits. While it requires upfront investment, the long-term benefits far outweigh the costs, delivering sustainable growth and shared value across all areas".

The "three P's" – People, Planet and Profit – are fundamental elements of Hennecke's corporate strategy.

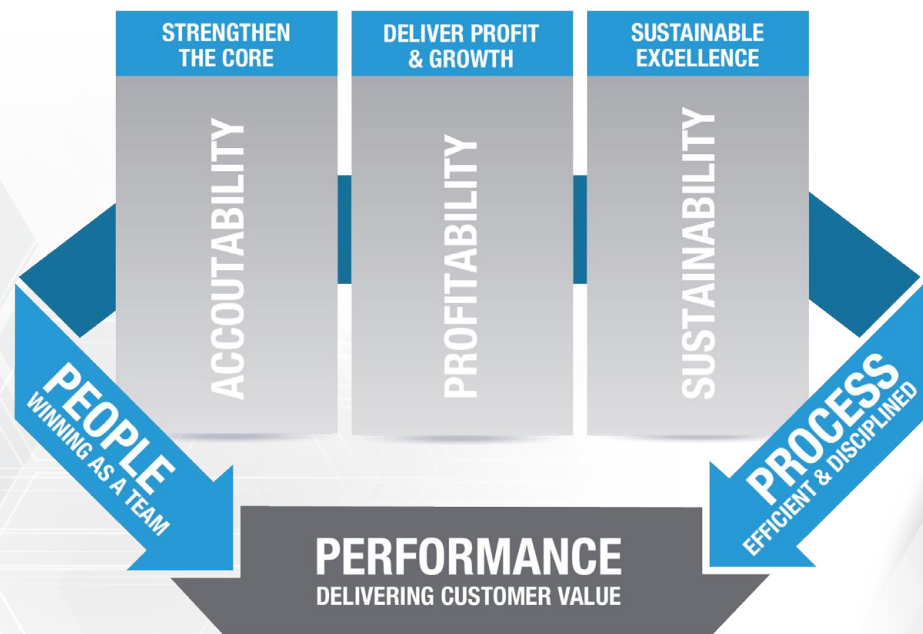




# SUSTAINABILITY STRATEGY

Since the introduction of the Hennecke Business System in 2019, the concept of sustainability has been firmly anchored in our company. The success of the Hennecke Business System is based on employee and process orientation as well as on the 3 steps of the strategy: 1. Accountability, 2. Profitability and 3. Sustainability.

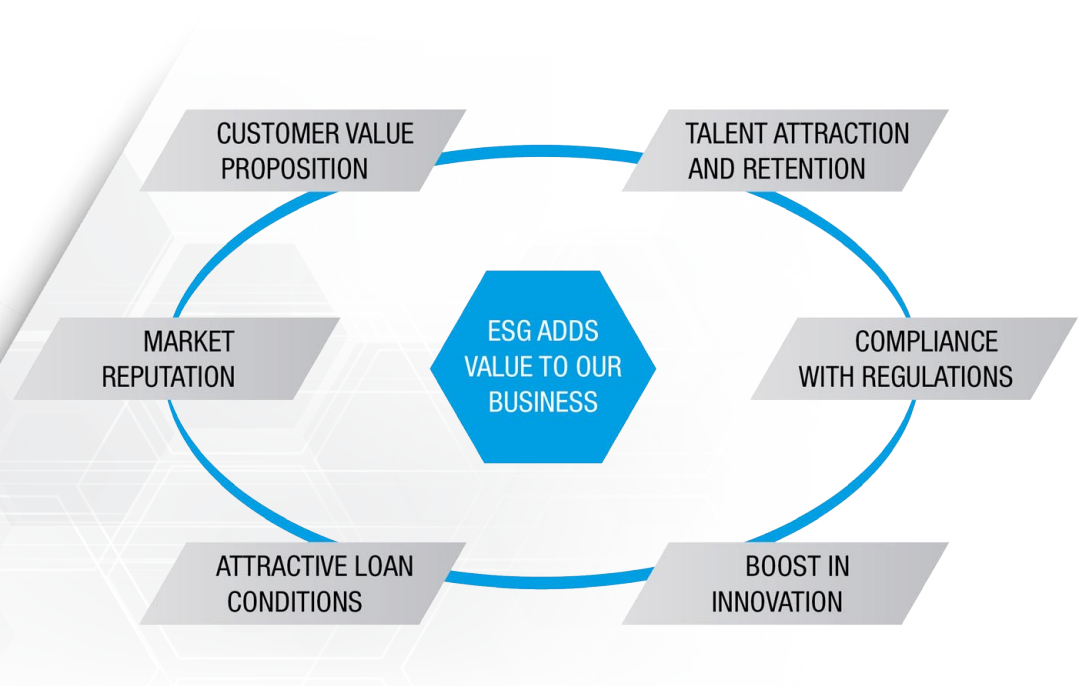
The HBS is our common language, providing all employees with the processes and tools to drive a culture for success with profitable growth and long-term sustainable customer value. It all comes down to our simple principle: **people + process = performance**



