

A large, stylized green leaf graphic that serves as a background for the text. The leaf is composed of several overlapping, semi-transparent green shapes, creating a layered effect. It is positioned on the right side of the image, with its tip pointing towards the top right corner.

HOHENSTEIN **SUSTAINABILITY REPORT** 2024

SUSTAINABILTY REPORT 2024



OVERVIEW

In this report, we describe our targets for environmental, social and business sustainability.

We highlight actions already taken and those planned for the future – true to our mission statement: "We believe in the fascinating possibilities of innovation for people and the environment".

These measures relate to the Hohenstein company itself, and above all; to our broad range of services. As the report contains forward-looking statements based on current assumptions and expectations, a number of factors may cause results to differ from current estimates. The report covers the period from 1 January to 31 December 2024.

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OUR COMPANY	OUR EXPERTISE	SUSTAINABILITY STRATEGY	OUTLOOK
Facts Current developments Structure Sustainability and corporate governance Partnership and networks Compliance	Research and services • Material use • Product development • Production • Re-use and recycling • End of life • Fit for sustainability • Knowledge transfer • OEKO-TEX®	Environment • Climate strategy • Energy • Environmental management system according to EMAS • Water • Mobility • Location and land use Social • Employees Corporate governance • Corporate culture	

OUR COMPANY

HOHENSTEIN IS A FAMILY COMPANY with more than 75 years of experience in the fields of testing, certification and research. With its roots in the textile sector, the Hohenstein testing spectrum today includes softlines, hardlines and medical products. Approximately 1,350 employees around the globe work on testing and service offerings such as tests for harmful substances, performance or fit tests for individual requirements. Customers from all over the world receive all from a single source: Hohenstein supports companies along the entire value chain, from the testing process to certification and the marketing of their products.

Hohenstein is a founding member of the OEKO-TEX® Association and offers the entire OEKO-TEX® portfolio of certifications and labels for the implementation of more sustainable materials, products and manufacturing conditions.

As an international testing laboratory, Hohenstein provides objective proof of organic cotton, free from genetic modification and products made from it. Our microplastic analysis and the classification of the environmental impact of textiles during washing also contribute to more sustainable product development. The certification of production facilities with regard to ecological and social criteria provides evidence of more sustainable production processes and fair working conditions. Comparative product tests provide information about possible development potential and ensure increased market transparency.

In the area of training and further education, our Hohenstein Academy offers numerous online training courses in addition to an extensive range of classroom training courses.

As a service provider with a wide range of sustainability services, we believe we have a strong responsibility to promote our sustainability efforts. We want to lead by example and with the greatest transparency. Year after year – and always anew.



PROF DR STEFAN MECHEELS
CEO AND OWNER

Since the Hohenstein family business was founded in 1946, acting responsibly has been one of our most defining values. We have been practising sustainable management for many years.

In 2023, we set a fundamental course and have derived a strategy from our environmental guideline. Our image of a future worth living is based on value creation, harmonising protection of the environment with contribution to human well-being. The target is to continuously integrate these principles into our business strategy, corporate culture and daily work.

The foundation for all this is the commitment of our employees and business partners worldwide. After all, we can only achieve a healthy society and economy by working together.

We are certain that sustainable business models are not only profitable, but also have better long-term prospects. I look forward to helping to shape such a sustainable future together with our employees.

FACTS

APPROX. 1,350
EMPLOYEES WORLDWIDE

6
COUNTRIES WITH
ACCREDITED
TESTING LABORATORIES

75
YEARS
TEXTILE EXPERTISE

IN 3RD
GENERATION
FAMILY OWNED

107
ACADEMY EVENTS
IN 2024

OVER 14,000
CUSTOMERS

SINCE 1953
PARTNER OF THE
CERTIFICATION
ASSOCIATION FOR
RESPONSIBLE TEXTILE
SERVICE

30 YEARS
FOUNDING MEMBER
OF THE OEKO-TEX®
ASSOCIATION FOR

40
CONTACT OFFICES
AROUND THE WORLD

INNOVATEX
CELEBRATES ITS
75TH
ANNIVERSARY

We are passionate about doing everything we can to bring new reliable and safe products to market. Around 690 dedicated employees currently work at the Bönningheim site – and many more internationally. With our global network, which includes testing laboratories in Hungary, Hong Kong SAR of China, Greater China, Bangladesh and India, we deliver customer orders efficiently and safely. This international presence offers the advantage of local expertise in native languages and consistent testing quality worldwide. By being close to our customers, we are able to keep logistics activities – which are essential for transportation – low and minimise greenhouse gas emissions.



CURRENT DEVELOPMENTS

HARDLINES LABS

In our hardlines laboratories, we test and evaluate the safety and suitability for use of various consumer goods in accordance with national, international or company-specific guidelines. We offer this testing in our laboratories in Hong Kong, Shanghai and at our headquarters in Germany. All three locations are in close contact and the expertise is shared and further developed.

Highly qualified experts, state-of-the-art laboratory equipment and our DIN EN ISO 17025 accreditation ensure that tested products meet all legal requirements and quality expectations of the respective target markets.

TESTING OF MEDICAL DEVICES

As a testing laboratory for medical devices, we are accredited in accordance with ISO 17025. In future, Hohenstein will also test medical devices in accordance with GLP ("Good Laboratory Practice").

This quality assurance system deals with the organisational processes and framework conditions under which non-clinical safety inspections are planned, carried out and monitored.





STRUCTURE

FAMILY ADVISORY BOARD

Our Family Advisory Board was founded in 2022. It consists of six members who bring a wide range of knowledge from various industries and who advise on important entrepreneurial topics. The Advisory Board has the task of providing recommendations and supervising the management. In addition to representatives of the Mecheels family shareholders, it also includes three external business persons. The Advisory Board meets with the members of the Executive Board three times a year. In this way, different perspectives and ideas are pooled – always with the goal of contributing positively to Hohenstein.

THE ADVISORY BOARD CONSISTS OF THESE PERSONS



Prof Dr Stefan Mecheels, CEO through 2024, now Advisory Board member and Executive Advisory Board delegate.



Prof Dr Andreas Wiedemann, Chairman of the Advisory Board. The business expert from Stuttgart specialises in providing legal advice to family businesses and is a member of various company boards.



Matthias Mey, Managing Partner and CEO of the Albstadt-based underwear specialist Mey, brings extensive knowledge and experience. The company's employees contribute know-how from various professional positions in the textile industry as well as from their own family business.



Felix Knoell also comes from a family business. As Vice Chairman and Director Strategy & Innovation, he is responsible for the global network of the Knoell Group in Mannheim, one of the leading specialists for the registration of chemical products and substances.



Julia Mecheels, company partner and daughter of Prof Dr Stefan Mecheels



Andreas Mecheels, company partner and brother of Prof Dr Stefan Mecheels



JULIA MECHEELS
MEMBER OF THE ADVISORY BOARD

Our discussions give room for different opinions. Our discussions are open – the aim is not to reach an immediate consensus, but rather to develop new ideas, question upcoming decisions and provide the company with valuable motivation.

Management

The Hohenstein Executive Board consists of Dr Stefan Droste, Chief Executive Officer, and his deputy, CEO Dr Timo Hammer. Additional members of the Executive Board are Armin Keicher, Dr Markus H. Ostrop and Martin Cieslik.

The Hohenstein CEOs are responsible for strategy and corporate policy. They represent the company to our Advisory Board and externally, particularly when it comes to the company as a whole. Independent of this, each managing director represents the company as part of his own department.

The managing directors are jointly responsible for the management of the company (principle of joint responsibility). They work together in a spirit of trust, coordinate on all key issues and make joint decisions on important business matters at their fortnightly meetings.

Information is passed to the division and team managers and then to the employees.



