



Heimbach Group

# Sustainability Report 2022



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# The Heimbach Group – Sustainability in Action

Dear readers,

"Sustainability is an essential aspect of the Heimbach mission statement and an integral part of our strategy."

Marco Esper, CEO

As a globally active textile company, the Heimbach Group assumes responsibility for its employees, customers, society and the environment. We are committed to conducting our business in a responsible, sustainable manner, with honesty and integrity, treating all people with respect and complying with applicable laws, rules and contracts. Linking economic action, ecology and social responsibility has been a cornerstone of our corporate mission statement for many years. [\(GRI 102-14 Statement from senior decision-maker\)](#)

We produce our technical textiles in our own production facilities in Europe and Asia, and our distribution is organised globally. The recognition of international standards is a matter of course for us. Therefore, it is only logical that we follow the principles of the UN Global Compact. In our Code of Conduct, we commit ourselves to the UN Human Rights Charter and observe the core labour standards of the International Labour Organisation (ILO).

Sustainability is a globally recognised concept that aims to achieve sustainable economic growth without damaging our planet or depleting its resources, in an effort to improve the quality of life for present and future generations. Our Corporate Responsibility Strategy is designed to make a significant contribution to this and to ensure the success and future development of our company.

With our Management System, our guidelines and the responsible actions of all employees, we ensure that the fundamental principles of conduct are adhered to. These also apply to our customers and suppliers. The tradition and reliability of our company, which has been committed to its employees and external partners for over two centuries, prepares the ground for this. [\(GRI 102-18 Governance structure\)](#)

Heimbach's second Sustainability Report 2021/2022 [\(GRI 102-50 Reporting period\)](#) documents the progress of our Corporate Social Responsibility (CSR) activities. The following sustainability goals (UN Sustainable Development Goals) are again assessed as essential and realised at Heimbach:



We thank our competent employees for their commitment and sense of duty, at the same time we would like to motivate you to act actively as multipliers. Sustainable business always means taking personal responsibility.

We would also like to thank our customers, suppliers and partners for their loyalty. They spur us on ceaselessly to achieve the goals we have set.

Marco Esper  
Chairman of the Management Board

Björn Bemelmans  
Managing Director

Dr. Ralf Kaldenhoff  
Managing Director

For reasons of better readability, the simultaneous use of the language forms male, female, diverse (m/f/d) is dispensed with. All personal terms apply equally to all genders. The Heimbach Group is hereinafter referred to as Heimbach.



# The Organisation of the Heimbach Group

In 1811, the merchant Thomas Josef Heimbach demonstrated entrepreneurial courage and foresight by making the leap from textile trading to manufacturing. The choice of the location Düren - at that time already a traditional paper and cloth making town - was not coincidental. The soft and clean water of the river Rur offered the best conditions for paper production. To this day, the local river plays an essential role at the group's headquarters.



Marco Esper, CEO and Stefan Körfer, Head of Compliance & Sustainability Management  
Photo: © Schmitter, Aachen

Paper Machine Clothing is still the most important division of the company. They are the heart of every paper machine. Heimbach supplies clothing globally for all paper and board grades and for all machine types.

Based on this core competence, the Technical Textiles Division was developed in the 1930s with a wide range of applications - e.g. in the wood processing industry, automobile production and the food industry. Food-conforming conveyor belts for the baking industry account for a significant share of total sales. The search for new challenges or fields of application is still exciting and multifaceted today. That is why we are continuously investing in this business area. We are pleased to expand our portfolio of process belts with Arcari S.r.l., based in Italy.

We are always aware of our high responsibility for people and the environment and actively strive for sustainability in all areas of activity. Our actions are always carried out in compliance with laws, regulations and guidelines.

Heimbach is still a family business in its sixth generation. We employ around 1200 people at currently nine locations in Europe and Asia. A high level of social responsibility has always been firmly anchored in our mission statement. This is underpinned by the conscientious actions of every single employee.



## Our group in figures

- 9 production sites
- 1179 employees (2021)
- Turnover:
  - 128 million euros Paper Machine Clothing
  - 23 million euros Technical Textiles

## Our locations

- Düren, Germany
- Manchester, England
- Rochdale, England
- New Moresnet, Belgium
- Burgos, Spain
- Olten, Switzerland
- Merone, Italy
- Limbiate, Italy
- Suzhou, China

## Headquarters:

Heimbach GmbH, An Gut Nazareth 73,  
52353 Düren, Germany

## Organisation of sustainability at Heimbach

### CEO

### Compliance & Sustainability Management

### Competence Teams:

- Ethics  
[Ethics Committee Management / Data Protection Officer / IT Management]
- Labour & Human Rights  
[HR Management / Occupational Health & Safety Officer]
- Environment  
[Environmental Management / Energy Management]
- Sustainable Procurement  
[Head of Purchasing]

*GRI 102-1 Name of organisation*

*GRI 102-2 Activities, brands, products, services*

*GRI 102-3 Headquarters of the organisation*

*GRI 102-4 Operating sites*

*GRI 102-5 Ownership and legal form*

*GRI 102-6 Markets served*

*GRI 102-7 Size of the organisation*

*GRI 102-8 Information on employees and other personnel*



# Products, Innovations and Responsible R&D



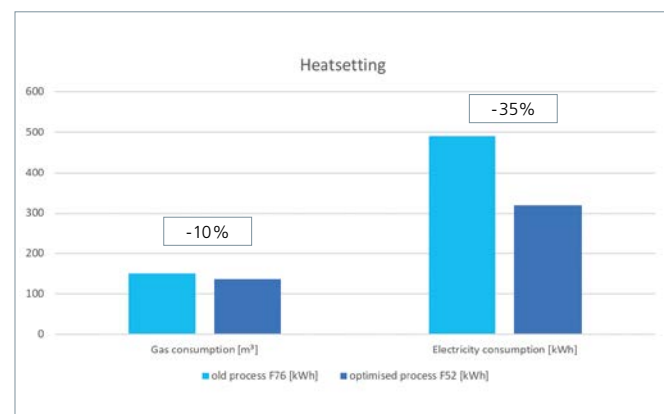
## Products

*(GRI 102-2 Activities, brands, products and services)*

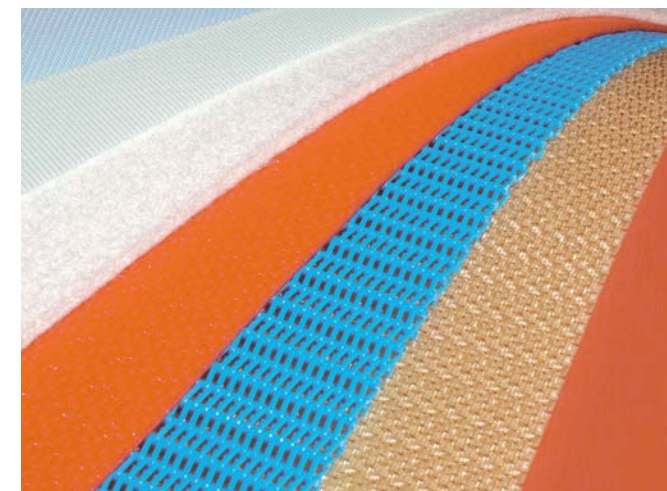
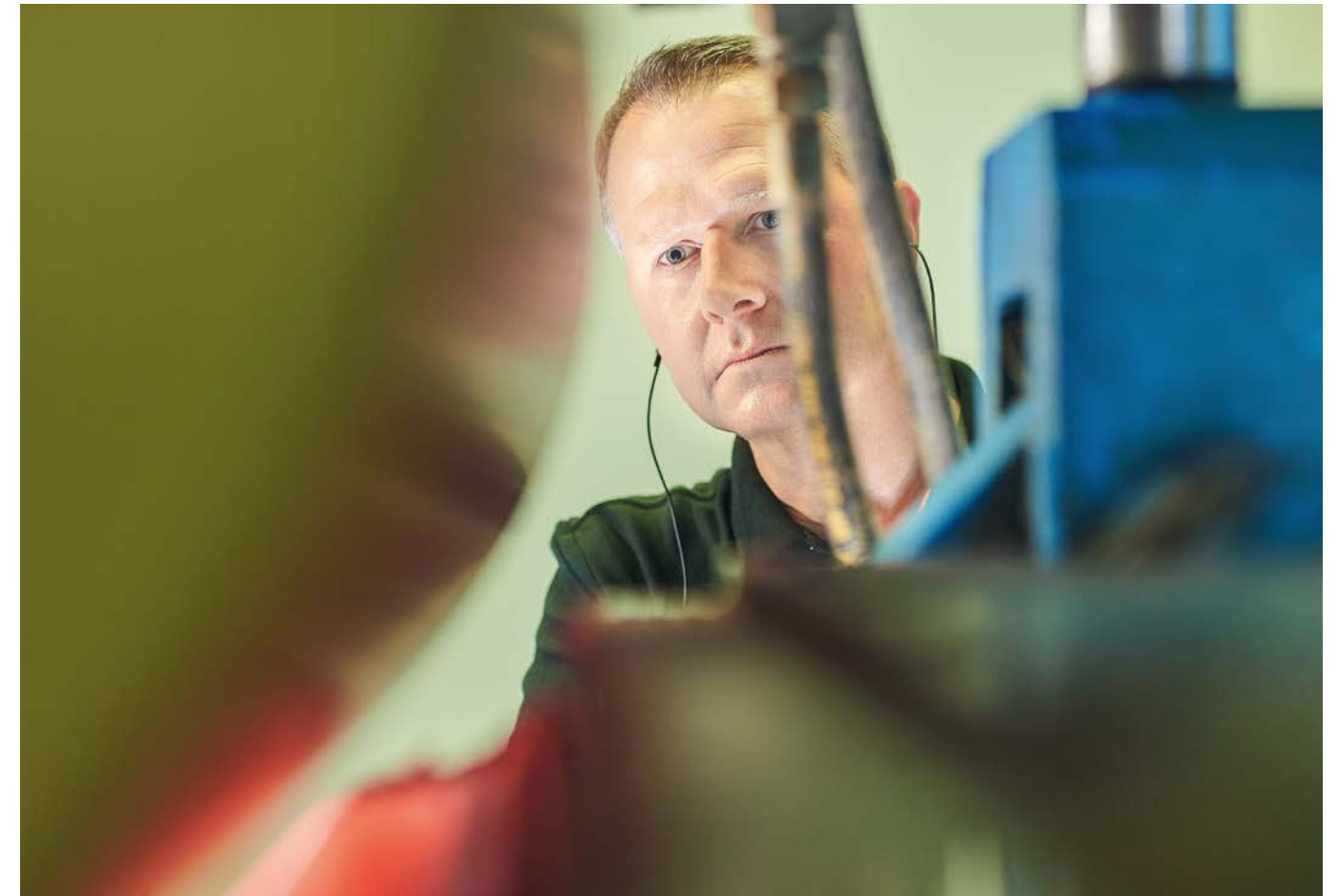
Our textiles are used worldwide. The core business consists of Paper Machine Clothing (PMC) for all paper and board grades and for all machine types. As a specialist, our portfolio includes fabrics for all sections of the paper and board machine: forming fabrics, press felts, dryer fabrics as well as shoe press and transfer fabrics. Our PMC customers are manufacturers of graphic, speciality, packaging and hygiene papers.

We attach great importance to supplying and supporting our customers quickly - and always reliably. In particular, we focus on minimising our CO<sub>2</sub> impact and being environmentally friendly. By acting and manufacturing locally, we live up to our ecological claim. Heimbach produces close to its customers and avoids unnecessary transport. We are responding to the growing market in Asia and the Far East by consistently expanding our production facility in Suzhou. In this way, we keep delivery routes short and reduce emissions. This has a decisive impact on our CO<sub>2</sub> balance.

In order to ensure the ecologically valuable recycling of production waste, single-variety composite systems are used wherever it is technically feasible. By optimising processes, especially those with high energy consumption, we have been able to save valuable energy and CO<sub>2</sub> could be saved. *(GRI 302-5 Reduction of energy consumption for products and services)*



Energy process optimisation in the production process Final fusing



Paper Machine Clothing



Technical Textiles

The Technical Textiles Division developed out of the core business as early as the 1930s. Here, too, Heimbach has positioned itself as a specialist for demanding applications - e.g. for particularly high loads or temperature requirements. Our technical textiles are manufactured in Europe and mainly sold there. They are used in numerous and completely different areas, for example in the food, construction, automotive or wood industries. They are used, for example, as high-temperature resistant conveyor belts for foodstuffs or as press pads.





Heimbach-TASK

## Service

Service is an essential part of our offer. The experienced paper, mechanical and application engineers of Heimbach-TASK (Technical Assistance, Service and Know-how) optimise the entire paper production process together with our customers. They pay particular attention to the correct fine-tuning and optimal operation of our products. In this way, they make a significant contribution to increasing the performance and efficiency of the paper machine. No matter which product we develop or select for a specific customer, the data collected from our users is always included. The close exchange of knowledge with practitioners is important to us. The focus of this fruitful cooperation is on improving the energy balance and the resource-saving use of water and raw materials.

### Examples of TASK activities:

#### Process optimisation in the dryer section of a paper machine

With the objective of saving energy, a temperature analysis was carried out in combination with a hood and heat exchanger balance. The potential for improvement in terms of hood sealing and air flow identified from this brought the desired success.

#### Problem solution in the press section of a paper machine

A Nip-Profile-Measurement was carried out to find the cause of an uneven moisture profile and the associated felt wear. After the fault had been rectified, the usual felt running times could be achieved again.

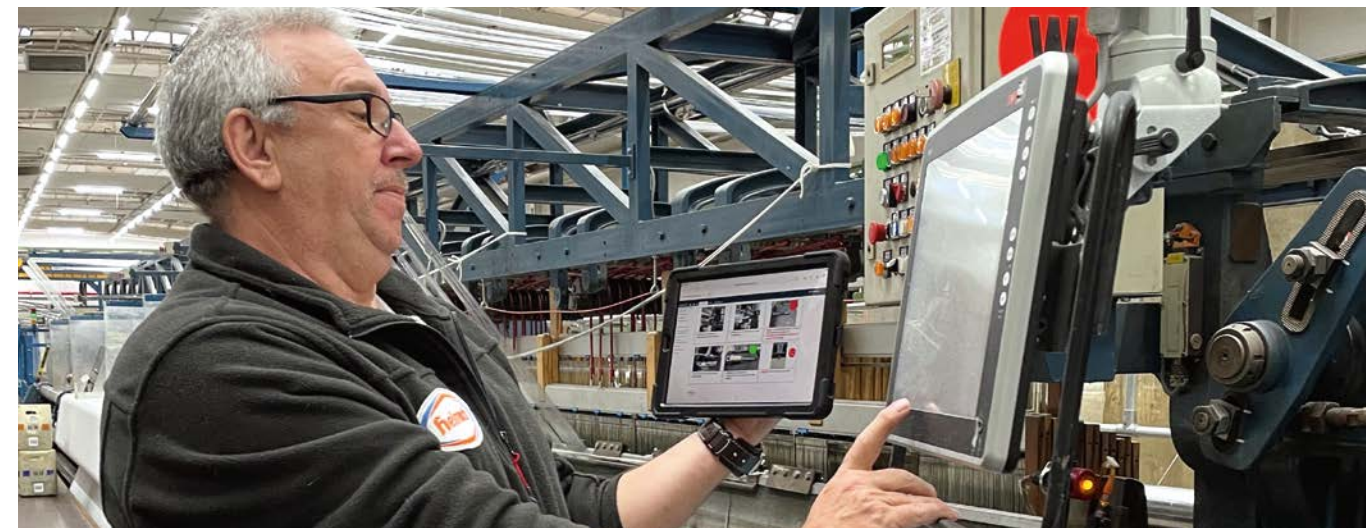
## Innovations, Research and Development

Consistent Innovation Management enables us to approach product and process developments with foresight and to implement them in a targeted manner.

In Research and Development (R&D), we work closely with our customers, industrial partners, recognised universities and research institutes, both nationally and internationally. Interdisciplinary teams develop future-oriented products, processes and technologies. Modern laboratories and test facilities, computer-aided simulation processes, rapid prototyping ... the latest technology and methodology are used.

At Heimbach, we pursue the interest of improving our own products and processes with modern techniques that are also used successfully in other industries, which includes a resource-saving mindset. For example, we use laser technology to direct energy to the necessary place in a very targeted manner and in sufficient quantities. Cooperation with expert partners in a selected network is very important to us. The background to this is the constantly increasing demands on industrial textiles, especially from energy-intensive paper production.

Already in the design phase, we intensively deal with the topics of packaging and material recycling. ([GRI 301-3 Recycled products and their packaging materials](#)).



We use our raw materials as purely as possible and do not use any additional chemical treatments that make recycling difficult. We are constantly working on the further development of our products and processes. It is our declared aim to continuously improve energy consumption and service life.

Heimbach is keeping a close eye on developments in the market for technical biopolymers. As soon as the opportunity arises, we plan to use these new materials for our products. We have already had ideas on this subject protected by patents.

Increased Digitalisation and Industry 4.0, with its Artificial Intelligence approach, present us with new challenges. Here, too, we are looking beyond our own horizons to adapt corresponding solutions from other areas. The focus here is on supporting employees in order to anticipate problems and be prepared for the working world of tomorrow.

Heimbach uses Industry 4.0 demonstrators to verify the recording of additional machine and production parameters and to derive optimised visualisations. Furthermore, product and process parameters

from various internal databases are recorded and examined by means of "Machine Learning" to drive forward problem solutions. Communication platforms - so-called digital whiteboards - strengthen cooperation within the company and with customers.

This tool enables flexible collaboration without additional travel. Short meetings are held interactively at shorter intervals. This promotes "staying on the ball" and reduces travel costs.

In order to maintain and build up necessary skills, we regularly offer study, bachelor and master theses in our research and development department. The aim is to inspire talented students for current and future challenges and to attract them to Heimbach.



"The task of our Research and Development is to activate unused scientific potential and to develop innovative products and technologies. We also ensure the responsible and economical use of our resources in the future."

Dirk Praschak, Head of Research

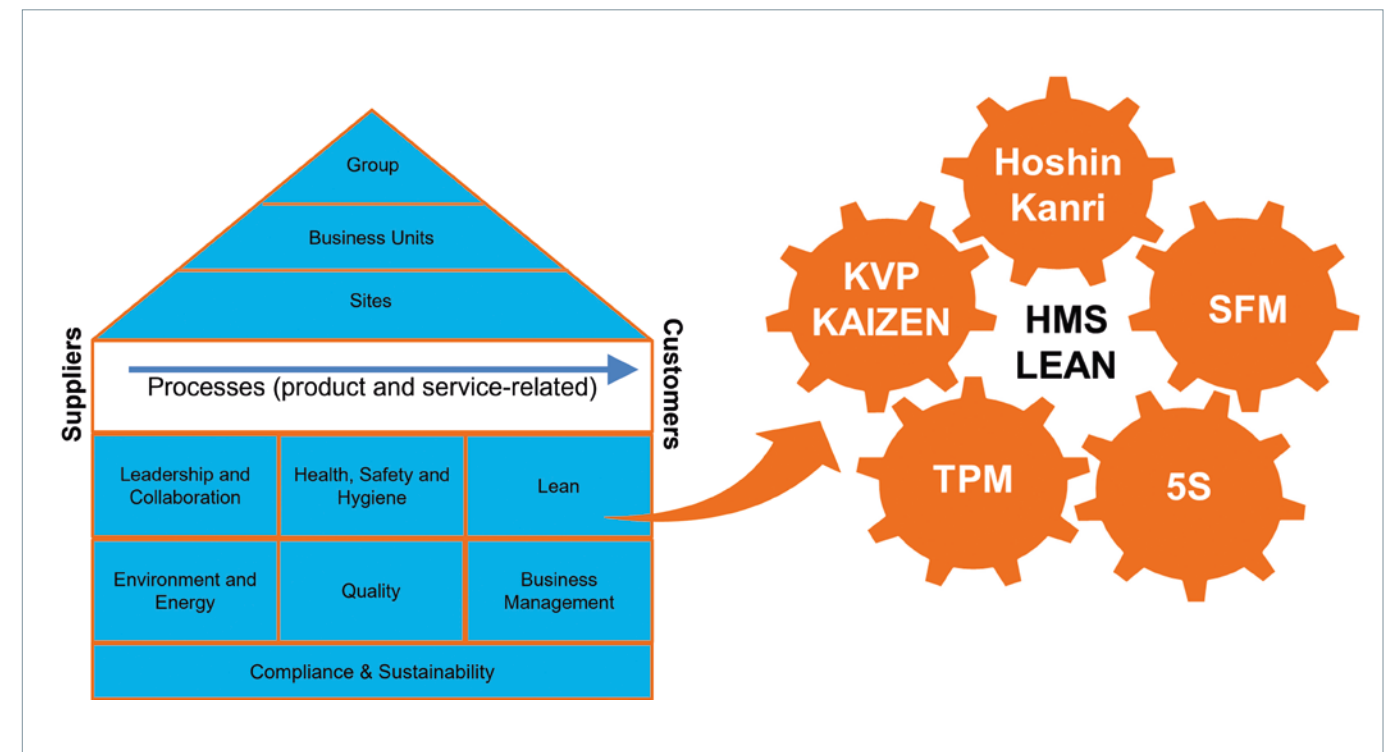


# Lean and Ideas Management



## Lean - Our Improvement System

Lean Management is a central component of our Management System and supports our sustainability activities. At Heimbach, all employees work systematically to align our processes with customer value and to eliminate waste.