The Hennecke Business System (HBS) was introduced in 2019 to create an agile and self-learning organization.

The Hennecke GROUP's ESG strategy continues to drive long-term value for customers, employees, and stakeholders. By leveraging ESG-related KPIs and focusing on the United Nations [Sustainable Development Goals \(SDGs\)](#), we ensure progress and create meaningful, sustainable impact.

In 2024, we enhanced our ESG strategy with a Corporate Sustainability Behavior Guideline, which defines actions aligned with our goals and ensures consistency across the company. As part of this, we revised our travel policy to focus on reducing CO2 emissions, further embedding sustainability into daily operations.



Key areas that benefit from our ESG endeavours



## ENVIRONMENTAL

The environmental aspect addresses two dimensions: the company's own consumption of raw materials and energy in production as well as the development of technologies that enable customers to produce even more resource and energy-efficiently with our machines and systems.

We have initiated the process of having our greenhouse gas emission reduction targets evaluated by the [Science Based Target Initiative \(SBTi\)](#). This initiative supports companies in aligning their actions with the goals of the Paris Agreement. While we still have a way to go, this marks an important step towards gradually reducing emissions and contributing to the global goal of becoming CO<sub>2</sub> neutral by 2050.



Hennecke GROUP targets to reduce its Green House Gas (GHG) emissions and aim to reach net zero CO<sub>2</sub> footprint by 2050.



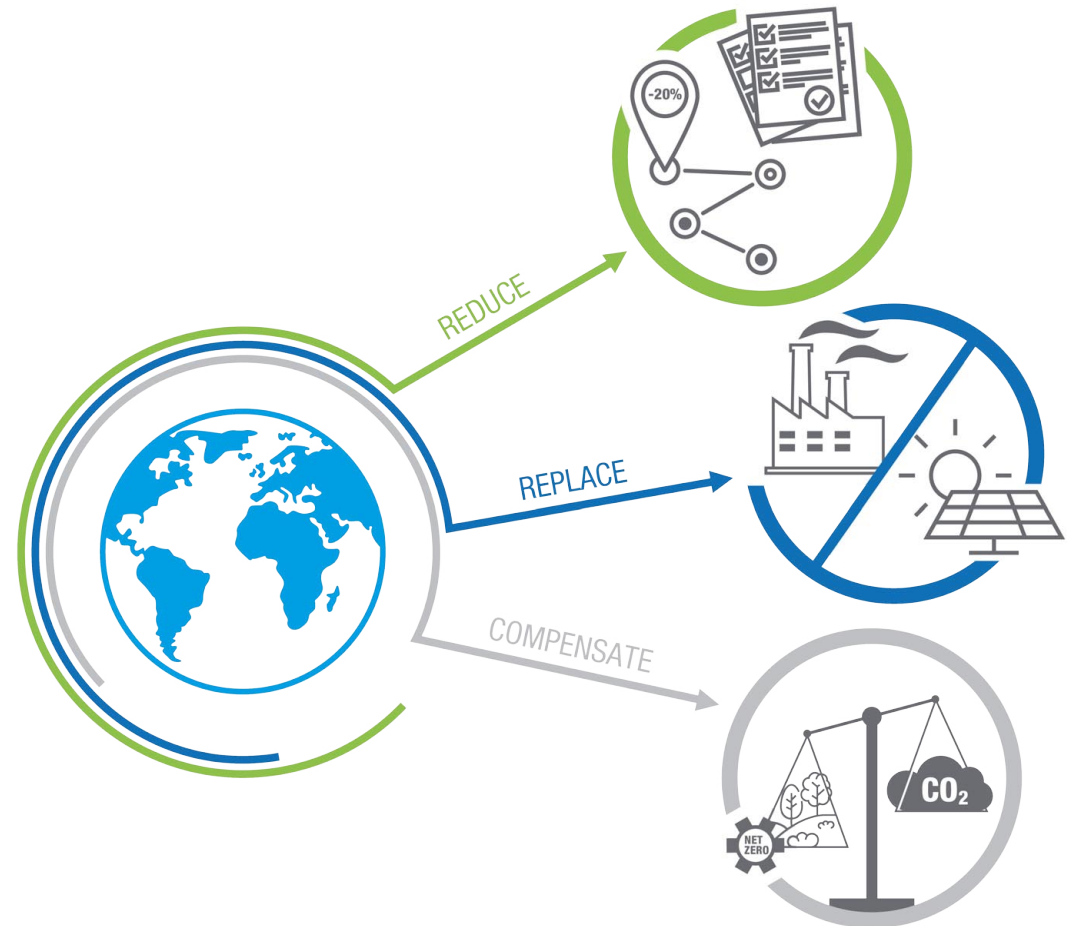
**Increasing Renewable Electricity > 70 %** of electricity consumption is obtained from renewable energy sources by 2030 (produced and / or purchased).