Dr Stefan Droste



Dr Timo Hammer



Armin Keicher



Dr Markus H. Ostrop



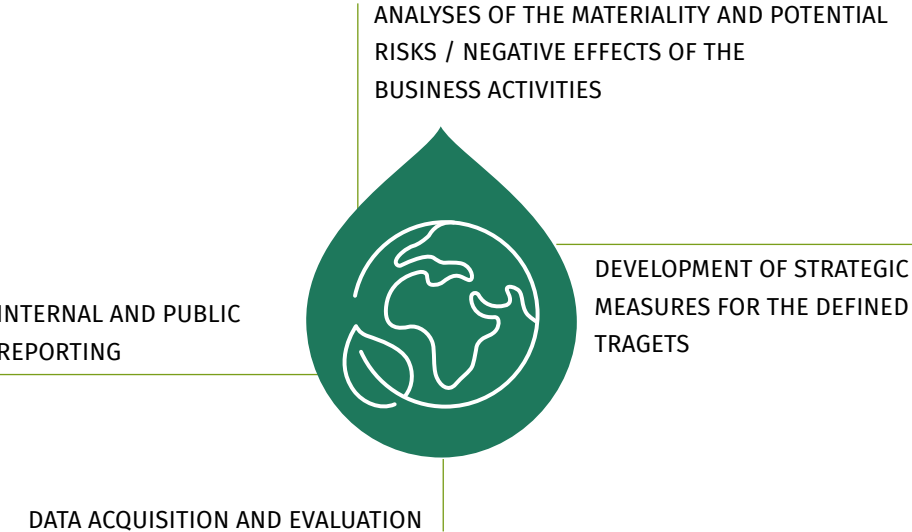
Martin Cieslik



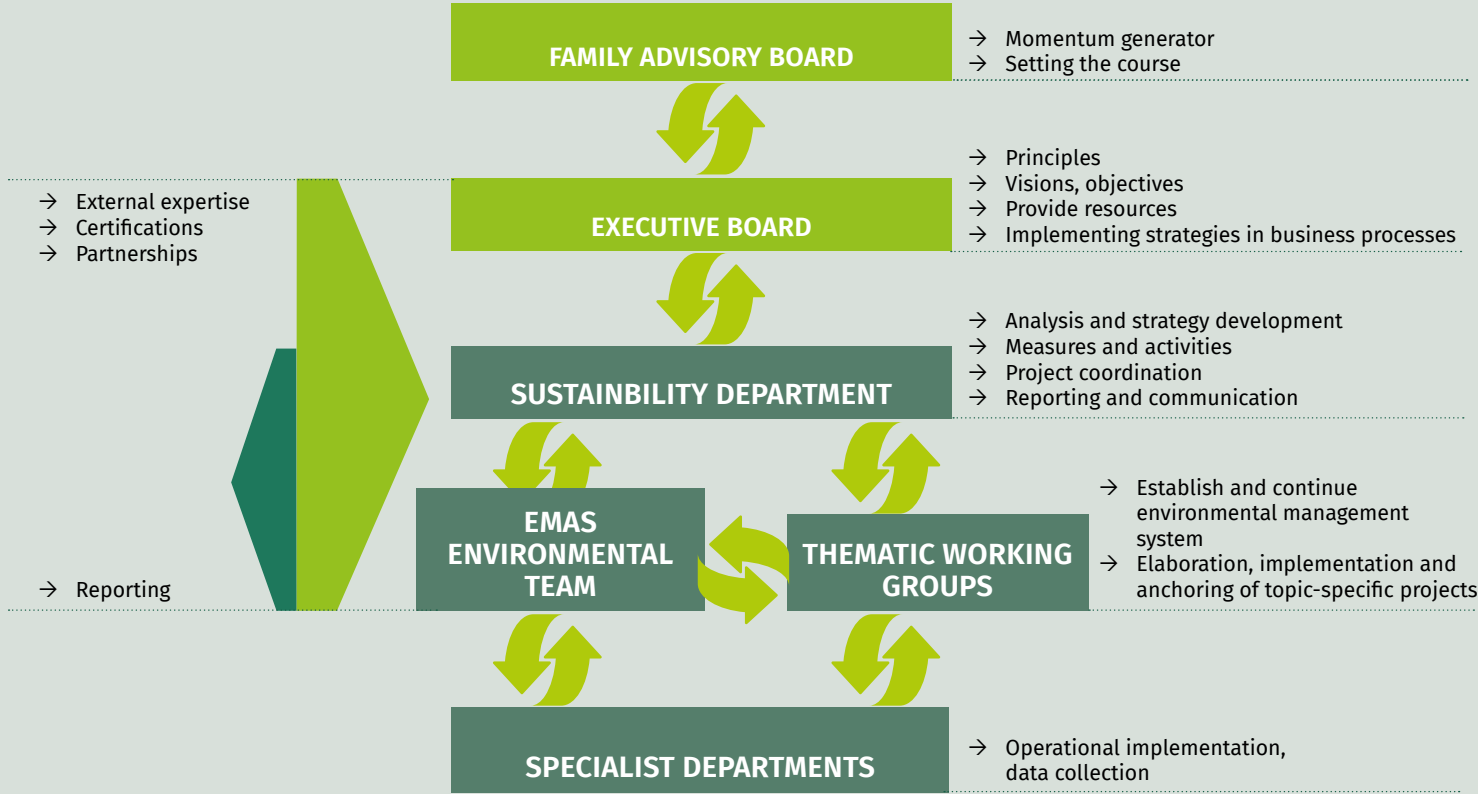
SUSTAINABILITY AND CORPORATE GOVERNANCE

The Executive Board has set up a separate staff unit for the topic of sustainability, so that direct communication takes place between the sustainability department and the Executive Board on a monthly basis. Strategic decisions and progress in relation to sustainability are anchored in all our business processes. The core tasks of the sustainability department include:

At Hohenstein, we also coordinate internal working groups on sustainability projects and initiatives. Example: The interdisciplinary environmental team for the introduction of EMAS (Eco-Management and Audit Scheme). One of the aims is to improve our climate footprint. The general goal is to pool cross-functional expertise, involve employees and promote innovative ideas. We are supported by external consultants for various special topics. On the one hand, they ensure that applicable standards are observed. On the other hand, the external perspective helps us implement our high standards while taking different perspectives into account. This also includes independent audits or certifications, which ensure that customers and other stakeholders can have full confidence in our services. In addition to the annual sustainability report and the existing data monitoring, further data points will be generated in 2025 by the implementation of EMAS and the alignment with the CSRD (Corporate Sustainability Reporting Directive). Based on this information, we can – and will – further expand, adapt and track existing key performance indicators (KPIs).



ROLES AND RESPONSIBILITIES





PARTNERSHIPS AND NETWORKS



ZDHC APPROVED SOLUTION PROVIDER

We joined the "ZDHC Roadmap to Zero programme" in 2018. In doing so, we are supporting the programme's vision to focus on more sustainable chemistry, innovation and "best practice" in the textile, apparel and footwear industries. This contributes to consumer and employee protection. We are committed to working collaboratively on these tasks in order to implement the milestones defined in the programme's joint roadmap. To this end, we are working closely with brands, retailers, the chemical industry and other stakeholders.



OEKO-TEX®

We are a founding member of the OEKO-TEX® Association. OEKO-TEX® consists of independent textile and leather testing institutes in Europe and Japan with branches in more than 70 countries. We work together to develop globally-recognised standards for product stewardship, socially responsible and sustainable production and due diligence for the textile and leather supply chains.



TEXTILE EXCHANGE

The globally active non-profit organisation is primarily dedicated to the sustainability of fibres and materials. Its core activities are the development and dissemination of knowledge, the definition of standards and the development of tools for documentation and monitoring. Ben Mead, the managing director of our Hohenstein Institute America branch, served on the Board of Directors for nine years until 2024.



THE CERTIFICATION ASSOCIATION FOR RESPONSIBLE TEXTILE SERVICE (RAL)

The Certification Association is responsible for the quality assurance of more than 400 commercial laundries and guarantees assured hygiene, the highest quality and consistent process reliability with its quality marks. Dr Timo Hammer, the CEO of our Life Science and Care division, is also Managing Director of the Certification Association.



FORSCHUNGSKURATORIUM TEXTIL E.V.

This Berlin-based institution is part of the German Federation of Industrial Research Associations (AIF Allianz für Industrie und Forschung e.V.) and coordinates as an umbrella brand for the industrial research community in Germany.



INN BW

The Baden-Württemberg Innovation Alliance is an alliance of 13 independent research institutes that conduct applied, results-oriented research in important future oriented-fields.



AFBW

The Baden- Württemberg Alliance for Fibre-Based Materials connects science and industry, people and markets, technologies and fields of application - from fibre to finished product.



BIOPRO

BIOPRO Baden-Württemberg is the state association for bioeconomy and biotechnology, pharmaceutical industry and medical technology (healthcare industry).



BioRegio STERN

BioRegio STERN Management GmbH is the central point of contact for life sciences companies in the Stuttgart and Neckar-Alb regions and for anyone interested in setting up a business in the field of biotechnology or medical technology.



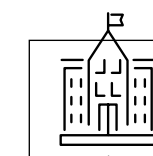
NETZWERK NANOSILBER

The NanoSilver competence network is concerned with the responsible development of nanosilver in manufacturing, processing, application, production and disposal.



GESAMTMASCHE E.V.

The general association of the German knitting industry – Gesamtmasche – represents the interests of German manufacturers of knitted clothing, lingerie and fabrics at national and international level.



EDUCATIONAL INSTITUTIONS

Albstadt-Sigmaringen University of Applied Sciences, Hof University of Applied Sciences, Macromedia University of Applied Sciences Stuttgart, Niederrhein University of Applied Sciences, Reutlingen University of Applied Sciences, Baden-Wuerttemberg Cooperative State University Heilbronn and Dresden University of Technology.

COMPLIANCE



CODE OF CONDUCT

In our Code of Conduct, we define binding principles of behaviour with regard to social responsibility, legality, integrity, accuracy, confidentiality and fairness. All employees are prohibited, amongst others, from any form of corruption or granting or accepting advantages. We make every effort to implement and enforce these rules. We rectify known deficiencies as quickly as possible.

WHISTLEBLOWING SYSTEM

Trust, appreciation and quality are indispensable principles. With the voluntary introduction of a digital whistleblowing system in 2022, we are enabling employees and external parties worldwide to report actual or suspected misconduct anonymously and without the risk of personal consequences. Our Compliance Officer receives any reports and takes care of the clarification and necessary measures.

CORRUPTION AND BRIBERY

Ethical principles have always determined business activities at Hohenstein. Fair, correct and lawful conduct towards customers and other business partners, authorities and all persons who work for Hohenstein is essential to maintain trust in our company and our corporate performance. Our "Business Principles for Combating Bribery in Inspections and Audits", the "Impartiality, Independence, Integrity, Risk Analysis" guideline and finally the "Anti-Corruption Guideline" are part of our employment contract regulations.



OUR EXPERTISE

AS AN INDEPENDENT, ACCREDITED LABORATORY we test articles from the softlines, hardlines and medical products sectors, certify them and inspect production facilities along the supply chain. This ranges from classic product testing and the assessment of functional material properties to practical solutions for the implementation of more sustainable products and production conditions.

As the founder of the science of clothing physiology, we are significantly involved in the development of standards and test methods to objectively determine the wear comfort of clothing and the sleep comfort of bedding. We offer services and tests throughout product life cycle – from the cotton field to final disposal. Due to our intensive research and development activities, we continuously accompany and support new developments and contribute to progress with our own innovations.

RESEARCH AND SERVICES

Our core competencies also include application-oriented solutions as part of our public research into textile products of all kinds. Employees with deep expertise in textile engineering and natural sciences work closely on an interdisciplinary basis. This enables us to continuously expand our know-how. Customers from a wide range of industries use this to meet their requirements – for innovative products and opening new areas of application.

As a business-oriented research institution, we have a strong practical focus: Our knowledge transfer immediately benefits companies, which, building on the research results and innovations, can realise additional market opportunities. Small and medium-sized companies in particular, which do not have their own research and development department, can benefit from the results and develop products with us. Some of the methods developed in our internal research projects are incorporated into our test portfolio after completion. We conduct publicly funded as well as industry-founded and self financed research projects. These currently include a focus on sustainable innovations.





