Sustainability Report 2025

Hengst Holding SE & Co. KG
(Hengst SE / Hengst Group)

Consolidated, voluntary CSRD/ESRS-aligned disclosure · Fiscal year 2025

Hengst FILTRATION

Foreword



Dear readers,

With this sustainability report, we present the second Group report of the Hengst Group. It is based on the European Sustainability Reporting Standards (ESRS). This makes our progress more transparent and easier to compare.

Filtration is a key technology for the future, and that includes the pursuit of greater sustainability. Our solutions protect people and the environment, improve air quality indoors and in production environments, and reduce energy consumption through low air resistance. Filters also keep machines and equipment in service for longer and help avoid energy-intensive new production. With our strategic journey from automotive supplier to broad-based filtration specialist, we want to make this benefit felt in many markets.

We have also made progress within our own company. The ISO 14001-certified sites cover more than 80 percent of our total workforce. For the first time, we have recorded the Corporate Carbon Footprint across all categories and companies. This is the basis for effective climate action. The target definition according to SBTi is in progress. Our headquarters in Münster was once again awarded a silver medal by EcoVadis. This pleases me, and it is also an incentive to keep improving our performance.

The path of a transformation is not always a straight one, but I look to the future with confidence. I thank all colleagues, our partners and our customers for their contribution and their trust, and I wish you an interesting read.

Christopher Heine
Chief Executive Officer

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A. General information

A.1 Reporting entity and basis of preparation

Datapoints: *BP-1_01, BP-2_10*

Reporting entity: Hengst Holding SE & Co. KG

Fiscal year: 2025

First required reporting year: 2027

Basis of preparation (BP-1_01): Consolidated

This report relates to Hengst Holding SE & Co. KG and provides an overview of the activities of Hengst SE, as the sole direct subsidiary of Hengst Holding SE & Co. KG, and of all companies within the Hengst Group, with the exception of the following companies and their respective subsidiaries:

- Artemis Control AG
- Chi Sheng Cleanness Technology (Suzhou) Co., Ltd.
- Kunshan Juguo Optoelectronic Technology Co., Ltd.

Changes in preparation (BP-2_10). The information in this 2025 report is in many respects not comparable with the prior year's report, owing to the inclusion of additional companies in the reporting and to developments in data collection and processing.

A.2 Governance and administrative bodies

Datapoints: *GOV-1_06, GOV-1_15*

Gender diversity in the administrative, management and supervisory bodies (GOV-1_06): 0.00%

The Hengst Executive Board consists of Christopher Heine (CEO), Howard Boyer (COO) and Jörg Schroeder (CFO); the gender diversity of this body is 0%.

Sustainability expertise (GOV-1_15). The administrative, management and supervisory bodies ensure that appropriate skills and expertise to oversee sustainability matters are available primarily through a dedicated Head of Sustainability, who holds an MBA in Sustainability Management, brings dedicated professional experience in the field and reports directly to the CEO. This direct reporting line ensures that sustainability expertise feeds into the highest level of management without intermediaries.

Where required, the bodies can also draw on other internal functions (such as compliance, procurement, legal and environmental management) as well as external experts. Training and further educational initiatives are used to keep the bodies' sustainability-related knowledge up to date.

This expertise is aligned directly with the undertaking's material impacts, risks and opportunities: the Head of Sustainability consolidates the relevant know-how on the topics identified in the materiality assessment and prepares these matters for the bodies in a decision-oriented manner, ensuring that the skills needed to oversee material sustainability matters are reliably available.

A.3 Strategy, business model and markets

Datapoints: *EV-ENV630-1, SBM-1_01, SBM-1_02, SBM-1_09, SBM-1_15, SBM-1_17, SBM-1_19, SBM-1_21*

Total gross annual revenue (EV-ENV630-1): 769,270,277.81 euros

Products and services (SBM-1_01)

Hengst is a manufacturer of filtration systems with an international presence. Its business activities are organised into three divisions: Engine & Mobile Filtration (EMF), Independent Aftermarket (IAM), and Filtration for Industry & Environment (FIE).

- **EMF** — development and marketing of filtration solutions for oil, fuel, air and cabin-air applications, designed for use in passenger cars, commercial vehicles and the off-highway segment, including agricultural and construction machinery. The division also includes the development and marketing of tools and toolmaking equipment.
- **IAM** — a comprehensive range of filters for conventional engines and systems across the service-parts market, including products for passenger cars, commercial vehicles, and industrial and environmental applications.
- **FIE** — a broad portfolio of innovative filtration systems, separators and fluid-management systems for industrial applications.

Markets and customer groups (SBM-1_02)

Hengst serves a broad range of markets and customer groups worldwide.

- **EMF** — practically all major automotive OEMs; the relevant end markets include passenger cars, commercial vehicles and off-highway equipment such as agricultural and construction machinery.
- **IAM** — principally dealers serving the service-parts market, who access Hengst's worldwide product range for vehicles from all manufacturers as well as industrial and environmental filtration products.
- **FIE** — customers across several industrial sectors, including mechanical and plant engineering, building technology, environmental technology, hydraulics, household electrical appliances and medical technology.

Across all divisions, Hengst operates almost exclusively in a business-to-business (B2B) environment and develops and manufactures its products in accordance with specific customer requirements and specifications. As Hengst does not supply products directly to end consumers, consumer/customer health is not a material topic for the company.

Excluded-sector confirmations (SBM-1)

- **Fossil-fuel sector (SBM-1_09):** Hengst is not active in the fossil fuel sector as defined in ESRS 2 paragraph 40(d); no revenues are derived from coal, oil or gas-related activities. Hengst offers filtration products that may be used in systems involving fossil fuels, but these do not constitute direct fossil fuel sector activities; therefore, no disaggregated revenue data for fossil fuels is applicable.
- **Chemicals production (SBM-1_15):** Hengst is not active in chemicals production as defined in Division 20.2 of Annex I to Regulation (EC) No 1893/2006. Hengst provides advanced filtration solutions for chemical processing environments but does not itself manufacture chemical substances or compounds; therefore, no revenue is attributable to chemicals production under this classification.
- **Controversial weapons (SBM-1_17):** Hengst is not active in the controversial weapons sector as defined in ESRS 2 paragraph 40(d)(iii). No revenues are derived from activities related to anti-personnel mines, cluster munitions, chemical weapons or biological weapons, and Hengst's operations and product portfolio do not include any involvement in these areas.
- **Tobacco cultivation and production (SBM-1_19):** Hengst is not active in the cultivation or production of tobacco as defined in ESRS 2 paragraph 40(d)(iv). No revenues are derived from tobacco-related activities, and Hengst's operations are not connected to this sector.

ESG ambition and SDG alignment (SBM-1_21)

The Hengst ESG management covers all topics in the areas of "Environmental, Social, Governance" (ESG) and "Corporate Social Responsibility" (CSR). The sustainability goal is to operate as sustainably as possible in the areas of people, processes and products and thus make the planet a purer place. This report serves to provide an overall

overview of the various strategic and operational approaches, measures and key figures.

Overall, Hengst supports the following SDGs: (3) Health and welfare, (5) Gender equality, (7) Affordable and clean energy, (9) Industry, innovation and infrastructure, (12) Responsible consumption and production, and (13) Climate action.