**Design to reduce customers' GHG emission.** Each new product is required to perform better than the previous solution in terms of its ESG properties.



**We are committed to waste elimination and recycling.** We target to reduce the waste, which is generated in our production sites year over year.



### REDUCE, REPLACE, COMPENSATE

To achieve this goal, we are pursuing three approaches. The first is to significantly **reduce** our own energy consumption. This is accomplished for example, by switching to energy-saving LED lights or modernizing old heating systems. Secondly, fossil fuels are gradually being **replaced** by energy from renewable sources. This is being done on the one hand by increasing the electricity from renewable sources, but also by producing our own electricity. Generating the entire energy consumption in a CO<sub>2</sub>-neutral way is a major challenge, which is why a third step is to investigate suitable measures and projects to **compensate** the remaining CO<sub>2</sub> emissions.



# ENVIRONMENTAL

## KEY CONSIDERATIONS...



Product lifecycle



Environmental impact of operations



Product quality & safety



Supply chain control



We align our vision, mission and strategy with the Sustainable Development Goals of the United Nations.

## ADDRESSED IN OPERATIONS (FY 22/23/24)



Energy Management & Audits and action plans.



Comprehensive environmental audits with extensive follow-up measures.

ISO 14001 certification achieved in Germany and Italy.



Insect protection and biodiversity at all production sites.



Photovoltaic capacities in Jiaxing, China with the potential to cover 100% energy demand.



Fleet migrating towards hybrid and electrical vehicles.

## ADDRESSED IN STATE-OF-THE-ART OFFERING (FY 22/23/24)



Optimized machine / process efficiency. Launch of Next Generation Metering Machines (2023).



Launch of IMPACT MK2 (2024) – the next generation, low-pressure metering machine for a variety of standard applications.



“Blue Intelligence” a whole package of measures for mechanical, hydraulic and thermal efficiency.



Hennecke Service Consulting offers customers increased efficiency, improved quality and customized solutions for a sustainable competitive advantage.



The new slabstock line JFLEX evo features numerous new and highly efficient advantages.





## SOCIAL

The focus is on people. The social aspect is about the people at and around Hennecke: the employees, as well as partners, customers and suppliers. We are also connected to the neighborhood and the communities. Our employees are the company's most valuable asset, which is why we continually offer a wide range of opportunities for further training and professional development. All Hennecke employees have the right to a healthy, safe and secure working environment, thus we are committed to ensuring high safety standards for our employees and visitors at our production sites. In compliance with our Core Values we value diversity and actively create and promote equal opportunities for all our employees. We take all internationally recognized human and social rights seriously.



Hennecke aims to be a certified Great Place to Work. On our journey towards this goal, we measure and manage the company's performance in this regard according to the following objectives:



### Retention of People:

Turnover < 5%



### Career Development:

Internal Fill Rate > 70%



### Safe work environment:

Zero accidents & mental wellbeing

## The Great Place To Work® model



### Credibility

- Communication
- Competence
- Integrity



### Pride

- Personal Job
- Team
- Corporate Image



### Respect

- Support
- Collaboration
- Caring



### Camaraderie

- Intimacy
- Hospitality
- Community



### Fairness

- Equity
- Impartiality
- Justice

TRUST

**Great  
Place  
To  
Work®**

## THE POWER OF FEEDBACK – CREATING A GREAT WORKPLACE

Together with Great Place to Work (GPTW), we analyze, visualize, and continuously enhance our corporate culture. Employee feedback strengthens commitment, loyalty, and satisfaction. Global surveys in 2021 and 2023 achieved impressive participation rates of up to 88%, with an average improvement of 15% in results. A structured follow-up process drives targeted actions at department, entity, and corporate levels. For 2025, we aim to achieve GPTW certification across all levels - because our people are our greatest asset.