MATERIALS USE

GMO TESTING (GENETICALLY MODIFIED ORGANISMS)

Manufacturing companies, brands and certification and consumer protection organisations benefit from clear yes/no statements about GMO-tested cotton. Quantification offers advantages in terms of supply chain transparency and fraud management.



BIODEGRADABILITY – "FORESTCLEANUP"

Biodegradability – "ForestCleanUp" – Development of biodegradable yet functional growth covers

The project "TheForestCleanUp" was completed in December 2023 and has continued in parts since August 2024 as a new joint project entitled "Development DIN SPEC 35808 Growth Cover - Forest, Establishment - Validation - Finalisation". We are developing the test method for determining the biodegradability of growth covers under forest-like laboratory conditions. This is intended to minimise risks and promote more sustainable growth covers. The procedure evaluates the ability of a biobased material to degrade in forest soil with a humus layer. At the end of the test scheme, we work with the affiliated partners to determine which criteria must be met for the degradation process and the resulting degradation products.

The biodegradability of plastic materials is an important property to determine potential long-term effects on soil/forest soil. Industrially compostable growth covers alone cannot fulfill this requirement. The purpose of DIN SPEC 35808 in practice is therefore to ensure the permanent incorporation into the soil. The aim is to prevent plastic and microplastics from entering the forest, to implement a practical standard for manufacturers and users and to enable environmental safety when purchasing growth covers.



PRODUCT DEVELOPMENT



TEST METHOD FOR DETERMINING THE FIBRE RELEASE POTENTIAL DURING SIMULATED WASHING – DEVELOPMENT OF DIN SPEC 19292

Hohenstein has closely partnered with Under Armour and James Heal to develop a fiber-shed test kit.

The new test kit and the method enable textile companies along the supply chain to test materials and quantify their shed rate from laundering during product development. The companies carry out the test themselves in-house using the test kit or can commission Hohenstein as a testing service provider.

During the production, wear and laundering of synthetic and natural fabrics, fibre shedding occurs in varying degrees. The test method can help the industry to understand and actively reduce its contribution to the microfibre problem.

KYLE BLAKELY

UNDER ARMOUR | SENIOR VICE PRESIDENT OF INNOVATION, DEVELOPMENT AND TESTING

"At Under Armour, we believe intervening early to mitigate shedding is critical, which is why our test method is designed to specifically address time and cost barriers to entry."



DR TIMO HAMMER
CEO | LIFE SCIENCE & CARE

With our broad and constantly evolving range of tests, we offer customers the opportunity to make sustainable decisions during the product development stage. The microfibre discharge or biodegradability of materials can be determined at the beginning of the development cycle. In an exciting collaboration, we have developed a practical solution to determine the microfibre release outside of a laboratory environment. We are looking forward future projects.



HOHENSTEIN QUALITY LABEL

With our Hohenstein Quality Labels, we enable companies to clearly present the innovative properties of products that we have tested at the point of sale. We awarded the first quality label for a garment in 2003 for comfort. Since then, 20 more have been added, covering a wide range of product features such as tested workwear, fit, compression, UV protection and antimicrobial effectiveness.

We would especially like to highlight our new Hohenstein Quality Label:

"Tested Durability": This label is awarded to everyday clothing items that meet particularly high quality and durability requirements with a proven long service life. In addition to making everyday clothing more durable, the label also evaluates the protection of the user against chemical residues in the product. To ensure a long service life, extensive quality tests are carried out on the product.

Defined and tested garment longevity can make a significant contribution to reducing the environmental impact of garment production, use and disposal. In addition, consumers can make more informed choices if they can compare the longevity of products.



LAURENCE SWEERTVAEGHER
DIRECTOR SALES EUROPE & AMERICA

We will continue to support our customers throughout the supply chain to not only comply, but to reduce negative impacts, add value and accelerate the transformation of the sector.

DIGRESSION:

HOW CUSTOMERS HAVE BENEFITED

France is at the forefront of implementing various regulations developed as part of the EU's package of measures for a climate-neutral and circular economy, which was adopted in 2024. This is partly because textile manufacturers are responsible for the collection, transformation/recycling and final disposal of their products.

"Given the regulatory landscape in the EU, where there are currently a number of pieces of legislation relating to the circular strategy, our customers want to better understand what is required to meet the requirements when shipping to different countries," says Laurence Sweertvaegher, Director Sales Europe & America at Hohenstein. "We can provide practical support, for example with the correct labelling of products or different testing protocols."

In France, companies also receive financial incentives to increase the recycling rate as part of so called eco-modulation. Here, we help them to provide appropriate evidence, for example:

- DURABILITY
- PRESENCE OF CRITICAL SUBSTANCES
- PROPORTION OF RECYCLED MATERIAL
- RELEASE OF MICROFIBRES





HOHENSTEIN DIGITAL FITTING LAB

Our Digital Fitting Lab offers brands and manufacturers added value beyond the perfect fit of their products. Our fitting experts support both traditional and digital product development processes in the apparel industry. For example, we support all aspects of:

Reliable sizes and standardised fits increase customer loyalty and, most importantly, reduce return rates. Digitising product development processes supports production efficiency. Reducing the number of physical prototypes reduces material usage, transport costs and the carbon footprint of the product development process.

- Creation of size tables for target groups for optimal market coverage
- Development of patterns with a reliable fit for 2D and 3D applications
- Development of 3D avatars for simulation
- Traditional and digital fit check for an optimum fit
- 3D visualisation for the perfect digital product presentation
- Implementation of optimised size bases for e-commerce to avoid returns



" CUSTOMERS HAVE BENEFITED IN CONCRETE TERMS

The AI-based technology from the Munich-based start-up Sizekick makes it possible to reduce size-related returns in e-commerce and cut CO₂ emissions. The technology's size recommendations take into account the user's body measurements and the fit of the chosen garment. Size Kick uses Hohenstein's expertise in product and fit analysis. "



SIMONE MORLOCK
DIVISION HEAD CLOTHING TECHNOLOGY

We are delighted to support innovative solutions for the apparel industry with fit expertise from the outset. We see these developments as a special opportunity to make processes more efficient and at the same time reduce the environmental impact by significantly minimising the number of returns.





PRODUCTION

WASTEWATER TESTING

In our worldwide laboratories, we offer wastewater analysis according to various specifications, including the:

- OEKO-TEX® Limit values
- ZDHC Requirements

We provide independent proof of whether, and to what extent, the wastewater from their production facilities meets the required standards. This enables them to significantly reduce or even eliminate the use of chemicals that are harmful to the environment and human health in their textile, leather and footwear manufacturing processes.



ZDHC APPROVED SOLUTION PROVIDER

ZDHC MRSL verification (ChemCheck)

We verify chemical products with regard to compliance with the ZDHC (Zero Discharge of Hazardous Substances) Manufacturing Restricted Substances List (MRSL) and ensure that they do not contain any harmful substances above the specified limits. Compliance with the ZDHC MRSL can be verified by the OEKO-TEX® ECO PASSPORT certification.

THIS VERIFICATION helps ensure safer products, apply best practices and minimise environmental impact.

Wastewater analysis

As an approved laboratory for the ZDHC, we carry out wastewater tests in accordance with the ZDHC guidelines. ClearStream reports that evaluate company performance against compliance requirements can then be created by customers via the ZDHC Gateway.

REGISTERING these reports in the ZDHC Gateway enables the exchange of sustainability data and thus supports corrective action plans.

Data system and on-site assessment

Together with our partners, we are developing a digital solution to check compliance with the chemical inventory regulations in the ZDHC Gateway database.

THIS SYSTEM simplifies assessments, reduces errors and generates a monthly ZDHC Performance InCheck report (report on chemicals in use). On-site assessments underpin the InCheck reporting.

Training

We offer capacity development and training for industry stakeholders, delivered in person, online or as a hybrid.

OUR COURSES, which are consistent with the ZDHC Academy materials, expand knowledge of sustainable chemical and wastewater management.

Orientation of OEKO-TEX® STeP certification

We align our OEKO-TEX® STeP certification with the ZDHC initiative "Supplier to Zero" and guide production facilities towards sustainable chemical management processes.



STeP

RESPONSIBLE TEXTILE SERVICE

Sustainable management has become a clear advantage over competitors. We therefore offer commercial laundries (textile service) a certification system to provide neutral proof of sustainability in their operations. Components include a qualified survey of sustainability approaches, a training process and annual audits.

Participants can benchmark themselves against the competition and stand out thanks to the certificate. This also serves as proof for tenders.



GREEN BUTTON

Since January 2021, we have been a certification body accredited by the German Federal Ministry for Economic Cooperation and Development (BMZ) to inspect products and companies that want to use the government's "Green Button" seal. The Green Button sets out binding requirements for the protection of people and the environment in the production of textiles and clothing. What makes it so special is that not only the product is inspected, but also the company as a whole.



RE-USE AND RECYCLING

RECIRCLETEX – RECYCLING OF USED TEXTILES FROM THE TEXTILE SERVICE

"ReCircleTex - Development of a scalable process for the recovery and recycling of cotton-based waste textiles from textile services" is a publicly funded research project that we are conducting with eeden GmbH (overall project management) and the Niederrhein University of Applied Sciences - Center Textile Logistics.

The aim of the project is to enable a circular textile economy through an environmentally friendly and economical upcycling process for textile waste from textile service companies.

Using a technology registered for patent by eeden GmbH, cellulose and PET raw materials are obtained from mixed fabrics (cotton and polyester) and pure cotton textiles, from which new high-quality cellulose and PET fibres can then be produced. A logistics concept for collecting, sorting and transporting textile laundry waste is also being researched. Finally, cross-company cooperation between laundries and textile recycling companies is to be promoted.



RESOURCE EFFICIENCY

ÜBER-AUS: Resource-efficient use of surplus and waste from the textile industry through the regional creation of cycles.

ÜBER-AUS is a BMBF-funded research project (FKZ 033R413C) with partners from science and industry. The project is managed by the Institute for Ecological Economy Research (IÖW).