## The core elements of our Lean Philosophy:

### Hoshin Kanri

Our strategic goals are visualised with the Hoshin Kanri method and broken down to the different functional areas and locations. In this way, we ensure a collaborative alignment of our goals.

In recent years, sustainability has gained in importance. Therefore, its promotion is a top-level goal and is broken down into the individual departments via concrete projects. For example, a concept for the use of renewable energies at our production sites is being developed. You can find out more in the Energy Management chapter.

### Shop Floor Management (SFM) - On-site Management

Shop Floor Management is a management tool based on communication, visualisation, standardisation and problem solving. It connects the management level with the operational processes and employees. This method helps us to observe and analyse compliance with the company's goals and thus to derive measures in the short term.

### 5S - workplace organisation and cleanliness

5S creates the necessary transparency to identify and eliminate waste. The continuous increase of self-organisation in production and administration is part of the continuous improvement process. At the same time, 5S sensitises employees to a safe working environment.

### Total Productive Maintenance (TPM) - Preventive Maintenance

The added value of Heimbach products is largely generated by our machines. They are indispensable for fulfilling customer requirements. Our machines are complex and have a high replacement value. TPM helps us to maintain and optimise the condition of the machines in the long term.

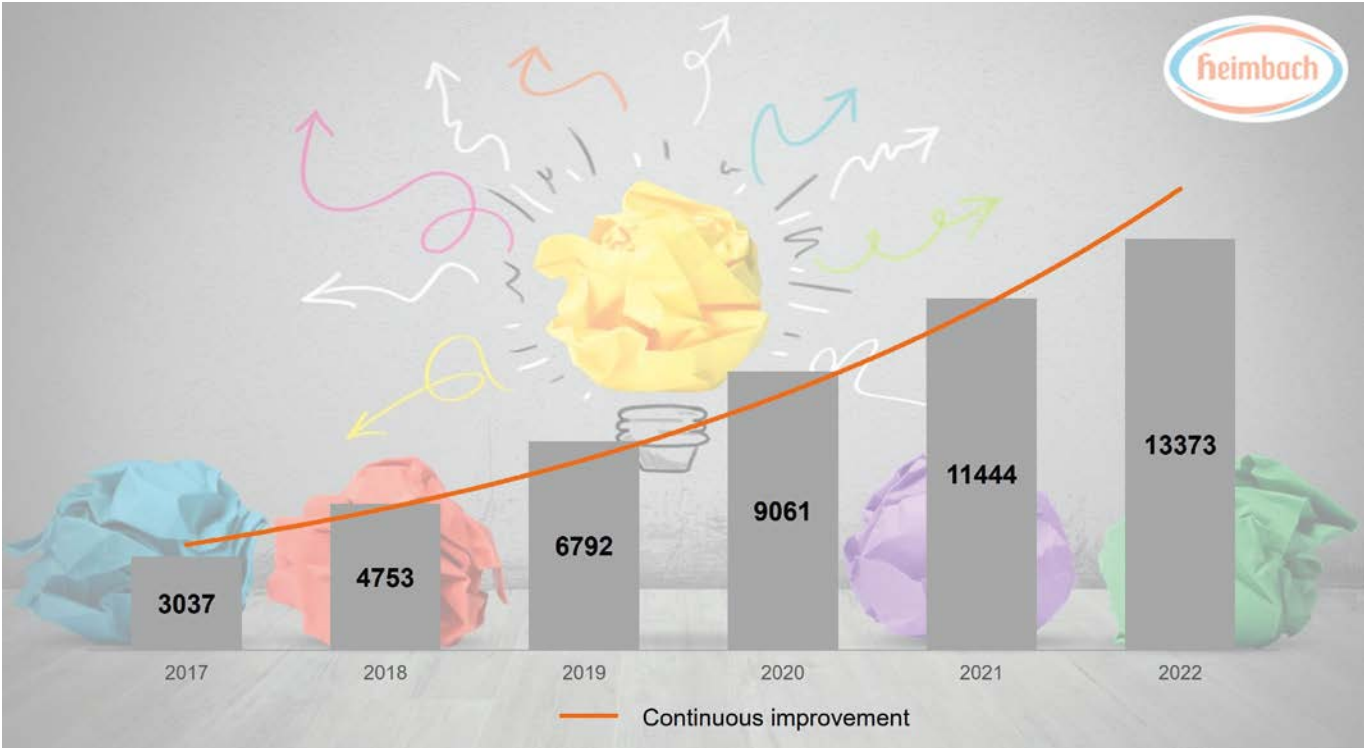
### CIP - Continuous Improvement Process

CIP is the engine that constantly drives our organisation. Lean Management encompasses various methods and tools, but above all it is the philosophy of constantly improving and developing. Every employee is therefore an important part of a cultural change and contributes to a positive change. Continuous Improvement is necessary to survive in the market in the long term and to stand out from the competition.

### Ideas Management

The Idea Management at Heimbach enables the staff to actively contribute to the optimisation of the company. A distinction is made in particular between product, technology and process suggestions as well as invention reports in the areas of operational improvement, occupational safety and health protection. In addition, the category environmental protection and energy was integrated this year in order to transparently document and specifically promote improvements in terms of ecological sustainability. Targets ensure the quality and quantity of the proposals.

The following graph shows the increasing number of submitted idea cards. In the last 5 years, we were able to implement a total of 12,658 ideas from employees.



In order to design our processes quickly, efficiently and sustainably, it is important that employees can contribute their ideas. This is the only way we can find creative and modern solutions to meet today's challenges. That is why we include all locations as well as interfaces

in the supply chain, such as customer / Heimbach or Heimbach / supplier, in the brainstorming process.



"Every idea from occupational safety to climate protection is important to us. Every employee has the opportunity to actively and sustainably shape the company and their own processes through Ideas Management."

Kerstin Esser, Lean Coordinator

# Heimbach's Contribution to the UN Sustainable Development Goals





The United Nations has agreed on goals for global and sustainable development for the international community. The UN Sustainable Development Goals (SDGs) call on the world to eradicate poverty and enable all people to live with dignity and equal opportunity. The appeal is addressed to all governments, business enterprises and civil societies.

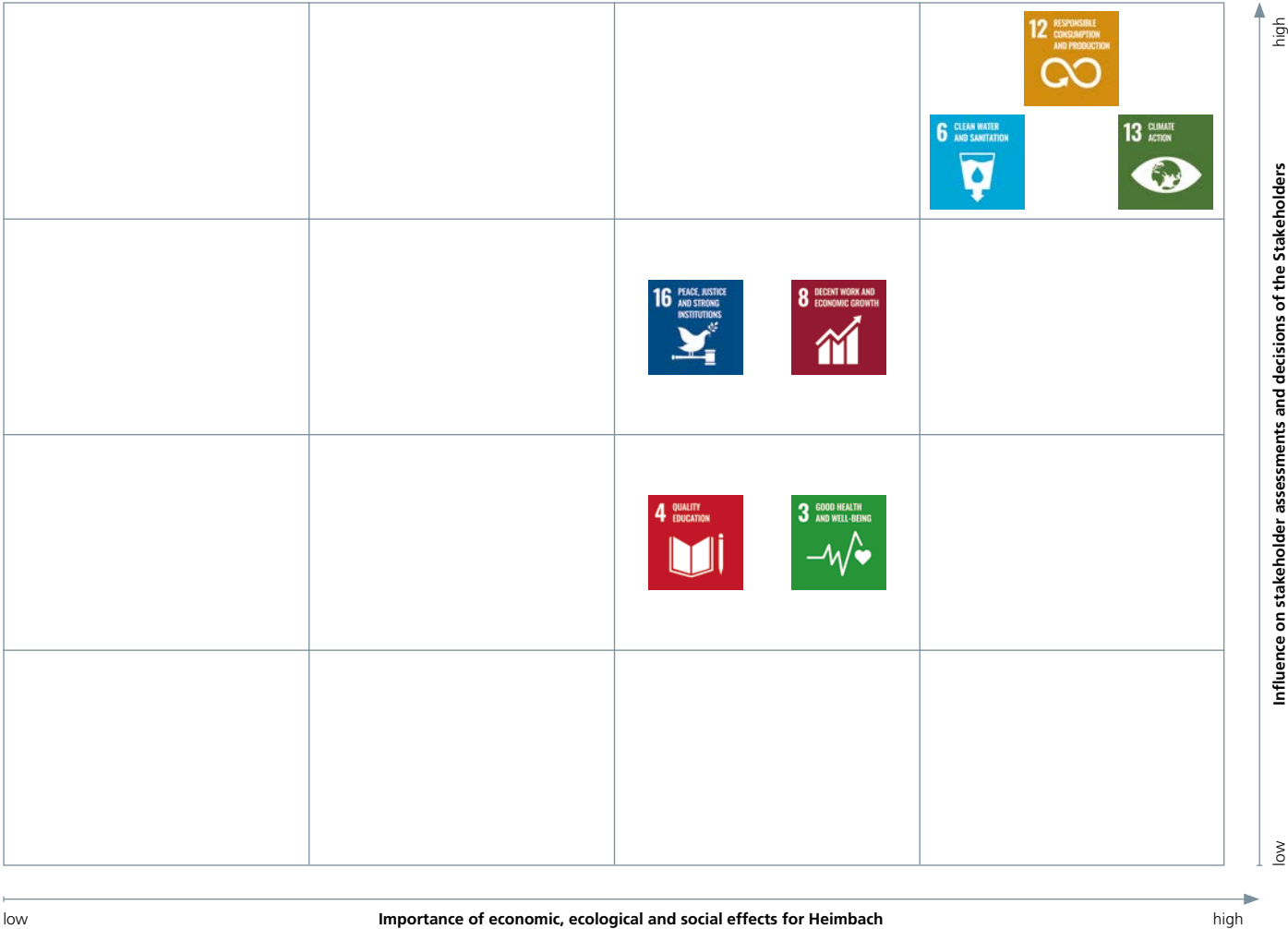
All companies are addressed, regardless of their size, sector or location. They have a responsibility to comply with the laws and regulations that govern them, to meet internationally recognised minimum standards and to respect human rights.

The rapid changes in environmental, economic and social issues in the social environment present companies with increasingly fundamental challenges. Globalisation, scarcity of resources, climate change, demographic change, reorientation of values, digitalisation and networking are both a challenge and an incentive for Heimbach. The principles of sustainable action are firmly anchored in our management system.

From a corporate perspective, the SDGs support the development of the sustainability strategy with corresponding measures and goals. Building on this, the Global Reporting Initiative (GRI) formulates guidelines with concrete content to be reported on social, ecological and economic topics. Our current sustainability report is therefore based on the SDGs and the GRI. You will find corresponding references to the topic points in the report and in a summary in the appendix [\(GRI 102-55 GRI Content Index\)](#)

Together with all departments, we have carried out a materiality analysis. It defines the SDGs listed below for Heimbach and prioritises the goals according to their importance for our stakeholders (employees, customers, investors, buyers, suppliers and the general public) [\(GRI 102-40 List of Stakeholder Groups\)](#) and the company.

SDG Materiality for Heimbach



"Taking social, ecological and economic responsibility in the sense of the SDGs means taking sustainable responsibility for future generations."

Stefan Körfer, Compliance & Sustainability Manager

Corporate Responsibility Strategy

The Heimbach Corporate Responsibility Strategy combines our compliance and sustainability strategy, which focuses on the areas of compliance, economy, environment and social issues. Along the triad Products - Performance - Partners, Heimbach pursues the following aspects:

Our vision

THINK INNOVATIVELY  
ACT RESPONSIBLY  
CONTRIBUTE TO SUCCESS

We are the innovative, moral and sustainable partner of our worldwide stakeholders and face the challenges of our time. We integrate compliance and sustainability into all areas of our business as part of our strategy, conserve resources and act in accordance with the rules.

Our mission

For Heimbach, integrity and compliance are the foundations of all our actions.

Economic, ecological and social sustainability create the basis for trendsetting products and services that benefit society and mitigate environmental impacts.

We strive for responsible use of resources employed

The success of our customers is also our success. This is achieved by continuously improving and increasing the efficiency of our products and services, which we also use to optimise our customers' production processes.

We derive our basic guidelines and goals from these aspects:



Target definition. Documentation of process progress. Reporting of results. With these attributes, we create the greatest possible commitment in the areas of Ethics, Labour and Human Rights, the Environment and Sustainable Procurement. The commitment to Continuous Improvement is a matter of course for Heimbach. This is also monitored by internal and external partners. In concrete terms, we pursue our detailed goals in the Heimbach Group with projects and clear Key Performance Indicators (KPIs):



**Heimbach offers its employees inclusive, fair and high-quality training opportunities throughout the entire employment period. We strive for productive full employment and sustainable growth as a basis for decent work.**

We support young people by offering industrial and commercial training opportunities as well as dual study programmes and internal training. The further training needs of our employees are regularly identified and, if entrepreneurially feasible, implemented. Our most valuable asset is our excellently trained staff.

We are aiming for the following Key Performance Indicators (KPI) in the coming period:

#### Human Right

##### Training rate

Actual situation 2021: 4.6% - commercial and industrial

Target 2022: future training rate of at least 5%

##### Jobs for people with disabilities

Actual situation 2021: 7.7% - severely disabled people

Target 2022: At least compliance with statutory requirement > 5%

#### Gender and Diversity:

(f/d ratio in management positions > 30% by 2030)

#### Labour Law

##### Employee structure

Actual situation 2021: Ø age 45.2 years

Our goal is a demand-oriented development of the staff structure

##### Staff appraisals

Actual situation 2021: 75% of appraisal interviews conducted

Target 2022: At least one appraisal interview per employee per year



#### We pay special attention to the occupational safety and health of our employees and promote their well-being.

In the area of Occupational Health and Safety, Heimbach is committed to its employees through numerous preventive concepts such as workplace analysis, training and the derivation of appropriate measures. A safe workplace has the highest priority in the company. In the company health management, we offer all employees a wide range of services to maintain and promote their health. The basis is the first-aid station with the regular availability of a company doctor. Here we provide basic medical care, occupational health examinations and all necessary vaccinations. In addition, we support individual needs and wishes in a variety of ways.

These KPIs assess the functionality of our responsibility for care:

#### Occupational Health and Safety

##### Lost Working Time (LWT)

Actual situation 2021: 0.92

Target 2022: annual reduction of 10%

##### Accident Rate (AR)

Actual situation 2019: 9

Target 2022: AR < 10

#### Health protection

##### Sickness rate

Actual situation 2021: 8.5%

Target 2022: permanent reduction of sickness rate to below 8%



#### Our basis for stability and growth is the protection of human rights through peaceful, legally compliant and sustainable development.

The Code of Conduct (CoC) and the Management System are the central basis for sustainable business activities under fair and safe conditions. In this context, we rely above all on our Compliance management and IT Security. Especially in the "Textile" segment (according to Ecovadis, Heimbach is grouped under "Other technical textiles"), these topics are an essential part of the audit.

For this reason, we focus on the following objectives:

#### Compliance

##### CoC audit

Actual situation 2021: 60%

Target: At least 50% of all Heimbach sites will be subject to an internal audit on a rolling basis every year.

Due to the pandemic, four audits were carried out digitally in 2021!

This means that again 100% of the sites have been audited in the last two years.

In 2021, all sales representatives signed the CoC. In 2022, every employee and all sales agencies were instructed on our Compliance Guidelines via the digital training tool.

#### IT Security

##### Penetration test [every 2 years externally/adjusted internally]

Actual situation 2021: minus 54%

Target 2024: Compared with 2018, the number of relevant security advisories should be reduced by 60%.

##### IT Security training:

Actual situation: 57% participation rate

Target 2022: 75% participation rate





**The sustainable management of water resources is of particular importance to us.**

Water was the essential building block when Heimbach was founded. Since the very beginning, we have treated water as a resource responsibly in all respects. To this day, the river water of the Rur at our headquarters in Düren is an essential element for the manufacture of our products.

We also attach high priority to this resource at our other locations. For example, we operate our own water treatment plant at our Chinese factory.

We implement our sustainability targets for water consumption in close cooperation with local water associations and municipalities. This also includes comprehensive documentation.

**Water**

**Withdrawal**

Actual situation 2021: Drinking water:	15,942 m³
River water:	314,091 m³
of which	
cooling water:	234,649 m³
Service water:	79,442 m³

Target Reduce the amount of water used (cooling water, process water, drinking water) (-10% by 2030) [ Basis 2020].

**Discharge**

Actual situation 2021: Indirect discharge:	56,096 m³
Direct discharge:	254,075 m³
of which	
cooling water:	234,649 m³
Precipitation water:	19,426 m³

Goal: Our wastewater quality must comply with the requirements of the Wastewater Ordinance. It is monitored regularly. To further improve wastewater quality and reduce the amount of wastewater, we will continue to orient our processes towards sustainable use of water (discontinue operation of washing machine, reduce use of textile washing and auxiliary agents).



**We fight climate change and its effects wherever we can.**

Heimbach is aware of its responsibility for the climate and makes its contribution to reducing emissions. We are a member of an energy network and reduce CO<sub>2</sub> emissions through various projects.

With the following KPIs, we will continue to make a relevant contribution to climate protection in the future:

**Energy**

Our strategic goal for the Heimbach Group is to reduce our Greenhouse Gas Emissions (GHG) [CO<sub>2</sub>] in terms of Scope 1 and Scope 2 by 50% by 2035 compared to the base year 2017 and to be climate neutral (Scope 1+2) in 2050.

**Total energy consumption**

Actual situation 2021: 57,364 MWh  
Target 2022: Gas savings: approx. 14,000 MWh annually  
Electricity consumption: use of 100% renewable energy by 2035

**Greenhouse gas emissions [CO<sub>2</sub>]**

Actual situation 2021: 13,516 t  
Target 2022: Reduction of Greenhouse Gas Emissions by 2,600 t annually  
Recording of all Scope 3 emissions by 2025  
Company vehicles - expansion of e-mobility by 2025



**Heimbach is equally committed to sustainable consumption and sustainable production.**

Resource efficiency and waste avoidance are at the forefront. We place great emphasis on sustainability as early as the product development stage and look for alternative raw materials. Our production processes are designed for economic efficiency and energy efficiency. Residual materials are constantly reduced and fed into the highest possible recycling stage. We also oblige our suppliers to comply with the Heimbach CoC, the Supplier CoC and our company's purchasing conditions.

The focal points for the coming period are defined by the following parameters:

**Material**

**Yield losses**

Actual situation 2021: 18%  
Target 2022: < 18,5%  
Reduction of yield losses by 30% by 2030 [Basis 2016].

**Separate collection rate according to GewAbfV**

Actual situation 2021: 94%  
Target 2022: > 90%

**Total waste generation**

Actual situation 2021: 552 t  
Target 2022: Reduction to < 540 t  
Reduce waste volume (-10% by 2030) [Basis 2020].

**Raw Materials / Chemicals**

Use raw materials from chemical recycling  
of our raw materials 5% by 2035  
Use raw materials from non-oil based sources > 20% by 2040

**Compliance Suppliers**

Raw material suppliers, who have signed the Heimbach Standards for Business Partners  
Actual situation 2021: 58% + 22% with recognised own Code of Conduct  
Target 2024: 100%

**Sustainable Procurement**

> 60% of the raw materials (basis KG) for our site in China are to be sourced locally by 2025 to significantly reduce CO<sub>2</sub> emissions  
  
1-3 supplier audits per year  
Implementation of digital supplier management in 2024  
Reduce yield losses by 30% by 2030

Across our value chain - raw materials, suppliers, logistics, operations, distribution, product use and end-of-life of the product - we make sustainability a corporate culture. We view sustainability as an integral part of financial, strategic and operational goals.

This Sustainability Report is part of Heimbach's reporting and public relations. Of course, we proactively examine our actions through internal and external audits.

UN Global Compact

Heimbach is a participant of the UN Global Compact and is committed to acting in accordance with the principles of the initiative. Our company is one of the first to publish reliable corporate data in accordance with the Communication on Progress (COP) - Early Adopter- format (<https://unglobalcompact.org/participation/report/cop/early-adopter-programme/early-adopters>) and thus presents measurable performance and progress on all sustainability issues to all stakeholders in a structured and systematic way.

DINO

Heimbach has been assessed by another independent institution, the "German Institute for Sustainability and Economics". The audit was carried out on site in Düren in compliance with the relevant pandemic requirements and verified the sustainability competences implemented in the company as well as their functionality. Heimbach was certified to have implemented sustainability in an exemplary manner throughout the company and to continuously optimise it with regard to its sustainable economic orientation. The positive result on an ecological, economic and socio-economic basis with a clearly above-average rating shows that we are on the right track.

Ecovadis

The sustainability rating platform Ecovadis awarded us "Silver" in the segment "Other Technical Textiles" in 2021, which means we have made it into the top 25.

We realised this result thanks to a strong team effort. Our numerous measures in the areas of Labour-/Human Rights, Environment, Ethics and Sustainable Procurement are paying off and are being rewarded accordingly. In the latter two areas in particular, we were able to improve significantly. The issue of compliance is becoming increasingly important, not only in view of the Supply Chain Act, and so we are pleased to be able to meet the high requirements. Of course, we will not rest on this success, but will continue to improve our processes and take on the challenges for a sustainable future.



