



SUSTAINABILITY REPORT

2022

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Dear customers, friends and partners, dear W&H employees,

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As a family-owned business with more than 150 years of tradition, we know that only sustainable management guarantees long-term success. What we create is passed on to the next generation. For this reason, sustainability has been embedded in W&H's mission statement for decades and is applied across numerous areas of the company.

In 2021, we set out to professionalize this understanding of sustainability that we embody at W&H, and to transform it into a sustainability strategy. Our goal: To position W&H even more solidly for the future, to make a stronger contribution, in particular to Climate protection, and to take you with us on this journey.

The flexible packaging market has been our home since we were founded. We are convinced of the benefits of flexible packaging. It protects valuable goods and resources more efficiently than any other type of packaging. In the interplay between efficient, protective packaging solutions on the one hand and environmental pollution caused by climate change and waste on the other, we want to make our contribution to a world worth living in for ourselves and future generations. We are convinced that developing a Circular economy for flexible packaging is essential. Our technologies, as well as the

experience and knowledge of all W&H employees ensure that we can make a significant contribution to this. We want to take on this responsibility even more actively in the future.

As a family-owned business, sustainability has been part of our DNA from the very beginning. Many aspects of corporate governance and community engagement have always been a given for us. However, in light of climate change, it has become clear that we must – and want to – do more. We want to take our commitment to sustainability to a whole new level, and we want to be transparent about how we are progressing with it. Based on initial guidelines from the Executive Board, intense discussions were held with the management team about our path to more sustainability – first nationally, and then internationally. Involving all employees is the next step. Our assessment of the major issues and the various existing measures and new ideas has not yet been completed – and probably never will be. Over the last few months, we have been creating a new structure to frame the issues and put organizational changes in place. We have also been implementing additional measures in line with this.

Our activities also include the first sustainability report, which you see here. It summarizes what we are already doing, where we've already made progress, and where we want to go in the long term. That makes it an additional review, but also a promise for the future.

Best regards,

Peter Steinbeck
CEO and
Shareholder

Dr. Falco Paepenmüller
CTO

Dr. Sascha Witt
CSO

Martin Schulteis
CFO

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Founded in 1869, the Windmüller & Hölscher Group is now a leading global manufacturer of machinery and equipment for producing flexible packaging. The product portfolio includes high-performance machines for film extrusion, printing and converting film, woven pp and paper.

As a global company, W&H offers its customers everything from a single source: from expert advice and engineering to delivering high-quality machines and complete packaging lines. W&H's customers are manufacturers of flexible packaging for the consumer goods, industrial and technical sectors.

Around 3,200 employees develop the best possible solutions for individual production tasks for flexible packaging manufacturers – making our corporate philosophy “Passion for Innovation” a reality. Windmüller & Hölscher machines are in use in over 130 countries and by more than 5,000 customers. The group of companies, headquartered in Lengerich, Germany, generated around EUR 969 million in sales in 2021.