A.4 Material impacts, risks and opportunities (DMA)

Datapoints: *SBM-3_02*

Material topics resulting from the double materiality assessment:

ESRS topic	Material sub-topics
E1	Climate change mitigation; Energy
E2	Pollution of air
E3	Water
E5	Resource inflows, including resource use; Resource outflows related to products and services; Waste
S1	Working conditions (secure employment, working time, adequate wages, work-life balance, health and safety); Equal treatment and opportunities for all (gender equality and equal pay for work of equal value, training and skills development, employment and inclusion of persons with disabilities, measures against violence and harassment in the workplace, diversity)
S2	Working conditions (working time, social dialogue, health and safety); Equal treatment and opportunities for all (gender equality and equal pay for work of equal value, measures against violence and harassment in the workplace); Other work-related rights (child labour, forced labour, adequate housing, water and sanitation, privacy)
G1	Corporate culture; Protection of whistle-blowers; Management of relationships with suppliers including payment practices; Corruption and bribery (prevention and detection including training, incidents)

Risks and opportunities of the DMA (SBM-3_02)

A lived and documented ESG management opens at least the following opportunities for Hengst:

- Sustainable corporate governance and long-term success
- Positive company valuation and perception
- Satisfied internal and external stakeholders
- Development into a resilient company

A lack of ESG activities leads to significant risks, including:

- Violations of laws with criminal and/or civil consequences
- Breaches of customer contracts potentially resulting in civil claims
- Loss of customers and/or poor customer reviews
- Reduced employee motivation and decreased attractiveness in recruiting new staff

A.5 Group-wide frameworks

A.5.1 Human rights commitments and alignment with international standards

Datapoints: *S1-1_03, S2-1_01, S1-1_07 (True), S2-1_08 (True), S2-1_06 (True), S1-1_08, S2-1_05, S3-1_02, S2.MDR-P_01-06, G1.MDR-P_01-06*

Hengst publicly commits to respect internationally recognised human rights standards. This commitment is formalised in the Group Policy Statement (Declaration of Principle) on Respect for Human Rights and reinforced by the Group Code of Conduct and the Supplier Code of Conduct; through the Code of Conduct and the Policy Statement, Hengst has adopted human-rights-related policy commitments relevant to its own workforce. A Supplier Code of Conduct is in place.

These commitments include respect for internationally recognised human rights, equal opportunity and non-discrimination, diversity, equality and inclusion, protection

of minorities and indigenous peoples, adequate wages, freedom of association and collective bargaining, occupational health and safety, and the prohibition of child labour, forced labour, slavery, servitude and workplace oppression.

Alignment with internationally recognised standards. Hengst aligns its business activities and its human-rights and environmental due-diligence processes with internationally recognised standards. Its policies with regard to its own workforce explicitly refer to the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO core labour standards, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. For the value chain, the Declaration of Principle on Respect for Human Rights and the Policy for Sustainable Procurement state alignment with the UN Guiding Principles, the ILO core labour standards, the OECD Guidelines and related UN instruments, including the UN Universal Declaration of Human Rights and the UN Global Compact. The business-conduct policies are in addition aligned with German Supply Chain Act requirements. Hengst implements this alignment through its Group-wide policy framework and related processes, including the binding Code of Conduct, employee training, management responsibility, annual and ad hoc risk analyses, preventive and remedial measures, effectiveness reviews, and an accessible grievance mechanism for employees and third parties.

Human trafficking, forced labour and child labour (S1-1_08, S2-1_05): Policies explicitly address trafficking of human beings, forced labour, compulsory labour, and (or) child labour.

The Code of Conduct states that Hengst rejects any use of forced labour or compulsory labour, all forms of slavery or practices similar to slavery, servitude, or other forms of domination and oppression at the workplace, and that it condemns any form of child labour. It further states that Hengst does not employ persons below the age at which compulsory schooling ends under applicable law and, in no case, below the age of 15 unless expressly permitted by international agreements and local legislation.

Affected communities (S3-1_02). Human rights are universal and apply to all people everywhere. Hengst is committed to respecting the rights of affected communities in connection with its business activities. Hengst is not in close proximity to indigenous communities at any of its locations; based on its current site structure, it therefore does not identify direct impacts on indigenous communities in the immediate vicinity of its own operations. Regardless of this, Hengst expects its business activities and business relationships not to contribute to human-rights violations affecting communities.

→ The reporting procedure, which is also open to individuals outside the company, is set out in A.5.2.

A.5.2 Group grievance and reporting mechanism

Datapoints: *S1-3_02, S1-3_05 (True), G1-1_06 (False), S1-3_09 (True), S1-3_07, S2-3_02, S3-1_02, S1-1_03, S1-2_07, S1.MDR-P_01-06, S2-1_01, S2.MDR-P_01-06, S2.MDR-A_01-12, G1.MDR-P_01-06*

Hengst provides an electronic Reporting Channel (Reporting Portal, also referred to as Compliance Portal) on its company website at Company → Compliance → Reporting Portal; it is also accessible via the intranet. It is accessible to all employees and third parties, including suppliers and value-chain workers, and enables individuals inside and outside the company to report concerns. The reporting channel is freely accessible, can be used in various languages and allows anonymous reporting if desired; alternatively, the reporter may provide contact details. It is intended for submitting complaints and messages regarding human-rights violations, environmental obligations and other concerns, including potential or actual violations of applicable law, internal policies and business principles, in particular the Hengst Code of Conduct; categories explicitly covered include discrimination, bullying, sexual harassment, occupational health and safety, wages, and matters affecting people with disabilities.

The company has published Rules of Procedure detailing the process for submitting and processing complaints and messages. They set out documented intake, review and follow-up, systematic investigation steps, and documented steps for resolving reported issues.

In addition to the Reporting Channel, employees are invited to raise concerns or needs via the employee survey, which is carried out every second year. Apart from that, the CEO invites all employees twice a year to a status update, giving them also the possibility to ask questions or raise concerns.

- **Labour-related grievances:** Hengst has an established grievance mechanism for labour-related issues, documented in its Reporting Procedure for complaints and messages.
- **Whistleblower protection:** whistleblower protection systems are in place.
- **Protection against retaliation:** Hengst explicitly prohibits retaliation and reprisals against reporters, commits to protecting their confidentiality and data privacy, and reserves disciplinary and legal measures against retaliation; retaliation against whistleblowers acting in good faith is forbidden. The Rules of Procedure state protections for reporting persons against discrimination and punishment, along with ongoing support after reporting to ensure no retaliation occurs; Hengst ensures this protection as far as possible and within its sphere of influence. Policies protecting individuals who report concerns, including workers' representatives, are in place.
- **Follow-up:** the reporting and complaints management process is integral to Hengst's human-rights and environmental due diligence; issues raised are investigated thoroughly. Where possible, Hengst involves those potentially affected by reported issues in the review and effectiveness assessments to ensure their perspectives inform improvements.
- **Design of the channels:** the reporting channels are designed for legitimacy, transparency and accessibility. They offer anonymity and protection against retaliation for reporters, fostering stakeholder trust; the procedures are publicly known with defined handling processes and timelines; Hengst ensures reasonable access to information and expertise for stakeholders using the channels; transparency is maintained through communication with complainants and adherence to public-interest obligations; the outcomes are aligned with internationally recognised human-rights standards; insights gained from reports feed continuous improvement of the channels and preventive measures; and the company emphasises dialogue with complainants aiming for mutually agreed solutions. The approach aligns with the effectiveness criteria of the UN Guiding Principles on Business and Human Rights.
- **Review and responsibility:** effectiveness and implementation of the reporting procedure are reviewed at least annually and adjusted as needed, especially if there are significant changes in risk exposure. Responsibility for overseeing these processes lies with the management and a dedicated human rights officer, supported by relevant departments such as Compliance, Human Resources and Purchasing.

Value-chain workers (S2-3_02). Based on Hengst's Policy Statement on Respect for Human Rights, the Hengst Supplier Code of Conduct and the Policy for Sustainable Procurement, the central reporting portal accessible via the Hengst website is the primary direct channel for value-chain workers to raise concerns.