ISO Certifications

Heimbach has been undergoing various certification procedures since 1990.



Currently Heimbach holds the following valid Certificates:

ISO 9001:2015	Heimbach GmbH Heimbach Fabrics (Suzhou) Co., Ltd. Heimbach Ibérica S.A.U. Heimbach Specialities AG Heimbach Switzerland AG Heimbach UK, Ltd.	DQS GmbH Certificate registration no. 055366 QM15
ISO 14001:2015	Heimbach GmbH	DQS GmbH Certificate registration no. 055366 UM15
ISO 50001:2018	Heimbach GmbH	DQS GmbH Certificate registration no. 055366 EMSt18

Furthermore, the following ISO Certifications exist:

ISO 9001:2015	Industrie Tessili Bresciane S.r.l.	DNV GL Business Assurance Italia S.r.l. Certificate registration no. CERT-08383-2001-AQ-MIL-SINCERT
IISO 9001:2015	Marathon Belting Ltd.	NQA Certification Limited Certificate registration no. 1049

All current certificates can be found at  
<https://www.heimbach.com/de/heimbach-gruppe/downloads>



# Ethics



## Policy Ethics

### Integrity is the basis of all our actions.

Heimbach complies with all legal requirements and ethical principles. We ensure that the high internal standards of probity, good governance, compliance and anti-corruption are maintained at all times. Respect for human rights and zero tolerance of child or forced labour are fundamental to us.



"The Heimbach Group is committed to conducting its business in accordance with the highest ethical standards. With this commitment, we continue to take into account our structural and cultural specificity as a global company."

Marco Esper, CEO

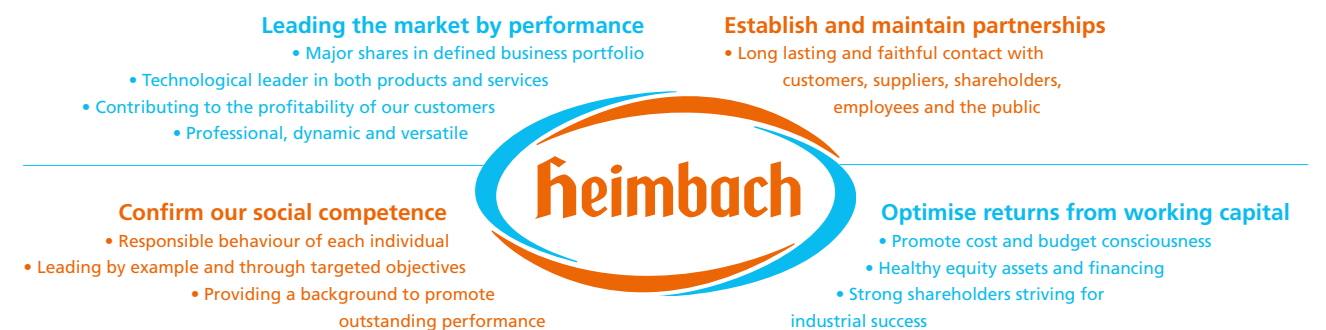
This basic attitude is embodied in Heimbach's Mission Statement "Our Goal - Our Way" and in the principles of our Management System. Our ethical principles are laid down in the "Heimbach Code of Conduct" - drawn up in accordance with the 10 principles of the UN Global Compact. In addition, our Mission Statement, the Heimbach Code of Conduct and our additional Compliance Guidelines

such as the Anti-Corruption Guideline and the Whistle-blower Policy document our values. These documents are available to the public on our website. To safeguard our high level of expertise, we also have our own IT Security Policy and Data Protection Guideline. In this way, Heimbach guarantees the trustworthiness of its conduct. They are authoritative for every employee, business partner and customer.

## Our vision

- Leading supplier of innovative consumer products and services for the paper industry, environmental technologies and other selected fields
- Customer partnership – world-wide
- Profitable and aligned for continuing success
- Committed to the welfare of the work-force, the community as a whole and to the environment

## Our mission



**Compliance Management** *(GRI 102-11 Precautionary principle)*

Compliance means adherence to rules, sanctions and other requirements, with the primary goal of preventive risk management (precautionary principle) against liability risks and financial disadvantages. However, it also serves to strengthen trust, image and reputation.

By establishing compliance management, Heimbach creates the greatest possible transparency for all stakeholders and also sets itself objective goals for all Corporate Social Responsibility (CSR) issues. Heimbach's compliance management combines mission statement and value management and is decisive for our Corporate Responsibility Strategy.

**Heimbach Code of Conduct and Compliance Guidelines**

*GRI 102-16 Values, Principles, Standards, Norms of Conduct*  
*(GRI 102-17 Procedures on Ethics Advice and Concerns)* *(GRI 205-2 Communication and Training on Anti-Corruption Policies and Procedures)* *(GRI 412-2 Training for Employees on Human Rights Policies and Procedures)*.

The central element of our Compliance Management is the Heimbach Code of Conduct, which, together with other guidelines (e.g. Whistleblower Policy), serves as binding guidance for our employees. The Compliance Committee and Compliance Management check that the guidelines are up to date and adhered to and offer the opportunity to report violations via the whistleblower portal. Specifically, our guidelines contain the following main topics:

**Code of Conduct:**

- Commitment of the management to compliance
- Basic understanding
- Socially responsible corporate governance
- Management and employees
- Implementation of the Code of Conduct

**Guideline Compliance:**

- Compliance Management
- Compliance Organisation
- Compliance Process
- Implementation of the Code of Conduct

**Whistleblower Policy:**

- Scope and purpose
- Compliance Organisation
- Reporting of suspicious cases
- Investigation process

**Anti-Corruption Guideline:**

- Definition and purpose of the guideline
- Situation description
- Violations and consequences
- Rules and prevention of corruption

We use a digital training tool to instruct all employees involved in the operational business on an annual basis, thus ensuring the greatest possible commitment and supporting them in acting sustainably and in accordance with the rules. In 2021, all trade representatives signed the CoC. For 2022, we are aiming for every employee of the Heimbach organisation and all sales agencies to be instructed annually on our compliance guidelines via the digital training tool.

Our risk management and internal and external audits round off our compliance management. The current reporting documents our values, measures and goals. Above all, every individual at Heimbach agrees to respect our principles.

"We meet the challenges of our time by integrating compliance and sustainability into all areas of the company as part of our Corporate Strategy, conserving resources and acting in accordance with the rules."

Stefan Körfer, Compliance & Sustainability Manager

**Standards for Business Partners**

Our active Standards for Business Partners underwent a fundamental revision in 2022. They are the basis for our business relationships. Looking ahead, the German and EU Supply Chain Satisfaction Act, the CSRD (Corporate Sustainability Reporting Directive) and EU taxonomy will provide additional transparency and demand compliance from all parties involved in the supply chain. Good and effective compliance management creates transparency, commitment and trust.

<https://www.heimbach.com/en/heimbach-group/downloads>

**Compliance Report 2021**

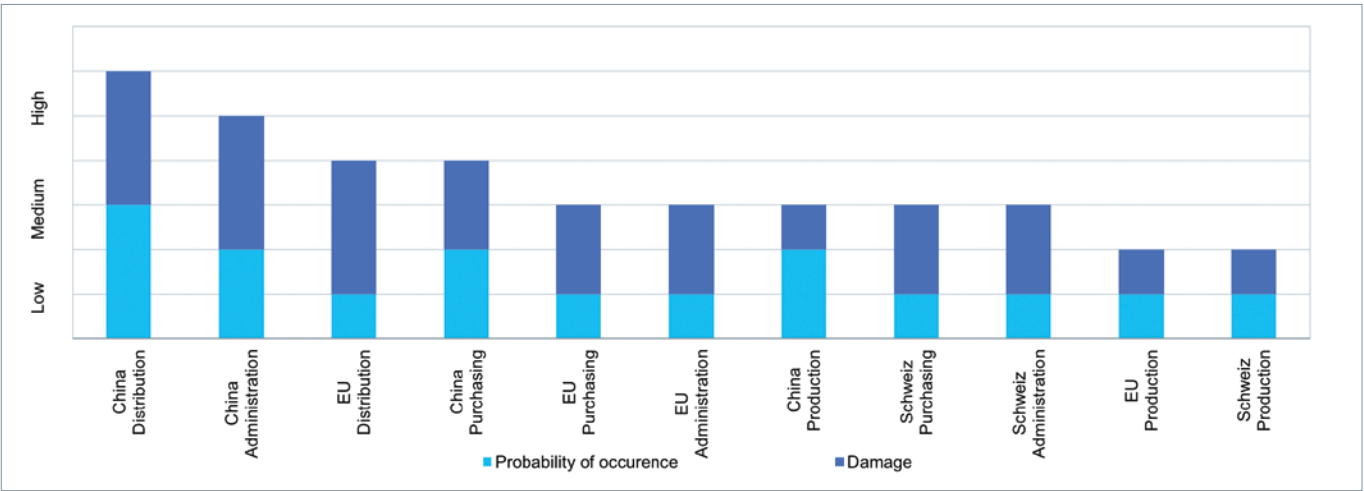
**Anti-Corruption**

Preventing corruption is a vital concern for Heimbach. Particularly in the "Textile" segment (according to EcoVadis, Heimbach is grouped under "Other technical textiles"), the topics of corruption and internal security are an essential audit component. We live up to our responsibility by carrying out targeted audits by means of risk assessment and have established a corresponding reporting system.

**Corruption risk assessment**

*(GRI 205-1 Sites audited for corruption risks)*

The following risk assessment was renewed and fully confirmed in February 2022.



In 2018, a risk assessment was prepared on the topic of corruption by region and group according to the CPI (Corruption Perceptions Index). This will also serve as a basis for developing preventive measures in the future.

Heimbach differentiates internally between the departments and assesses the extent to which they are exposed to a risk of corruption - e.g. sales is assessed here with a higher risk than production. Finally, an assessment of the potential damage to Heimbach is derived from the turnover achieved per region. With the help of this comprehensive analysis, the risk assessment for the Heimbach Group is carried out. This is used as the basis for preventive measures.

**Internal audits of the Heimbach sites**

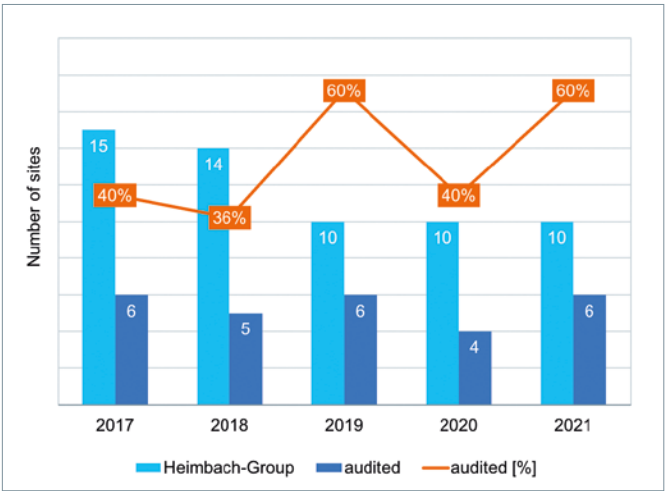
In accordance with our objective, at least 50% of all Heimbach sites are audited annually by the management with regard to our compliance guidelines. In 2021 these were:

- Heimbach Fabrics (Suzhou)
- Heimbach Ibérica S.A (Spain)
- Heimbach Switzerland (Switzerland)
- Heimbach Specialities AG (Belgium)
- Industrie Tessili Bresciane (Italy)
- Marathon Belting (England)

Due to the pandemic, four audits were carried out digitally in 2021. This means that 100% of the sites have again been audited in the last two years.

No significant deviations and no fundamental new risks were identified in the audits carried out.

**Number of audited sites**





Whistleblower Process

In our continuous improvement process, we constantly keep ethical issues and the Code of Conduct in mind. Every employee is encouraged to report relevant suggestions and violations. This can be done through direct supervisors. If this route seems unsuitable to the employee, he or she can also use the Whistleblower Process. For special issues, e.g. lack of equal treatment, there are also separate contact persons (AGG officers) who are obliged to maintain confidentiality. The Whistleblower Process implemented at Heimbach was thoroughly reviewed in 2021.

In 2021, there were two incidents that were reported via the Heimbach whistleblower portal. The incidents were subject to a thorough internal as well as external investigation. Appropriate measures were taken.

Guideline Sanctions / Sanctions List Check

At Heimbach, all business partners are subjected to a sanctions list check in accordance with the applicable EU regulations before a contract is concluded, i.e. before a binding offer is submitted/accepted. The "Sanctions-Russia" guideline, which was developed in response to current events, provides all persons acting within the company with additional procedural instructions appropriate to their tasks.

Data Protection and Information Security

Knowledge and information represent a decisive value for our company. Our procedures and techniques as well as knowledge about our customers and employees are reflected in endless data and documents. It goes without saying that security in information technology and communication as well as the protection of personal rights are part of our corporate code of conduct. Our corresponding processes are in line with the requirements of data protection. Personal data is processed in accordance with the EU General Data Protection Regulation (DSGVO).



The information security measures of the Heimbach Group are documented in the IT Security Policy and take into account national and industry-specific regulations. The fundamental security strategy is geared towards protecting Heimbach's intellectual property as well as the business secrets of company partners and employees - be it from theft, loss, unauthorised disclosure, unlawful access or misuse.

Every employee is obliged to follow the legal regulations of his or her country and the instructions of this policy. Legal regulations always take precedence here. Violations of applicable law or of this policy that endanger the security of data, information, applications, IT systems or our network must be reported to the supervisor immediately. Whether intentional or caused by gross negligence is irrelevant. Regular information dissemination and training sensitise employees to data protection and information security. Knowledge must be continuously updated and passed on.

In order to meet the demands of the rapidly changing world in the area of data protection and to ensure that Heimbach complies with all necessary regulations, contracts were concluded with an external data protection officer in 2021.

The basic features of the already existing data protection organisation have been revised. Internal responsibilities have been assigned. The works council is actively involved in relevant topics. Goals have been defined and the essential aspects of the company's organisation that need to be regulated from a data protection perspective have been addressed by guidelines.

Self-auditing processes have been established. Employees as well as third parties involved in the company, such as working students or freelancers, are obliged to maintain confidentiality and data secrecy. E-learning is used to raise awareness of data protection issues.

"Data protection is, besides the legal-ethical obligation, an investment in one's own competitiveness as well as in customer loyalty and reputation towards authorities, customers and employees."

Markus Leroy, Data Protection Coordinator

The system topology created provides an overview of systems, data categories and storage locations. Categorisation according to confidentiality levels will take place by the end of Q1/2023. The documentation of processing activities has been started and should be completed in 2022.

The basic technical and organisational measures for the implementation of the GDPR requirements have been documented; a differentiation according to locations or company divisions is in progress with the goal of 2023.

The immediate information of the data protection and information security team (DIT) about enquiries from data subjects as well as about identified or possible data protection violations is ordered by a directive yet to be published. Process diagrams on data protection violations and requests for information will support the DIT in its work.

New goals Heimbach - Data Protection 2022

- No reportable data breaches  
*(GRI 418-1 Substantiated complaints related to breaches of customer privacy and loss of customer data).*  
(2019 = 0; 2020 = 0; 2021 = 0)
- Implementation of all short-term recommendations for action by our Data Protection Officer
  - Communicate all guidance and policies
  - Investigation of all third-party services
  - Analysis of our website and creation of a complete and content-appropriate privacy policy

IT Security

Storing and processing data contributes significantly to the smooth running of our business. Protecting this data is extremely important to us.

Digitalisation and networking are advancing all the time. In addition to all the advantages, the dangers to our data are also increasing at the same time, and with them the requirements for their protection. We are aware of this growing responsibility and adequately secure our IT infrastructure. We regularly check all technical and organisational measures. Whatever needs to be adapted to current circumstances is done by us immediately. This applies not only to our systems, but also to the further training and sensitisation of our employees.

With regard to the 2020-2022 reporting period, our IT security continues to be rated positively in an increasingly tense security situation worldwide. Despite the publication of some major security breaches such as Log4J and Microsoft Exchange Server, Heimbach was spared any IT security incidents.

Since August 2021, the Heimbach Group has also been using an awareness training system on IT security in addition to many technical tools such as virus and malware scanning, attachment filtering

and sender checks. This platform provides users with low-threshold training in the use of IT hardware and software, gives tips on how to behave and explains common scenarios of threats in the IT environment. Constantly new and interestingly prepared content ensures a high acceptance and participation rate. The simulation carried out with test mails showed a comparatively low click rate of 8.3% already in the first year. The goal is to further reduce this rate and bring it below 5%. Every click is a security risk!

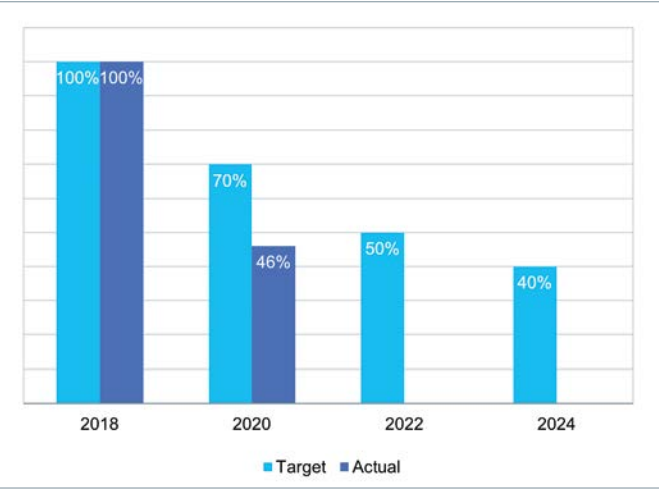
The participation rate in the training offered is 57% after 9 months, which is a good value compared to other companies.

The next step is to introduce an obligation to complete selected basic modules by the end of 2022 to ensure a target achievement level of 75%.

A new penetration test to check the security of all IT systems at the Düren site is scheduled for Q4/2022. An external service provider has been commissioned to check all IT systems that can be accessed via the internet for vulnerabilities according to a test plan that was already defined in 2020. These vulnerabilities will then be remedied in the short term. Subsequently, an attack by an intruder who has gained access to the internal network is also simulated. Here, each system is checked for the presence of already known security vulnerabilities, and in addition, password security is tested by attacking individual accounts.

These penetration tests were already carried out in 2018 and 2020. The goal was to reduce the number of vulnerabilities found by 30% within two years. The result of the test conducted again in 2020 showed a reduction of 54%. The number of vulnerabilities found that were classified as very critical was reduced from 444 in 2018 to 303 in 2020.

Security recommendations



It should be noted here that these are mostly not old, unaddressed security advisories, but largely newly published vulnerabilities.

Outlook IT Security 2022

Since the beginning of May 2022, the WLAN is being expanded in production. The aim is to provide stable and secure coverage to all areas that have not yet been connected. Access to the Heimbach WLAN is secured via radius authentication. A logically separated guest network (VLAN separation, IP separation) is available for guests and can only be used with a login via a token. Access to the Heimbach internal network is thus not possible.

The project to physically separate the production network from the administration network will be resumed and started in Q4/2022.

Further projects such as intrusion detection and intrusion prevention are planned for the future.

External audits

Due to the Corona pandemic, no on-site customer audits were conducted in 2021. However, as in the previous year, a lively digital exchange on the topic of sustainability took place with various customers in 2021.

Customer audit

One of our Group customers conducted a "Supplier Sustainability Audit" at Heimbach in Düren in May 2022. We were happy to answer the extensive catalogue of questions about quality / hygiene, health and safety / business continuity / production / performance reports / the environment and sustainable development. It was with some pride that we were able to accept a rating in the top 25%.

DINO

For external confirmation of Heimbach's sustainability performance, we successfully completed a third-party audit in 2021 and received the corresponding certificate from the German Institute for Sustainability and Ecology (DINO).

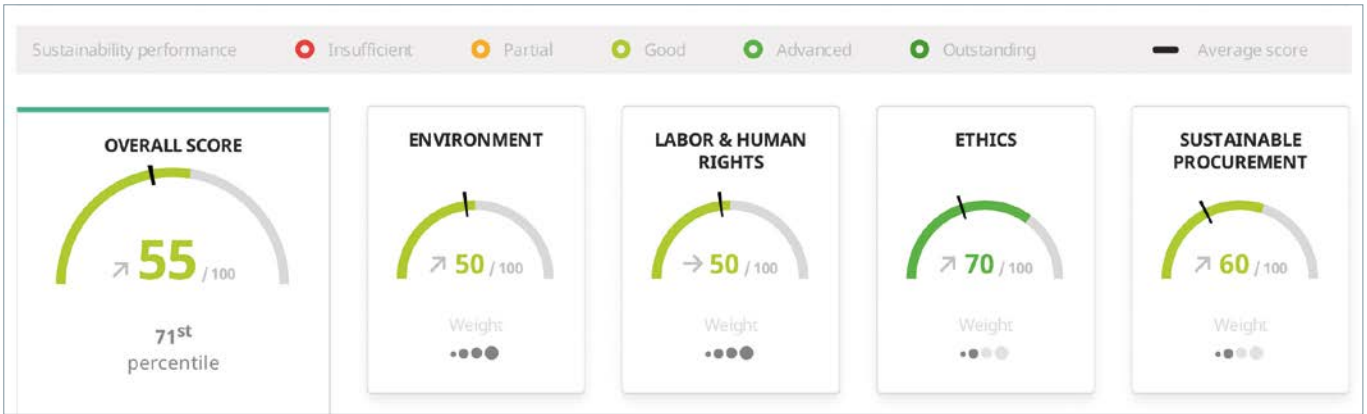


Compliance Check VIV

In May 2022, the Compliance Officer of the VIV (Vereinigte Industrie Verbände) carried out a "Compliance Check" at Heimbach in Düren. The company's own compliance guidelines were checked for internal plausibility and basic requirements for a compliance organisation, and optimisation proposals were made. The guidelines cover sustainability aspects as well as ethical requirements.

