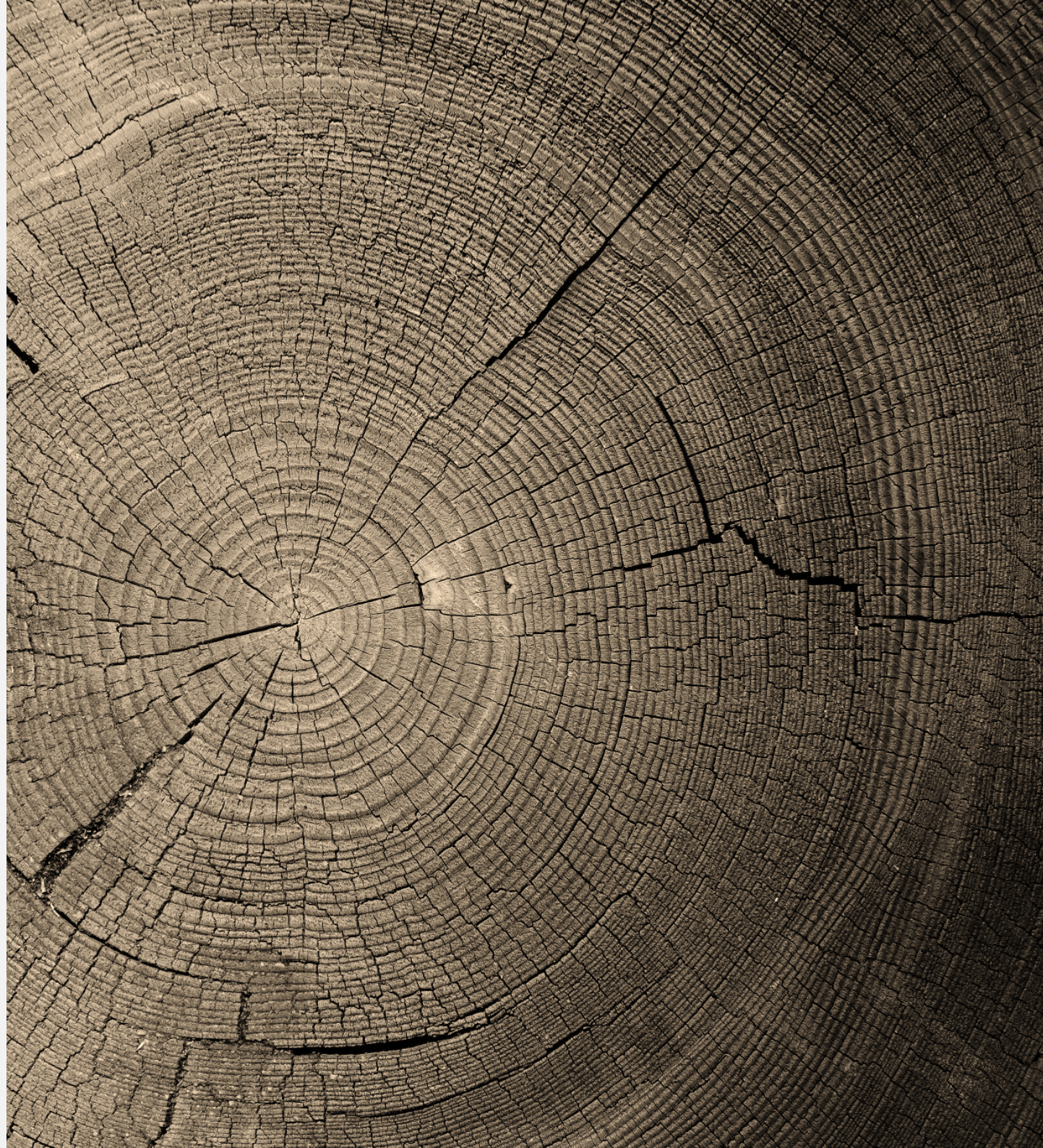




**Non-Financial
Group Report
2022/2023**



Content



Business model

Hönle Group at a glance

Corporate guideline

Sustainability-related goals



Environment

Technology and products

Research and development

Resources

Energy and CO₂ balance

EU Taxonomy



Employees

Working conditions

Health and safety at work

Equal opportunity and diversity



Social & Governance

Initiatives

Respect for human rights

Combating corruption and bribery

Supply chain design

Cybersecurity and data protection



Comments

Concepts and goals

Non-financial performance indicators

Material risks

Annex to the EU Taxonomy



ESG Goals



Business model

Hönle Group at a glance

Dr. Hönle AG is a listed technology company headquartered in Gilching near Munich. The Hönle Group is divided into three business segments: Adhesives, Equipment & Systems and Glass & Lamps.

The Adhesives segment includes industrial adhesives for a wide range of applications, including electronics, medical technology, optics and the automotive sector.

The Equipment & Systems segment includes systems for drying inks and coatings, for adhesive and plastic curing and for sun simulation. It also includes devices for air, water and surface disinfection.

The Glass & Lamps segment includes quartz glass tubes and rods for the semiconductor, glass fibre and lamp industry. In addition, the business area deals with lamps for the disinfection of air, water and surfaces as well as for drying coatings and adhesives.

Hönle is an internationally active group of companies with several subsidiaries. Hönle has its

own production sites in Germany, Malta, Austria and the USA. Hönle's sites outside of Germany are located in countries that play a key role in its operational business. In addition, the Company has an international network of sales and service partners.

The aim of entrepreneurial action is to sustainably increase the value of the Company. In addition to its responsibility towards investors, the Hönle Group also wants to live up to its responsibility towards the environment as well as towards its employees, customers, suppliers and other business partners. Hönle strives to consolidate and expand its market position in its core business areas and relies in particular on customer-specific system solutions. We see ourselves as a partner to our customers.

The Company's internal management system essentially consists of regular board meetings, a monthly analysis of business development, strategic corporate planning, quality and environmental management, investment, personnel and acquisition planning as well as risk and opportunity management. The Management Board reports regularly to the Supervisory Board and, whenever necessary, exchanges views on an ad hoc basis.