→ **Supplementary channels: see D.2.**

A.5.3 Code of Conduct, policies and human-rights & environmental due diligence

Datapoints: *S1.MDR-P_01-06, S2.MDR-P_01-06, G1.MDR-P_01-06, S1-1_03, S1-1_07, G1-1_10*

Hengst manages material impacts, risks and opportunities through Group-wide policies and procedures, in particular the Hengst Code of Conduct, the Policy Statement (Declaration of Principle) on Respect for Human Rights, the Reporting Procedure for Complaints and Notices, the Sustainable Procurement Policy and the Supplier Code of Conduct. These policies apply across all companies of the Hengst Group worldwide.

The Code of Conduct applies to all Hengst Group companies and to all employees. It is communicated through onboarding and regular training sessions: employees receive training upon joining the company and at regular intervals thereafter.

Human-rights and environmental due diligence. Hengst conducts annual and ad hoc risk analyses to identify human-rights and environmental risks in both its own operations and its supplier relationships, and annual and ad hoc effectiveness reviews.

Measures include contractual commitments from suppliers to the Supplier Code of Conduct.

Governance. Responsibility for implementation lies with management; senior management, including the CEO and managing directors, holds ultimate accountability for policy implementation, including management responsibility for compliance. Defined governance roles support operationalisation, monitoring and continuous improvement: the Human Rights Officer, the Compliance Officer and compliance function, and relevant central functions, including a committee of central functions overseeing human-rights due diligence together with management; Compliance, Personnel and Purchasing execute operational measures. Regular training and audits ensure awareness and effectiveness.

Availability and stakeholder interests. The policies are made available internally through the intranet, training and compliance contacts; relevant policies and the reporting system are accessible on the Hengst website and intranet, facilitating awareness among employees, suppliers and other stakeholders. Stakeholder interests are considered in setting policies as well as in effectiveness reviews and remediation.

→ Content specific to the own workforce: see C.1. Content specific to the value chain: see D.1. Content specific to business conduct: see E.1.

B. Environment

B.1 Climate change and energy

Datapoints: *E1-1_02, E1-1_03, E1-4_12, E1-4_15, E1-5_01–15, E1-6_01, E1-6_04, E1-6_07, E1-6_09, E1-6_10, E1-6_11, E1-6_25*

Transition plan and targets (E1-1, E1-4)

1.5°C alignment (E1-1_02). Hengst committed in December 2024 to developing science-based climate targets under the SBTi. The targets will use base year 2025 and are intended to be validated by the SBTi by the end of 2026.

Decarbonisation levers and key actions (E1-1_03):

- **Own operations (Scope 1 and Scope 2):** the key lever has already been implemented — the undertaking sources electricity exclusively from renewable sources at all sites, bringing market-based Scope 2 emissions close to zero. The undertaking also aims to reduce Scope 1 emissions close to zero by 2030. These emissions arise predominantly from the stationary combustion of natural gas in building heating systems at several sites and from a number of natural-gas-based heat processes in production. The central key actions planned to this end are the switch of heat supply to district heating and the deployment of heat pumps, which replace the natural-gas-based generation of heat. As Scope 1 accounts for less than 2 % of total emissions, the absolute reduction contribution of this lever is limited; it is, however, addressed in full.
- **Upstream value chain (Scope 3, category 3.01):** by far the largest decarbonisation lever lies in purchased goods and services. The analysis of the Corporate Carbon Footprint identifies the following hotspots within this category, which the key actions planned address:
  - **Material substitution towards lower-carbon materials:** Plastics and polymers (around 20 % of total emissions, in particular glass-fibre-reinforced polyamide) together with metals (around 20 %, of which steel and aluminium) account for almost half of total emissions. The undertaking already uses recycled materials today, including recyclate granulates and fully recycled aluminium. The key action planned is to scale up this established approach: the systematic switch to recyclates and lower-carbon primary materials for polymers and metals.
  - **Material efficiency and circular product design:** Product development is used to reduce the amount of material per product and to increase recyclability (design for circularity). Changes in the product and service portfolio towards products with lower material intensity and lower emissions form part of this lever.
  - **Supplier engagement:** A significant share of the emissions from category 3.01 — for example from purchased finished filters, filter media, electronics/drives and lubricants — cannot be influenced through own product design, but only through suppliers. The action planned is a targeted supplier decarbonisation programme that calls on key suppliers to switch to renewable energy and to set their own reduction targets. The supplier base is favourably structured for this purpose: the 100 highest-emitting suppliers already account for approximately 55 % of category emissions; a programme focused on this group therefore addresses the large majority of the hotspot.
  - **Improving data quality (transition to primary data):** At present, around 58 % of the emissions in category 3.01 are based on industry-average emission factors and around 20 % on purely spend-based factors; only around 21 % are based on supplier-specific primary data. The gradual transition to product-specific emission

values (product carbon footprints) is a lever in its own right: it makes actual reductions at suppliers visible in the accounting and increases the manageability of the category.

- **Downstream value chain (together around 11 % of total emissions from transport, end-of-life treatment of sold products, and packaging):** complementary levers are pursued — optimisation of transport and distribution logistics as well as the reduction and switching of packaging materials. Through the increased recyclability of the products, the portfolio and design strategy also acts on the emissions from end-of-life treatment.
- **Contribution to the reduction targets and dependencies:** for Scope 1, switching to district heating and heat pumps supports the target of reducing emissions close to zero by 2030; market-based Scope 2 emissions are already close to zero through the full renewable electricity supply. For Scope 3, the undertaking is currently developing a reduction target in line with the criteria of the Science Based Targets initiative (SBTi) with the base year 2025. The levers described — in particular material substitution and supplier engagement in category 3.01 — form the basis on which this target and the associated reduction pathway are being set; the associated target value will be added once target-setting is complete. The majority of the future reduction thereby falls on the upstream value chain, in particular on material substitution and supplier engagement in category 3.01. Part of the effectiveness depends on factors outside the undertaking's direct control — in particular the availability of lower-carbon materials and recyclates in sufficient quality and quantity, as well as the decarbonisation progress and data provision of suppliers.

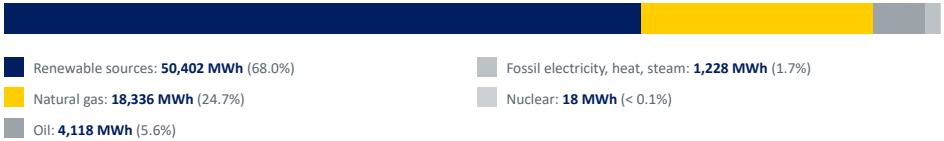
Absolute value of market-based Scope 2 reduction (E1-4_12): 16,800 tCO_2e

By purchasing green electricity, Hengst reduced market-based Scope 2 emissions by 16,800 tonnes CO_2.

Absolute value of Scope 3 reduction (E1-4_15): 0 tCO_2e

Hengst systematically records its Scope 3 emissions and is in the early stages of further developing this process. To improve the underlying data basis, it actively engages with suppliers in order to steadily increase the share of reliable primary data; this is intended to enhance transparency and data quality across the upstream and downstream value chain over time. As this work is still at an early stage, Hengst is not yet in a position to report Scope 3 emission reductions.