Ecovadis

An assessment was initiated again in 2021 via the internet portal Ecovadis. The criteria assessed included Ethics, Labour and Human Rights, Environment and Procurement. We achieved 55 out of 100 points - and are thus clearly above average in the assessment group "Other technical textiles". The goal for 2022 is a score of 60 points, ideally even higher. To achieve this, we will work even more intensively on the requirements of EcoVadis in order to better map the existing processes on the platform. In addition, we will derive a plan for further process improvement for 2023.



Ecovadis Scorecard 2021

Labour and Human Rights



Policy

It goes without saying that Heimbach complies with legal regulations and collective agreements. Training and further education of our employees is particularly important to us. The same applies to maintaining and promoting the health of our workforce. After all, our employees are our most important asset. *(GRI 403-8 Employees covered by an occupational health and safety management system).*

In our sustainability report, we address the following Sustainable Development Goals in detail:

- Quality education
- Training and workplaces suitable for people with disabilities

Labour Law

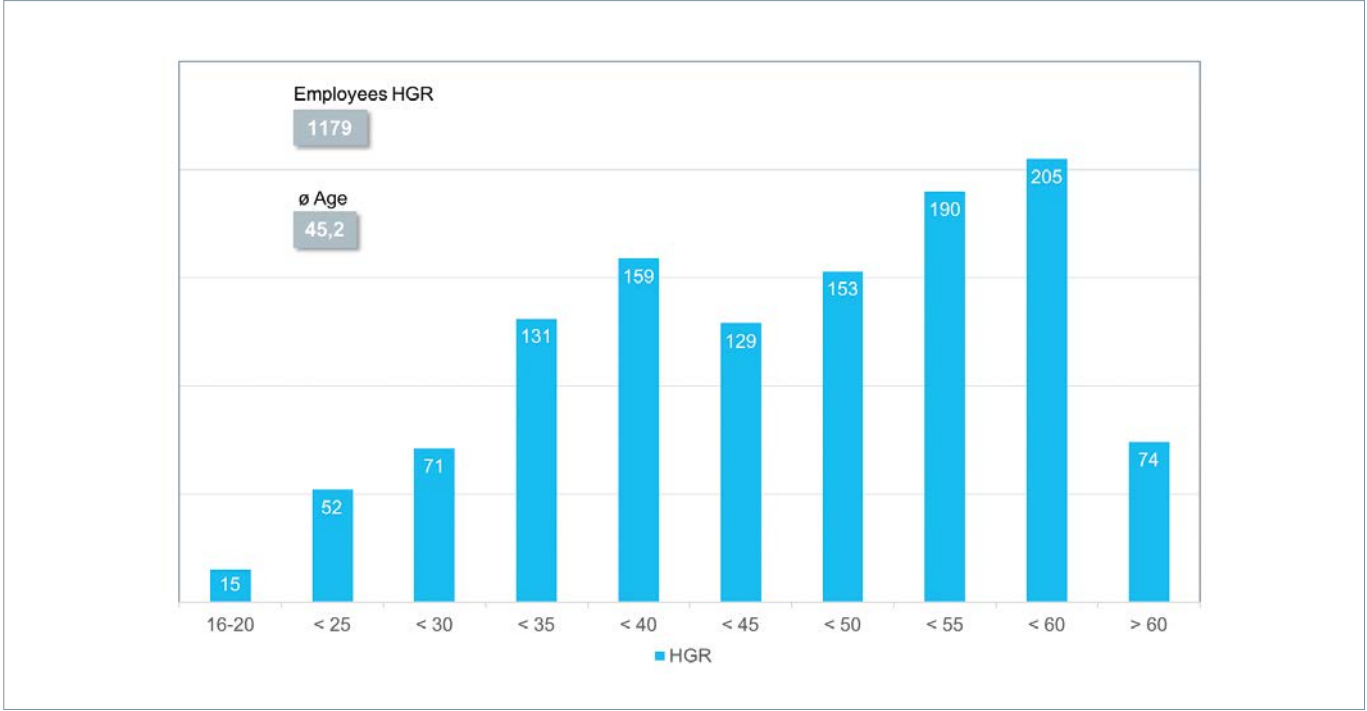
At Heimbach, every employee receives an employment contract. We also conduct regular individual interviews with all employees. In this way, we give feedback on their performance and make joint agreements for the following year (goals, training, development). This dialogue provides an opportunity to give feedback. There is a recurring, documented exchange between employer and employee.



People of all ages work at Heimbach. In this way, we ensure an exchange between experienced and inexperienced colleagues and make sure that as much knowledge as possible is passed on to

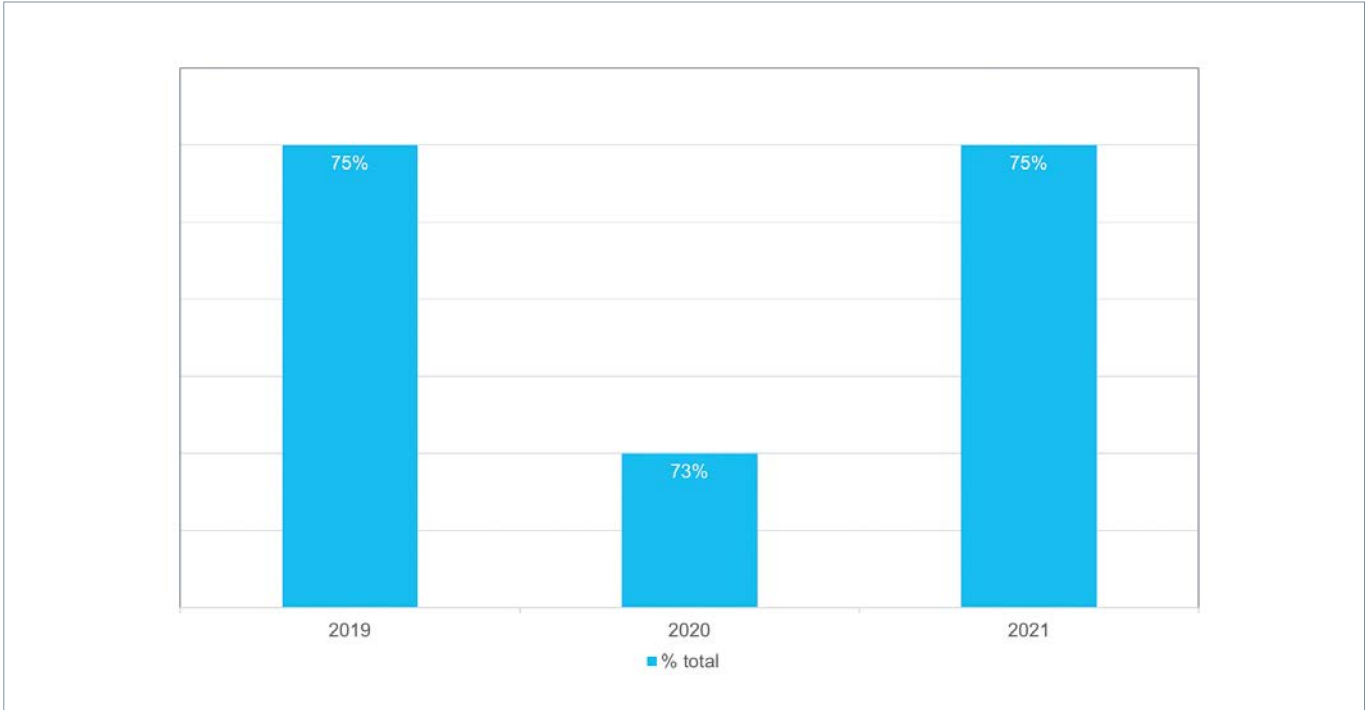
successive employees. In addition, we offer regular further training. In this way, we not only preserve experience, but also expand it with new knowledge.

Age structure of the Heimbach Group



Employee reviews conducted

(GRI 404-3 Percentage of employees receiving regular performance and career development reviews)

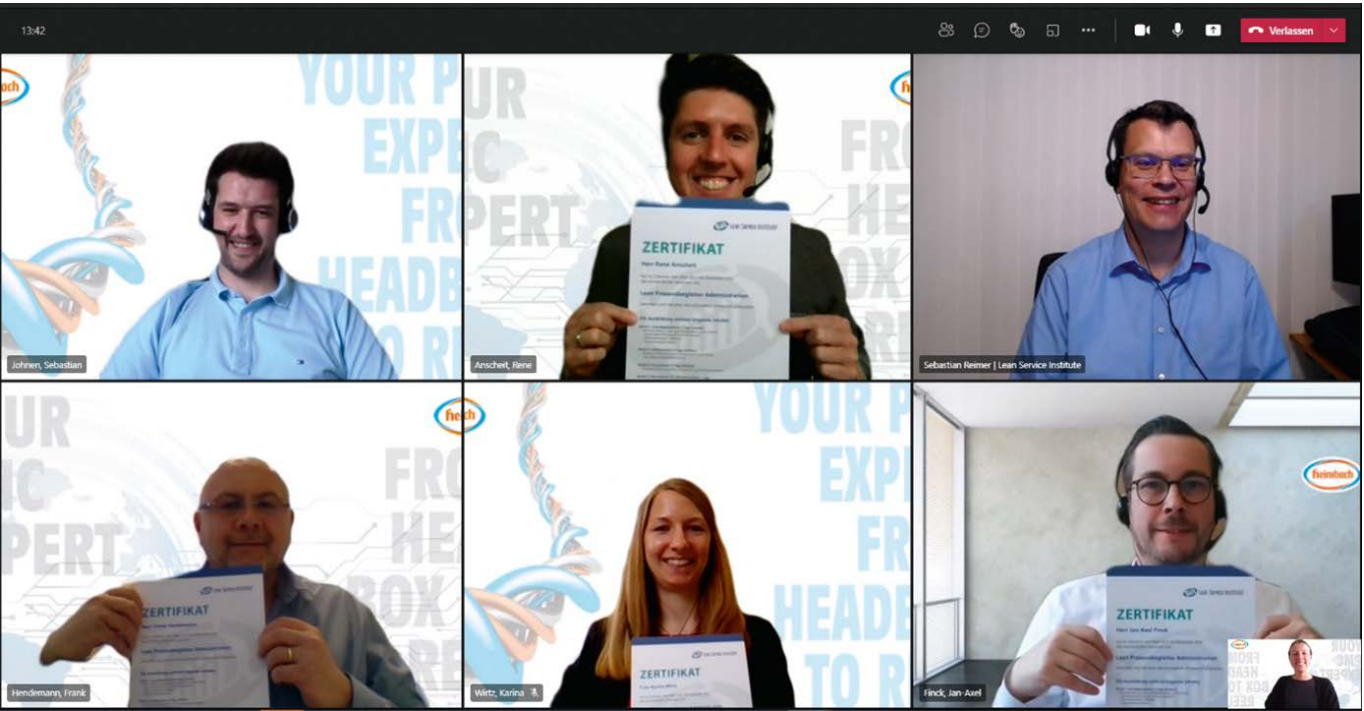


In 2021, we conducted appropriate interviews with 75% of our and industrial/technical employees. Our goal is to have annual

documented interviews with each employee.

Continuing education Heimbach Düren in times of pandemic

(GRI 404-2 Programmes to improve employee skills and transitional support)



Human Right

Good training is the basis for professional success. We have always lived up to this responsibility. We provide training in numerous professions, both in the commercial and industrial-technical areas. Many of our trainees continue their careers in the company. Heimbach is one of the largest training companies in the region and enjoys an excellent reputation. We offer internal lessons that reinforce the subject matter of the vocational school and create the basis for a successful graduation. Our trainees regularly achieve very good exam results and are awarded by the Chamber of Industry and Commerce as state and national best.

Our goal is to increase the percentage of apprentices to 5% again in the future. In this way, we fulfil our social obligation to offer young people a foundation for their professional careers. At the same time, we ensure that we are well equipped to face demographic change through needs-oriented training.





Heimbach Works Council

(GRI 102-41 Collective agreements)

In addition to economic action, a healthy balance between pay and performance, aspiration and appreciation, employer and employee interests is crucial for long-term corporate success.

At Heimbach, an active works council helps to maintain this balance. At the Düren site, it consists of 11 members.

The works council serves as a mediating body between the employer and the employees, whereby it stands up for the interests of the employees. It answers legal and statutory questions and is also available for private matters.

As provided for by the Works Constitution Act, the works council is responsible, among other things, for all issues relating to co-determination, equal treatment and the reconciliation of work and family life. In cooperation with the collective bargaining parties, i.e. the employers' association and the trade union, the works council has the task of campaigning for good work and fair pay. It ensures that employees are correctly graded and has a say in determining working conditions - starting and finishing work, break times, overtime, on-call duty, part-time work, flexitime, mobile working and much more. Very important: the works council must be consulted before any dismissal.

"The works council is obliged to work together with the employer in a spirit of trust for the benefit of the employees and the company (§ 2 BetrVG)."

This trust exists at Heimbach. Here, employer and employee meet as equals. Labour court action has therefore always remained the exception. Although the different positions - economic management of a commercial enterprise on the one hand, representation of the interests of the workforce on the other - almost inevitably result in different negotiating positions, viable solutions can and have been found for both sides in conflicts.

Listening to the concerns of all employees is part of the Heimbach works council's self-image. In this sense, there is not only the works council itself, but also a youth and apprentice representation (JAV), which especially looks after the young colleagues, as well as a severely disabled representation (SBV), which monitors the laws, ordinances, collective agreements and company agreements applicable to severely disabled people and concludes inclusion agreements.

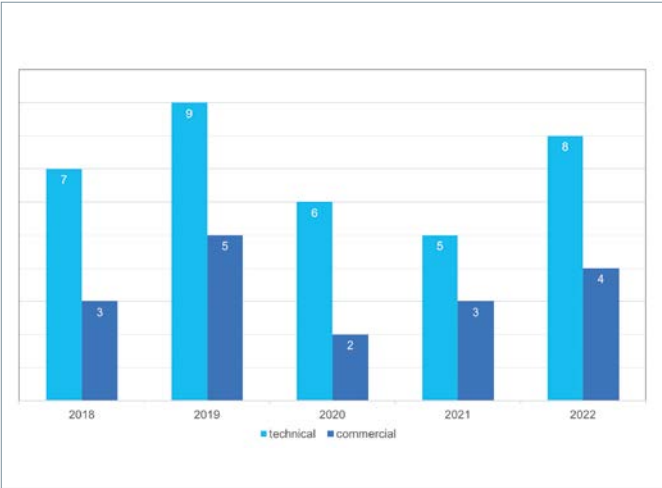


"For me personally, it is a very challenging but also pleasant task to be involved as chairman of this Works Council and to always have an open ear for the entire workforce. It is a task that I face with passion every day."

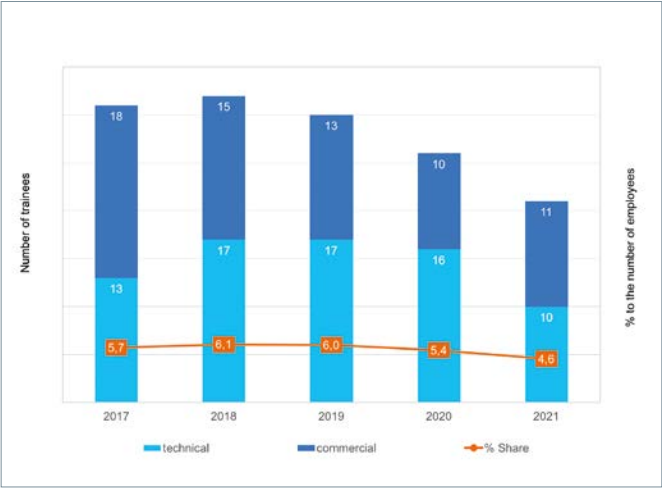
Dirk Steiger, Works Council Chairman

Newly hired apprentices per year

GRI 401-1 Newly hired employees and employee turnover)



Trainees in relation to the number of employees

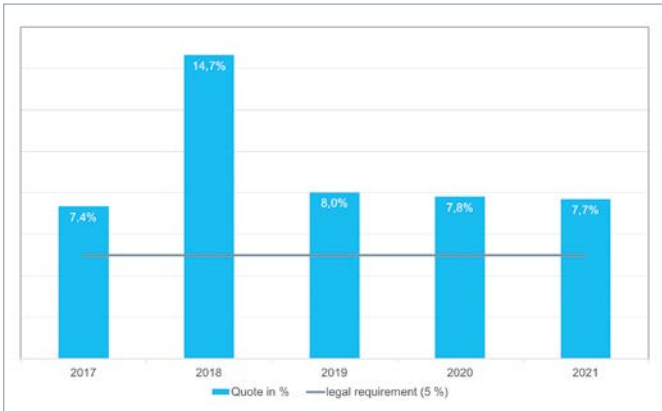


Heimbach offers opportunities true to the motto "from trainee to authorised signatory". After their apprenticeship, our employees are given further training, for example to become a specialist merchant, technician or engineer. In this way, we guarantee qualified junior staff in the long term.





Employment of severely disabled employees - Heimbach Düren



We also create jobs for people with physical disabilities. We are in contact with the authorities, e.g. to adapt operating equipment to the special needs and limitations of individual employees. In this way we create, promote and maintain their employability in working life. Fulfilment of the legal requirements is our minimum standard.

In 2021, 34 severely disabled people were employed. This results in a quota of 7.7%.



Diversity and Equal Opportunities

(GRI 405-1 Diversity in supervisory bodies and among employees)

Heimbach wants to utilise the potential of female and diverse employees in management positions and, to this end, continuously develop their quota to more than 30% by 2030. We define management positions as all employees with authority to issue directives.



Heimbach representative body for severely disabled employees

The Severely Disabled Representation (SBV) represents the interests of the employees vis-à-vis the employer who are severely disabled or of equal status. It monitors compliance with the company's rights and obligations towards disabled employees.

The SBV has a wide range of tasks: it advises on all matters related to possible handicaps, provides support when applying for a degree of disability (GdB) and when appealing against decisions by the authorities. At the request of employees, the SBV participates in staff appraisals, discussions with the company doctor or in the company integration management (BEM) procedure.

The SBV is also responsible for applying for financial assistance from the equalisation levy.

These subsidies are used, for example, to purchase aids for workplaces:

- Various lifting aids for employees with disabilities
- Telephone exchange workstation suitable for the blind
- Conversion of a forklift truck for employees with limited mobility
- Adaptation of a PC workstation for a visually impaired colleague

Health Protection

(GRI 403-2 Hazard identification, risk assessment and incident investigation) (GRI 403-3 Occupational health services) (GRI 403-6 Promoting employee health)

Only healthy employees can perform at full capacity. With our health protection, we aim at a continuous reduction of the sickness rate and offer all employees a comprehensive health management. For example, at the Düren site we have our own first-aid station with a company doctor who carries out compulsory and special examinations as well as consultations on business trips, including the relevant vaccinations. Staff can donate blood twice a year at the company and can be vaccinated against influenza on a voluntary basis.

The implementation of company integration management is also part of our standards. Participation in health courses and visits to the gym are subsidised. We promote exercise by offering bicycle leasing and have set up a company fitness room. We also run health circles in various departments. An on-site physiotherapist assesses each individual's workplace and treats them at company expense if necessary. In this way, we are constantly improving the health conditions at our workplaces and work processes.



"Representing the interests of disabled people, both in a professional and private context, is a matter close to my heart."

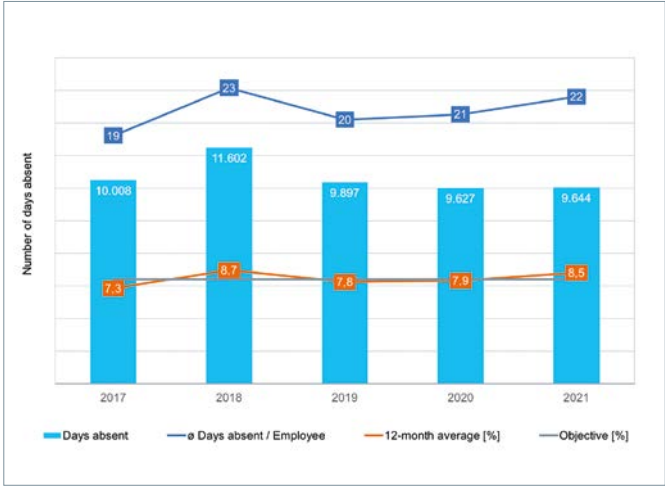
Michael Mohr, Representative for the Severely Disabled

The years 2020 and 2021 were strongly influenced by the Corona Pandemic. Through a variety of measures, however, we managed to ensure that operational processes were never jeopardised. Employees were regularly informed about the current situation and changing measures through a Corona ticker. The company continued to react with stricter hygiene and access rules and promoted the increased use of mobile work. A major focus was on offering and delivering initial and booster vaccinations. Although we experienced an increase in sickness absence, the consistent implementation of all protective measures enabled us to continue business as usual.