The project aims to reduce textile waste streams by adapting business models, product designs and production processes. On the other hand, tracking, recycling and the establishment of new marketing channels should help to increase the collection, sorting and utilisation of textile waste streams. The project focuses on production waste as well as surplus or faulty production in the pre-consumer sector. Post-consumer textile waste in the commercial sector is also considered. These defined and generally less soiled textiles show a high potential for high-quality recycling. ÜBER-AUS is testing regional applications for technical textiles and clothing in southwest Germany. Our focus is on deriving a clustering for residual materials and defining requirements and specifications based on the use cases for residual materials and recyclates. We also support the regional networking and scientific monitoring of the project.

The project results are relevant for the textile, textile service and recycling industries.



END OF LIFE



BIODEGRADABILITY AND ECOTOXICOLOGY

The biodegradation test developed by Hohenstein assesses the degradation of textile products in soil or wastewater over a defined test period. The test is based on international standards, which are used to determine the rotting and degradation behaviour of materials. We also test on the remains of various materials and whether ingredients are harmful to the environment (ecotoxicology).

In this way, the ecological impact of textiles can be communicated transparently at the end of their use.



BIODEGRADABILITY OF CHEMICALS

Establishment of the OECD 301 F

The biodegradability of chemicals is an important property for determining possible long-term environmental effects. The OECD 301 F test procedure determines the biodegradability of chemical substances by microorganisms in wastewater. It is used in the chemical industry, environmental research and the regulation of chemicals to test the environmental compatibility of new substances – from product development to regulatory compliance.

In a controlled laboratory environment, the substrate is added to an aqueous medium. We measure how much of the substance has been metabolised by the microorganisms by monitoring CO₂ production.

If the test is passed, it can be assumed that a substance will not remain stable in any environmental area. This allows environmental risk assessments to be carried out and more sustainable chemical products to be promoted.

FIT FOR SUSTAINABILITY



Strategic development of sustainability for our customers

We are always working to meet the needs of our customers. We have therefore pooled our experience and offer support in the development of effective sustainability management. Our "fit for sustainability" concept does this in modular stages: We initially start with fundamental topics such as the development of a sustainability strategy and, depending on their needs, guide them through pragmatic approaches to implementation in the supply chain through to specific research and aspects. In addition to consulting, webinars and workshops help to build knowledge.



SUSTAINABILITY ROADMAP

Designing a realistic, actionable sustainability roadmap is a particular challenge.

- Our roadmap considers current and future regulations (such as Corporate Due Diligence in Supply Chains and reporting duties).
- Workshops help to get to know the company structure.
- A customised plan defines clear responsibilities.
- Training and the creation of guidelines make a significant contribution to successful implementation.



RISK ANALYSIS

The risk analysis is based on the provisions on due diligence obligations and EU-wide regulations under the Green Deal.

- We analyse risks and focus on the social and environmental impact in supply chains and in the company. We select suitable methods for mapping and allocating risks.
- This data is used for evaluation, prioritisation and action planning.
- We support the development of suitable prevention and mitigation measures.



SUPPLY CHAIN MANAGEMENT

Successful supply chain management is a prerequisite for sustainable development. Risks can only be analysed and minimised on the basis of transparent supply chains. Comprehensive sustainability criteria can then be implemented where they are relevant.

- We establish and analyse the status quo.
- We support precise definition of the supply chain criteria.
- Using supplier evaluation, supplier performance can be constituted.
- We support measures for supplier qualification and improvement.
- Individual activities at supplier level, such as workshops and training sessions, are being developed.



CONCEPTION AND IMPLEMENTATION

We provide practical support to meet the key demands of policy makers, NGOs and consumers.

OEKO-TEX® standards (MADE IN GREEN and RESPONSIBLE BUSINESS) create transparency in supply chains and help to implement due diligence obligations responsibly.

- We support the development of processes that help companies structure their risk analysis, develop preventive and remedial measures, and plan their sustainable implementation.
- We support KPIs and test effectiveness through close collaboration and a structured process.



KATJA HETZER
SUSTAINABILITY DEVELOPMENT MANAGER



2024 was characterised by new regulations. In the EU alone, numerous directives and regulations were adopted or replaced by new legislation. Many requirements still need to be transposed into national law and it remains to be seen which changes companies will have to take into account. This range of requirements and necessary flexibility is challenging for many of our customers, as the subject area covers aspects such as:

- Responsible business conduct
- Ecodesign requirements that affect the entire life cycle of a product
- Standardised sustainability reporting
- Communication with consumers
- The need to make products and their profile more transparent and freely accessible

We help you make the most of the remaining preparation time. We prepare, support and provide a solid foundation for supporting measures and products: from the development of a strategic direction and the selection of suitable measures at various levels of the company to implementation in supply chains, we cover many aspects of fulfilling corporate due diligence obligations thanks to the expertise of our various specialist areas. In the best case, these activities go beyond the fulfilment of obligations and clients will benefit from new implementations, systematic support or ad hoc assistance when their own resources are partially or completely lacking.

FROM PRACTICE

Risk analysis with killtec Sport- und Freizeit GmbH

"We received valuable support from Hohenstein in setting up comprehensive processes in accordance with the requirements of the German Supply Chain Due Diligence Act. This included the structuring of our internal project organisation and detailed documentation. With its technical expertise, particularly in the area of risk analysis, Hohenstein provided us with important impulses for the key aspects of the due diligence obligations. The workshops led by Hohenstein were clearly structured, easy to understand and expertly moderated. In addition, we were given a clear framework to follow the processes in the long term, to implement them sustainably and to develop them continuously," says Barbara Mundt, Head of Quality Assurance at killtec Sport und Freizeit GmbH.

Stakeholder Engagement Programme

Hazards in everyday working life are often underestimated or occupational health and safety measures not understood. There is often not enough time for a more intensive introduction to preventive measures, especially in the area of occupational health and safety, or for a constructive exchange between employees.

The OECD's Due Diligence Process for Responsible Business Conduct requires companies to take preventive action to address identified risks. A key tool in this context continues to be an effective complaint mechanism that allows workers to report human rights or environmental risks or violations.

In cooperation with the Holy Fashion Group, we are developing the Stakeholder Engagement Programme, which brings together various aspects: It takes into account the situation in manufacturing companies, while empowering workers to exercise their rights and encouraging internal exchange. Through targeted training and moderation in a protected space, the programme enables knowledge to be shared, existing communication channels to be strengthened and previously unheard questions and needs to be freely expressed.

The format enables employees, their representatives and management to bridge individual interests and find common solutions. At the same time, it allows customers to receive feedback directly from the supply chain and the workforce – feedback that is usually not heard.



Our **SENIOR AUDITOR AND TRAINER** **SERKAN ÖZIS** from the Hohenstein office in Istanbul was delighted with the active participation and the unexpectedly positive feedback:

"Workers are not used to being at the centre of workshops and group work, that they can help shape themselves. It takes some time for a foundation of trust to evolve. But the participants take their knowledge with them and say that they will tell others about it and share their experiences. That is very fundamental."

In 2024, the programme was implemented in Turkey, China, India and Bangladesh – other countries will follow.

KNOWLEDGE TRANSFER

ACADEMY

Hohenstein has traditionally been a place of learning, knowledge and knowledge transfer. With state-of-the-art know-how for the textile world, we share our wealth of knowledge through classroom seminars, online courses and in-house training courses with customers. Our Hohenstein Academy offers all interested parties digital access to valuable content from all areas and disciplines of our company, regardless of time or location. In addition to free webinars on current topics such as PFAS regulations or the Green Claims Directive, the Academy also offers intensive training courses on topics such as CSR and 3D product development.

CSR Manager

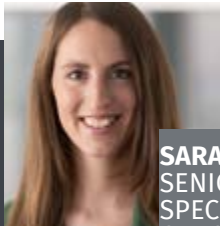
You can enroll in a certificate course to become a CSR manager while working. We offer this in cooperation with the organisation IBH (Institute for Vocational Higher Education), the operative sponsor of the educational initiative University/ Further Education (UFE). The training course was specially designed for (prospective) specialists and managers in companies.

The course modules Business & Corporate Ethics and Corporate Social Responsibility form the basis for this. "I particularly like the interaction with the participants during the attendance phase," says our expert Kristina Baldin-Erbe, who has 30 years of professional experience and extensive experience as a lecturer and specialist author.

"The course has provided me with valuable content for my professional work and also gives me confidence when making decisions in the area of corporate responsibility," explains participant Katja Mendel (Retail Format Manager at Sport 2000).

3D Product Development

Under the guidance of experienced 3D experts, participants learn how to work with patterns, materials and avatars through to virtual fitting and visualisation. By using 3D tools correctly, brands can replace physical prototypes with virtual ones and thus act more sustainably: fewer prototypes = fewer resources = lower CO₂ footprint.



SARAH ROSENKRANZ
SENIOR PRODUCT
SPECIALIST AND TRAINER
OEKO-TEX®

The topic provides a lot of interesting material for discussion, as organic cotton is a recurring theme in the media. It's great to be able to introduce students to such important issues at such an early stage and to teach them about certification.

UNIVERSITY WORKSHOPS

Hohenstein cooperated with four German colleges and universities in 2024. One or two lectures on OEKO-TEX® are held each year, usually with integrated workshops on site. Topics covered here include the differences between conventional and organic cotton, the use of GMO seeds and pesticides and the traceability of the textile chain. University excursions also take place at Hohenstein. Students can listen to various presentations from different Hohenstein departments and enjoy a tour. During practical days, they can also immerse themselves in the everyday life of an OEKO-TEX® product specialist and learn about the certification process for OEKO-TEX® STANDARD 100 and OEKO-TEX® ECO PASSPORT. In the future, we will be working with universities to offer a series of lectures on more sustainable textiles and the OEKO-TEX® certification system.



OEKO-TEX® HIGHLIGHTS

OEKO-TEX® ECO PASSPORT

This certification and product label aims to reduce the chemical footprint of the clothing and footwear industry, eliminate hazardous chemicals and promote the spread of more sustainable textile chemistry.