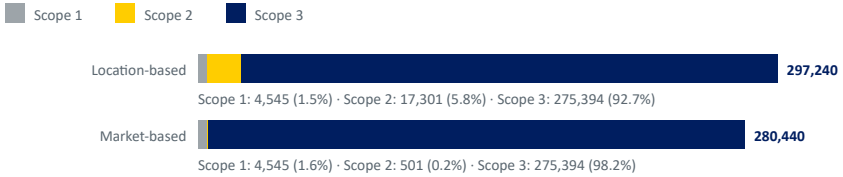
Energy consumption (E1-5)



Energy consumption from own operations by source, FY 2025, in MWh (total: 74,101 MWh). Source: E1-5_01 to E1-5_14.

Energy	Consumption
Energy consumption from own operations (E1-5_01)	74,101.446 MWh
Fossil energy consumption (E1-5_02)	23,681.308 MWh
– Coal (E1-5_10)	0 MWh
– Oil (E1-5_11)	4,117.692 MWh
– Natural gas (E1-5_12)	18,335.687 MWh
– Other fossil sources (E1-5_13)	0 MWh
– Fossil electricity, heat, steam or cooling (E1-5_14)	1,227.928 MWh
Nuclear energy consumption (E1-5_03)	18.035 MWh
Renewable energy consumption (E1-5_05)	50,402.103 MWh
– Renewable electricity, heat, steam & cooling (E1-5_07)	50,365.19 MWh
Self-generated consumption (E1-5_08)	1,889.01 MWh
Share of renewable sources (E1-5_09)	68.02%
Share of fossil sources (E1-5_15)	31.96%

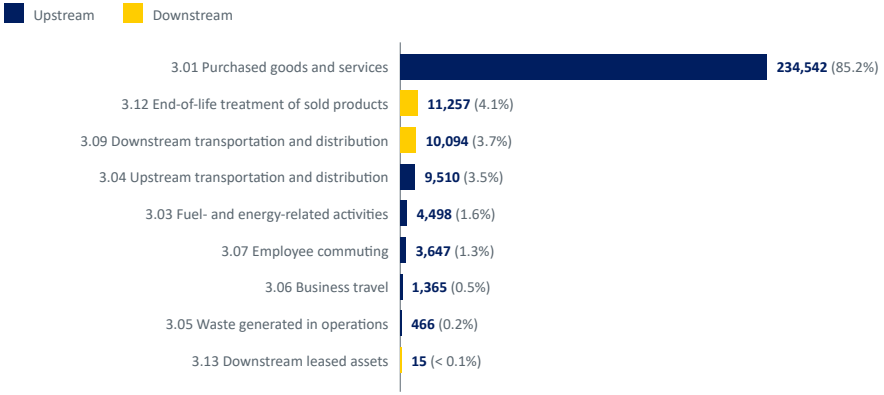
Greenhouse gas emissions (E1-6)



Total GHG emissions by scope, FY 2025, in tCO_2e, location-based and market-based. The difference results from the renewable electricity supply (Scope 2). Source: E1-6_01.

GHG emissions	tCO_2e
Scope 1 (E1-6_01, E1-6_07)	4,544.59
Scope 1 – percentage from regulated ETS (E1-6_01)	0%
Scope 2 – location-based (E1-6_01, E1-6_09)	17,301.012
Scope 2 – market-based (E1-6_01, E1-6_10)	501.199
Scope 3 – significant categories (E1-6_01, E1-6_11)	275,394.354
Total GHG – location-based (E1-6_01)	297,239.957
Total GHG – market-based (E1-6_01)	280,440.144

Scope 3 by category (E1-6_04)



Scope 3 emissions by significant category, FY 2025, in tCO_2e (share of total Scope 3: 275,394 tCO_2e). Categories without emissions reported are not shown. Source: E1-6_04.

Significant Scope 3 category	tCO_2e
3.01 Purchased goods and services	234,541.924
3.02 Capital goods	—
3.03 Fuel- and energy-related activities	4,497.5
3.04 Upstream transportation and distribution	9,509.979
3.05 Waste generated in operations	465.978
3.06 Business travel	1,365.263
3.07 Employee commuting	3,647.16
3.08 Upstream leased assets	—
3.09 Downstream transportation and distribution	10,094.479
3.10 Processing of sold products	—
3.11 Use of sold products	—
3.12 End-of-life treatment of sold products	11,257.211
3.13 Downstream leased assets	14.86
3.14 Franchises	—
3.15 Investments	—

Scope 3 emissions calculated using primary data (E1-6_25): 17.79%

Primary data is used both from internal stakeholders and from suppliers.

B.2 Pollution

Datapoints: *E2-4_02*

Emissions to air (E2-4_02): 0 tonnes

The pollutants listed in Annex II of Regulation (EC) No 166/2006 establishing the European Pollutant Release and Transfer Register (the "E-PRTR Regulation") are not emitted at the Group's sites or, where emissions do occur, remain clearly below the applicable threshold values. Accordingly, no reportable air emissions within the scope of this disclosure requirement arise. Monitoring and compliance with the relevant environmental and permitting requirements are carried out at site level.

B.3 Water

Datapoints: *E3-4_01, E3-4_02*

Total water consumption (E3-4_01): 58,703.526 m^3

Water consumption in water-stressed areas (E3-4_02): 6,486 m^3

Based on an evaluation with the Aqueduct Water Risk Atlas, 6,486 m^3 of water were consumed in areas with a high or very high overall water risk.

B.4 Resource use and circular economy

Datapoints: *E5.MDR-P_01-06, E5-4_02, E5-4_04, E5-4_05, E5-5_07*

Hengst manages resource use and circular-economy matters through a set of integrated corporate policies rather than a single dedicated "circular economy" policy — principally the Sustainable Procurement Policy, the Policy on Quality, Occupational Health and Safety, Energy and Environment, the Supplier Code of Conduct and the Environmental/Technical Standard (BN 13.09). These policies set objectives on material reduction, supplier responsibility, lifecycle thinking and product/material data, and define monitoring and governance mechanisms.

- **Objectives:** reduce material use in products, increase recycled and bio-based material use where feasible, improve energy efficiency in production and product operation, minimise waste and emissions, and ensure responsible sourcing (including conflict-minerals controls).
- **Impacts, risks and opportunities addressed:** resource depletion (raw materials, water, energy), hazardous-substance and chemical risks, waste and end-of-life

impacts, upstream supply-chain social and environmental risks (e.g. forced or child labour), regulatory compliance risks (for example the ELV Directive), and reputational/customer requirements.

- **Scope:** procurement- and supplier-focused requirements apply globally to Hengst procurement activities and to suppliers; the strategic supplier pool covers suppliers representing >=80% of purchasing volume. Environmental and technical standards apply to suppliers and contractors operating on Hengst sites and to supplied components (material data in IMDS). Product-related policy elements address lifecycle impacts including end-of-life considerations.
- **Exclusions and technical limitations:** some reuse routes (for example, reusing used filter elements) are currently noted as not technically feasible; where reuse is not feasible, the focus is on material reduction and increased recycled/bio-based inputs.
- **Accountability:** accountability is distributed. The Group Director Procurement holds overall responsibility for procurement-related policy implementation, with operational management by the Risk Manager Procurement and escalation lines to Commodity Buyers and Group Quality Management; the Policy on Quality, Occupational Health and Safety, Energy and Environment is approved at executive level and implemented operationally by Quality Management (QMB).
- **References to third-party standards and initiatives:** EcoVadis for supplier ratings, CMRT (Responsible Minerals Initiative) for conflict-minerals disclosure, Science Based Targets initiative (SBTi) alignment for climate targets, IMDS and VDA 260 for materials data, EU Directive 2000/53/EC (end-of-life vehicles), and international conventions such as Basel, Stockholm and Minamata for hazardous substances and waste.
- **Stakeholder interests:** the policies reference customer requirements and regulatory obligations as key drivers and show cross-functional coordination among Compliance, Quality, Supply Chain and Procurement.
- **Availability:** the Supplier Code of Conduct and the Environmental Standard are provided to suppliers (onboarding confirmations required) and referenced via supplier channels; suppliers are required to pass obligations to upstream suppliers. Material-data requirements use IMDS. Internally, the policies are implemented through purchaser training, assigned roles and responsibilities in policy documents, KPI tracking, and escalation routes for non-compliance up to supplier termination.
- **Monitoring and control mechanisms:** supplier KPIs and onboarding confirmations, use of EcoVadis ratings for supplier sustainability assessment, Responsible Minerals Initiative CMRT for mineral disclosure, IMDS/VDA 260 material data collection, regular supplier risk analyses and semi-annual evaluations, and purchaser training and internal KPI tracking.