Absence due to illness - Heimbach Group

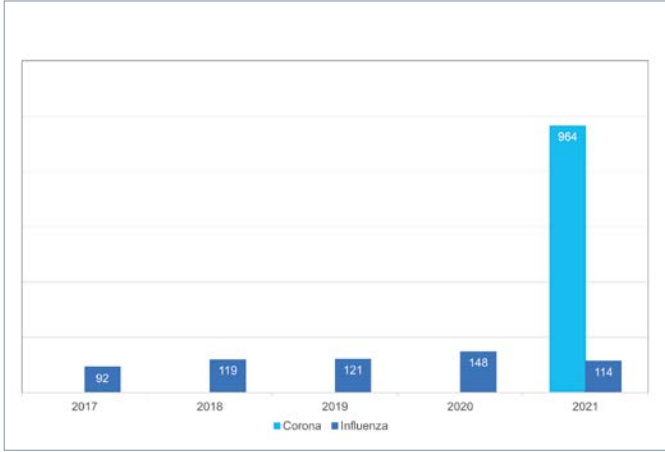


Absence due to illness - Heimbach Dören



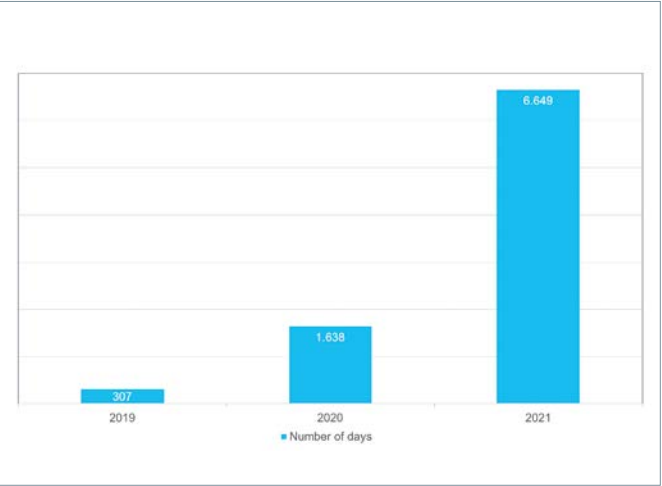
Our goal is to permanently reduce the 12-month average to below 8%.

Influenza & Corona vaccinations  
(GRI 403-6 Promoting Employee Health)

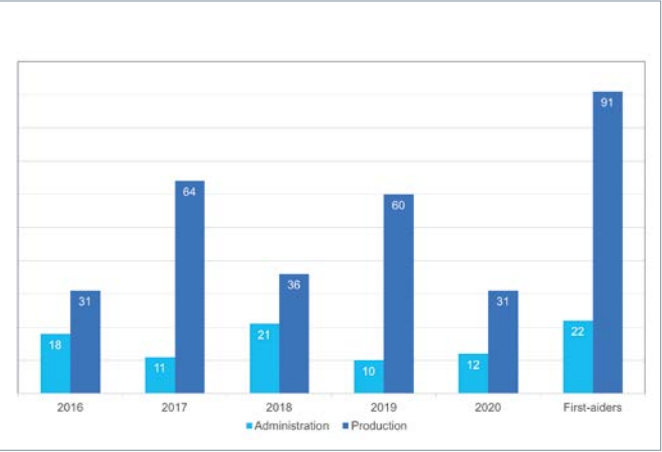


In case of medical emergencies, quick action is required. To this end, we regularly train our employees in first aid by external, qualified specialists. We significantly exceed the legally required number of trained first aiders. [GRI 403-5 Employee training in occupational health and safety](#) In the future, we will continue to strive to exceed the legal requirement for qualified first aiders.

Promotion of mobile work



Participants in first-aid training

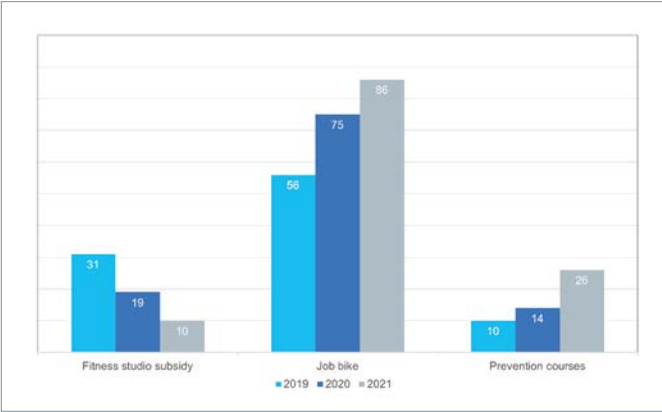


Heimbach's efforts in health and safety at work are enormous. Our company doctor and our safety specialists are on duty more than three times longer than required by the Employer's Liability Insurance Association.

We maintain and promote the health of our employees with various offers. Among other things, we subsidise gym membership, offer bicycle leasing and prevention courses such as back training.

Use of health services

(GRI 403-3 Occupational health services)  
(GRI 403-6 Promoting employee health)

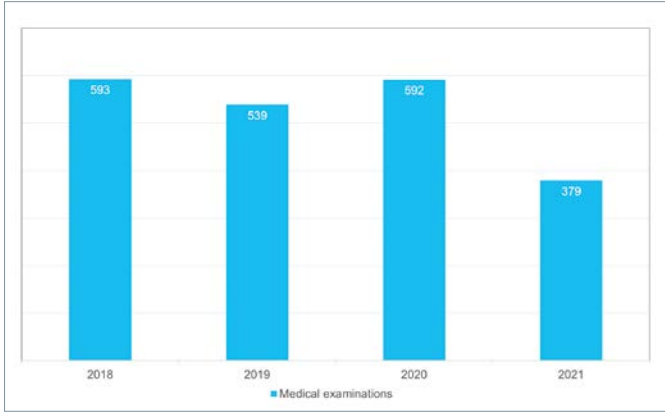


Summary of the most important

goals regarding labour & human rights:

- 1 appraisal interview / employee and year
- Trainee rate > 5%
- Severely disabled rate > 5%
- Female/diverse staff in management positions > 30% by 2030

Examinations carried out in the medical station



We conduct various preventive medical check-ups in our medical station, e.g. hearing and eye tests. Employees with driving, steering and supervisory activities also regularly attend here. Due to corona, many examinations could not be carried out as usual in 2021.



"Observing labour and human rights, offering training and development opportunities, creating a balanced employee structure, maintaining and promoting the health of our employees: This is what we work for every day!"

Christian Jolk, HR Management

# Work Safety



## Occupational Health and Safety Policy

**Culture of prevention** *(GRI 403-1 Occupational health and safety management system) (GRI 403-8 Employees covered by an occupational health and safety management system)*

Healthy employees are essential for the performance and economic success of our company. A safe working environment is an important factor for the motivation and satisfaction of the workforce. Our goal is to protect employees from accidents and work-related illnesses and to design workplaces in a healthy manner. All corresponding measures are based on compliance with valid laws, ordinances, standards, the DGUV regulations and the internal instructions applicable at Heimbach. We work in accordance with DIN ISO 45001.

Occupational Health and Safety is a common concern of the management, all employees, external companies and visitors.

### Occupational Health and Safety Organisation

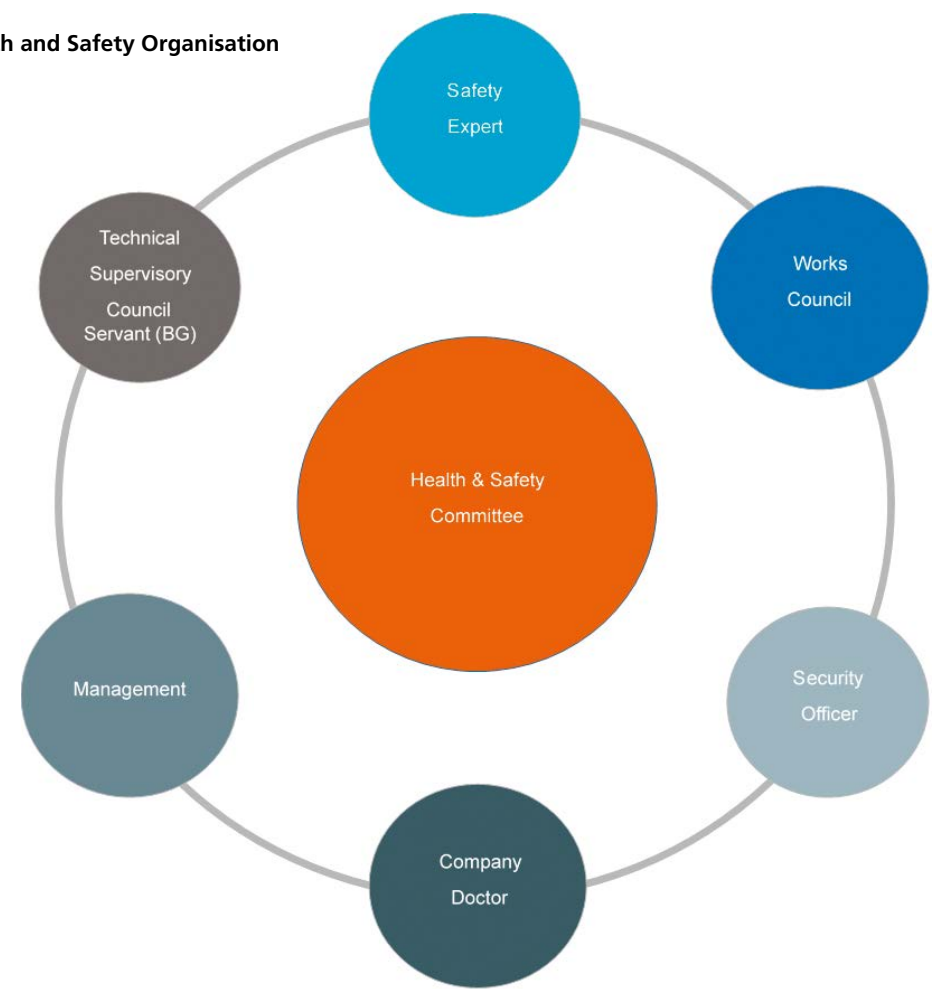
*(GRI 403-1 Management system for occupational health and safety)*

Heimbach employs a full-time occupational safety specialist. This is supported by 22 safety officers from the various work areas. Representatives from the various specialist areas of radiation protection, fire protection, laser protection and a company doctor complete the organisation. The central task of all of them is to provide advice and support on occupational safety issues. This may be vis-à-vis the company management or those responsible for the respective work areas.

The Occupational Health and Safety Committee meets **four times** a year to discuss current developments and issues. The measures adopted in this circle are documented and implemented within the set deadlines. The safety specialists of the individual branches report **monthly** on incidents and discuss preventive protective measures, which are recorded centrally. Every **two years**, a two-day topic-specific workshop is held with all safety specialists on a current topic.

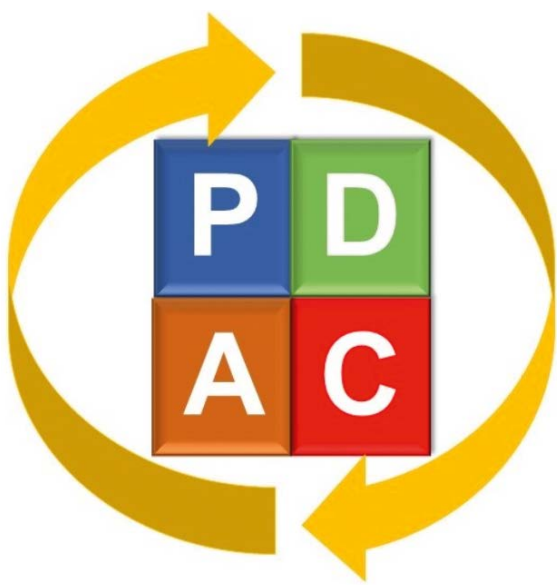


Occupational Health and Safety Organisation



Our goals

- Ensuring safety-compliant work equipment according to the state of the art *(GRI 403-02 Hazard identification, risk assessment and investigation of incidents)*
- Avoiding hazards to life and health. In doing so, we act according to the **STOP** protection principle *(GRI 403-2 Hazard identification, risk assessment and investigation of incidents)*:  
**S** for substitution  
**T** for technical protective measures  
**O** for organisational protective measures and  
**P** for personal protective measures
- Human-centred design of workplaces and work equipment to ensure ergonomics *(GRI 403-6 Promoting worker health)*
- Continuously improve occupational safety and health by applying management methods according to the **PDCA** cycle (**P**lan, **D**o, **C**heck, **A**ct) *(GRI 403-2 Hazard identification, risk assessment and incident investigation)*
- Appropriate conditions in the working environment (e.g. climate, lighting, noise protection) *(GRI 403-6 Promoting employee health)*
- Personal protective equipment (e.g. safety goggles, safety shoes, hearing protection) unless hazards are preventable by technical or organisational protective measures *(GRI 403-2 Hazard identification, risk assessment and incident investigation)*
- Avoid overexertion of our employees *(GRI 403-6 Promote employee health)*
- Organise first aid as part of effective emergency preparedness *(GRI 403-3 Occupational Health Services)*
- Make changes visible to all employees and inform them promptly about events. This is done using our Lost Working Time (LWT) and Accident Rate (AR) indicators, as well as through internal notices in work areas *(GRI 403-04 Employee participation, consultation and communication on occupational safety and health)*



Occupational Health and Safety Management

*(GRI 403-1 Occupational safety and health management system)*  
The continuous improvement of occupational health and safety is a central task for Heimbach. To this end, we analyse our processes according to the PDCA cycle. Below we show a representation of the sub-components and the resulting implemented measures.



**We determine risks and opportunities, evaluate them and define the necessary occupational health and safety objectives and processes.**

The implementation of **hazard analyses for activities** and the **risk analysis of work equipment** are central tools here. Risks are calculated using a matrix and identified safety deficiencies are remedied according to STOP priority. The occupational safety specialist reports monthly to the management on the project status and necessary adjustments in the event of legal changes.

Specific procedures are defined:

- in visitor management for external companies *(GRI 403-7 Avoidance and minimisation of occupational safety and health impacts directly related to business relationships)*
- in the Occupational Health and Safety Procedures *(GRI 403-04 Employee Participation, Consultation and Communication on Occupational Health and Safety)*

- in the fire safety concept and regulations *(GRI 403-2 Hazard identification, risk assessment and incident investigation), (GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- in radiation protection instructions *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- in emergency management *(GRI 403-2 Hazard identification, risk assessment and incident investigation)*
- in operating instructions for work equipment/ hazardous substances *(GRI 403-04 Employee participation, consultation and communication on occupational safety and health)*



**We implement protective measures according to the identified risks.**

In order to prevent accidents, all employees are trained annually in the occupational, fire and radiation protection topics relevant to them. The training is documented in a training protocol. For the safe handling of work equipment and hazardous substances, operating instructions are prepared and posted in the work area for everyone to see. Employees with control activities in internal transport (e.g. crane systems, industrial trucks, lifting platforms) are additionally qualified in theory and practice.

Other relevant organisational measures are:

- Newsletter, internal monthly communication *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- Electronic instruction system SAM *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- Hygiene training *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- Development of company-specific instructions *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*
- Posting of notices, safety signs *(GRI 403-4 Employee participation, consultation and communication on occupational safety and health)*

- First aid training [\(GRI 403-3 Occupational health services\)](#)
- Qualification and training of officers  
[\(GRI 403-4 Employee participation, consultation and communication on occupational safety and health\)](#)
- Occupational safety and health screensaver  
[\(GRI 403-4 Employee participation, consultation and communication on occupational safety and health\)](#)
- Processing occupational safety and health projects



**We review or evaluate activities and processes with regard to our occupational safety and health policy and objectives.**

We record the current status in weekly or monthly workplace inspections by supervisors, employees and members of the "Occupational Health and Safety Working Group". Topic-specific checklists support us in this assessment. Deviations from the target state are recorded and appropriate measures for improvement are defined. In order to shed more light on the interaction of different work processes, we carry out situational activity analyses. Here, the workflow is observed over a longer period of time. This provides us with information about necessary adjustments. Every employee is called upon to report any deficits or potential for improvement identified by means of a so-called idea card. [\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)

Reporting on current incidents (accidents at work and on the way to and from work) takes place monthly in fixed-schedule meetings with the management and the safety experts at all sites. The deficiencies identified in the course of the incident investigation are promptly remedied, documented and communicated via notices. In this way, incidents involving similar hazards can be prevented.

**Occupational safety check at a glance:**

- Regular departmental inspections (with supervisors)  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Situational activity analysis [\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Radiation and fire safety inspections  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)

- Incident investigation (accidents, near misses)  
[\(GRI 403-9 Work-related injuries\)](#)
- Inspection of gas equipment, cooling lubricants  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Quarterly occupational health and safety committee meeting  
[\(GRI 403-4 Employee participation, consultation and communication on occupational health and safety\)](#)
- Group-wide reporting  
[\(GRI 403-4 Employee participation, consultation and communication on occupational safety and health\)](#)
- Addressed in departmental meetings
- Non-radioactive basis weight measurement system  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Risk analysis snow load/earthquake  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Expansion of plant fire protection - area-wide sprinkler system production [\(GRI 403-2 Hazard identification, risk assessment and investigation of incidents\)](#)
- Anchor points PPE against falls from a height [\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)
- Noise prevention (technical noise protection)  
[\(GRI 403-2 Hazard identification, risk assessment and incident investigation\)](#)

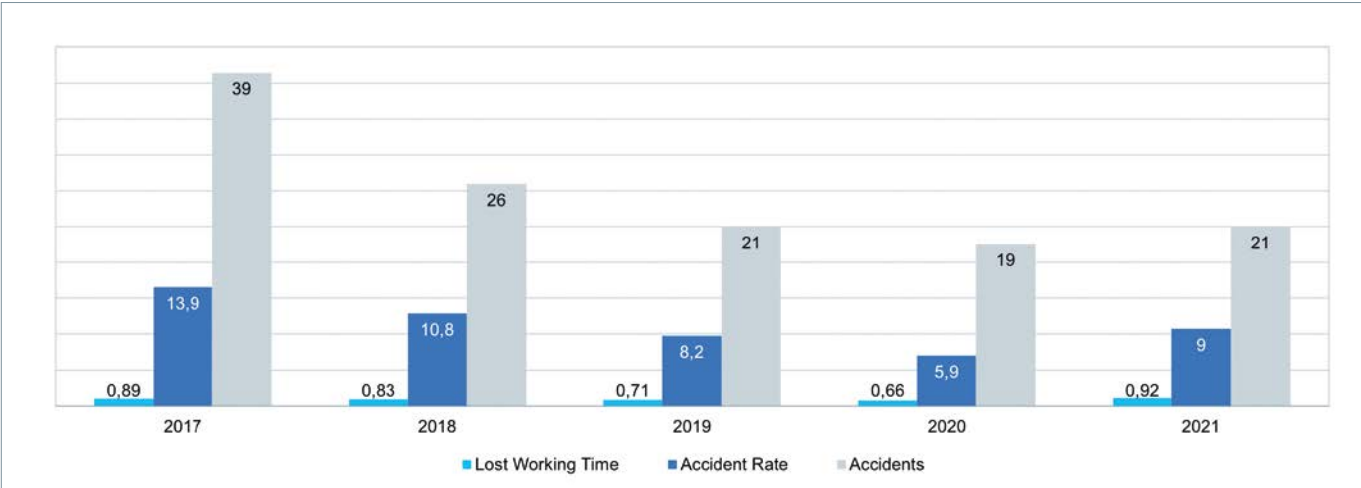


**We reflect on processes, structures and results. And thus continuously improve our occupational health and safety.**

- Legal changes are reviewed every six months and implemented where relevant [\(GRI 403-1 Occupational health and safety management system\)](#)
- Our occupational safety and health is documented in the annual report and fields of action are defined for the coming year  
[\(GRI 403-4 Employee participation, consultation and communication on occupational safety and health\)](#)
- Incidents are statistically recorded, documented and circulated through various communication channels (notices, newsletters, intranet). The standardised indicators (lost working time, accident rate) enable a comparison of the Heimbach sites [\(GRI 403-9 Work-related injuries\)](#)

We aim for an Accident Rate <10.

**Heimbach: Lost Working Time (LWT)/Accident Rate (AT)/Accidents**



"Only those who think safety-consciously will act safety-consciously!"

Herbert Faßbender, Occupational Safety Specialist



# Environment

## Politics Environment

Heimbach's economic and ecological sustainability is greatest when not only profit and growth are taken into account, but especially the requirements of future generations. We are particularly committed to the environment, nature and the conservation of resources.

We have formulated our environmental policy together with the management. It is the basis for implementing a context-based environmental management. The principles of action are binding for all employees. They are reviewed annually and updated as necessary.