All large companies of the Hönle Group subject to auditing have implemented a comprehensive quality management system certified to DIN EN ISO 9001.

The operational goal of Hönle's management is to sustainably increase sales, earnings and cash flows, taking into account ecological and social aspects. Important key financial figures in this context are the operating margins, in particular the EBIT margin. Hönle therefore constantly monitors the development of sales and expense ratios and compares them with internal planning. Great importance is also attached to increasing the operating cash flow of the Hönle Group.



Corporate guideline

As a technology company, we have taken on the challenge of establishing ourselves in various markets and of being one of the top suppliers of UV drying systems by developing customer-specific system solutions that are geared towards our customers' use cases.

We have set ourselves the goal of satisfying each of our customers with our products and services.

We always strive to meet the demands of our customers and the expectations of shareholders and the public regarding our products, services and processes.

For Hönle, this means:

- guaranteeing open, fair and respectful interactions with one another
- motivating our employees, as they are the key to functioning processes and successful business activity
- developing our strengths and expanding our knowledge through continuous employee development
- appreciating all employees equally regardless of age, nationality, skin colour, gender,

religious or political views, social background, disability or sexual orientation

- fulfilling customer requirements by providing expert advice and keeping track of special application criteria
- providing high-quality, customer-oriented products and reliable services
- building long-term, close relationships, as they create trust and help us improve
- promoting an awareness of quality in all areas of our Company
- continuously developing our processes and our Company

We set improvement targets that are regularly reviewed according to a standardized system. All employees are informed about the department-specific goals that have been set and about the success of the measures implemented.

In order to protect the environment and comply with our social and legal obligations and to actively shape a sustainable future, Dr. Hönle AG has defined the following guiding principles:

We create awareness about environmental protection and the careful use of resources and integrate that awareness into our processes in order to play an active role – not only in isolated cases, but along our entire value chain and in our daily work.

In our product development, we prefer to use reusable materials for our equipment and systems. In this way, we strive to enable environmentally friendly disposal or dismantling of our products as well as reuse through recycling after a long lifetime.

We prefer to reduce environmental impacts at the outset and to avoid the emergence of waste wherever we can, instead of disposing of it afterwards. To accomplish this, we work closely with our partners such as customers, suppliers, logistics operations and waste management companies.



Just like technology is changing and progressing, our Company is also subject to continuous change, which is why we are constantly developing our processes and procedures. Our employees are important for the further development and advancement of our methods aimed at active environmental protection. We maintain an open suggestion system to enable our employees to get involved in this and to actively shape our approach to environmental protection. All employees are expected to point out errors, risks to environmental protection and potential savings.

Sustainability-related goals

The Management Board of Dr. Hönle AG is committed to sustainable conduct within the Group in accordance with Company guidelines. In addition to long-term economic goals, ecological and social goals are also taken into account appropriately. Management Board remuneration therefore also includes a sustainable, environmentally oriented component.

Sustainability targets are defined for the non-financial performance indicators that are important for the business activities of the Hönle Group. Key strategic goals are explained in the Company guidelines.

In addition, the Management Board has set specific targets whose progress will be reported on from 2023 onwards.





Environment

Technology & Products

UV technology is one of the core competences of the Hönle Group. Hönle UV dryers are used in a wide variety of printing and coating applications. Compared to conventional thermal drying processes, UV processes are usually characterized by significantly better environmental compatibility. The use of modern UV dryers is supported by their more favourable energy balance compared to conventional infrared and hot air dryers. In addition, the high quality and scratch resistance of the paints and coatings reduce repair work due to mechanical loads.

The use of UV technology also makes it possible to forego the use of considerable quantities of environmentally harmful solvents. The Federal Immission Control Regulation limits the emission of volatile organic compounds (VOC). The use of UV inks and coatings is one way to comply with the requirements of this Regulation. The process of further limiting emissions, for example in form of the VOC and NEC Directives

(the National Emission Ceilings Directive), continues across borders. Therefore, there are also good opportunities for the further spread of UV technology in the areas of printing, painting and coating in the future.

In addition to UV discharge lamps, Hönle offers an ever-expanding range of UV LED systems. By using LED technology, the already good energy balance of UV technology can be further increased. Compared to conventional discharge lamps, LED lamps have a lower power consumption and at the same time a significantly longer service life. With their compact dimensions and flexible lamp spectra, they can be ideally adapted to any application. For these reasons, the Hönle Group invests in production facilities as well as in development and production staff for innovative UV LED systems.

The product range contains energy saving air disinfection devices, which are used, among other things, in the food industry. The viruses and other pathogens contained in the air can be inactivated easily, safely and effectively by using UVC radiation. Sterilization with UV light is a particularly environmentally friendly pro-

cess, since no chemicals are used and the energy required to operate the devices is low compared to conventional filter systems.

Another business area of the Hönle Group is the disinfection of drinking water and wastewater as well as the treatment of ballast water on ships. Ultraviolet rays ensure very high germ-killing rates. The use of chemicals is minimized or completely eliminated. For example, hazardous microorganisms at the outflow of sewage treatment plants can be treated in an environmentally friendly process without the use of chemicals. With the help of UV technology, water bodies are protected and their self-cleaning powers are maintained or restored.

In 2017, the international Ballast Water Convention came into force. The Convention is intended to stop the global spread of non-indigenous species through the intake and release of ballast water in shipping. In addition to the Ballast Water Convention, further guidelines have now been passed that specify the testing and approval of ballast water treatment systems. The Marine Environment Protection Commit-



tee (MEPC) of the International Maritime Organization (IMO) has decided on transitional rules for the entry into force of the Ballast Water Convention. Accordingly, all affected ships must be equipped with ballast water treatment systems that can be proven to meet the quality standard stipulated in the agreement by 8 September 2024. uv-technik Speziallampen GmbH offers suitable UV systems for water disinfection on ships. The systems are an environmentally friendly alternative to the chemical treatment of ballast water.