Resource inflows (E5-4)

Metric	Value
Total weight of products and materials (E5-4_02)	59,048,829 kg
Reused/recycled components, intermediate products and secondary materials (E5-4_04)	6,704,066.49 kg
Percentage reused/recycled/secondary (E5-4_05)	11.35%

Resource outflows / waste (E5-5)

Metric	Value
Total waste generated (E5-5_07)	4,719.813 tonnes

C. Own workforce

C.1 Policies, human-rights commitments and engagement

Datapoints: *S1.MDR-P_01-06, S1-1_03, S1-1_07, S1-1_08, S1-2_07*

→ Group human-rights commitments, alignment with international standards and the prohibition of trafficking, forced and child labour are set out in A.5.1. The reporting mechanism is set out in A.5.2. The Group policy and due-diligence framework is set out in A.5.3.

The Group-wide Hengst Code of Conduct, Policy Statement on Respect for Human Rights and Reporting Procedure for Complaints and Notices cover Hengst's entire own workforce. They address key workforce-related matters including lawful and respectful conduct, equal opportunity and non-discrimination, diversity and inclusion, occupational health and safety, adequate wages, freedom of association, data protection, grievance handling and remediation, and the prevention of child labour, forced labour and related human-rights violations. No exclusions from policy coverage for Hengst's own workforce are defined in the policies.

While the policy framework primarily addresses material impacts and risks, it also supports positive workforce-related outcomes through leadership principles, employee development, feedback culture and open communication. Employee interests are reflected through open communication channels, opportunities to raise concerns and suggestions, which Hengst encourages, and, where possible, the involvement of potentially affected persons in effectiveness reviews.

Engaging potentially vulnerable or marginalised employees (S1-2_07)

Steps Hengst takes to gain insight into the perspectives of potentially vulnerable or marginalised employees:

- **Company-wide employee surveys:** Hengst conducts regular, company-wide employee surveys that are shared with employees and lead to follow-up measures, providing a primary channel for capturing employee perspectives.
- **Global reporting channel (complaints mechanism):** the multilingual, company-level reporting channel with anonymous reporting and protection against retaliation.
- **Human-rights policy and risk analyses:** Hengst publishes a Declaration of Principle on Respect for Human Rights and applies annual multi-stage risk analyses across its operations and suppliers to identify human-rights-related risks and impacts relevant to vulnerable groups.
- **Training and capacity building:** regular training initiatives (including the Hengst Academy and planned human-rights and environmental due-diligence training) are used to raise awareness among employees and managers about human rights and related issues.
- **HR policies and people-management measures:** policies intended to address inequality include a transparent remuneration system (classification developed with employee representatives), flexible working arrangements, parental support such as a company kindergarten, and targeted personnel development and succession planning.

→ Global reporting channel: see A.5.2.

C.2 Actions and resources (S1.MDR-A)

Datapoints: *S1.MDR-A_01-12*

Key actions implemented in the reporting year:

- Maintain and operate a company-wide risk-management system with decentralised operational ownership and central coordination, including entity risk lists and monitoring of measure effectiveness (regular updates and two annual Executive Board risk workshops).
- Continue employee development and training via the Hengst Academy (programmes for employees and managers) and recurring employee surveys with follow-up measures.
- Deliver employee wellbeing and engagement measures (flexible working arrangements, remote-work options, company kindergarten in Münster, sports/health programmes and related benefits).
- Strengthen the recruitment and skills pipeline through internships, thesis projects and apprenticeships.
- Conduct human-rights due diligence, including annual multi-stage risk analyses for own operations and direct suppliers and event-driven analyses when required.

Planned / continuing actions: continuous review and expansion of human-rights and environmental due-diligence processes; ongoing monitoring, training and checks of measure effectiveness at entity level using the central risk-management template, and continued reporting to extended management.

Scope and time horizons: Group-wide coverage with central coordination and entity-level implementation; actions address the company's own business area and extend to direct suppliers in the context of human-rights and supply-chain risk analysis. Most actions are ongoing or recurring (annual human-rights risk analyses and event-driven analyses; two Executive Board risk workshops per year; recurring training and employee surveys).

C.3 Workforce characteristics

Datapoints: *S1-6_01, S1-6_07, S1-6_04, S1-6_11, S1-6_12, HE-S01, S1-7_03, S1-9_01*

For the data points in this section, employees are all persons who have a direct employment contract with Hengst (including trainees, students, part-time employees, mini-jobbers, etc.). Workers who have an employment contract with a temporary work agency are excluded here.

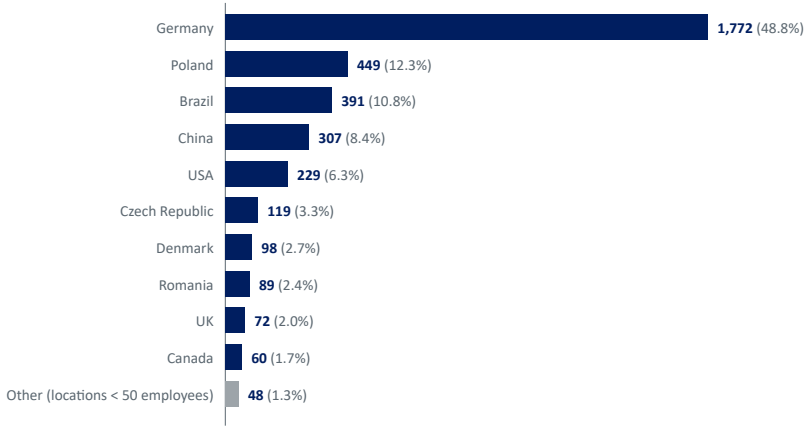
The number of employees in the reporting year corresponds to the sum of the number of employees on the last day of each quarter (March 31, June 30, September 30, December 31) divided by 4 (number of quarters).

Employees by contract type and gender (S1-6_01, S1-6_07)

Headcount	Male	Female	Other	Not disclosed	Total
Total number of employees	2,392	1,242	0	0	3,633
Permanent	2,278	1,181	0	0	3,459
Temporary	111	58	0	0	169
Non-guaranteed hours	2	3	0	0	5
Full-time	2,292	1,120	0	0	3,412
Part-time	100	122	0	0	222

Totals may differ due to rounding.

Employees by country (S1-6_04, headcount)



Employees by country, FY 2025, headcount as average of the four quarter-end values (total: 3,633). Source: S1-6_04.

Country	Number of employees (headcount)
Brazil	391
Canada	60
China	307
Czech Republic	119
Denmark	98
Germany	1,772
Poland	449
Romania	89
UK	72
USA	229
Other (locations with fewer than 50 employees)	48

Totals may differ due to rounding.

Number of employees who left the undertaking (S1-6_11): 592

Employee turnover rate — total (S1-6_12): 17.82%

S1-6_11 and S1-6_12 include all types of exits within the reporting year, such as retirements, deaths, and terminations by Hengst or by the employee.