The service is based on an independent, multi-stage testing and certification system for chemicals, colourants and auxiliaries in the production of textiles and leather. The procedure checks whether chemical products and their ingredients meet certain requirements in terms of safety, sustainability and regulatory compliance. With the introduction of the ZDHC MRSL conformance level, aspects such as chemicals management

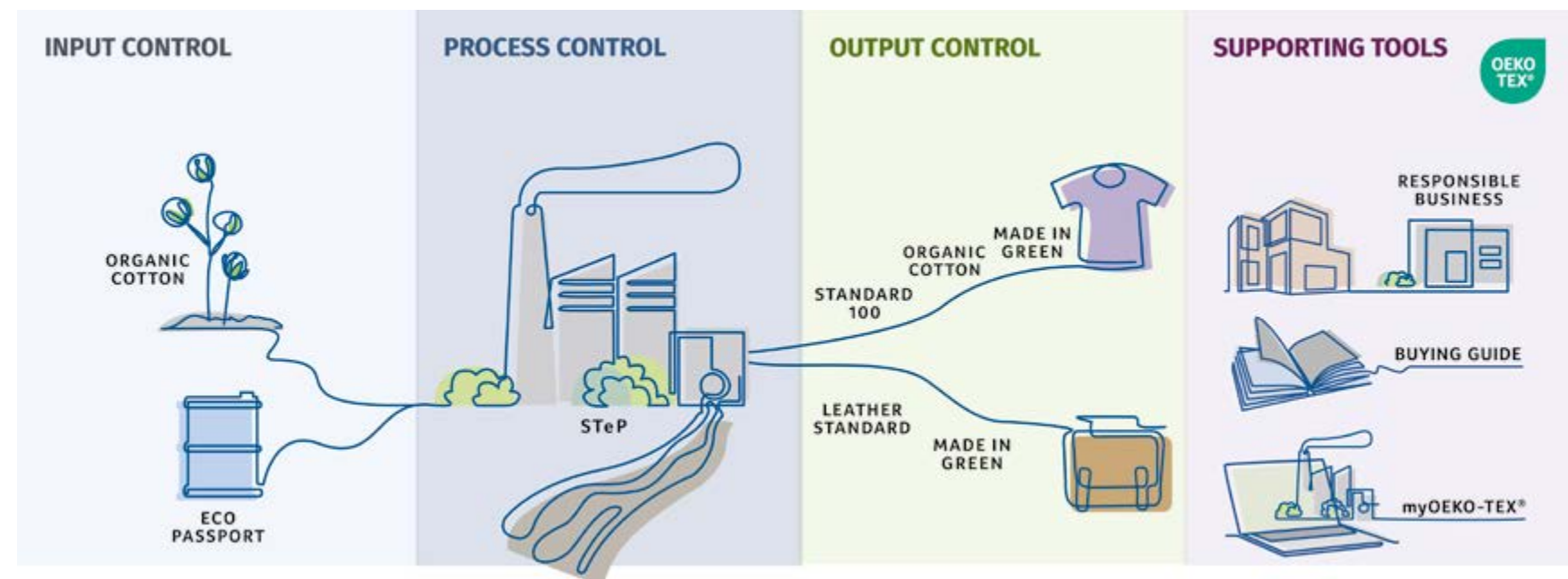
and occupational health and safety and environmental protection were included.

OEKO-TEX® ECO PASSPORT has an impact on the entire supply chain, as the certified chemicals, colourants and auxiliaries are used in all areas of textile and leather production. On the one hand, it fits perfectly into the modular system of the OEKO-TEX® STANDARD 100, ORGANIC COTTON or LEATHER STANDARD and also serves as proof of the use of more sustainable chemical products for OEKO-TEX® STeP certification. All three ZDHC MRSL conformance levels can be confirmed with the OEKO-TEX® ECO PASSPORT, depending on the scope of the tests.

OEKO-TEX®

We are a founding member of the OEKO-TEX® Association. Since the introduction of the OEKO-TEX® system in 1992, we have played a key role in the development of the product portfolio of independent certifications and services for sustainability along the textile chain. We carry out laboratory tests and company audits for all OEKO-TEX® services and are the OEKO-TEX® member with the most certificates and licenses issued worldwide. In addition to the certifications and product labels, the myOEKO-TEX® customer portal provides an overview of existing certificates. The OEKO-TEX® BUYING GUIDE can also be used to find certified products and suppliers.

The OEKO-TEX® standards are updated at least once a year, recently, for example, to more strictly regulate the widespread use of PFAS. OEKO-TEX® has replaced the parameter for extractable organic fluorine (EOF) with a limit value for total fluorine (TF). This update enables all OEKO-TEX® certifications to remain compliant with the current US regulations on per- and polyfluorinated alkyl substances (PFAS).



OVERVIEW





IMPACT CALCULATOR

The OEKO-TEX® Impact Calculator provides OEKO-TEX® STeP certified production sites with a transparent method to measure their carbon dioxide emissions and water consumption – at factory level, per processing step or per 1 kg of material. The tool helps companies to measure their CO₂ emissions in order to achieve the STeP target of a 30% reduction in greenhouse gas emissions by 2030.

The OEKO-TEX® Impact Calculator includes:

- **Greenhouse Gas (GHG) Protocol – IPCC 2013 100a approach for calculating the CO₂ emissions (CO₂e)**
- **EU Commission – AWARE method for measuring the impact on water (m³)**
- **World Apparel and Footwear Database (WALDB) and ecoinvent database**
- **Elements of the product life cycle assessment to measure the impact of material output**
- **Elements from the company's life cycle assessment to measure the overall impact at company level.**



OEKO-TEX® ORGANIC COTTON

OEKO-TEX® ORGANIC COTTON is a globally standardised, independent testing and certification system for textile raw materials, intermediate and end products at all stages of processing and for accessory materials that consist of at least 70% organic cotton. Since issuing our first certificate in India in 2023, we have seen continuous growth worldwide. The testing and certification according to OEKO-TEX® ORGANIC COTTON includes, amongst other criteria, that the entire textile chain is analysed on the basis of transaction certificates. This ensures complete traceability from the farm to the end consumer. Testing for genetically modified cotton (qualitative and quantitative) and pesticides provide further proof of origin from organic farming, which makes a contribution to:

- **Reduce water consumption in cotton cultivation**
- **Replace pesticides used in cotton cultivation with humus and plant manure**
- **Prevent leaching of the soil and improve its quality**
- **Reduce the use of genetically modified seeds and their consequences**



RESPONSIBLE BUSINESS

OEKO-TEX® RESPONSIBLE BUSINESS

OEKO-TEX® RESPONSIBLE BUSINESS is a practical assessment tool and an independent certification. It supports implementing and transparently communicating due diligence obligations along supply chains with regard to human rights and the environment.

Based on seven elements, RESPONSIBLE BUSINESS enables a holistic assessment and analysis of the extent to which a company has already integrated due diligence measures into its management system.

Companies can also use RESPONSIBLE BUSINESS to map the status of their climate strategy implementation toward the 1.5°C Paris Agreement target.



SUSTAINABILITY VISION AND STRATEGY



SUSTAINABILITY VISION
Thinking and acting in generations, that is our maxim. We are confident that the **responsible use of our earth and its resources** is the key to a future worth living. With our expertise, we set standards and accompany our customers in their further development. Because ecological, social and economic sustainability are the success factor of the future.

SUSTAINABILITY is part of our corporate DNA. Taking responsibility and innovating for the benefit of people and the planet is one of our core values. It is therefore only logical that we have been sustainable action for decades. The results of our risk analyses enable us to define, focus on and address certain risk areas, particularly those relating to environmental sustainability. The most important activities include:



ENVIRONMENT

- Recording direct and indirect GHG emissions at all global locations
- Introducing of a digital energy management system for seamless monitoring and control of facilities
- Commissioning a photovoltaic system at the Bönningheim site
- Commissioning a new combined heat and power plant
- KEFF+Check for determining of savings potential by the chamber of industry and commerce
- Introducing of a digital platform for carpooling
- Establishing of an environmental team and appointing of an environmental officer for the environmental management system in accordance with EMAS



SOCIAL

- Expanding internal events for employees
- Further offering for internal training for employees
- Having implemented most improvements suggested in our employee survey, we strive to continue promoting and maintaining this positive working atmosphere



CORPORATE GOVERNANCE

- Expanding the sustainable development team
- Introducing further communication formats for employees and management

ENVIRONMENT

We have been practising energy and resource efficiency for a long time and have successfully implemented a large number of measures. This was reflected in this year's KEFF+Check by external experts – a valuable confirmation of the long-standing efforts of everyone involved. Here we present what was implemented in 2024 and how we will proceed:

CLIMATE STRATEGY

We recognise the need and our responsibility to preserve a livable environment for future generations – and actively combat climate change. Our medium-term goal is to reduce our CO₂ emissions by 2030 compared to 2023, with further significant reductions in the long term. We focus on reducing or avoiding direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3) from the beginning. Scope 1 and 2 emissions include the energy we use in our operations, such as fuel combustion, heating, cooling and purchased electricity. Scope 3 emissions are those generated along our value chain (for example, from suppliers, transport or the disposal of consumables).



zero

AVOIDING EMISSIONS



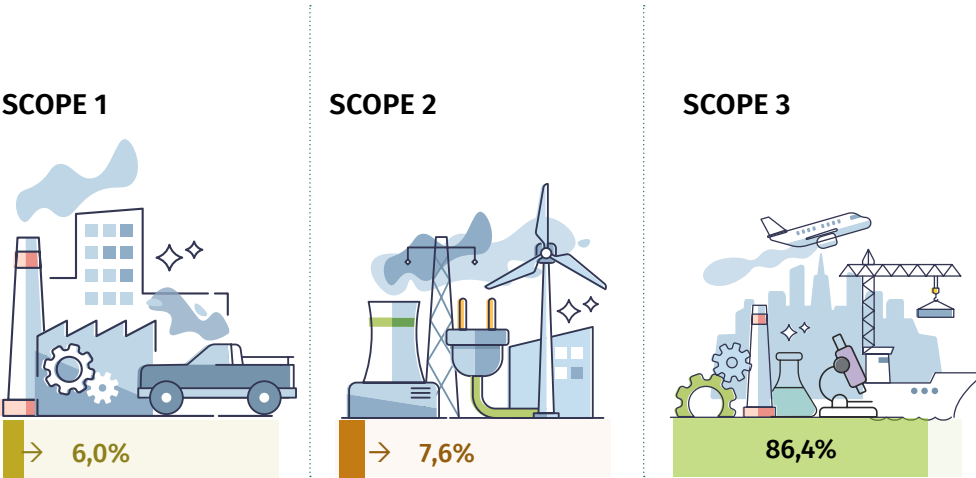
CO₂

REDUCING EMISSIONS



OFFSET RESIDUAL EMISSIONS

SHARE OF OUR **DIRECT & INDIRECT GREENHOUSE GAS EMISSIONS**



We take a holistic view of our footprint in all areas of our business, whether it's our operations in Bönningheim or our offices around the world. This also applies to our global services. Since 2021, almost a third of the energy used at our headquarters has come from renewable sources. Most of the 'clean' energy we buy comes from hydropower.