## KEY CONSIDERATIONS...



Employee health, safety and wellbeing



Being a great place to work



Employee retention & development



Leadership development



We align our vision, mission and strategy with the Sustainable Development Goals of the United Nations.

## ADDRESSED IN OPERATIONS (FY 22/23/24)



Frequent employee feedback surveys.

Sustainable follow-up process in the focus areas.

Top-5 finalist at Employer Branding Award (BU Italy).



Employee Performance & Development process: conferences and annual dialogue across all employees.



Global Leadership Academy – one Management team – one ‘language’.



Local initiatives, to support the communities.



Various training programs for young professionals.

## Hennecke's GROUP Core Values



**ZERO TOLERANCE** FOR BREACH OF CORE VALUES



Open – clear – trustful communication.



Modern and well-equipped workplaces.



Various campaigns to promote health.

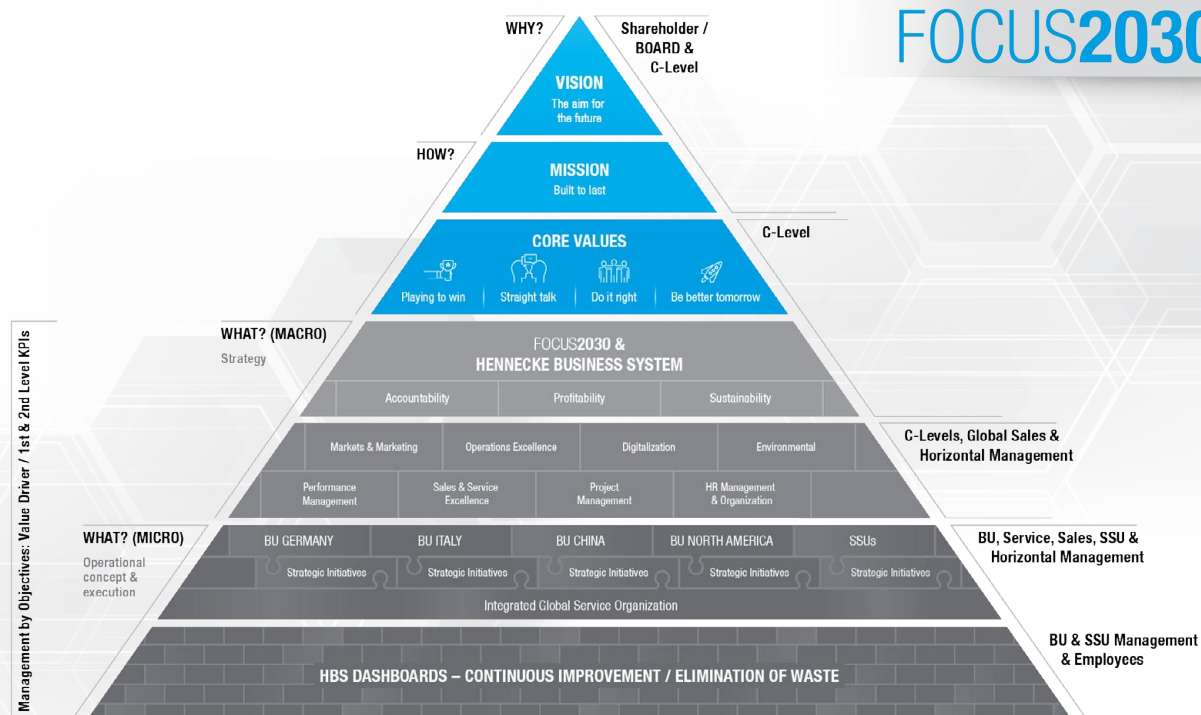


## GOVERNANCE

The focus remains on sustainable growth. Governance at Hennecke GROUP ensures compliance with guidelines, laws, and standards while aligning with our long-term strategic goals. This includes adherence to internal processes and procedures, with the Hennecke Business System (HBS) serving as a key enabler for executing our strategy.