Employee turnover rate — employee-initiated terminations only (HE-S01): 6.56%

HE-S01 includes only resignations submitted by the employee.

Workers provided by temporary work agencies (S1-7_03): 193

Gender distribution at the most senior level (S1-9_01, headcount)

Gender	Headcount	Percentage
Male	15	93.65%
Female	1	6.35%
Other	0	
Not disclosed	0	
Total	16	100%

In the group of managing directors and senior executives, which averaged 16 people over the quarters, one person is female; in this group, the share is thus 6.35%.

C.4 Working conditions: wages and work-life balance

Datapoints: *S1-10_01 (False)*

Adequate wages (S1-10_01). In its publicly available Code of Conduct, the Hengst Group emphasises that remuneration of all employees must be appropriate — at least complying with locally applicable minimum-wage regulations and in any case securing

a living wage. Structured analyses to this effect are in preparation but have not yet been carried out; until the results are complete, there is a risk that not all employees receive an adequate wage. The national statutory minimum wage is paid to all employees.

C.5 Health and safety

Datapoints: *S1-14_01, S1-14_02, S1-14_04, S1-14_05, S1-14_06, S1-14_07, EV-LAB6010-1*

Workforce covered by an OHS management system based on standard/law (S1-14_01): 97.49%

Work-related fatalities (S1-14_02): 0

Work-related accidents (S1-14_04): 71

Rate of work-related accidents (S1-14_05): 12.093

S1-14_04 and S1-14_05 include reportable and non-reportable occupational accidents that resulted in work absence of at least one day following the accident. Accidents occurring on the way to or from the workplace to home are not included here.

Reportable work-related illnesses (S1-14_06): 2

Lost working days due to work-related injuries, illnesses and fatalities (S1-14_07): 1,038

Number of hours worked (EV-LAB6010-1): 5,648,687.53

D. Value chain and suppliers

D.1 Policies and human-rights commitments for value-chain workers

Datapoints: *S2.MDR-P_01-06, S2-1_01, S2-1_05, S2-1_06 (True), S2-1_08 (True), S2.MDR-A_01-12*

> **→ Group human-rights commitments, alignment with international standards, the Supplier Code of Conduct and the prohibition of trafficking, forced and child labour are set out in A.5.1. The reporting channel is set out in A.5.2. The Group policy and due-diligence framework is set out in A.5.3.**

For value-chain workers, Hengst manages impacts, risks and opportunities through the Sustainable Procurement Policy, the Declaration of Principle on Respect for Human Rights and the Supplier Code of Conduct rather than a single stand-alone "value chain workers" policy; these documents collectively set requirements for supplier conduct and due diligence. Their key contents and objectives are to integrate environmental, social and ethical criteria into procurement decisions; to prevent child and forced labour, uphold freedom of association, prohibit discrimination and require safe working conditions; to conduct conflict-minerals due diligence and require supplier commitments to core labour standards; and to use risk-based assessments and sustainability ratings (e.g. EcoVadis) to prioritise supplier engagement. The Policy for Sustainable Procurement describes supplier expectations, risk-based due diligence and a grievance channel.

Scope and governance. The policies apply to procurement activities and employees involved in procurement across the Hengst Group worldwide, with initial emphasis on strategic suppliers representing the largest share of purchasing volume and further suppliers covered by a risk-based extension. Most senior accountability for procurement policy is assigned to the Group Director Procurement, who holds strategic ownership; operational implementation and monitoring are the responsibility of the Risk Manager Procurement, with procurement functions implementing the policy and cross-functional support from Compliance, Quality, Supply Chain Management, Procurement and Sustainability. Monitoring uses periodic risk analysis, supplier KPIs (e.g. supplier commitments and EcoVadis ratings) and annual effectiveness reviews.

How Hengst respects the rights of value-chain workers:

- Requires suppliers and business partners to comply with applicable law and to implement the Supplier Code of Conduct, which prohibits forced labour and child labour and forbids discrimination.
- Expects suppliers to ensure appropriate wages (at least local minimum and with an aim toward living wages), to protect freedom of association and collective bargaining, and to maintain occupational health and safety protections.
- Embeds contractual requirements and supplier commitments into procurement processes and uses a supplier risk classification system (Prio 1–4) and sustainability screening (including EcoVadis for priority suppliers) to prioritise oversight.
- Implements annual, centralised and event-driven risk analyses covering its own operations and direct suppliers, with event-driven analyses also for indirect suppliers or materially changed risk situations, and escalation up to termination of relations for severe non-compliance.

- Provides training for employees and purchasers on sustainable procurement and supplier compliance obligations.

> **→ Risk-based supplier classification: see D.6.**

Remedy. When violations are identified, Hengst seeks supplier cooperation to clarify facts and applies proportionate responses ranging from immediate corrective actions and time-bound remediation plans to termination of the business relationship for serious breaches. The company performs periodic reviews of the effectiveness of remediation.

D.2 Remediation and worker grievance channels (S2-3)

Datapoints: *S2-3_02*

> **→ The central reporting portal as the primary direct channel for value-chain workers is set out in A.5.2.**

The central reporting portal is supplemented by supplier contractual measures, supplier self-assessments/audits, and third-party sustainability assessments such as EcoVadis.

D.3 Actions and resources (S2.MDR-A)

Datapoints: *S2.MDR-A_01-12*

Key actions (taken and planned):

- Adoption and enforcement of a Supplier Code of Conduct; new suppliers are required to accept sustainability, human-rights and environmental requirements.
- Risk-based supplier classification (Prio 1–4) to focus monitoring and remedial measures on higher-priority suppliers; annual, centralised risk analysis.
- Use of an external sustainability rating platform (EcoVadis) and requirement for a sustainability rating for suppliers classified as high-priority.
- Defined KPI targets and milestone dates, including interim and final targets for supplier commitment and ratings.
- Supplier onboarding controls and periodic assessments per the Supplier Manual (including PPAP/VDA-level approvals and emergency-planning requirements).
- Grievance mechanism via the central Compliance Portal enabling anonymous reporting.
- Remedial and escalation measures: corrective action requests, risk-based audits, withholding new business, and termination of supplier relationships as last resort.

> **→ Annual, centralised risk analysis: see D.1. KPI targets and milestone dates: see D.4. Grievance mechanism: see A.5.2.**

Scope: coverage is focused on the upstream value chain (suppliers), prioritising strategic suppliers that represent at least 80% of purchasing volume. Actions are declared as globally applicable across Hengst geographies and apply to affected stakeholder groups including procurement staff, suppliers (Prio 1–4), and suppliers of materials subject to conflict-minerals requirements.

Time horizons and cadence: monitoring and risk analysis follow an annual cycle with event-driven updates as required.

Remedy and remediation cooperation: documented escalation pathways require suppliers to implement corrective measures and to cascade requirements down their own supply chains; actions available include audits, corrective action plans, withholding of new business and supplier termination.

> **→ Governance and staffing resources: see D.1.**

D.4 Targets (S2.MDR-T)

Datapoints: *S2.MDR-T_01-13, S2.MDR-A_01-12*

Hengst has defined measurable, outcome-oriented and time-bound targets in its Policy of Sustainable Procurement to manage material impacts, risks and

opportunities related to value-chain workers. The policy lists four primary targets, addressing supplier commitment to the Supplier Code of Conduct, sustainability ratings for high-priority suppliers, conflict-minerals compliance, and purchaser training coverage, together with target dates.