For decades, UV disinfection has also been successfully used worldwide in the field of surface disinfection, for example in the food industry. This has numerous advantages over chemical disinfection methods. UV disinfection makes it unnecessary to transport or store chemicals, and especially to dispose of them. Moreover, no byproducts that are harmful to health are produced. And finally, UV disinfection does not affect aesthetic features, such as the taste, smell or colour of the food.

The Höhle Group also contributes to environmental protection in the field of industrial adhesives. In addition to the usual adhesives, the product range also includes UV and light-curing adhesives, in which drying takes place without the emission of solvents. The adhesives react to irradiation, the molecules crosslink and cure in seconds – eliminating the need for solvents. UV and light-curing adhesives are therefore characterized by good environmental compatibility.

Research and development

The development of new products can help to increase energy efficiency and reduce energy costs. With our solutions, which are often individually adapted to the requirements of our customers, we contribute to resource-saving use and to reducing our customers' CO2 footprint. The average number of employees employed in the R &D departments fell from 97 to 91, mainly due to the sale of Raesch Quarz (Germany) GmbH. Research and development expenditure developed as follows:

R&D	2020/2021	2021/2022	2022/2023
Employee ¹⁾	95	97	91
Share in % ²⁾	14.4	14.8	15.6

Expenditure in T€	6,518	7,154	7,539
-------------------	-------	-------	-------

1) Average number of employees

2) Share in total employment

The following depicts a selection of R &D activities from the reporting year.

Adhesives Segment

Panacol-Elosol GmbH has been a member of ACOP (Aachen Center for Optics Production) since the year under review. The ACOP is an initiative of the Fraunhofer Institute for Production Technology (IPT) with the aim of promoting cooperation between researchers and industry in the field of optics. With its expertise in the field of industrial adhesives, Panacol can contribute to the development of sustainable solutions. Its solutions include conceptual design, mould making, metrology and all development steps from the creation of the first prototypes to series production and the associated documentation. Panacol sees interesting fields of application, especially in the field of free-form optics with liquid polymers. Ever smaller designs and more precise signal pickup contribute to increased performance potential. Together with other ACOP members, Panacol



plans to submit proposals for establishing new polymer optics that are suitable for mass production on the market in the coming years.

Equipment & Systems Segment

With respect to the Equipment & Systems segment, Dr. Hönle AG presented a wide range of ultraviolet drying systems for paints, coatings, adhesives and silicones at the European Coatings Show 2023. The UV specialist also offers conveyor belts for laboratory applications as well as UV measuring devices to ensure consistent conditions. The conveyor belt system can be equipped with different technologies: Depending on the application, UV units with discharge lamps, UV LEDs or infrared emitters can be integrated. In addition, the jetCURE high-performance dryer was exhibited. The high performance of the UV dryer allows for effective and safe drying of the machined surface, even at high production speeds.

Glass & Lamps Segment

In the Glass & Lamps segment, projects to research photocatalytic processes were launched. Photocatalysis involves using light or ultraviolet radiation to trigger chemical reactions. The emission spectrum of the lamps can be modified by a targeted change in the emitter doping, for example by adding metals. Spectral matching induces photocatalysis as an exergonic reaction. The areas of application of photocatalytic processes are very wide and range from pharmaceutical applications to the treatment of water, air and surfaces.

Resources

The increase in the world's population and rising prosperity are contributing to an increasing demand for resources. It is therefore a central task for companies and consumers to handle resources as well as our natural environment with care and responsibility. By introducing an environmental management system, we are intensifying our efforts to ensure effective and sustainable environmental protection. Dr. Hönle AG has had a certified environmental management system according to ISO 14001 since 2018, just like UV-Technik Speziallampen GmbH, which has been ISO 14001 certified since 2021.

With the installation of a photovoltaic system at our site in Malta, we are making a contribution to environmental protection. The plant has an output of 197 kWp and generates electricity from sunlight, which can be used directly or fed into the public power grid. This significantly reduces the emission of greenhouse gases and other air pollutants compared to electricity generated from fossil fuels. With this plant, Hönle reduces greenhouse gas emissions by 228 tons³ per year.



The new headquarters of the Hönle Group was built at the Gilching site near Munich. The real estate complex consists of a logistics hall as well as an office and production building. We moved into the new buildings in 2020 and 2021, respectively. When building the new headquarters, we attached great importance to sustainable elements in the energy supply. The building is heated with district heating and cooled with groundwater. A special ventilation concept is used to cool the production area. A photovoltaic system went into operation on the roof of the logistics building in 2022. The system has an output of 200 kWp and will make it possible to save 150 tons³ of greenhouse gases every year in the future.

3) Source: own calculations, BAFA info sheet on CO₂ factors, www.meteoblue.com

Energy and CO₂ balance

The following information on energy and greenhouse gas emissions refers to the largest companies of the Group (Dr. Hönle AG, Panacol Elosol GmbH, Raesch Quarz (Germany) GmbH and UV-Technik Speziallampen GmbH). Eltosch Grafix GmbH, which was previously one of the largest companies in the Hönle Group, was merged into Dr. Hönle AG at the beginning of the reporting year. Raesch Quarz (Germany) GmbH was sold and has therefore not been part of the Hönle Group since the 2022/2023 financial year.

Among other factors, greenhouse gas emissions are one of the main reasons for climate change. We therefore want to make a contribution to climate protection and limit our CO₂ footprint. In the Hönle Group, emissions depend to a large extent on the quantity of products produced. The production and processing of quartz glass products is very energy-intensive, which is why the Glass & Lamps segment accounted for over 80% of our total Scope 1 and Scope 2 emissions up until fiscal year 2021/2022. Energy consumption and CO₂ emis-

sions declined significantly in the 2022/2023 financial year due to the sale of Raesch Quarz (Germany) GmbH.