It is our responsibility to create resource and environmentally friendly processes within the supply chain as well. Because we can only achieve this together, taking into account all stakeholders, sustainable action is firmly anchored in our organisation.

We need convinced employees who actively participate in Environmental Management. This is done through open communication, training and the opportunity to submit suggestions for improvements in operational environmental protection.

Laws, regulations and official requirements result in binding legal obligations for Heimbach, which we implement at the respective locations. In addition, it is important to us to continuously improve operational environmental protection and the sustainability of our actions. We will reduce energy consumption, cut down on the use of materials and the amount of waste, and use water sparingly as a resource. In these endeavours, we make use of the most economical technology.



"How we treat our environment determines our future".

Hans-Jürgen van der Veen, Immission and Water Protection Officer, Environmental Manager

### Our SDG sustainability goals are:



In the course of the company's history, we recognised very early on, that resources in our value chain are steadily gaining in importance.

However, this does not only apply to Heimbach, but to the entire ecosystem. Environmental risks are increasing and becoming more complex. We do not consider risk to be merely a danger to our company; rather, we see our responsibility in the context of our fellow human beings and the environment. After all, economic and ecological requirements are given equal weight in our actions. We remain particularly committed to the environment, nature and the conservation of resources.



## Operational Waste Management

*(GRI 306-1 Waste generation and significant waste-related impacts)*

At Heimbach, waste of the most diverse fractions is generated. We are responsible for its proper disposal. This must be integrated as efficiently as possible and in an ecologically as well as economically sensible way into the company's daily routine. We use the services of specialised companies for the different types of waste. We are responsible for the handling of our waste until it is finally disposed of in accordance with waste legislation.

The German Closed Substance Cycle Waste Management Act (Kreislaufwirtschaftsgesetz) sets out the requirements for us to handle waste in a safe and environmentally sound manner. We are committed to promoting the circular economy, conserving natural resources and protecting people and the environment in the generation and disposal of waste.

The principles of the waste hierarchy are binding for us. Avoiding waste is our highest priority. Changes in environmental framework conditions, e.g. new regulations in waste laws and ordinances, require constant adjustments to our operational waste management. In our operational waste management, we have analysed our current processes and reviewed them for current requirements. This includes, among other things, the classification and categorisation of waste, the recording of waste quantities and the determination of the necessary disposal routes.

**For 2022/2023, our agenda includes:**

- Clean up material flows (production and commercial waste, residual waste).
- Co-operation with specialised companies (waste disposal security)
- Ensure high-quality disposal
- Implementing the requirements of the Closed Substance Cycle Waste Management Act
- Balance all waste and specify separate collection rate (target > 90%)
- Avoid mixed fractions
- Train employees

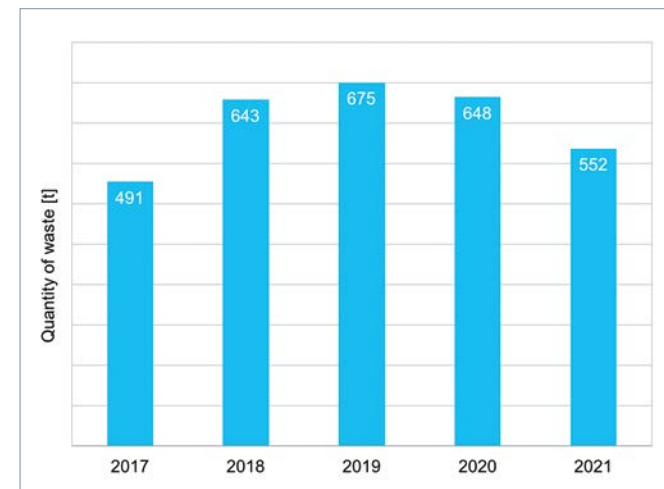
### Waste quantities

#### Total annual waste generation

*(GRI 306-3 Waste generated)*

Heimbach checks all waste to ensure that it is correctly classified and categorised according to waste legislation. In 2021, waste with a

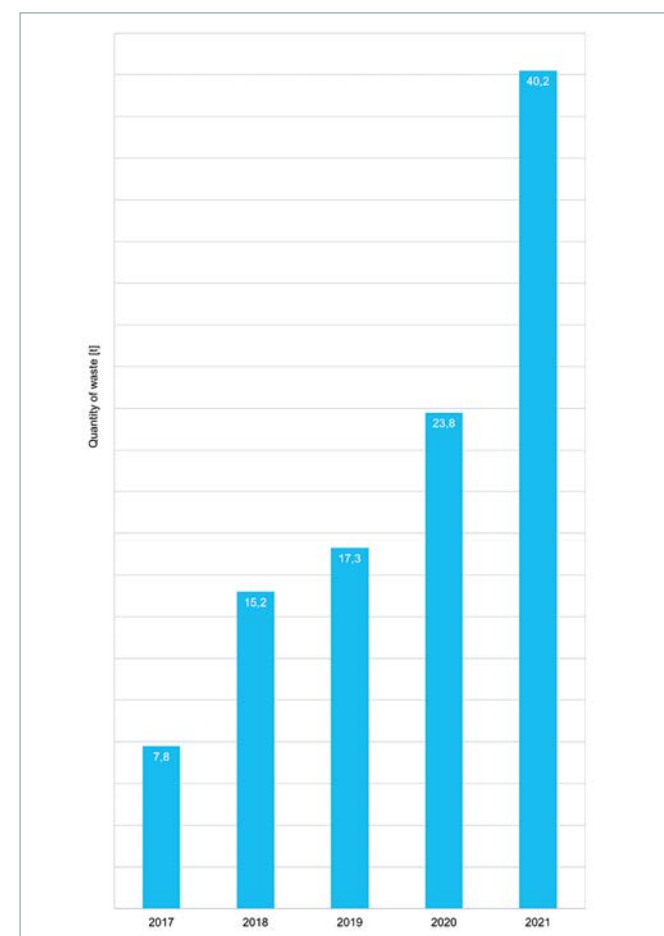
total volume of 552 t was generated for recycling at the Düren site. (Target 2022: -10 t) We dispose of our waste for disposal via the public waste disposal company.



#### According to AVV key (waste fractions)

According to the Ordinance on the List of Wastes (AVV), all waste must be correctly broken down and allocated (separate collection obligation). Their place of origin is decisive. Hazardous waste types are named in the AVV and marked as such.

#### Hazardous waste



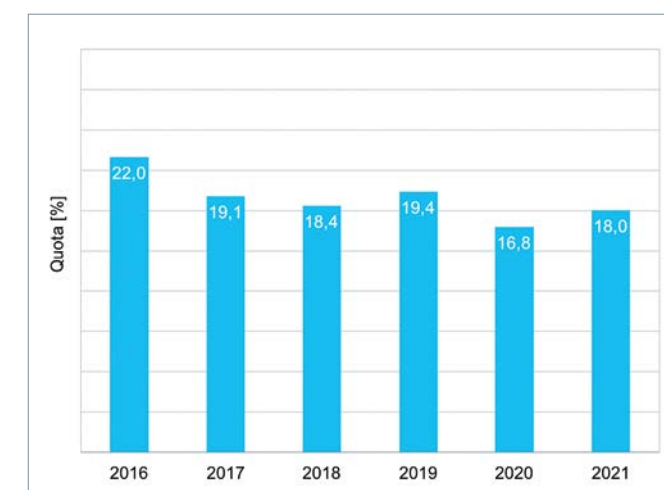
Heimbach strives to reduce waste types classified as hazardous and to substitute hazardous materials. With this approach, we avoid problematic waste in principle.

In 2021, 28 different types of waste were generated at our sites (2020: 31), 13 of which, with a total weight of 40.2 t, we classified as hazardous waste in accordance with the requirements of waste legislation (2020: 12; 23.8 t). These types of waste cannot always be avoided. In any case, they are always disposed of correctly in accordance with waste legislation. The largest items in 2021 were cooling lubricant and materials from renovation and demolition work. These wastes do not occur regularly. In general, Heimbach does not produce any hazardous production residues.

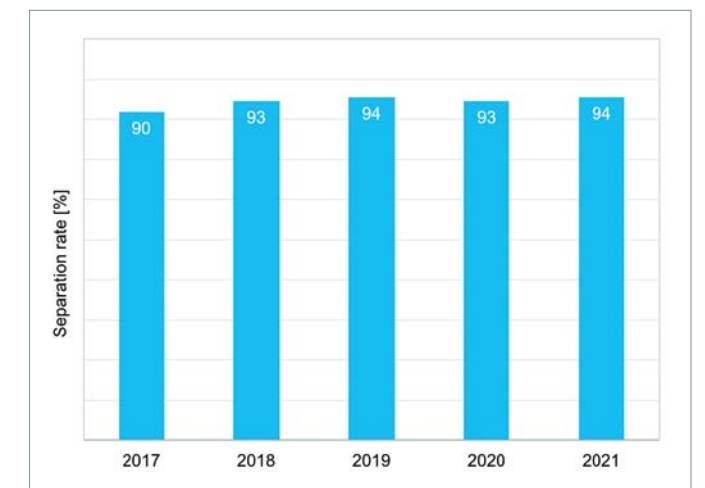
#### Material use and production waste

Fibres, yarns and monofilaments are used as textile pre-products in production. During the processing of these raw materials, textile waste is produced as a result of the process. We regularly check our yield losses (textile waste) in the use of materials. These are influenced by the product mix and unforeseeable events. To avoid losses, we actively influence and design the production processes accordingly. The goal for 2022 is to stabilise the amount of unavoidable production-related waste and to avoid further yield losses (target 2022: <18.5%). We pursue comparable goals in different production processes at all sites. The allocation and classification of waste types is based on local waste legislation, its implementation and the contractual regulations with the authorised waste disposal companies.

#### Yield losses



#### Separate collection rate



The separate collection quota according to GewAbfV serves to avoid mixed waste and refers to commercial municipal waste. The mixed waste types from the List of Wastes Ordinance should be < 10% at Heimbach. At least 90% of the commercial municipal waste is collected separately at our company. Heimbach collects all quota-relevant streams.

At our various locations, we ensure appropriate separate collection of comparable types of waste.

#### Waste / Circular Economy Goals:

- Reduce waste volume (-10% by 2030) [Basis 2020].
- Reduce total waste (-10 t in 2022)

## Operational Water Management

*(GRI-303-1 Interactions with water as a shared resource, 303-2 Management of water discharge-related impacts, 303-3 Water withdrawal, 303-4 Water discharge, 303-5 Water consumption)*

Water is a vital and scarce resource whose availability is existential for Heimbach. We are aware that our manufacturing processes, facilities and operating resources have an impact on underground and surface waters. Therefore, sustainable water management is a central aspect of our Environmental Management System.

At the same time, water is a local resource, as its availability depends on local conditions. With our water use, we are an integral part of the watershed. The functioning of a watershed is complex and poses particular challenges for us as a company. We distinguish between water consumption and water use. Water consumption describes the part of the water withdrawn from the watershed that is absorbed into products or evaporates, i.e. is not returned to the ecosystem. Water use describes the part of the water withdrawn that is returned to the ecosystem. This includes all wastewater, cooling water, wastewater from our processes or precipitation water that we feed into the ecosystem.

With our water use, we have to adapt to local conditions in order to achieve a reduction of possible water risks.

In accordance with the maxim "use" instead of "consume", water is used in the course of production and returned to its natural cycle as unchanged as possible. The protection of surface and ground water is important to us. Naturally, we take into account all applicable laws and regulations. We already create the appropriate conditions during the planning and construction of production facilities.

Possible effects on the climate are included in our sustainable water management. For example, we include floods and possible heavy rainfall in our risk assessment. Risks associated with the use of surface water, e.g. during dry periods, or the protection of properties from extreme weather events are the main focus here.

However, sustainable water management must also take into account economic management and be reflected in cost savings. Accordingly, we consider all types of water relevant to Heimbach. All supply and disposal channels are regularly checked, as is compliance with legal requirements.

We will implement the following measures in 2022/2023:

- Minimise water consumption, optimise water use
- Improve wastewater characteristics and comply with minimum requirements
- Generate energy from wastewater (heat recovery)
- Investigate energy-efficient water supply
- Consider potential risks from climate change such as drought, floods, heavy rainfall
- Regularly check how drinking water can be saved on an ongoing basis.
- Design our drinking water distribution system to meet demand
- Use cleaning agents in the smallest possible dosage
- Preferably use environmentally friendly cleaning agents
- Refrain from using washing-active substances or special-purpose treatments in the fixing process
- Decalcify equipment on a regular basis (decalcification systems)
- Properly store and use substances hazardous to water
- Regularly maintain, clean and empty separation systems (for grease and oil)

Drinking water

The sustainable management of water as a resource is of particular importance to us. At the Düren site, we are supplied with high-quality drinking water and are committed to using this valuable resource sparingly. Heimbach complies with all technical and hygienic requirements for the use of drinking water.

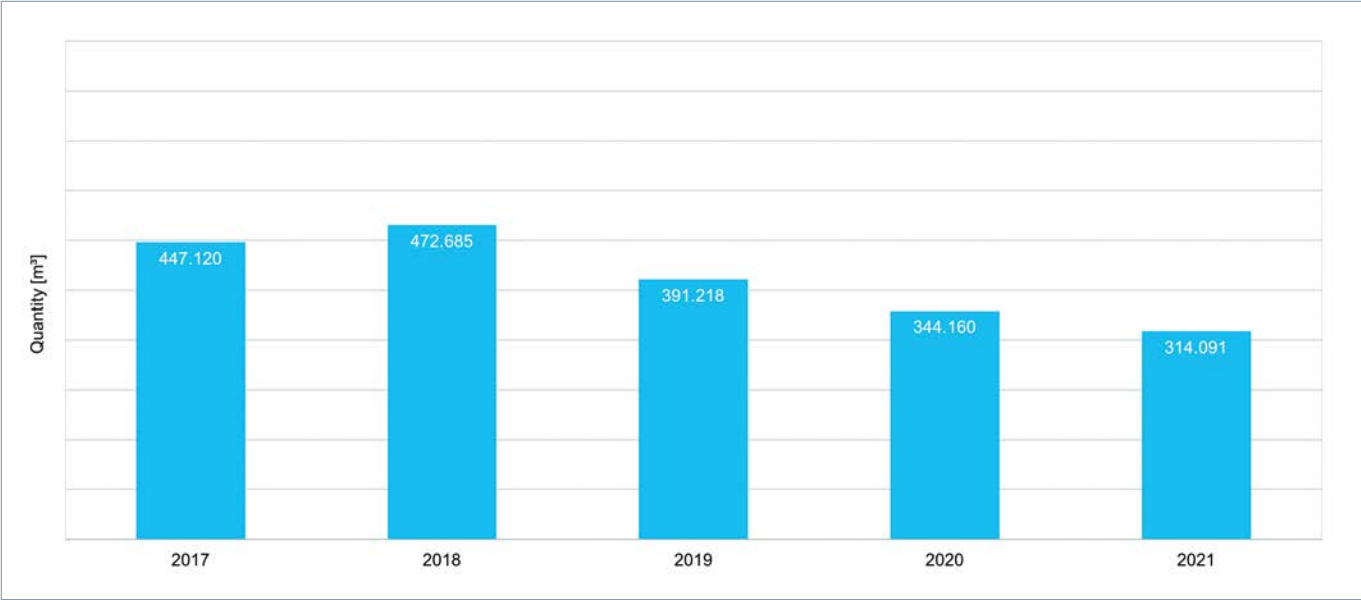
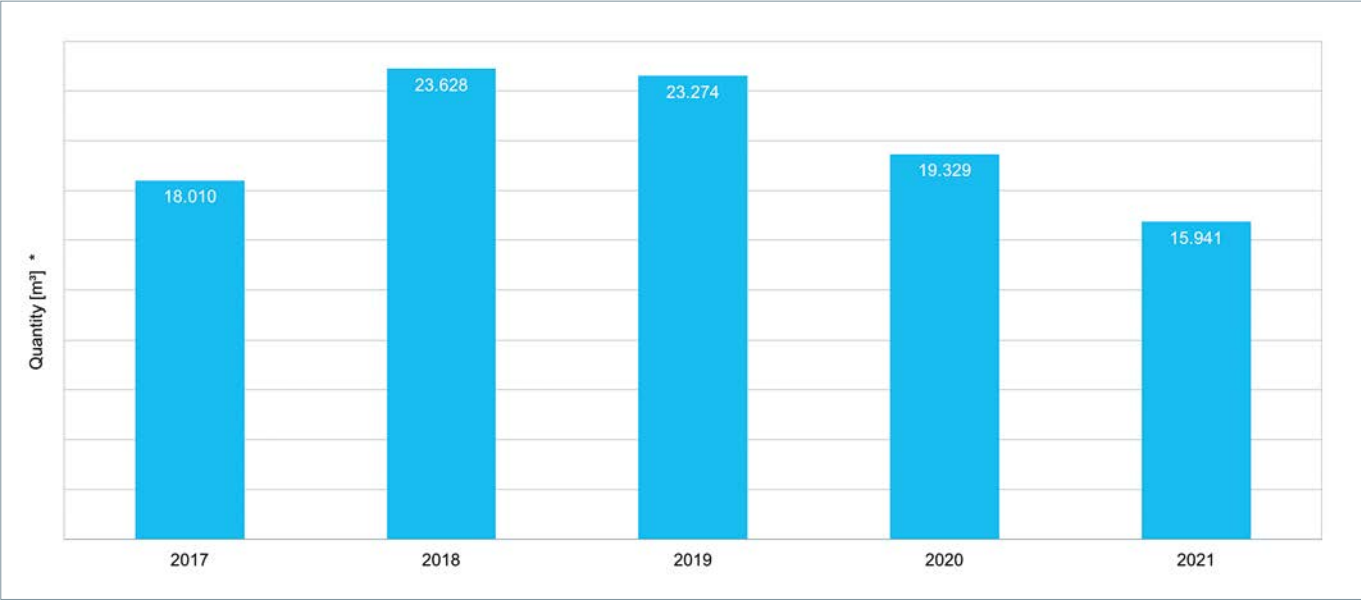


Rur, National Park Eifel

Water withdrawal from the Rur for cooling and process water

At the Düren site, Heimbach uses river water from the Rur. Most of it is used as cooling water and is discharged directly back into the Rur. To ensure that the discharge has no adverse effects on the water body, it is continuously monitored.

The priority is to use the cooling water efficiently while complying with the monitoring values. At the same time, we will constantly check the perspective water withdrawal in relation to our production volume and ensure a withdrawal below the permissible amount. (Target 2022: < 400,000 m³)





Withdrawal

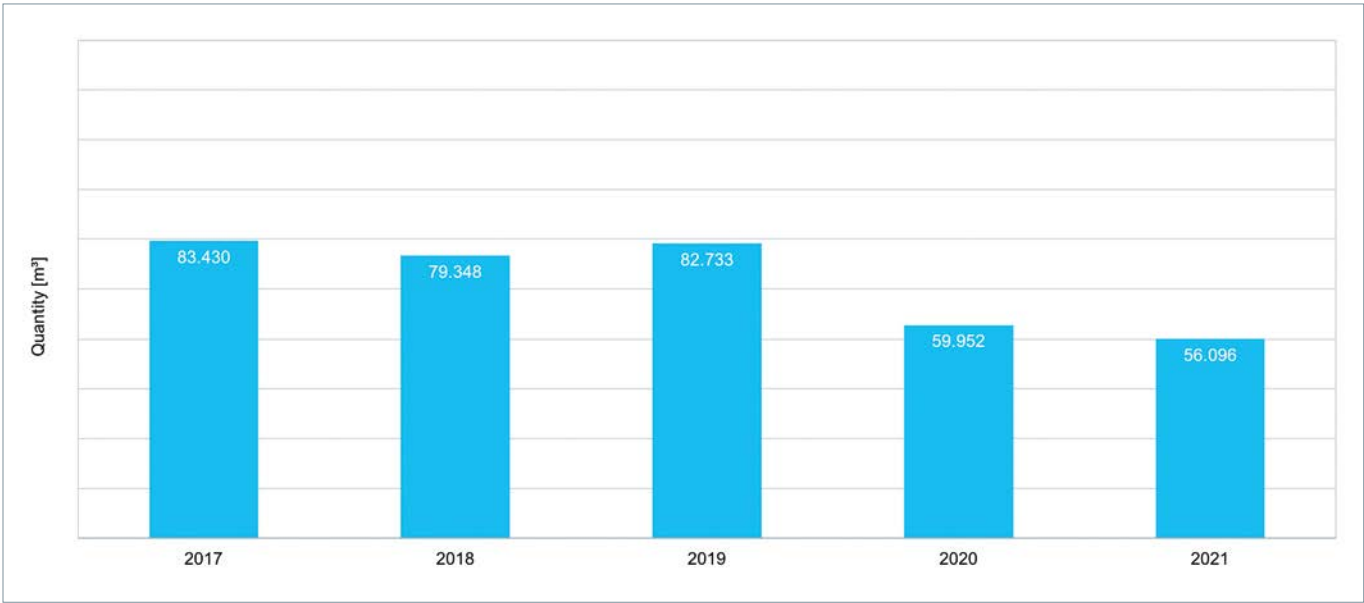
Actual situation 2021:

Drinking water:	15,942 m³
River water:	314,091 m³
of which	
Cooling water:	234,649 m³
Service water:	79,442 m³

Target 2022: Efficient and demand-oriented abstraction of cooling water and ecologically harmless reintroduction

Indirect discharge - wastewater treatment plant

Polluted water (sanitary, wash water, etc.) enters the treatment plant together with production wastewater contaminated by use. Before mixing, our production wastewater is monitored. The contamination of our wastewater is similar to that in private households and is not problematic for the wastewater treatment plant. As indirect dischargers of wastewater, we are aware that our polluted wastewater is also returned to the ecosystem after treatment.