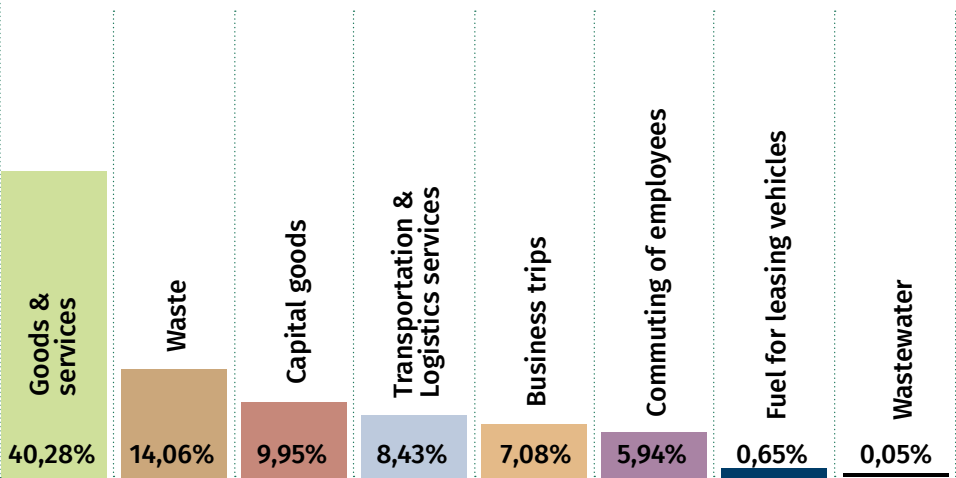
2023 is defined as our baseline year, the starting point for our reduction targets, and will be used to document progress in the future. Greenhouse gas emissions are calculated according to the Greenhouse Gas (GHG) Protocol. At over 85%, Scope 3 emissions from upstream supply chains are the largest category of our global CO₂ emissions.

The main sources of Scope 3 emissions are purchased goods and services, which account for just over 40%, especially for consumables in our laboratories. To reduce these emissions, we will analyse our purchasing practices and set targets in this area.

Solid waste accounts for 14% of our Scope 3 emissions. Some waste generation parameters, such as the amount of waste from customer samples, are difficult to control. However, we can adapt the packaging used for our internal transport, which ultimately becomes waste. This is where we want to start to reduce CO₂ and also optimise the transport itself in terms of the carbon footprint.

An important milestone in our climate strategy has already been achieved: the site in Germany is largely powered by electricity from renewable sources (photovoltaics and purchased hydropower). This measure saved over 880 tonnes of CO₂e* in 2024 and serves as a role model for other locations. An audit by independent consultants at the Bönningheim site also confirmed our

SCOPE 3 EMISSIONS



exemplary energy management, based on the integrated, highly efficient use of heating and cooling energy.

We are optimising the quality and traceability of our data to make improvement potential more visible and further reduce emissions across the business. With a better understanding of this potential, we now look forward to putting our targets into action.

* Compared to the German electricity mix in 2023: umweltbundesamt.de/sites/default/files/medien/11850/publikationen/23_2024_cc_strommix_11_2024.pdf



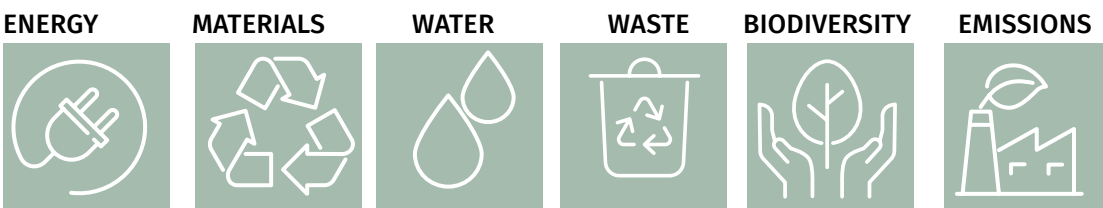
ARMIN KEICHER
CFO, FINANCE AND ADMINISTRATION

We see the determination of our global greenhouse gas emissions and the introduction of the EMAS environmental management system as an opportunity to optimise our internal processes and minimise the environmental impact of our activities. The integrated approach of EMAS is reflected in our corporate culture. Through continuous training, we will promote sustainability in our day-to-day work and communicate the importance of each employee's contribution to our environmental goals.



ENVIRONMENTAL MANAGEMENT SYSTEM ACCORDING TO EMAS

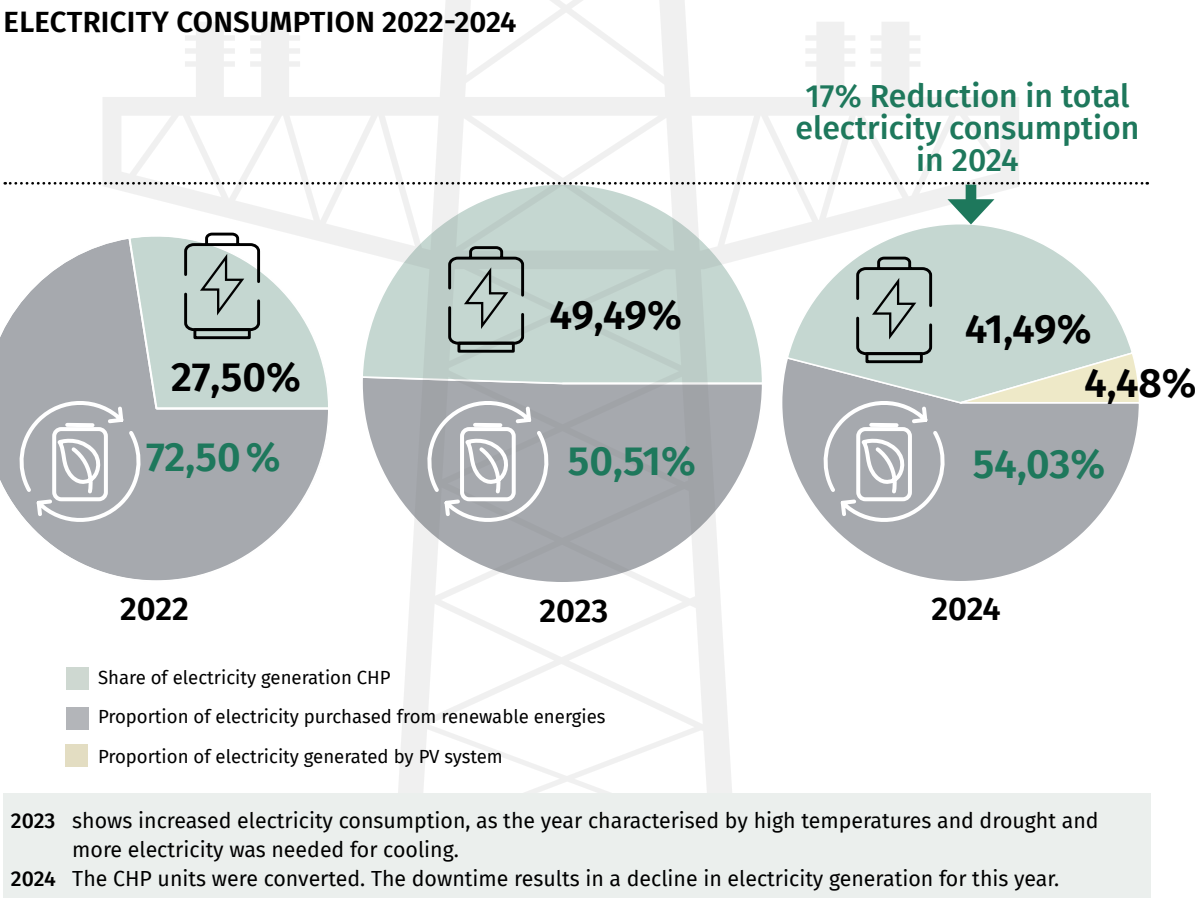
We are introducing an environmental management system in accordance with EMAS for the Bönningheim site. This systematically records the environmental impact of activities at the site and derives reduction targets. An interdisciplinary environmental team was formed for this purpose in 2024. Once EMAS has been successfully introduced, the results and measures will be publicly communicated in an environmental statement. EMAS key figures are collected for the following areas:



ENERGY

We have achieved a very high standard in energy management. Overall, electricity consumption at the Bönningheim site was reduced by approximately 17% compared to the previous year. The purchase of energy outside of our own corporate structure was reduced by approximately 11% compared to the previous year. 100% of the purchased electricity comes from renewable energy sources. The rest of the energy required is generated by a combined heat and power plant and a photovoltaic system.

We will continue to identify further potential for improvement in the future and develop measures to reduce our energy consumption.



COMBINED HEAT AND POWER PLANTS

To date, the two co-generation units (CHP) used have reached their expected operating hours, and a new CHP started operating in July. The waste heat from the CHP unit is used for efficient heating/cooling management, allowing us to reduce the amount of energy we purchase.

PHOTOVOLTAIC SYSTEM

A photovoltaic system commissioned in summer 2024 is now also contributing to electricity generation. 9.74% of in-house electricity generation has been generated by the photovoltaic system since commissioning.