While Scope 1 includes emissions caused by combustion in the Company's own plants, Scope 2 refers to emissions from purchased energy such as electricity and district heating.

In order to promote the Group's CO₂ neutrality, several companies in the Hönle Group have been using green electricity since January 2021. As a result, CO₂ consumption declined by 547.1 tonnes in the year under review (previous year: 901.6), which corresponds to 46.4% of all emissions generated by electricity.

In recent years, several Hönle Group locations have been relocated. This has had a positive effect on the energy balance due to the improved energy efficiency of the new buildings. The number of companies connected to the district heating network has also increased.



Total emissions			
in t CO ₂ e	2020/2021	2021/2022	2022/2023
Sum	7,339.97	8,146.97	1,119.61
Scope 1	2,158.11	2,038.33	193.79
Scope 2	5,181.86	6,108.64	925.82

Scope 1 emissions do not include values for the operation of the vehicle fleet and industrial trucks.

Energy consumption by segment			
in kWh	2020/2021	2021/2022	2022/2023
Sum	18,332,220	20,720,481	4,759,208
Equipment & Systems	2,050,660	2,184,376	2,153,891
Adhesives	827,886	729,787	1,020,118
Glass & Lamps	15,453,673	17,806,318	1,585,199

Energy consumption by type			
in kWh	2020/2021	2021/2022	2022/2023
Electricity	13,337,422	15,751,081	2,762,055
District heating	434,350	1,015,947	1,048,428

Fossil fuels			
Natural gas	1,283,172	654,773	867,167
Propane	41,930	80,631	81,558

Non-fossil fuels			
Misc. gases	3,235,345	3,218,049	0

EU-Taxonomy

The EU Taxonomy Regulation came into force on 1 January 2022. It is the result of the European Green Deal, which aims to continuously reduce greenhouse gas emissions. Under the Regulation, the European Union must be climate-neutral by 2050. The obligation to disclose sustainable economic activities will direct funds towards companies that contribute to environmental and climate protection. Against the background of climate change and the destruction of natural habitats, Dr. Hönle AG supports the efforts of the European Commission.

The EU taxonomy classifies economic activities according to their contribution to six defined environmental objectives. These are:

- (1) CCM (Climate Change Mitigation)
- (2) CCA (Climate Change Adaptation)
- (3) WTR (Water and Marine Resources)
- (4) CE (Circular Economy)
- (5) PPC (Pollution Prevention and Control)
- (6) BIO (Biodiversity and Ecosystems)

In accordance with Article 8 of the EU Taxonomy Regulation, Hönle reports on the proportion of revenue, operating expenses (OpEx) and capital expenditure (CapEx) associated with economic activities that qualify as environmentally sustainable. In order to determine which economic activities at Hönle are taxonomy-eligible, a screening was carried out. The analysis and collection of the data was carried out with the involvement of the controlling department. In the 2021/2022 financial year, only economic activities with regard to their impact on environmental goals (1) climate change mitigation and (2) climate change adaptation had to be reported. In the 2022/2023 reporting year, four further environmental objectives (3) - (6) were added as part of the taxonomy. For the 2022/23 financial year, the first two environmental objectives were assessed to determine the proportion of economic activities that qualify as either taxonomy-eligible or taxonomy aligned, while only taxonomy eligibility was assessed for the other four environmental objectives.

The disclosures on revenues, operating expenses (OpEx) and capital expenditures (CapEx) for the EU taxonomy were made in accordance



with Commission Delegated Regulation 2023/2486 of 27 July 2023 on the basis of the International Financial Reporting Standards applicable to the consolidated financial statements. For the purpose of determining the taxonomy-eligible and taxonomy-aligned ratios, most of the Hönle Group's economic activities were allocated directly to the economic activities listed in the Commission's delegated acts in the context of the EU Taxonomy Regulation. In order to avoid double counting, the allocation was always made to only one economic activity. Following the assessment of taxonomy eligibility, compliance with the criteria for a substantial contribution to taxonomy-eligible economic activities was documented on the basis of appropriate reporting levels, such as areas of application or use. In order to verify the proportion of economic activities that qualify as taxonomy aligned, we first examined whether the taxonomy-eligible economic activity makes a significant contribution. Subsequently, compliance with the Do No Significant Harm criteria was evaluated together with product owners. In addition, we examined compliance with the minimum level of protection, which includes basic minimum protection provisions such as

the Universal Declaration of Human Rights of the United Nations (UN) and corporate guidelines such as the Code of Conduct.

Revenue is derived from the consolidated income statement for the year under review. The revenue ratio indicates the proportion of revenues from taxonomy-eligible and/or taxonomy-aligned economic activities to total revenues. Due to the activities of the Hönle Group in the areas of water supply, water disposal and biodiversity protection, at least a small part of economic activities will be covered by the taxonomy from the 2022/2023 financial year. With regard to the environmental objective (3) Water and marine resources (WTR (Water)), Hönle UV sells systems for the disinfection of drinking water (water supply) (€553 thousand) and products for the treatment of wastewater (water disposal) (€1,344 thousand). With regard to the environmental objective (6) Biodiversity and ecosystems (BIO (Biodiversity and Ecosystems)) Hönle sells UV lamps and components for the treatment of ballast water, i.e. the treatment of seawater in container ships (€3,146 thousand). However, the majority of the Hönle Group's business activities are not covered by

the taxonomy. In most cases, it was not possible to provide evidence that they did not significantly harm any of the other environmental objectives (do no significant harm – DNSH) and that they complied with minimum social safeguards.

In the previous year, revenues were only allocated to the first two environmental targets, in which Hönle does not generate taxonomy-eligible revenues.

The capital expenditure ratio reflects the ratio of capital expenditure from taxonomy-eligible and/or taxonomy-aligned economic activities to total capital expenditure. The taxonomy-eligible investments concern capitalised rights of use for vehicles in the fleet (€713 thousand) and capitalised rights of use for and investments in buildings (€1,075 thousand). In most cases, it was not possible to provide evidence that they did not significantly harm any of the other environmental objectives and that they complied with minimum social safeguards.