In 2024, we started the development of our new 5-year strategy, FOCUS2030, which will be officially launched in 2025. This strategy sharpens our focus on profitability, sustainability, and accountability, emphasizing ethical principles, transparency, and integrity while ensuring fair business relationships and robust corporate governance. We have improved compliance processes and transparency through digital tools. Certifications such as ISO 9001:2015, ISO 50001:2018, and the newly achieved ISO 14001 validate our governance framework and commitment to continuous improvement.

With FOCUS2030, governance will drive a culture of accountability, ethical behavior, and sustainable growth, ensuring we meet the evolving needs of our stakeholders.



Our mission is to create sustainable value for our partners and shareholders. We promote long-term profitability and good business practices along our entire value chain in line with the Hennecke Business System culture.



**All Hennecke employees comply with the Code of Conduct and Core Values.**  
Whistleblowing process is effective, zero tolerance for violations.



**All relevant Policies are in place and compliance is monitored.**



**Hennecke GROUP Business Units comply with HBS Performance Management**  
along its defined metrics and strive to meet performance targets.

## HOW WE DO BUSINESS – CORPORATE STRATEGY

Our Hennecke GROUP strategy pyramid provides an overview of the correlation between our vision and mission, the core values, the strategy itself and the strong foundation of continuous improvement. The vision is aggregated from the macro to the micro level of our mission and thus to our day-to-day business. The comprehensive set of measures enables us to respond effectively to current and future challenges. With the corresponding transparency, we enable all employees to consider the internal processes and procedures in the execution of the strategy. The management levels responsible for compliance are visualized to the right-hand side of the pyramid.



# GOVERNANCE

## KEY CONSIDERATIONS...



Compliance with external and internal regulations



Whistleblowing



Confidential information and data protection



Fraud prevention



We align our vision, mission and strategy with the Sustainable Development Goals of the United Nations.

## ADDRESSED IN THE HENNECKE GROUP (FY 22/23/24)



Transparency in corporate governance as the basis for compliance: Strategy Pyramid



Roll out of Hennecke's Code of Conduct, training for all employees.



Effective whistleblowing process – zero breaches.



Supplier Self-Assessments to enhance supply chain transparency, ensure compliance with ESG standards, identify risks, and drive continuous improvement with our partners.



Implementation of Cashflow-Management-Software Agicap – process improvement, increased reliability, and enhanced fraud prevention.



The Hennecke GROUP Anti Fraud Management System (AFMS)

Based on strong key elements for maximum possible fraud avoidance:



Company culture (no rationalization)



Risk assessments and mitigation plans, segregation of duties (no opportunities)



Individual check routines for new, existing and former employees



Financial training campaign for all managers improving financial expertise, fostering informed decision-making and strengthening transparency and accountability.



IT security and data protection.



Launch internal Sustainable Behavior Guideline in 2024 to support our ambitious ESG strategy.



# ESG ACCOMPLISHMENTS: 2023 / 2024 HIGHLIGHTS

In line with the company's sustainability program, the Hennecke GROUP achieved numerous significant milestones in 2023, and 2024.



Reduced operational carbon emissions by 33.3% compared to baseline year 2022. Nearly tripled renewable electricity usage to 48.9% compared to baseline year 2022.



Launch of Sustainable Behavior Guideline in 2024.



Implementation of Cashflow-Management-Software Agicap.



Successful ISO 14001 in BU Italy and BU Germany in 2024.



Launch of Global Travel Policy with focus on reducing environmental impact in 2024.



Up to 3 % of annual Revenue invested to R&D since 2021.



Launch of the metering machine configurator to enable customers to configure their metering machines exactly according to their wishes and requirements.



Standardized employee performance review and development process is established with 100% compliance.



Successful completion of the Hennecke 2.0 strategy.



New modern and efficient heating and temperature control in Germany in 2024.



Constant update of GROUP Finance Playbook followed by trainings campaigns.



Development of the FOCUS2030 strategy to continue the success story of the Hennecke GROUP.



“ ONE TEAM -  
ONE OBJECTIVE ”



Find out more about our sustainability strategy on the Hennecke GROUP website or contact us by e-mail at any time if you have further questions about this ESG-report.



[esg@hennecke-group.com](mailto:esg@hennecke-group.com)

Hennecke GmbH

Birlinghovener Str. 30  
53757 Sankt Augustin (Germany)

Email: [info@hennecke.com](mailto:info@hennecke.com)

See [www.hennecke.com](http://www.hennecke.com) for worldwide locations