Discharge

Actual situation 2021:

Indirect discharge:	56,096 m³
Direct discharge:	254,075 m³
of which	
Cooling water:	234,649 m³
Precipitation water:	19,426 m³

Target 2022: Our wastewater quality must comply with the annexes of the Wastewater Ordinance. It is monitored regularly. In order to further improve wastewater quality and reduce the amount of wastewater, we will continue to orient our processes towards sustainable use of water (discontinue operation of washing machine, reduce use of textile washing and auxiliary agents).

Measuring concept

A new measuring concept helps us to further specify water consumption and withdrawals. For this purpose, new consumption points are defined and the need for water meters is determined. These measures will enable us to determine more precisely the actual water consumption, i.e. the amount of water that we do not return to the ecosystem at our site. (2021: 23,346 m³, [GRI 303-5 water consumption](#)). This is evaporation from our drying processes and air humidification. We will check the points of use for their savings potential and reassess the KPI afterwards. We expect these measures to result in a positive development for our water use by 2023.

Furthermore, we want to improve wastewater quality by reducing the pollutant load and protecting water use from harmful environmental impacts. Our wastewater volume in indirect discharge in 2021 was: 56,096 m³ (target 2022: < 60,000 m³).

Water Management targets:

- Reduce the amount of water used (cooling water, process water, drinking water) (-10% by 2030) [base 2020].
- Water withdrawal from the Rur < 400,000 m³ (2022)
- Indirect discharge < 60,000 m³ (2022)

Operational Energy Management

Heimbach uses the energies electricity (light, compressed air, drive units), heating oil and gas (heat, steam) as well as water (cooling). Conserving resources and reducing emissions is our goal.

We see it as a central task to minimise energy consumption in the long term and to continuously improve energy performance and energy efficiency. This is done in harmony with our economic and ecological goals. The state of the art is our minimum requirement in this respect.

For targeted implementation, Heimbach already introduced an energy management system (DIN EN ISO 50001) at the Düren site in 2013 and put together a corresponding team.

We will regularly inform and sensitise all employees and actively promote the exchange of knowledge - this is the only way to sustainably improve our energy efficiency.

The goals of our awareness measures are:

- Explain the changed legal framework for energy procurement and consumption.
- Explain energy costs, quantities and the associated environmental impacts
- Identify factors influencing costs and consumption
- Document the site's key energy figures
- Explain technical and organisational measures
- Motivate employees to make suggestions for improvements regarding energy saving

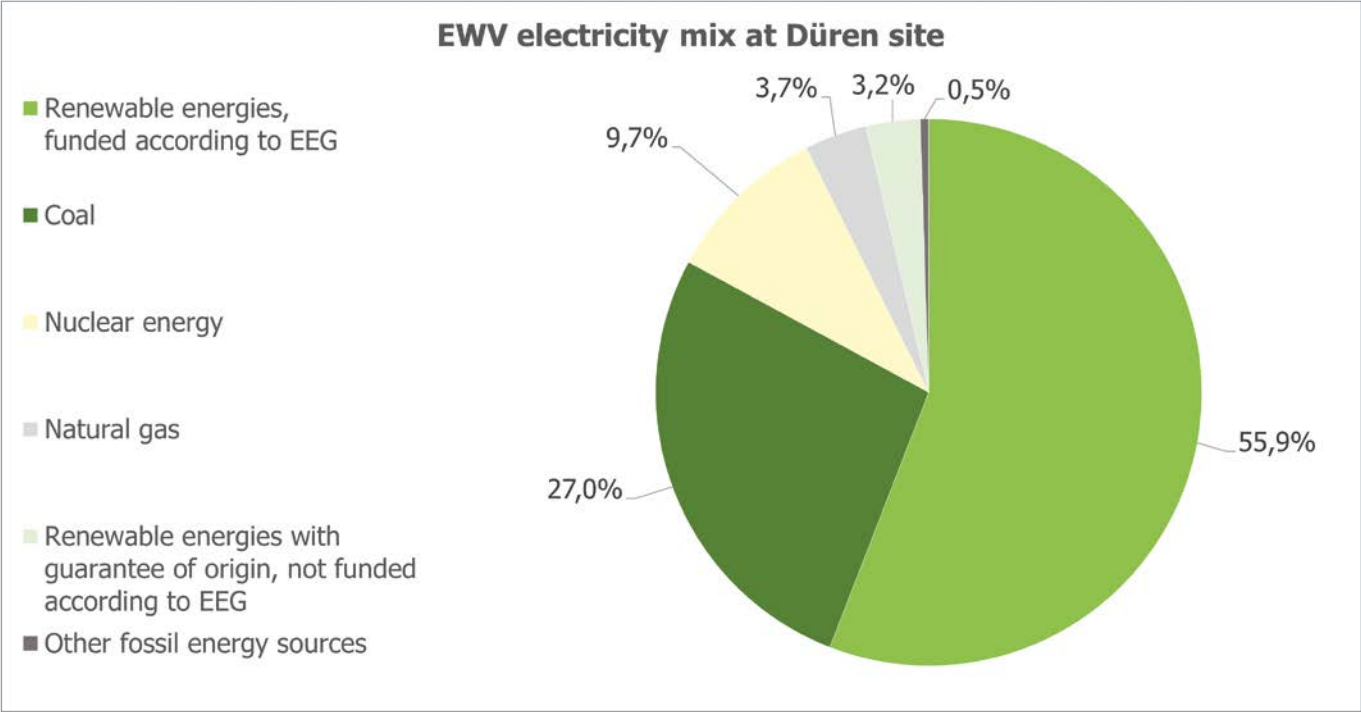
Energy

The procurement of natural gas, heating oil, diesel, liquid gas and electricity is carried out centrally by the technical purchasing department. It is important to us to consider economic and ecological aspects equally. The head of purchasing is a member of the energy team and reports to monthly team meetings.

Fossil energy sources are used as follows:

- Natural gas = production, heating
- Fuel oil = heating, emergency generators
- Diesel = industrial trucks
- Liquid gas = industrial trucks

Current electricity labelling of our current supplier ([GRI 305-2 Indirect energy-related GHG emissions \(Scope 2\)](#))

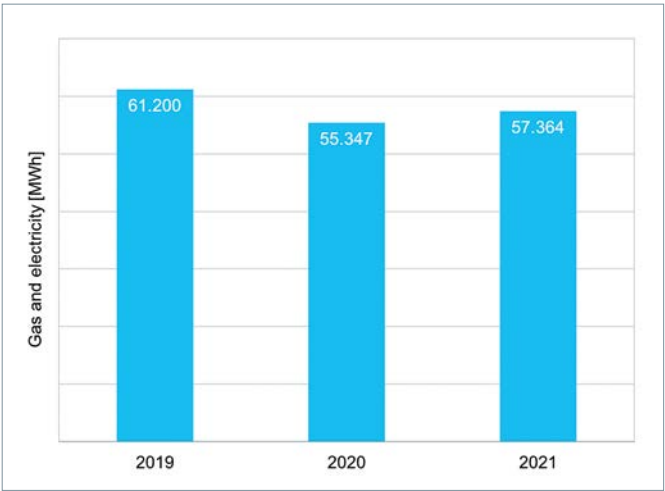




**Consumption figures from the group:**

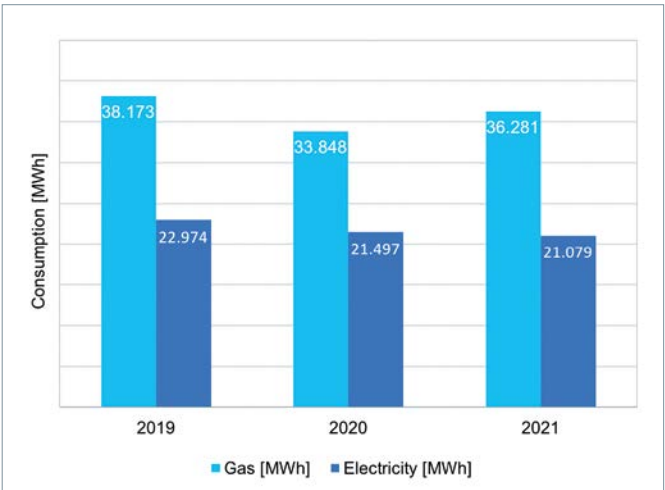
**Total consumption of PMC-Sites**

*(GRI 302-1 Energy consumption within the organisation)*



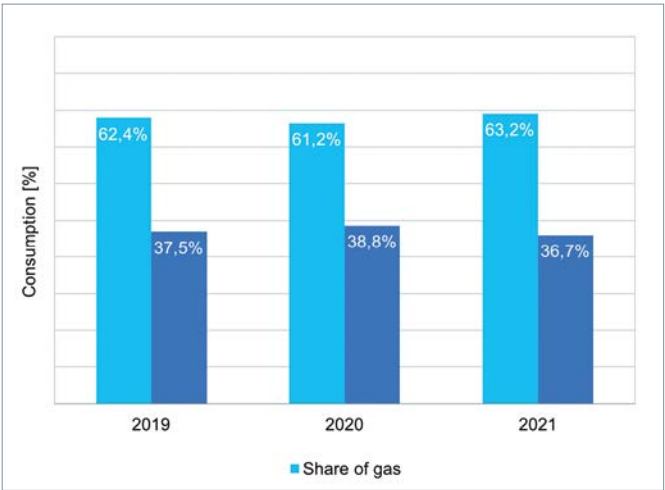
**Breakdown of consumption by gas and electricity**

*(GRI 302-1 Energy consumption within the organisation)*



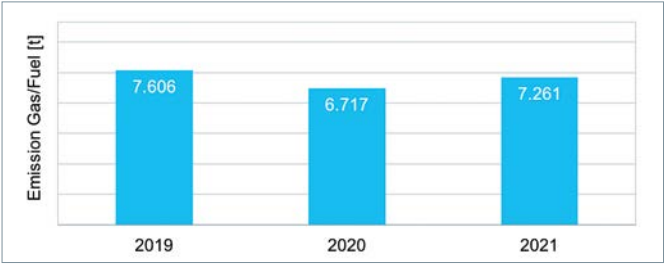
**Energy type Share of total consumption**

*(GRI 302-1 Energy consumption within the organisation)*



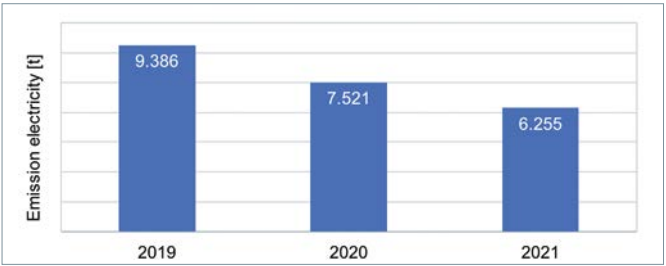
**CO<sub>2</sub> emission Scope 1**

*(GRI 305-1 Direct GHG emissions (Scope 1))*



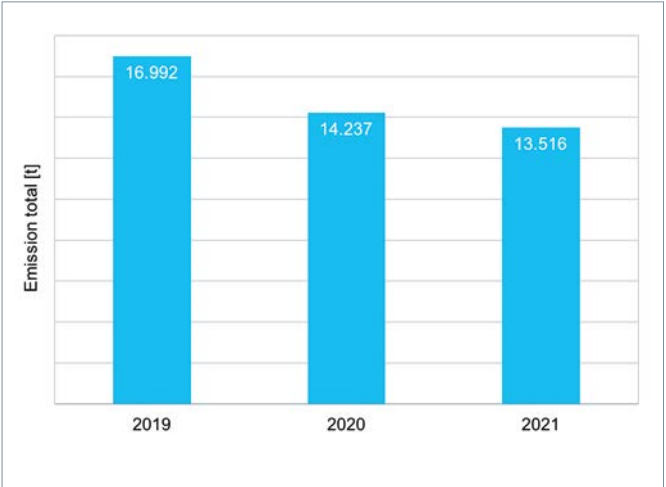
**CO<sub>2</sub> emission Scope 2**

*(GRI 305-2 Indirect energy-related GHG emissions (Scope 2))*



**CO<sub>2</sub> emissions Total Scope 1 + Scope 2**

*(GRI 305-1 Direct GHG emissions (Scope 1) (GRI 305-2 Indirect energy-related GHG emissions (Scope 2))*



**Saving gas through innovative heating concepts**

*(GRI 302-1 Direct GHG emissions (Scope 1))*

*(GRI 302-4 Reduction of energy consumption)*

In recent months, it has suddenly become clear what it means when gas suddenly becomes scarce. There is pressure on the boiler and innovative heating concepts are needed. Our active plants in Europe and Asia are already making a positive contribution to heat recovery. In the course of further sustainability projects, we expect to be able to save about 14,000 MWh of gas annually.



As a partner of the paper industry, an intact environment is in our very own interest. We want a future in which future generations also have every chance of a good and happy life. Both are on the same page for us.

**600,000 kWh of gas saved**

*(GRI 302-1 Energy consumption within the organisation)*

Every kilowatt hour not consumed helps. At the beginning of May, we adapted the energy supply at our site in Düren. A boiler for supplying heat to the offices and production halls was completely switched off. Compared to the previous year, we were able to save 600,000 kWh of gas. This corresponds to 108 tonnes of CO<sub>2</sub>. Although there were still cool days in May, the consensual conclusion is: Acting with foresight pays off twice.

**Heat recovery Düren site**

Through a heat recovery system, the gas consumption of the boiler could be reduced by about 2,634 MWh compared to 2018. By installing 3 heat pumps, the steam boiler can now be switched off during the summer months. This will save approximately 80 MWh of gas and 8 MWh of electricity annually during the summer months. A themofixing calender is now supplied with hot water from heat recovery instead of steam.

**Energy of the future** *(GRI 305-5 Reduction of GHG emissions)*

*(GRI 302-4 Reduction of energy consumption)*

The summer of 2022 presents itself in a way that was hardly imaginable just a few years ago. Temperatures were high and rain was scare. The water levels of large inland waterways such as the Rhine are tending towards zero. The river Ahr, which only a year ago caused one of the worst flood disasters in recent history, dried up on some

days in the gravel bed before it even reached the Rhine, and crops dried up in the fields. The potential consequences of climate change seem to be becoming more and more apparent.

In addition, the war in Ukraine in the spring of 2022 shows how vulnerable dependence on fossil fuels from other parts of the world can make us. We will have to pay the price for this in the winter time.

In order to make our own energy supply more independent in the future and at the same time contribute to climate protection, we will significantly push the expansion of renewable energies. A step in this direction was taken in the first half of 2022 at Heimbach Specialities in Belgium. A photovoltaic system was installed on the roofs of the site there. 406 panels with a total area of approx. 780 m<sup>2</sup> provide a total electrical output of approx. 162.4 kWp. The expected annual electricity production amounts to approx. 150 MWh. This is expected to cover about 8% of the annual demand. Excess capacity at weekends is fed into the electricity grid and is thus available to the general public.

Solar power is also generated at our Chinese site in Suzhou. As part of the expansion of production capacities, the newly created roof areas are being equipped with photovoltaic modules. In the future, 850 MWh of electricity will be produced here. These two plants alone will reduce annual CO<sub>2</sub> emissions by 900 tonnes. And this is just the beginning. The expansion of photovoltaic plants is being pushed strategically.



Photovoltaic plant Heimbach-Belgium

In an action plan for the next five years, more than six million euros have been earmarked for the promotion of green electricity. The planned measures include the massive expansion of renewable energies, but also initiatives to use electricity more efficiently. In the future, the Heimbach Group will generate 6,500 MWh of its own solar power annually. This will save approximately 2,600 tonnes of carbon dioxide each year.



Photovoltaic plant Heimbach-China

# Sustainable Procurement

## Strategy 2050 and targets 2022ff

Our strategic goal for the Heimbach Group is to reduce our GHG emissions [CO<sub>2</sub>] with regard to Scope 1 and Scope 2 by 50% by 2035 compared to the base year 2017 and to be climate neutral (Scope 1+2) in 2050.

- Detailed targets on our way there are:
- Gas savings:** approx. 14,000 MWh annually
  - Electricity consumption:** use of 100% renewable energy
  - GHG emissions [CO<sub>2</sub>]:** Savings of 2,600 t annually
  - Recording of all Scope 3 emissions by 2025
  - Service vehicles:** expansion of e-mobility by 2025



"The energy of the future must be sustainable and renewable."

Markus Werner, Energy Manager

## Sustainable Procurement Policy

For us, Sustainable Procurement means development that is ecologically compatible, socially just and economically efficient. Our voluntary standard is environmentally conscious and socially responsible corporate management.

We expect the same behaviour from our business partners. When selecting suppliers, we pay attention not only to economic but also to ecological and social conditions.

An essential component of Heimbach's procurement strategy is a long-term business relationship. We want a living partnership and to develop together with our suppliers.

We understand sustainable procurement to mean fair dealings with all interest groups. Our buyers act according to ecological, social and ethical principles. They expand their specialist knowledge in regular training courses.

Heimbach's approach to sustainability is holistic. Accordingly, we involve our business partners in the process - be it by motivating them to participate or by demanding internal and external audits.

In this way, we manage to constantly improve the development process within the entire supply chain.





### Sustainable Procurement 2021

The year 2021 was marked by the Corona pandemic, the onset of the energy crisis and global supply chain disruptions. Lockdowns and geopolitical developments demonstrated the vulnerability of these. Companies were forced to adapt to the situation in a very short time.

The current circumstances were not only to be seen as a challenge, but also as an opportunity. Whether local sourcing, working from home or digital transformation - for many corporate goals, the pressure to act has increased and change processes had to be accelerated. Agility is gaining relevance in organisations and is thus the answer to a world that is changing faster and faster and requires every individual to rethink.

Despite everything, the pandemic, the beginning of the energy crisis and also the disrupted supply chains had both ecologically positive effects on sustainability at Heimbach.

Our intention of "Sustainable Procurement" is the continuous development of ecological and social principles. Compliance is an integral part of the objective for 2022 and will therefore become increasingly important for Heimbach in the coming years, also characterised by the significantly increasing demands on the organisation. The following statements apply to the entire Heimbach Group.



"Sustainable Procurement is not just a goal. It is a path we take together with our buyers, suppliers and stakeholders."

Dirk Preuß, Head of Purchasing

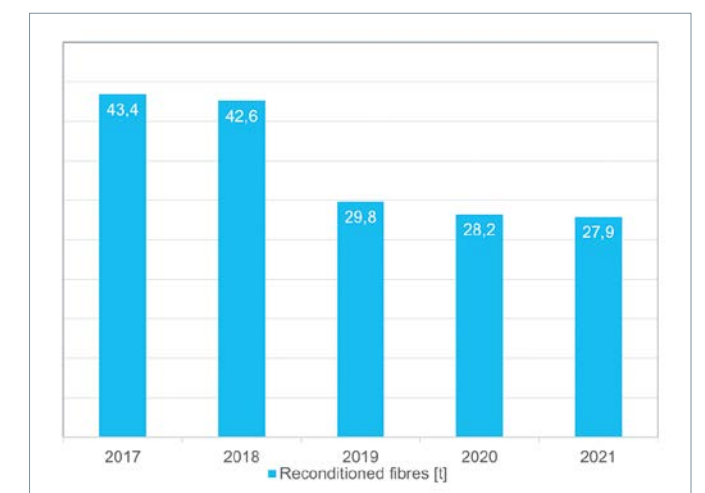
### Life cycle assessment

*(GRI 301-2 Recycled input materials used)*

Waste avoidance and recycling are two cornerstones of the responsible use of resources. Potential savings are to be generated through efficient and intelligent use of resources, e.g. recycling of production waste and use of reusable coils. As a contribution to the circular economy, we plan to return a large part of the materials to production. When it comes to waste disposal, we make sure to work exclusively with authorised specialist companies.