The operating expenditure ratio shows the ratio of operating expenditure from taxonomy-eligible



eligible and/or taxonomy-aligned economic activities to total operating expenditure. Operating expenditure consists of expenditure on research and development, building refurbishment, short-term leasing, maintenance and repair, and all other direct expenditure related to the day-to-day maintenance of property, plant and equipment assets as defined in Annex I to the Commission Delegated Regulation. Operating expenses of €137 thousand are attributable to the maintenance, servicing and repairs of taxonomy-eligible property, plant and equipment. Other taxonomy-eligible operating expenses (€97 thousand) relate to research and development expenses related to the economic activities described for the sales ratio. In most cases, it was not possible to provide evidence that they did not significantly harm any of the other environmental objectives and that they complied with minimum social safeguards.

Key figures according to the EU Taxonomy Regulation

Economic activity	Total in € million	taxonomy-eligible in %	not taxonomy-eligible in %
Revenue	109.3	4.6	95.4
Operating expenditure (OpEx)	8.2	1.6	98.4
Capital expenditure (CapEx)	3.3	4.9	95.1

Economic activity	Total in € million	taxonomy-aligned in %	not taxonomy-aligned in %
Revenue	109.3	0.0	100.0
Operating expenditure (OpEx)	8.2	0.0	100.0
Capital expenditure (CapEx)	3,3	0.0	100.0

Further information on the taxonomy can be found in the tables in the Annex.





Employees

Our employees are the fundamental and at the same time the most important resource for the economic success of our Company. Human resources work includes all employee-related measures to achieve the Group's goals. It includes personnel recruitment, employee development, employee safety, personnel development and employee retention.

Working conditions

Hönle is in competition for specialists and managers. The market for skilled workers and engineers is particularly competitive. Employer attractiveness is of great importance in applicants' decision making. Hönle therefore attaches great importance to a good working atmosphere, targeted further training measures and in-house training and offers promising career prospects. Hönle also works closely with selected universities and offers Bachelor's and Master's theses as well as internships. Hönle also counteracts the shortage of skilled workers through his own vocational training.

We have significantly expanded our offering of vocational training programmes in recent years.: To ensure a high level of qualification, Hönle continuously invests in the education and training of its employees. For this purpose, internal experts from the respective departments as well as external service providers are used. In the 2022/2023 financial year, expenditure for personnel training and further education amounted to €658 thousand (previous year: €654 thousand).

Hönle invests in vocational training in order to be able to meet future demand for qualified workers. 27 young people completed an apprenticeship in the Group as at 30 September 2023 (previous year: 26). The Hönle Group trains electricians, IT specialists, warehouse logistics specialists, industrial clerks, industrial mechanics and process mechanics, among others.

The new Management Board attaches great importance to employee satisfaction and motivation. The fluctuation rate fell from 12.9% in the previous year to 9.9% in the year under review. Since the Hönle Group has been under new management, i.e. since 1 May 2023, the

fluctuation rate has fallen even more significantly to 7.8%. This is well below the historical average of 12.3% over the last ten years

Hönle also offers interns as well as bachelor and master students the opportunity to gain a deeper insight into a technology company and supports the exchange of trainees within the subsidiaries. This professional exchange within the Group, both nationally and internationally, is intended to contribute to apprentices gaining valuable experience during their training.

Personnel development is an essential task for the Hönle Group. Employee appraisal and target agreements form the basis for the individual promotion and development of our employees.

We offer all employees the opportunity to participate in further training measures. Here we rely on internal experts from the individual departments as well as external service providers. The training courses include, for example, foreign languages, office applications, subject-specific tasks or the topic of social skills. Through individual support, we increase the



motivation of our employees and promote innovative strength, which is the basis for new, competitive products.

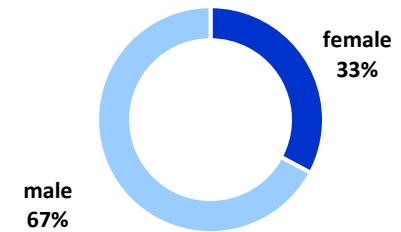
We offer employees promising career prospects. If they are suitable, employees within the Höhle Group can develop further and face new professional challenges. Leading positions are preferably filled internally.

In addition to interesting tasks and good development opportunities, Dr. Höhle AG also offers its employees attractive conditions. In addition to an appropriate salary, this includes, for example, continuous salary development, success-oriented employee participation and a company pension scheme. In addition, there are variable remuneration components for some positions, too. Qualified and motivated employees are the basis for the long-term success of our Company. We value open, fair and respectful communication. The tasks in the human resource department are aligned to promote this culture and thus positively influence its attractiveness as an employer. This also includes structured employee appraisals as well

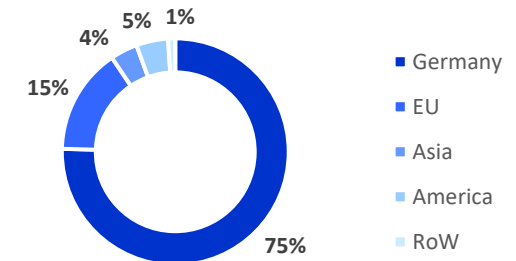
as joint activities. Dr. Höhle AG regularly organizes company excursions and Christmas parties and participates, for example, in running events to strengthen interdisciplinary communication and cooperation.

At the end of the financial year, 594 people of 34 different nationalities worked in 16 companies of the Höhle Group.