- **Increase the share of suppliers committed to the Hengst Supplier Code of Conduct.** Target level: 80% by end 2029 (interim); 100% by end 2031; unit: percentage of suppliers within scope; scope: all suppliers classified Prio 1–4 (strategic supplier pool representing at least 80% of purchasing volume). Relationship to policy objectives: directly implements the Policy for Sustainable Procurement to integrate social, environmental and ethical criteria across procurement and to reduce/mitigate supplier-related human-rights and labour risks.
- **Increase the share of Prio 1 suppliers with a sustainability rating.** Target level: 80% by end 2029 (interim); 100% by end 2030; unit: percentage of Prio 1 suppliers; scope: suppliers classified as Prio 1 (highest priority by risk analysis). Relationship to policy objectives: supports transparency and supplier improvement and is used in supplier evaluation and awarding decisions.
- **Conflict-minerals compliance among relevant suppliers.** Target level: 80% by end 2029 (interim); 100% by end 2031; unit: percentage of relevant suppliers; scope: suppliers providing metals or electronic components (upstream supplier scope). Relationship to policy objectives: supports due-diligence obligations and respect for human rights in the extraction/processing of minerals.
- **Training coverage for purchasers on supply-chain sustainability.** Target level: 100% of purchasers to participate at least once within a two-year cycle; unit: percentage of purchasers; scope: all purchasers of Hengst entities worldwide. Relationship to policy objectives: ensures that implementers (purchasers) understand and apply the Sustainable Procurement Policy.

D.5 Supplier management approach (G1-2)

Datapoints: *G1-2_02, G1-2_03 (True)*

Hengst operates a structured, policy-driven approach to supplier relationships that integrates supply-chain risk management, quality assurance and sustainability due diligence across onboarding, selection, evaluation, escalation and supplier development.

- **Strategy and disruption mitigation:** procurement uses framework agreements, fixed-price supply agreements for commodities, allocated quotas and regular safety-stock reviews, requires supplier contingency/emergency plans, and performs financial risk analyses with contractual and payment measures (e.g. payment terms) to mitigate supplier insolvency risk.
- **Supplier onboarding and screening:** suppliers must register on the onboarding platform, sign confidentiality agreements, provide credit information, and are required to register in EcoVadis; supplier potential analyses and capability audits (process audits, PPAP/VDA, capability studies) and minimum QMS certification levels (IATF 16949 / ISO 9001) are applied where relevant.
- **Sustainability and human-rights due diligence:** suppliers must contractually accept the Supplier Code of Conduct, which is incorporated via the General Terms and Conditions; Hengst conducts a multi-stage annual risk analysis (country/sector then company level) for direct suppliers and performs event-driven assessments as needed.
- **Performance evaluation and incentives:** suppliers are evaluated on a half-yearly cycle with an A/B/C classification using weighted criteria (quality 40%, logistics 30%, purchasing/soft facts 30%); sustainability is embedded via EcoVadis as a subcriterion (explicitly weighted at 6% within purchasing soft facts). Hengst promotes continuous improvement and supplier development activities and supports suppliers through structured evaluation cycles and onboarding requirements.
- **Audits, visits and verification:** supplier self-assessments (EcoVadis) and CQI self-audits are used where applicable; Hengst may perform supplier process audits, capability studies and on-site visits and reserves the right to audit and require corrective actions; reporting channels and remediation procedures are published.
- **Dealing with underperforming or vulnerable suppliers:** a formal Supplier Qualification (SQuaP) escalation process (Q1/Q2) addresses repeated poor deliveries or major incidents with measures including management reviews,

supplier action plans, process audits and protective measures; financial screening is used to mitigate insolvency risk.

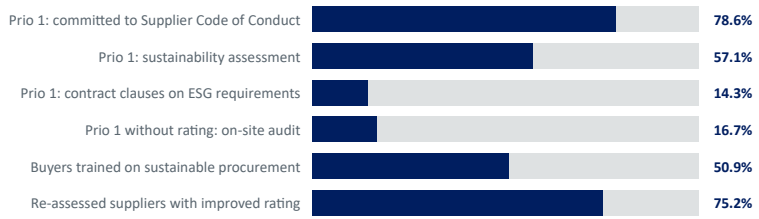
- **Training:** Hengst commits to provide employee training on human-rights and environmental due diligence and to offer supplier trainings on Code expectations.

Consideration of sustainability criteria in supplier selection (G1-2_03): Hengst takes social and environmental criteria into account in the selection of suppliers through its supplier approval, contracting and evaluation processes.

Potential suppliers are required to complete supplier registration, undergo a supplier potential analysis, and submit the contractual procurement package, including the Supplier Code of Conduct; the quotation process starts only after these documents have been received. The Supplier Code of Conduct forms an essential basis of the business relationship. It includes social requirements such as respect for human rights, non-discrimination, prohibition of forced and child labour, fair working conditions, freedom of association, and occupational health and safety, and environmental requirements such as compliance with environmental laws and permits, protection of ecosystems and biodiversity, resource efficiency, pollution prevention, waste and water management, emissions and energy management, chemical management, and conflict-minerals reporting. In addition, suppliers are expected to have ISO 14001 certification in place or to have completed preparations for certification, and EcoVadis sustainability performance is included in ongoing supplier evaluation.

D.6 Risk-based supplier assessment and procurement KPIs

Datapoints: *EV-SUP6100-1 … EV-SUP6100-6, EV-0*



Sustainable procurement KPIs, FY 2025, in percent. Targets are set out in D.4. Source: EV-SUP6100-1 to -6.

Procurement KPI	Value
Targeted (Prio 1) suppliers that have signed the sustainable procurement charter or Supplier Code of Conduct (EV-SUP6100-1)	78.57%
Buyers across all locations who have received training on sustainable procurement (EV-SUP6100-2)	50.94%
Targeted (Prio 1) suppliers with contracts that include clauses on environmental, labour and human-rights requirements (EV-SUP6100-3)	14.29%
Targeted (Prio 1) suppliers that have gone through a sustainability assessment (EV-SUP6100-4)	57.14%
Targeted (Prio 1) suppliers without a sustainability rating (EcoVadis) that have gone through a sustainability on-site audit (EV-SUP6100-5)	16.67%
Audited or assessed suppliers engaged in corrective actions or capacity building: suppliers that conducted a re-assessment in 2025 and improved compared to their previous scorecard rating (EV-SUP6100-6)	75.19%

Targeted suppliers are those classified in the ‘Priority 1’ risk category. Suppliers are categorised based on a risk-based approach; the focus is on suppliers that are classified as “High” in the abstract risk assessment (country/industry risk) and where Hengst has significant leverage (Hengst purchasing volume >10% of the supplier’s total turnover). These suppliers are assigned to Priority 1 (Prio1).

Measures and objectives for Prio1 suppliers: request suppliers to undergo an EcoVadis sustainability rating or, if already completed, to share their EcoVadis scorecard with Hengst; address required corrective actions; and request commitment to the Hengst Supplier Code of Conduct.

In addition to Prio1 suppliers, the objective is to gradually engage further suppliers (Prio2–4) based on a tiered, risk-based categorisation. Implementation follows the prioritisation while taking available resources into account. The goal is to continuously increase coverage year by year and to achieve full coverage of all suppliers in risk categories 1–4 in the long term (target: 100% commitment to the Hengst Supplier Code of Conduct, sustainability rating, and continuous improvement).

D.7 Payment practices (G1-6)

Datapoints: *G1-6_02*

Standard payment term — all suppliers (G1-6_02): 60 days from delivery and receipt of the invoice.

E. Business conduct

E.1 Corporate culture and policies

Datapoints: *G1.MDR-P_01-06, G1-1_06 (False), G1-1_10*

→ The Group Code of Conduct, the human-rights policy and the due-diligence framework are set out in A.5.3. Alignment with international standards is set out in A.5.1. The whistleblowing and reporting mechanism, including whistleblower protection, is set out in A.5.2.