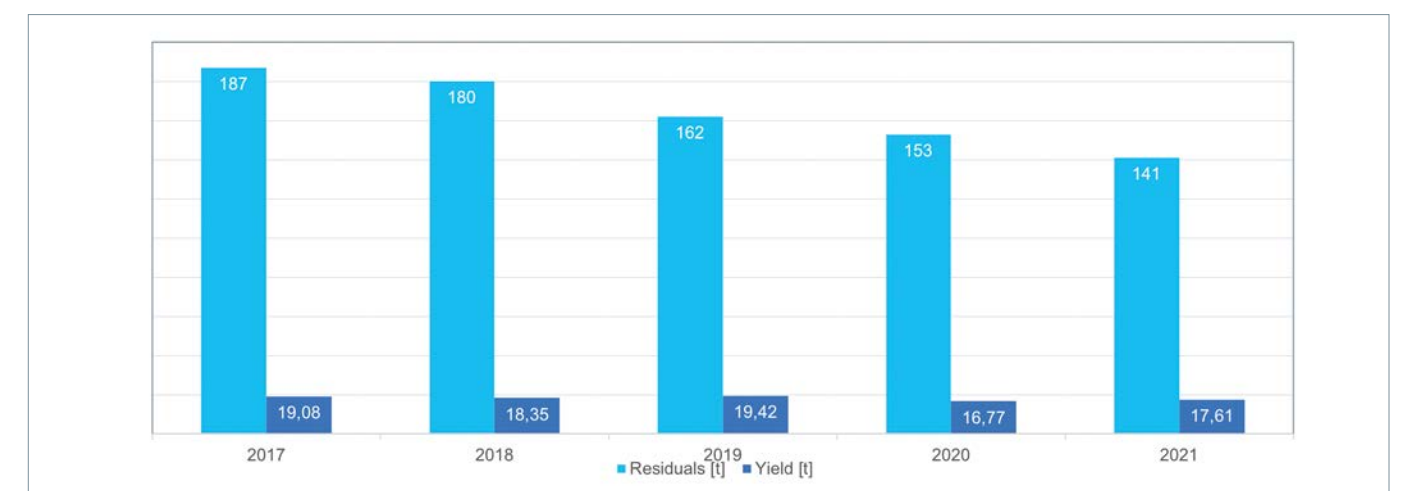
The waste from polyamide (PA) fibres in production, for example, is reprocessed by an external service provider and returned to the manufacturing process. Optimised processes have made it possible to reduce the amount.

### Production waste fibres



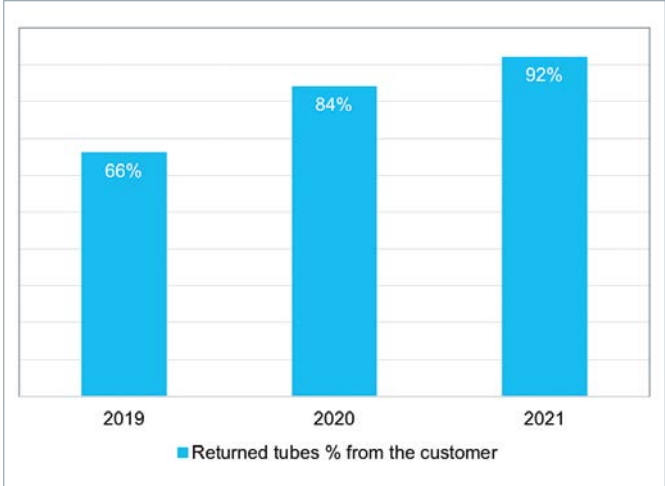
Through a variety of measures in production, for example, fewer residual raw materials (monofilaments) have been produced. This reduces the yield loss and thus the polyamide (PA) and polyester (PET) waste could also be further reduced in 2021. Yield loss is defined as the use of raw materials in production in relation to production losses.

### Disposal of PA and PET waste



Recycling of transport aids

*(GRI 301-3 Recycled products and their packaging materials)*  
Aluminium and iron pipes are used as transport aids for shipping PMC products. As a rule, these aids remain with the customer. In cases where economic and ecological factors are in harmony, the tubes are retrieved by Heimbach and used again. This was implemented in 92% of the cases with selected customers in 2021.

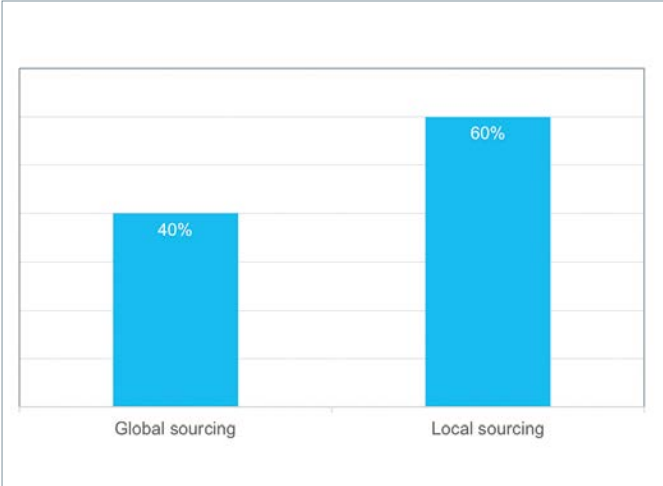


Local sourcing

*(GRI 204-1 Proportion of spending on local suppliers)*  
Pandemics, lockdowns and geopolitical developments demonstrate how vulnerable global supply chains are. This forces companies to think and act in a new way. Local sourcing, in contrast to global sourcing, focuses on preferential purchasing from suppliers that are geographically close. The aim is to reduce CO<sub>2</sub> emissions, lower transport costs and significantly shorten delivery times. In this context, the purchasing department analysed the supply flows within the entire supply chain of the Heimbach Group. Primarily, the purchasing department concentrated on the flow of goods from Europe to Asia and back again, as this is where the greatest leverage is seen. Heimbach has opted for a "local-for-local sourcing" strategy to ensure resilience within procurement and to ensure stable supply chains.

Today, the majority of raw materials for our site in China are still sourced globally. The goal is to source 60% of raw materials locally until 2024.

Targets Local sourcing

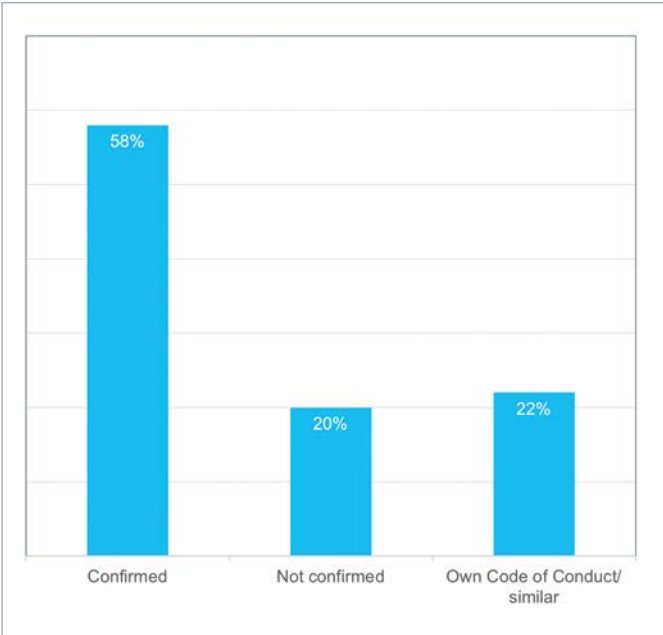


Code of Conduct raw material suppliers

*(GRI 102-21 Dialogue with stakeholders on economic, environmental and social issues)*  
The CoC is an integral part of our purchasing conditions and contracts. In addition to raw material suppliers, auxiliary material and operating material suppliers have now also been included. Currently, 58% of our raw material, auxiliary material and operating material suppliers have already accepted the Heimbach Code of Conduct. 22% of our suppliers have referred us to their own convention. These are usually large companies or groups with compliance embedded in their corporate strategy.

The goal for 2020 was to involve a total of 50 suppliers. Due to resource constraints, we did not quite meet this target with 44 suppliers. Especially for small and medium-sized suppliers (SMEs), the topic of "Sustainable Procurement" has only been on the agenda to a limited extent so far. The reasons for this are usually a lack of resources.

Confirmed Code of Conduct



Commitment of business partners

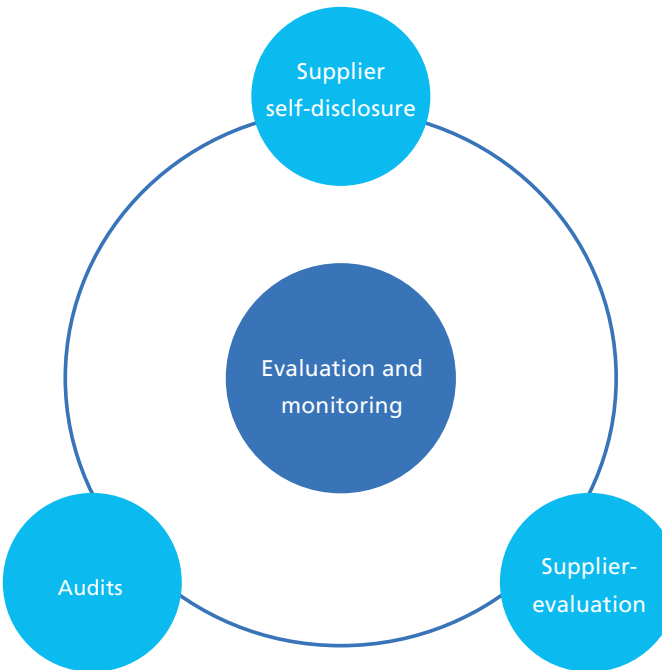
The "Standards for Business Partners" will be fundamentally revised in 2022. By the end of 2023, all major suppliers within the Heimbach Group are to be obliged to acknowledge this new Code of Conduct in writing.

Corruption prevention - Procurement

*(GRI 205-2 Communication and training on anti-corruption policies and procedures)*  
For the Heimbach Group, being present on the global market means being exposed to risks of bribery and corruption. In order for us to effectively prevent and fight corruption in the procurement process, we need to implement some mechanisms that already support us today:

- Identify and prevent corruption
- Accountability and contact persons for corruption prevention
- Approval strategies when awarding contracts (dual control principle)
- More competition through tendering
- Prevention of maverick buying - procurement exclusively by the purchasing department
- Regular internal audits/reviews
- Self-commitment of employees and suppliers
- Basis for cooperation is recognition of the CoC
- Prevention through training of employees in purchasing
- Implement transparent procurement processes

Evaluation and monitoring



Supplier assessment

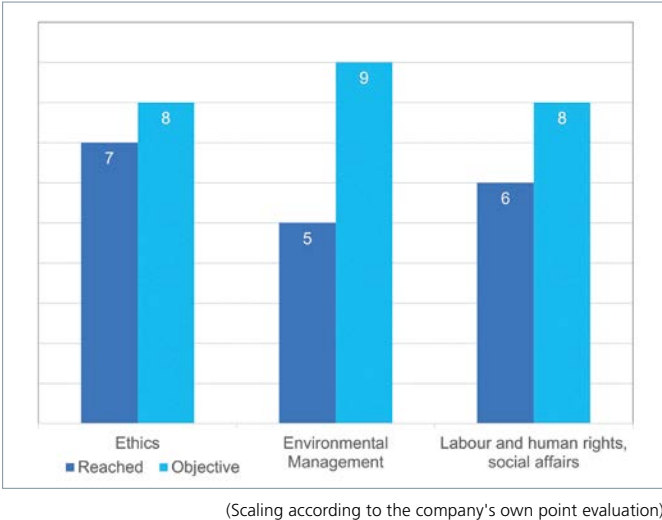
*(GRI 308-1 New suppliers assessed against environmental criteria, GRI 414-1 New suppliers assessed against social criteria)*

The assessment and monitoring of our suppliers consists of:

- Regular supplier analysis
- Supplier information
- Supplier audits

It helps us to identify development potentials of our suppliers. In 2020/2021, we carried out a group-wide assessment of our raw material suppliers; there were no significant changes here, also due to the Corona pandemic and disrupted supply chains. Our evaluation concerned suppliers with a share of approx. 40% of the procurement volume. An expansion is not planned for the time being, as this allows us to concentrate on the essential suppliers and work specifically on the further development of sustainable procurement. In a first step, we check new suppliers via a supplier self-disclosure form before we approve them. Environmental, social and ethical criteria are taken into account before approval is granted. These are to be updated every three years. In addition, existing suppliers are to be reviewed and evaluated through 1-3 audits per year.

Results of supplier evaluation 2020/2021 raw materials





Employees

With the German Association for Materials Management, Purchasing and Logistics (BME), Heimbach was able to participate in many events regarding sustainable procurement and thus benefit from the knowledge transfer. This enables our buyers to exchange practical information with other companies and professional associations in favour of sustainable procurement. Regular digital training and continuous exchange are an important part of the implementation. In 2021, 50% of our commodity buyers have been trained. Further training is planned for the future.

Risks & Challenges

*(GRI 102-15 Key impacts, risks and opportunities)*

Reinforced by the pandemic, disrupted supply chains and the sharp increase in costs (raw materials, supplies, energy & transport), it is necessary to analyse which countries, suppliers and products within the supply chain may belong to a risk group. Accordingly, we have defined risks in more detail and determined possible measures.

Risks

- Disrupted supply chains
- Shortage of goods, services and transport
- Supplier failures
- Rising costs (energy, raw materials and supplies, transport)
- Supply chain law requirements / sustainability in procurement
- Lack of resources in purchasing

The departure from familiar processes and procedures and long-term strategies represent the greatest challenges in today's procurement. Procurement staff must consequently evolve into an agile workforce in order to cope with the increasingly complex and volatile environment. Lack of substitutes is also a major problem for Heimbach. Purchasing and development are working closely with suppliers to find alternative options.

Challenges in 2022

To achieve our compliance targets, we need to implement the following measures:

- Transformation process at Heimbach
- Introduction of SAP 4/Hana
- Reconcile economic and environmental goals
- Exert influence within the supply chain
- Establish structures that support sustainable procurement
- Provide necessary resources (internal and external)
- Implement a uniform procurement strategy for all locations
- Search for substitutes or alternatives and minimise procurement risks

Key objectives of the Heimbach Group for 2022 - 2030

- 100% of raw material suppliers sign the Heimbach Standards for Business Partners by 2024
- > 60% of the raw materials (basis KG) for our site in China are to be sourced locally by 2025 to significantly reduce CO<sub>2</sub> emissions
- 1-3 supplier audits per year
- Implementation of digital supplier management in 2024
- Reduction of yield losses by 30% by 2030

Targets formulated for 2021 within Sustainable Procurement, had to be partially postponed in order to be able to maintain a stable supply. In this context, the challenges for procurement lay and lie primarily in the management of the increasingly complex global supply chains. The Supply Chain Act (LkSG) will oblige companies in the future, to establish effective and appropriate processes of social, human rights and environmental due diligence.

If one draws a conclusion at present, then despite all the effort for purchasing, the global challenges also result in numerous opportunities for the company's own corporate success.

Social Commitment

Responsibility and Social Commitment are among our core values. For many years, we have refrained from giving customers gifts at Christmas. Instead, we support various institutions, associations and projects.







Already for the second time, we organised our own fundraising campaign "Cycling for a Good Cause". Our management donated 30 cents for every kilometre that employees walked or cycled to work. This enabled us to collect a total of €7,000 in four (2021) and eight (2022) weeks. Both years the donations went to charitable organisations.

A "charity campaign" was also held at our English location in aid of a local hospital. About €2,000 was collected by colleagues in the process. Furthermore, Heimbach participate in charity runs all over the world.





We have planted our own wildflower meadow planted on our grounds at the main site Düren, built and installed an insect hotel and nesting boxes for birds ourselves. We are also sponsors of a bee pasture, which is looked after by one of our advertising suppliers.




For many years, we have been supporting children and young people in Ukraine with the "Christmas in a shoebox" campaign.



GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 102	<b>General disclosures</b>					
	<b>Organisational profile</b>					
	102-1	Name of the organisation	The organisation of the Heimbach Group	7	8	
	102-2	Activities, brands, products and services	The Organisation of the Heimbach Group + Products, Innovations and Responsible R&D	7, 8	12	
	102-3	Location of headquarters	The organisation of the Heimbach Group	7	8	
	102-4	Location of operations	The organisation of the Heimbach Group	7	8	
	102-5	Ownership and legal form	The organisation of the Heimbach Group	7	8	
	102-6	Markets served	The organisation of the Heimbach Group	7	8	
	102-7	Scale of the organisation	The organisation of the Heimbach Group	7	8	
	102-8	Information on employees and other workers	The organisation of the Heimbach Group	7	8	
	102-11	Precautionary Principle or approach	Ethics	26	16	
	<b>Strategy</b>					
	102-14	Statement from senior decision maker	CEO Statement	5	16	
	102-15	Key impacts, risks and opportunities	Sustainable procurement	62	12, 8	
	<b>Ethics and integrity</b>					
	102-16	Values, principles, standards and norms of behavior	Ethics	26	16	
	102-17	Mechanisms for advice and concerns about ethics	Ethics	26	16	


GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 102	General disclosures Governance					
	102-18	Governance structure	CEO Statement	5	16, 8	
	102-21	Consulting stakeholders on economic, environmental and social topics	Sustainable procurement	60	12, 8	
	Stakeholder engagement					
	102-40	List of stakeholder groups	Heimbach's contribution to the UN Sustainable Development Goals	16	4, 8, 3, 16, 6, 13, 12	
	102-41	Collective bargaining agreements	Labour and human rights	34	8	
	Reporting practice					
	102-50	Reporting period	CEO Statement	5	16	
	102-53	Contact point for questions regarding the report	(attachment)	79	16	
	102-55	GRI Content Index	Heimbach's contribution to the UN Sustainable Development Goals	16	4, 8, 3, 16, 6, 13, 12	
GRI 200	Economic Procurement practices					
	204-1	Proportion of spending on local suppliers	Sustainable procurement	60	12	




GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 200	Ökonomie Anti-corruption					
	205-1	Operational sites audited for corruption risks	Ethics	27	16	
	205-2	Communication and training about anti-corruption policies and procedures	Ethics + Sustainable Procurement	26, 61	16, 12	
GRI 300	Environmental Materials					
	301-2	Recycled input materials used	Sustainable procurement	59	12	
	301-3	Reclaimed products and their packaging materials	Products, innovation and responsible R&D + Sustainable procurement	11, 60	12	
	Energy					
	302-1	Energy consumption within the organisation	Environment	54, 55	12, 13	
	302-4	Reduction of energy consumption	Environment	54, 55	12,13	
	302-5	Reductions of energy requirements for products and services	Products, innovation and responsible R&D	9	12	
	Water and Effluents					
	303-1	Interactions with water as a shared resource	Environment	49	6	
	303-2	Management of water discharge-related impacts	Environment	49	6	
	303-2	Water withdrawal	Environment	49	6	

GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 300	Environmental Water and Effluents					<div><div><div>1NO POVERTY</div><div>2ZERO HUNGER</div><div>3GOOD HEALTH AND WELL-BEING</div><div>4QUALITY EDUCATION</div><div>5GENDER EQUALITY</div><div>6CLEAN WATER AND SANITATION</div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10REDUCED INEQUALITIES</div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div><div>14LIFE BELOW WATER</div><div>15LIFE ON LAND</div><div>16PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17PARTNERSHIPS FOR THE GOALS</div></div></div>
	303-4	Water discharge	Environment	49	6	
	303-5	Water consumption	Environment	49, 52	6	
	Emissions					
	305-1	Direct GHG emissions (Scope 1)	Environment	54	12, 13	
	305-2	Indirect energy-related GHG emissions (Scope 2)	Environment	53, 54	12, 13	
	305-5	Reduction of GHG emissions	Environment	55	12, 13	
	Waste					
	306-1	Waste generation and significant waste-related impacts	Environment	48	12	
	306-3	Waste generated	Environment	48	12	
	Supplier environmental assessment					
	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement	61	12	



GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 400	<b>Social</b>					
	<b>Employment</b>					
	401-1	New employee hires and employee turnover	Labour and human rights	35	4	
	<b>Occupational health and safety</b>					
	403-1	Occupational health and safety management system	Occupational health and safety	40, 41, 43, 44	3, 8	
	403-2	Hazard identification, risk assessment and incident investigation	Labour and human rights + occupational health and safety	37, 42, 43, 44	3, 8	
	403-3	Occupational health services	Labour and human rights + occupational health and safety	37, 39, 42, 44	3, 8	
	403-4	Worker participation, consultation and communication on occupational health and safety	Occupational safety and health	42, 43, 44	3, 8	
	403-5	Worker training on occupational health and safety	Labour and Human Rights + Occupational Safety and Health	38, 43	3, 8	
	403-6	Promotion of worker health	Labour and Human Rights + Occupational Safety and Health	37, 38, 39, 42	3, 8	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational safety and health	43	3, 8	
	403-8	Workers covered by an occupational health and safety management system	Labour and human rights + occupational health and safety	31, 40	3, 8	
	403-9	Work-related injuries	Occupational safety and health	44	3, 8	

GRI	Index	Information	Report element	Reference - Page	SDG	UN Sustainable Development Goals
GRI 400	<b>Social</b> Training and Education					
	404-2	Programes for upgrade employee skills and transition assistance	Labour and human rights	33	4	
	404-3	Percentage of employees receiving regular performance and career development reviews	Labour and human rights	32	4	
	<b>Diversity and equal opportunities</b>					
	405-1	Diversity of governance bodies and employees	Labour and human rights	37	8	
	<b>Human Rights Assessment</b>					
	412-2	Employee training on human rights policies or procedures	Ethics	26	16	
	<b>Supplier Social Assessment</b>					
	414-1	New suppliers that were screened using social criteria	Sustainable Procurement	61	12	
	<b>Customer privacy</b>					
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethics	29	16	



**Contact for questions regarding the  
content of the Sustainability Report 2021/2022**  
*(GRI 102-53 Contact person for questions about the report)*

Stefan Körfer  
Compliance & Sustainability Manager

[stefan.koerfer@heimbach.com](mailto:stefan.koerfer@heimbach.com)

**Further information**

This report is also available in German.

The German and English versions  
can be found on the Internet:  
[www.heimbach.com](http://www.heimbach.com)