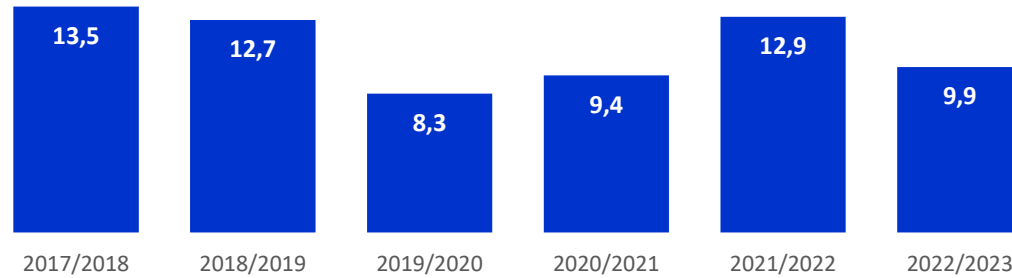
Gender



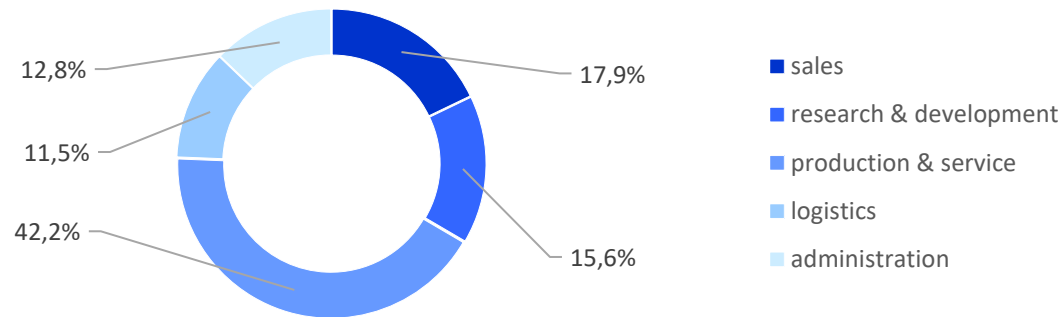
Regional Distribution



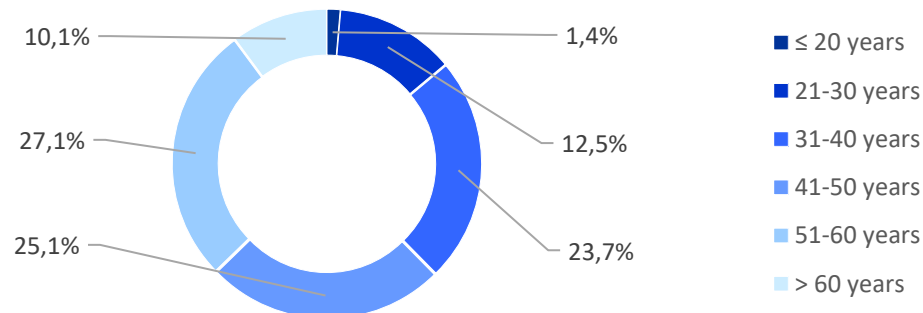
Fluctuation (resignations in %)



Employees by functional area



Employees by age group



Health and safety at work

The safety and health of our employees are important to us. That is why we make sure that our locations comply with all legal requirements of the occupational and healthcare sector.

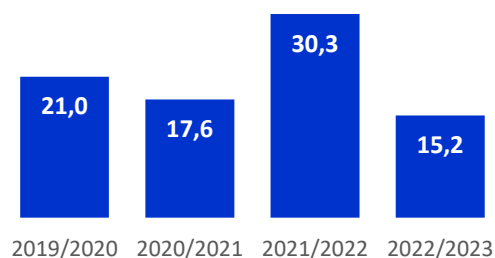
We lead various measures that help to increase occupational safety and avoid accidents. The basis is formed by risk assessments, which are carried out in the different departments and from which measures for occupational safety are derived whenever necessary. Especially in the production area, employees are informed of specific dangers at their workplaces and they receive regular, individual training. In addition to the physical health burdens associated with each economic activity, the risk assessment includes possible effects on employees' mental health.

Workplace design is an important criterion in keeping stresses on employees as low as possible. This includes, for example, ergonomic aspects, workplace lighting and limiting noise and emissions.

In addition, we have a company physician at the Gilching site who is available to all employees.

In the past financial year, there were 15.2 accidents at work per 1,000 full-time employees (previous year: 30.3). The accidents occurred not only on the job but also on the way to work or to events such as company outings.

Accidents



Equal opportunity and diversity

It is our goal to give all employees the same appreciation – regardless of age, nationality, skin colour, gender, religious or political views, social origin, disability or sexual orientation. Rather, the decisive factors for the assessment of the employees are their professional and personal qualifications as well as their work commitment. We are guided by these principles when making personnel decisions on new hires, promotions, compensation or terminations. We appreciate the differences and diverse qualities of our employees. We maintain an open, fair and respectful relationship with each other.

Unfair treatment or unjustified discrimination against employees are not tolerated. If necessary, misconduct will be promptly countered with appropriate measures.

We believe that when filling seats on supervisory bodies or management positions, personal qualifications and individual ability, but not gender, are the main factors. Nevertheless, corresponding targets must be defined in accordance with the provisions of the Act on the

Equal Participation of Women and Men in Management Positions in the Private and Public Sector of 24 April 2015. The following targets for the proportion of women at Dr. Höhle AG to be achieved by 30 September 2028 had been set as at 24 January 2024:

- at least 40% on the Supervisory Board; the proportion of women on the Supervisory Board currently corresponds to 20%
- at least 33% on the Management Board, provided the Management Board consists of at least three members; the proportion of women on the Management Board is currently 0%
- at least 20% at the first management level below the Management Board; the proportion of women at this level is currently 17%
- at least 20% at the second management level below the Management Board; the proportion of women at this level is currently 15%





Social & Governance

Initiatives

The Hönle Group consists of several internationally active individual companies. Each location has different framework conditions. The companies' social commitment takes place regionally on their own initiative, but in coordination with the Group headquarters.

Hönle is involved in professional associations and universities. For example, we work together with the Munich University of Applied Sciences and have been a sponsor of the annual alumni celebration for many years. We offer school and university internships and thus give young people and young adults the opportunity to get to know different professions and to gain relevant experience.