Hengst has a comprehensive set of policies to manage material impacts, risks and opportunities related to business conduct and corporate culture. The Code of Conduct serves as a guideline for internal and external relations and emphasises compliance with laws, ethical business practices and mutual respect. Key contents of the Code include anti-corruption measures such as prohibiting bribery, ensuring gifts and hospitality are modest and appropriate, and implementing sanctions against misconduct; it promotes integrity and fairness in all dealings with business partners and third parties. Leaders and company executives emphasise compliance culture, are accountable for preventing violations within their areas and ensuring compliance with internal policies, and are responsible for ensuring that no violations of laws, the Code of Conduct or company policies occur under their supervision.

The Declaration of Principle on Respect for Human Rights specifies Hengst's commitment to internationally recognised human-rights standards and environmental protection and applies across the entire value chain, including upstream and downstream partners. The Supplier Code of Conduct requires compliance with labour standards, anti-corruption, environmental protection and fair business practices. In setting policies, stakeholder interests are considered especially concerning human rights, labour standards and environmental sustainability, with an emphasis on preventing violations and fostering a responsible corporate culture.

E.2 Anti-corruption and anti-bribery

Datapoints: *G1.MDR-A_01-12, G1-1_08 (True), G1-1_10, G1-1_11, G1-3_01, G1-4_01, G1-4_02, G1-1_03 (False)*

Key actions taken in the reporting year:

- Maintenance and enforcement of a global Code of Conduct explicitly prohibiting bribery and corruption and setting behavioural expectations for employees, management and business partners.
- Operation of a Compliance Management System (CMS) implementing risk-based controls such as segregation of duties, the ERP authorisation concept, role-based approval workflows and multi-stage approvals for procurement and payments.
- Business-partner due-diligence procedures and a Supplier Code of Conduct requiring suppliers and intermediaries to refrain from corruption.
- Compliance audits, investigations of alleged misconduct, corrective measures to close control gaps, and sanctioning where misconduct is confirmed.
- Defined reporting and behavioural rules and definitions covering bribery, corruptibility and conflicts of interest.
- Risk-management activities including training, risk workshops, monitoring and reporting by designated functions.

Investigation of incidents (G1-1_08). Hengst is committed to objective, timely and independent investigations of incidents.

Training concept for responsible business conduct (G1-1_10)

Hengst's policy on training for responsible business conduct is built around its group-wide Code of Conduct, which applies to all employees across all companies of the Hengst Group.

- **Target audience:** all employees receive training on the Code of Conduct and compliance matters. Specific compliance topics are targeted to relevant departments such as sales, purchasing, development, finance, reception and security.
- **Frequency:** training is mandatory upon joining the company (onboarding) and repeated at regular intervals to ensure ongoing awareness and compliance.
- **Depth of coverage:** training content is tailored to the target audience with practical examples from daily business to clarify compliance topics. Topics covered include anti-corruption, anti-money laundering, competition and antitrust laws, behaviour during investigations, know-your-customer processes, and data protection/information security. Training materials are also made accessible on the internal intranet for reference.

Compliance risk areas (G1-1_11)

Based on the Hengst Code of Conduct and its Compliance Management System Handbook, the following functions are identified as most at risk for corruption and bribery:

- **Procurement / Purchasing** — high risk: procurement processes, supplier selection and order release are repeatedly referenced as exposure points.
- **Sales / Business Development / Account Management** — customer-facing risk: interactions involving gifts, invitations and contract negotiations create bribery exposure.
- **Finance / Treasury / Payments** — transactional risk: payment execution, redirected or third-country payments, and payment approvals are highlighted as AML and corruption vectors.
- **Third-party management / contracting (consultants, intermediaries, agents)** — intermediary risk: contracts with agents and intermediaries require anti-corruption clauses and written compliance declarations.
- **Customs / Export / Logistics / Supply Chain** — cross-border risk: export control, customs and international supply-chain transactions are noted as sources of AML and corruption risk.
- **Roles operating in or managing relationships in high-risk countries / market-expansion teams** — geographic risk: expansion into compliance-critical markets is identified as a specific compliance risk category.
- **Public-sector-facing roles / Government Relations / Regulatory Affairs** — public-official interaction risk: bribery of public officials and restrictions on gifts to authorities are explicitly addressed.

Anti-corruption and anti-bribery procedures (G1-3_01) and actions (G1.MDR-A)

- The Code of Conduct explicitly prohibits bribery and corruption; employees are forbidden from demanding, accepting or offering undue advantages or bribes.
- The company enforces clear rules around gifts, invitations and donations: allowed only within customary, low-value, socially appropriate contexts; gifts to public officials are generally prohibited. Misconduct related to corruption or bribery is sanctioned decisively.
- Risk-based internal controls such as segregation of duties, the four-eyes principle and multi-step approval workflows in the ERP system prevent unauthorised or fraudulent actions; the Compliance Management System (CMS) includes technical access controls, role-specific permissions and regular audits to detect anomalies.
- The company conducts thorough business-partner screenings to assess legal and reputational risks before engagement.

- Hengst maintains formal reporting procedures for unethical behaviour, including corruption and bribery, with escalating sanctions depending on the severity.
- The Supplier Code of Conduct mandates suppliers to avoid corruption, bribery, conflicts of interest and money laundering, and requires them to establish complaint mechanisms with whistleblower protection.
- Policies and procedures are communicated through various channels such as supervisors, the legal and internal control departments, and documented guidelines, addressing employees, contractors, suppliers and stakeholders globally.
- These measures ensure prevention, detection and appropriate response to any allegations or incidents of corruption or bribery within the company and its supply chain.

Convictions for corruption and bribery offences (G1-4_01): 0

Amount of fines for corruption and bribery offences (G1-4_02): 0.00 euros

Anti-corruption policy (G1-1_03): an anti-corruption policy is in place.

E.3 Business ethics performance and screening

Datapoints: *EV-FB610-2, EV-FB610-3, EV-FB610-6, EV-FB610-7*

Business-ethics metric	Value
Confirmed corruption incidents (EV-FB610-2)	0
Confirmed information-security incidents (EV-FB610-3)	3
Risky trading partners covered by a due-diligence process on corruption or information security (EV-FB610-6)	100.00%
Sites with an ethics certification such as ISO 27001 or ISO 37001 (EV-FB610-7)	0.00%

Business-partner due diligence (EV-FB610-6). Hengst screens its business partners — customers, suppliers and other intermediaries — through a risk-based Know Your Customer (KYC) process, assessing country, industry and transaction-related risk, PEP status, and screening against sanctions and anti-terrorism lists. Higher-risk partners (e.g. critical country, red flag, or a critical sanctions-list hit) undergo mandatory enhanced due diligence by the central Internal Control and Customs/Export Control functions, including external database research (LexisNexis). Compliance and anti-corruption clauses are integrated into contracts, or written compliance declarations are obtained.

E.4 External sustainability initiatives

Datapoints: *EV-GEN300*

- United Nations Global Compact (UNGC)
- Science Based Targets initiative (SBTi)

In December 2024, Hengst joined the Science Based Targets initiative (SBTi). This commits Hengst to developing clear and science-based climate targets in accordance with the requirements of the Paris Agreement and thus to the 1.5 degree target.

Since 2025, Hengst Filtration has been part of the United Nations Global Compact, the world's largest initiative for responsible corporate governance, and is thus committed to the ten universal principles in the areas of human rights, labour standards, environmental protection and anti-corruption. This commitment underlines Hengst's aspiration to take a holistic approach to sustainability — ecologically, socially and economically.

Questions about this report?

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