INTELLIGENT ENERGY MANAGEMENT – COOLING

During the cold season, the low outside temperatures are used for passive night cooling by a ventilation system. This means that the chillers can be partially dispensed with – the process cooling is generated only via the heat exchangers. Absorption chillers generate cold from waste heat. Intelligent networking of the cooling systems ensures that the most effective and resource-efficient method of cooling is always used.

WATER

- Process-related water consumption in the laboratory cannot be significantly reduced due to limiting standardised specifications.
- Watering of the grounds have been reduced and optimised, with rainwater used to water the gardens and 70% of un-infiltrated surface water fed via infiltration trenches to water the property.
- Water-saving toilets have been implemented throughout the company.



RESOURCE EFFICIENCY

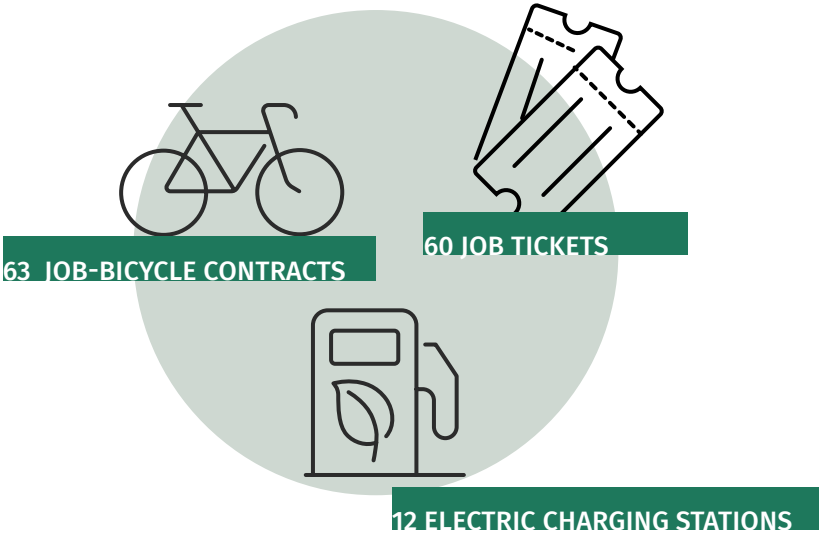
We regularly check whether substances can be replaced by more environmentally friendly alternatives. For example, we use recycled toilet paper and biodegradable cleaning agents. Electronic devices that are no longer used can be purchased by employees. This allows the product life cycle to be extended.



MOBILITY

In 2024, we started recording the commuting behaviour of our global employees to include in our calculation of greenhouse gas emissions. The need for carpools was identified in the commuter survey and a new digital platform was created to connect car-poolers. In addition, employees in Germany can rent bicycles through the job-bicycle programme or benefit from the Job-Ticket for longer commutes. Another way to reduce the use of fossil fuels is through our twelve electric car charging stations.

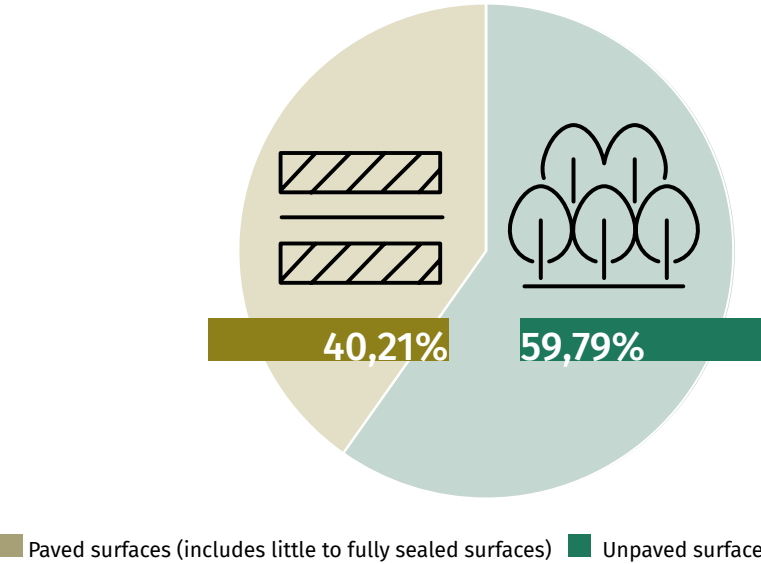
FACTS:



LOCATION AND LAND USE

Our choice of planting, takes into account climatic changes to enable water-efficient maintenance. Over 50% of our site is currently unpaved. This has environmental benefits and ensures a high level of natural rainwater infiltration. Sealed areas, such as car parks and footpaths, are largely covered with surfaces that also allow rainwater to infiltrate.

LAND AREA HOHENSTEIN



SPECIFIC CHALLENGES for a resource-saving laboratory

Examinations and tests are carried out according to standardised specifications. To ensure compliance with strict standards, certain framework conditions are set in the laboratories. For example, we need a standard temperature and humidity – a standardised environment. Therefore we cannot significantly reduce the use of resources in this area.





SOCIAL

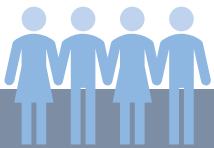
Personnel management that is oriented towards employees: This is the credo of our social sustainability. Through promotions, training and continuous improvement, we are always working towards our goal of being a fair employer and implementing good-faith cooperation with all employees. The option of part-time is used by many employees to achieve a better work-life balance. Flexible working hours, flexitime accounts and working from home also ensure a good work-life balance. Even managers can use these options. The length of service speaks for the general satisfaction of employees: over half have been with the company for 6 to 15 years and 15% for over 15 years.

EMPLOYEES

SATISFACTION SURVEY

Every two years, we conduct a detailed survey about the working atmosphere – and the results of this year's survey were once again very positive. The corporate climate has improved by 11 points compared to the previous survey. This means that 85% of employees are satisfied or very satisfied with the general working atmosphere. We also saw an increase in satisfaction in all other areas of our survey compared to 2022. Our goal remains to promote and maintain this positive working climate.

In this year's satisfaction survey, many colleagues made valuable suggestions, some of which have already been implemented or are in process.



Hire more staff:
In order to reduce high workloads in some areas, we are continuing to recruit new staff.



Driver safety training:
For employees who regularly drive company vehicles, we offer driver safety training.



Get to know other areas:
With the "Hour of Open Departments", we give all employees an insight into various areas of the company. At regular intervals, individual departments invite employees to present their work for an hour.



Break and leisure activities:
A table tennis table is available in the park.



Great satisfaction globally:
This year, we also conducted a standardised satisfaction survey at all of our international locations.

The result is impressive. 80 percent of employees are satisfied or very satisfied with the atmosphere, and 94 percent would recommend Hohenstein as an employer.

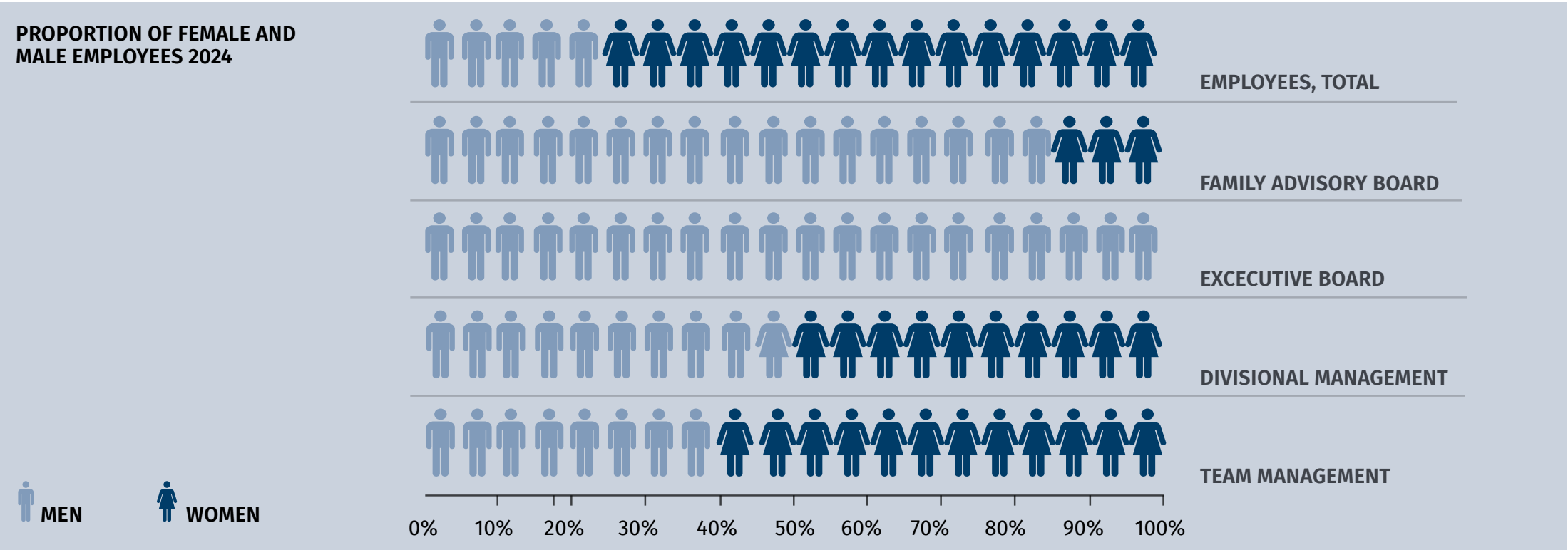
Each location evaluated the results independently and has decided which measures to be implement locally. With the results of the survey and the implementation of numerous suggestions from the workforce, we at Hohenstein believe we are on the right path to further strengthening our corporate culture and continuously promoting the satisfaction of our employees.



DR H. MARKUS OSTROP
GENERAL COUNSEL | CHIEF HUMAN RESOURCES OFFICER | COMPLIANCE OFFICER

We are pleased with the positive results of our satisfaction survey and our low turnover figures. We are continuously striving to further develop social sustainability, for example by implementing measures suggested by our employees in the survey. We want to create a workplace where we can balance family, leisure and work in the best possible way.