In the course of the advancing digitization and networking of the world, legal requirements for the protection of personal data are becoming

more stringent. Since 25 February 2018, the requirements of the General Data Protection Regulation (GDPR) must be complied with. In order to ensure that the European General Regulation on data protection is implemented at Hönle, we have drawn up a comprehensive data protection concept and also appointed an external data protection officer. We are committed to protect privacy and keep personal information confidential. In order to avoid loss or misuse of the data stored by us, we take extensive technical and operational security precautions, which are regularly checked and adapted to technological progress. Personal data that we collect and store is processed for a specific purpose and in accordance with the applicable data protection requirements.

Respect for human rights

We are committed to the protection of human rights and do not condone child labour or forced labour. We observe the principles of the UNO Global Compact Initiative and also require our suppliers to comply with those principles in our General Conditions of Purchase. They mainly concern the protection of international human rights, the right to collective bargaining,

the exclusion of forced and child labour, the exclusion of discrimination in recruitment and employment, responsibility for the environment and the prevention of corruption. Further information on the Global Compact Initiative is available at www.unglobalcompact.org.

On 1 January 2021, the EU Regulation on Conflict Minerals came into effect. Since then, EU importers of minerals sourced from conflict areas have been subject to extensive due diligence and inspection obligations along the supply chain. The aim is to curb the financing of violence and human rights violations in conflict or high-risk areas. In addition, Dr. Hönle AG ensures that its suppliers only send products to Dr. Hönle AG and its subsidiaries that do not contain any conflict minerals within the meaning of the Dodd-Frank Act.



Combating corruption and bribery

The fight against corruption and bribery does not play a significant role for Hönle due to the structure of the business model. Most of our suppliers come from countries that are not susceptible to corruption and bribery. The relationship with our business partners is based on the quality of our products and services, reliability and competitive prices and conditions. Clear transparency and internal control mechanisms ensure adequate protection.

Supply chain design

Supplier Code of Conduct

The Dr. Hönle AG Code of Conduct for Suppliers is based on the values of our Company and reflects the expectations of Dr. Hönle AG with regard to the commitments and actions of our suppliers in social and ecological terms.

It is based on recognised standards such as the International Charter of Human Rights, the Code of Conduct for Health and Safety of the International Labour Organisation (ILO) and the UN Global Compact (UNGC).

This Supplier Code of Conduct applies to the entire supply chain and includes all suppliers of our suppliers.

When selecting service providers and suppliers, we consider whether their values are compatible with our corporate principles. We treat them fairly and maintain open, transparent and cooperative communication.

Supplies audit

Dr. Hönle AG has a supplier evaluation system in accordance with ISO9001:2015. The supplier evaluation system is integrated into the ERP system. Supplier audits are carried out with questionnaires optimized for the supplier's respective range of parts. An evaluation and discussion of the results for the largest suppliers in terms of sales takes place annually.

Transparency in the upstream value chain

Dr. Hönle AG actively demands compliance with its Supplier Code of Conduct from important suppliers. Suppliers thereby agree to comply with the principles of the Code of Conduct. In addition, the suppliers commit to introducing and implementing the standards set out in the Code with their subcontractors and any other business partners and to monitor their compliance.

Cybersecurity and data protection

Personal data is subject to special protection. The improper use of personal data can have serious consequences for the data subject.

We therefore handle personal data carefully and responsibly and respect privacy. Personal data will only be used for lawful and well-defined purposes. Anyone who handles the data of employees or other people bears a great deal of responsibility. We protect confidential data from unauthorized use, alteration, disclosure and loss. The areas of application and use of personal data are transparent. Compliance with regulatory requirements is checked by a data protection officer.



In addition to an adequate merchandise management system, the essential prerequisites for compliance with data protection include in-depth training of employees, defining responsibilities and the separation of duties and controlling access at the IT system level. In order to be able to rule out any possible risk to data as far as possible, Hönle is constantly striving to review and further develop preventive measures in the IT area. Regular updates and, if necessary, extensions of the system are just as much a matter of course as compliance with internal security guidelines by employees. Protection against unauthorized access, misuse and destruction is ensured, among other things, by the use of multi-level firewall systems and virus protection programs, by access controls at the operating system and application level, and by multiple data backups. Employees are regularly trained in the areas of IT security, cybersecurity and data protection.





Comments

The non-financial Group report explains various aspects of the Hönle Group's Corporate Social Responsibility. Corporate Social Responsibility, or CSR for short, refers to the social responsibility of companies as part of sustainable management.

In accordance with the CSR Directive Implementation Act, a separate non-financial Group report was prepared in accordance with Section 315b of the German Commercial Code (HGB) in conjunction with Section 289c of the German Commercial Code (HGB). Recognised frameworks such as the German Sustainability Code (DNK) and the guidelines of the United Nations Global Compact (UNGC) were used as a guide for the preparation of the report. In addition, reporting is carried out in accordance with the requirements of the EU Taxonomy Regulation. The non-financial report covers the 2022/2023 financial year and was published in January 2024.

Concepts and goals

Due to their importance and significance for the Hönle Group, responsibility for the objectives lies directly with the Management Board. The non-financial objectives and rules of conduct are regularly reviewed. This also applies to the significant non-financial performance indicators mentioned in this report. The performance indicators were developed as part of a systematic analysis and evaluated with regard to their materiality for Hönle. As an internationally active group of companies, our actions must be in accordance with laws and regulations in different countries. In addition, we pay attention to voluntary rules of conduct that are binding on us. These include the corporate guideline and the environmental policy of Dr. Hönle AG. We adhere to the Principles of the UN Global Compact Initiative.

Non-financial performance indicators

The most important non-financial performance indicators relevant to the Hönle Group's business activities are presented below:

- Environmental aspects
 - Protecting resources
 - Technology and products
 - Research and development
- Employee aspects
 - Working conditions
 - Health and safety at work
 - Equal opportunity and diversity
- Social aspects
 - Initiatives
 - Respect for human rights
 - Combatting corruption and bribery



Significant Risks

Entrepreneurial opportunities usually entail risks that must be identified and assessed as early as possible. The risk policy of Dr. Höhle AG defines risk policy principles. Our opportunities and risks in terms of risk management are understood to mean possible positive or negative deviations from a budgeted or targeted figure. Höhle has established a standardized risk management system in order to identify, analyse and assess risks at an early stage. The risk management process provides for the initiation of appropriate measures to avoid a risk or to reduce the possible amount of damage after identifying risks, whenever this makes sense. With respect to non-financial aspects, no material risks were identified in relation to the Company's own business activities that are likely to have a seriously negative impact on the Company's non-financial performance indicators. Further information on material risks can be found in the Opportunity and Risk Report section of the Annual Report.



Annex EU Taxonomy

Financial year 2022/2023	Year			Substantial contribution criteria							DNSH criteria („Does not significantly harm“) (h)						Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, previous year (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(a) (2)	Turnover (3)	Proportion of turnover FI 2022/2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)			
Economic activities (1)		TEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover environmentally sustainable activities (taxonomy-aligned) (A.1) (d)		0	0.0														-		
Of which enabling		0	0.0														-		
Of which transitional		0	0.0														-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Water supply	WTR 2.1	553	0.5	N/EL	N/EL	EL	N/EL	N/EL	N/EL								-		
Wastewater treatment	WTR 2.2	1,344	1.2	N/EL	N/EL	EL	N/EL	N/EL	N/EL								-		
Ballast water treatment	BIO 1.1	3,146	2.9	N/EL	N/EL	N/EL	N/EL	N/EL	EL								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,043	4.6	N/EL	N/EL	EL	N/EL	N/EL	EL								-		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		5,043	4.6	N/EL	N/EL	EL	N/EL	N/EL	EL								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		104,290	95.4																
TOTAL (A + B)		109,333	100.0																

Annex EU Taxonomy

Financial year 2022/2023	Year			Substantial contribution criteria							DNSH criteria („Does not significantly harm“) (h)						Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, previous year (18)	Category enabling activity (19)	Category transitional activity (20)	
	Code(a) (2)	CapEx (3)	EL/2022/2023/LAL Proportion of CapEx	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)				
Economic activities (1)		TEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
CapEx environmentally sustainable activities (taxonomy-aligned) (A.1) (d)		0	0.0														-			
Of which enabling		0	0.0														-			
Of which transitional		0	0.0														-			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Vehicle fleet		CCM 6.5	713	14.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings		CCM 7.7	1,075	21.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			1,788	36.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
A. CapEx of Taxonomy-eligible activities (A.1+A.2)			1,788	36.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of taxonomy non-eligible activities (B)			3,169	63.9																
TOTAL (A + B)			4,957	100.0																

Annex EU Taxonomy

Financial year 2022/2023	Year		Substantial contribution criteria							DNSH criteria („Does not significantly harm“) (h)							Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, previous year (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(a) (2)	OpEx (3)	Proportion of OpEx FI 2022/2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safe-guards (17)			
Economic activities (1)		TEUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx environmentally sustainable activities (taxonomy-aligned) (A.1) (d)		0	0.0														-		
Of which enabling		0	0.0														-		
Of which transitional		0	0.0														-		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM 7.7	127	1.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Water supply	WTR 2.1	11	0.1	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Wastewater treatment	WTR 2.2	26	0.3	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Ballast water treatment	BIO 1.1	61	0.7	N/EL	N/EL	N/EL	N/EL	N/EL	EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		225	2.7	EL	N/EL	EL	N/EL	N/EL	EL										
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		225	2.7	EL	N/EL	EL	N/EL	N/EL	EL										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities (B)		8,024	97.3																
TOTAL (A + B)		8,249	100.0																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO.

For example, the Activity “Afforestation” would have the Code: CCM 1.1.

Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.

For example, if the operator reports that the activity “Construction of new buildings” makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

OJ L, 21.11.2023 EN

ELI: http://data.europa.eu/eli/reg_del/2023/2486/oj 133/164

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of turnover/Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	-	-	36.1%	-	1.5%
CCA	-	-	-	-	-	-
WTR	-	1.7%	-	-	-	0.4%
CE	-	-	-	-	-	-
PPC	-	-	-	-	-	-
BIO	-	2.9%	-	-	-	0.7%

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL – Taxonomy-eligible activity for the relevant objective

N/EL – Taxonomy-non-eligible activity for the relevant objective.

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution – Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH – Y/N codes.



ESG Goals

Activity	Start	Current	Goal
Increase the share of purely electrically powered company vehicles between 2022 and the end of 2025	6.4%	15.3%	> 6.4%
Increase the performance of installed photovoltaic systems between 2022 and the end of 2025	397 kWp	397 kWp	> 397 kWp
Reduce the number of deviations from the Corporate Governance Code by the end of 2025 (as at 9/2023: 17)	17	17	< 17
Increase the proportion of women on the Management Board from 0% in 1/2024 to 33% by 9/2028, provided the Board consists of at least three members	0%	0%	33%
Increase the proportion of women at the first management level below the Management Board from 17% as at 1/2024 to 20% by 9/2028	17%	17%	20%
Increase the proportion of women at the second management level below the Management Board from 15% in 1/2024 to 20% by 9/2028	15%	15%	20%
Achieve a proportion of women on the Supervisory Board of at least 40% by 9/2028 (as at 1/2024: 20%)	20%	20%	40%
Improve internal company communication by the end of 2025 (compared with 2022)	Status 1/2024: <ul style="list-style-type: none"> - Increased number of staff meetings - Increased frequency of department head meetings - Introduction of regular shop floor meetings 		



Last update: January 2024

Dr. Hönle AG
Nicolaus-Otto-Str. 2
82205 Gilching
Tel. +49 8105 2083 0
www.hoenle.com

hönlegroup