DIVERSITY AND EQUALITY



For appointments to management positions, the common objective is the promotion of female managers.

 30 MISCELLANEOUS COUNTRIES People from over 30 different countries work at our site in Bönningheim.	 WEEKLY LANGUAGE COURSES Weekly German and English courses are offered to promote exchanges between our employees at our locations around the world.	 INTERCULTURAL DIVISIONAL MEETING Intercultural department meetings: getting to know different cultures, promoting intercultural understanding and enabling the integration of our international colleagues.	 3.74% INVOLUNTARY FLUCTUATION High employee retention: The average turnover for the year was 3,74%.	 10 SESSIONS Interviews on psychological stress with 34 people.	 78 FLU VACCINATION 78 people of our Bönningheim staff used the free flu vaccination this year.	 67 EYE TESTS Eye tests offered	 24 STATIONS 24 disposal points for feminine hygiene products (OEKO-TEX® STANDARD 100 certified).	 25 EMPLOYEES 25 employees with severe disability.
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ONBOARDING

To ensure that our new employees get off to a good start, we have set up regular welcome events, mentoring programmes with lunches and other events with the close support of our HR team. Individual team training is part of our commitment to ensuring that new talent is quickly integrated.



KNOWLEDGE TRANSFER

Supporting our trainees and dual students is very important to us. Four dual students are currently part of our team.

Students can take part in the Academy's training courses to broaden and deepen their textile knowledge. Visits to other departments during the practical phase are coordinated with the theoretical phase. This allows students to apply what they have learned in practice. In 2024, for the first time, an international internship was offered at our subsidiary in Shanghai.

In order to keep managers up to date, a series of training courses have been established, which take place two to three times a year.

TRAINING:

- **Eight trainees in four training professions**
- **In the past three years, all trainees have been hired after completing their training**
- **One of our trainees completed his training as a textile laboratory technician in 2024 as one of the best in Germany. He was honoured by the Chambers of Industry and Commerce in Ludwigsburg, Stuttgart and Berlin**
- **INTERNSHIPS: 21 student internships**

AFTER WORK EVENTS

Our employees can contribute their ideas and initiate new events. Some events are organised by employees for employees.



 SOCCER CUP AND SOCCER TEAM	 MONTHLY GAME EVENINGS	 HIKING DAYS	 SUMMER PARTY
 ANNUAL COMPANY RUN	 COOKING COURSES	 MONTHLY YOGA	 ANNUAL CITY CYCLING

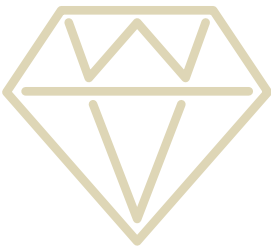
HOHENSTEIN EVENTS

Intensive exchange and open communication are part of our value foundation. We promote internal exchange and create platforms for open dialogue:

 HR CONSULTATION EVERY 8 WEEKS	 ALL NEW COLLEAGUES ARE GIVEN A TOUR OF THE COMPANY
 ANNUAL TEAM EVENTS	 HOUR OF OPEN AREAS

CORPORATE GOVERNANCE

Key to our corporate management is a shared vision, which serves as the basis for coordination at our regular management meetings. At these meetings, we determine the strategic direction of the company. In doing so, we take every voice into account to ensure holistic and future-oriented planning. This collaborative approach of different expertise, from human resources to finance and operations, ensures that all decisions are made not only on a solid professional basis, but also in line with our shared values and goals. At Hohenstein, we pay particular attention to the value and high level of expertise of our employees as well as the consistent involvement of managers in decision-making processes. We strive to support each and every individual in their professional development. Our personnel development is based on respect for the individual expertise and contribution of each team member. The pillars for a good and motivating working environment are autonomy, relevance and expertise.



AUTONOMY	RELEVANCE	EXPERTISE
The promotion of autonomy in our company supports a sustainable working environment, in which employees – while taking existing processes into account – have the freedom to organise their tasks and projects independently.	We strive to outline the broader meaning and purpose of everyone's work in the context of sustainability to all employees. By showing how every contribution helps us to achieve our environmental and social goals, we strengthen the commitment of our employees to these important issues. Communicating how our services contribute is fundamental to this.	Our ambition to achieve excellence in all areas of our company is reflected in our continuous improvement and professionalism. We invest in the training and development of our employees to ensure that they not only excel in their respective areas of expertise, but also in terms of sustainability. This promotes a culture of learning and continuous growth, which is essential for the realisation of our sustainability goals.

CORPORATE CULTURE

Communication plays a central role in corporate management. We develop transparent and open communication through the following points.



EXISTING COMMUNICATION FORMATS

- **MEETINGS**
The involvement of our colleagues was also ensured in 2024 by holding regular team meetings, divisional meetings and quarterly updates. These meetings are not only intended to provide information on current developments, but also to promote open dialogue and exchange in order to make the best possible use of our teams' collective expertise.
- **ANNUAL TALK**
The regular annual appraisals serve to exchange, recognise and promote the individual skills and expertise of our employees.
- **FINAL TALKS**
When employees leave the company, exit interviews are held to identify possible causes. These discussions are systematically evaluated in order to derive constructive measures.
- **COMPLIANCE LINE**
The Hohenstein Compliance Line offers an anonymous complaint mechanism that strengthens the trust and safety of our employees. It creates an environment in which ethical behaviour and mutual respect are promoted.
- **SURVEY**
Our surveys are a further step in ensuring that all employees are involved in key decision-making processes. These initiatives underpin our commitment to adaptive, respectful and responsible governance. Most of the improvements suggested by employees this year have been implemented, and the reasons for those that could not be implemented have been explained by management.
- **COLLOQUIUM**
All employees can inform themselves about internal topics in the 45-minute colloquia. In 2024, ten colloquia were held on topics such as sustainability, the satisfaction survey or specialist topics such as biomedicine.

NEW COMMUNICATION FORMATS

- **COFFEE-CORNER**
In addition to regular communication between the management and employees, our new "Coffee Corner" format promotes mutual exchange. From 2025, employees will be able to discuss current company developments with members of the Executive Board approximately every six weeks.
- **HOUR OF THE OPEN AREAS**
In the last employee satisfaction survey, it was suggested that employees exchange more information among each other and gain insight into other areas of work. To put this into practice, an "hour of open areas" was introduced. Each month, one area is defined to introduce itself to interested employees.



4 OUTLOOK



We will **EXPAND** our **SUSTAINABILITY COMMITMENT** to generate impact and take all employees and stakeholders with us on this journey.

As a company with a strong focus on **sustainability and social responsibility**, we see it as our duty to continuously improve. We are happy to take on this challenge. In 2025, we are setting clear, measurable goals to further improve our environmental footprint, strengthen our social responsibility and shape our corporate governance in a future-oriented way.

ENVIRONMENT

- **EMAS IMPLEMENTATION:**
Following the introduction of the environmental management system, we will continue its implementation in the coming year. We will define and introduce further measures based on the defined key figures and processes.
- **GREENHOUSE GAS BALANCING:**
Greenhouse gas balancing is continuously updated in order to check how we are achieving our targets. To increase data quality, we analyse relevant areas in more detail and review the use of supporting tools.
- **PURCHASE:**
The data collection revealed potential for improvement in our purchasing processes. The introduction of procurement guidelines will help to ensure that potentials in resource consumption are utilised and circulatory be adressed.

SOCIAL

- **PARTICIPATION OF EMPLOYEES:**
We want to promote and maintain a high level of employee satisfaction. To this end, we want to continue to promote opportunities for participation in order to implement employee suggestions. In the framework of the ENVIRONMENTAL MANAGEMENT SYSTEM the SUGGESTION SCHEME is supplemented by a chapter on "environment".

CORPORATE GOVERNANCE

- **NEW REPORTING OBLIGATIONS:**
We see sustainability reporting in accordance with CSRD as an opportunity to take a holistic view of sustainability. The provision of comprehensive data points, which will be detailed in the future, enables us to implement measures in a targeted manner.
- **COMMUNICATING VALUES:**
We want to bring our fundamental values more strongly into the company and anchor them at all levels. Appropriate formats for managers should enable that.
- **INTENSIFYING THE EXCHANGE:**
The dialogue between management and employees will be further strengthened. A more direct and open communication culture promotes mutual understanding and an appreciation of our common goals.

Many thanks to our employees, who help us to learn and understand on a daily basis. Their motivation, commitment and ideas are the driving force and basis for creating more sustainable solutions.



DR STEFAN DROSTE
SPOKESMAN OF THE MANAGEMENT,
BOARD & CEO HOHENSTEIN LABORATORIES

OUR COMMITMENT TO ENVIRONMENTAL AND CLIMATE PROTECTION AT HOHENSTEIN

Sustainability and the responsible use of our planet's resources are a matter of course for us. The increasing number of extreme weather events around the world clearly shows that every individual must contribute to securing our common future. For this reason, environmental and climate protection is a top priority at Hohenstein.

Based on the strategy we developed last year, we have defined clear targets for reducing climate-relevant emissions. We know that this is only the beginning and that implementation will require a great deal of commitment. And while progress will not be the same everywhere, we are making targeted investments to avoid or at least reduce our emissions.

Efficient processes, supported by the latest technology, will help us to do this. Efficient processes help us reduce resource consumption, drive innovation, develop new services and make better use of our data. This helps not only us, but also our customers, to make informed decisions and achieve further progress in sustainability. We therefore see the upcoming regulatory requirements not as a hurdle, but as an opportunity. They allow us to pause and critically review and adapt our processes. We will actively shape this change with our customers and other partners. We can only do this with the help of our employees. With their support and commitment, we are implementing an ambitious and forward-looking roadmap that will bring Hohenstein forward in a sustainable way.

IMPRINT

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ABBREVIATIONS

CSRD Corporate Sustainability Reporting Directive

DIN German Institute for Standardisation

EMAS Eco-Management and Audit Scheme

GMO Genetic Modified Organism

IPCC Intergovernmental Panel on Climate Change

KEFF+ Regional Competence Centers for Resource Efficiency

OECD Organisation for Economic Co-operation and Development

ZDHC Zero Discharge of Hazardous Substances