Extrusion



Blown film



Cast film

Print



Flexo printing



Gravure printing

Converting



Paper sacks



Plastic sacks



Woven sacks

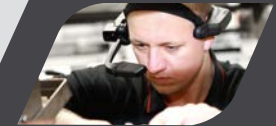


Paper bags



Form-Fill-Seal

Services





Business model

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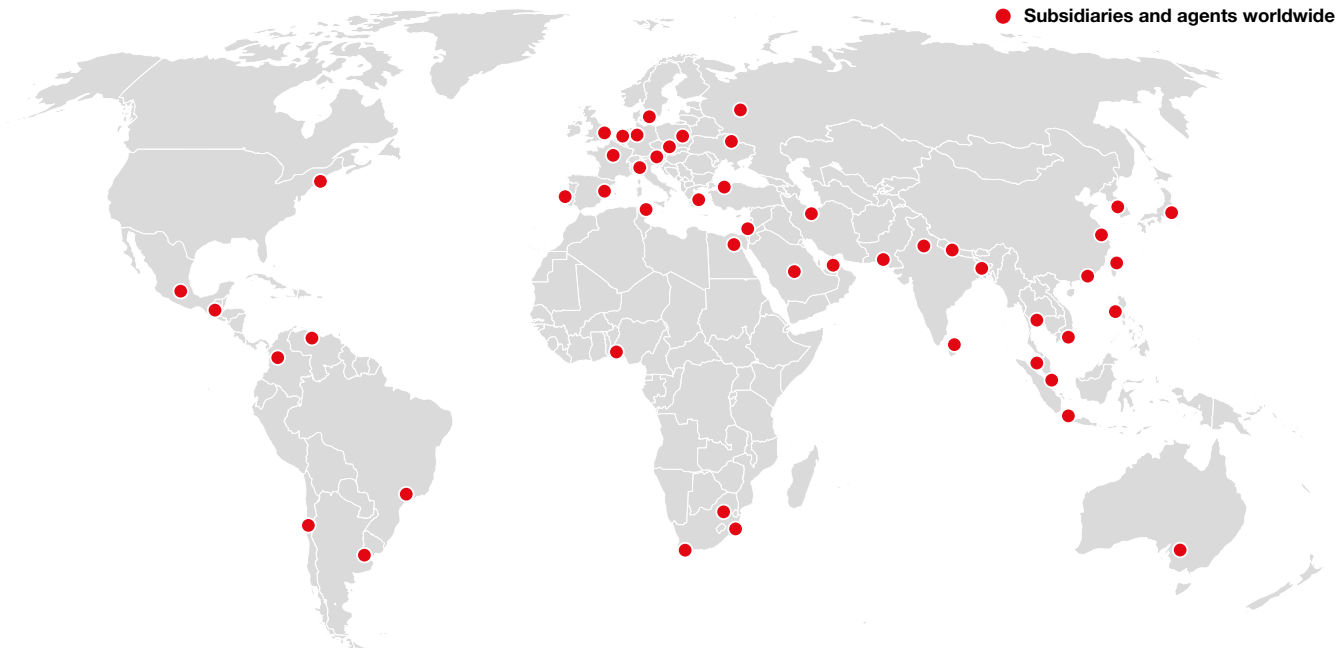
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The parent company of the W&H Group is Windmüller & Hölscher KG, headquartered in Lengerich. It develops, manufactures and sells extrusion lines, printing presses and converting machines. It also offers after-sales and services along entire machine lifecycles. Garant Maschinenhandel GmbH, also headquartered in Lengerich, specializes in paper bag machines and used equipment and is a full W&H subsidiary. Exakt Maschinenbau GmbH & Co. KG, Lengerich, provides assembly services for extrusion lines. Its customers are the individual companies of the group. Windmüller & Hölscher Academy GmbH, Lengerich, centrally trains all trainees of W&H companies at the Lengerich site, conducts training courses for customers of the parent company, is responsible for internal further training of the employees of W&H companies, and is also responsible for event management. Other companies from the Lengerich area can also have their trainees trained there. The subsidiary company

Windmüller & Hölscher Machinery k.s., Prostějov, Czech Republic, develops, manufactures and sells machines for producing woven fabric plastic sacks and produces machines and assemblies for the other companies in the group. The W&H Group is represented globally by subsidiaries and agencies on all continents. The locations outside Germany vary greatly in size and field of activity. W&H has a strong international focus with an export rate of over 90%. W&H conducts its business for form-fill-seal (FFS) machines in a joint venture called AVENTUS, together with Haver+Boecker. The sustainability strategy applies to the entire W&H Group. AVENTUS operates as an autonomous entity due to its organizational characteristics. However, synergy effects are used where possible.



A hand is shown holding a small, clear glass globe of the Earth. The globe is held in the palm of a hand, with fingers visible. The background is a soft-focus natural scene with green foliage and a warm, golden light, suggesting a sunrise or sunset. The overall mood is serene and focused on environmental care.

SUSTAINABILITY STRATEGY





Sustainability strategy

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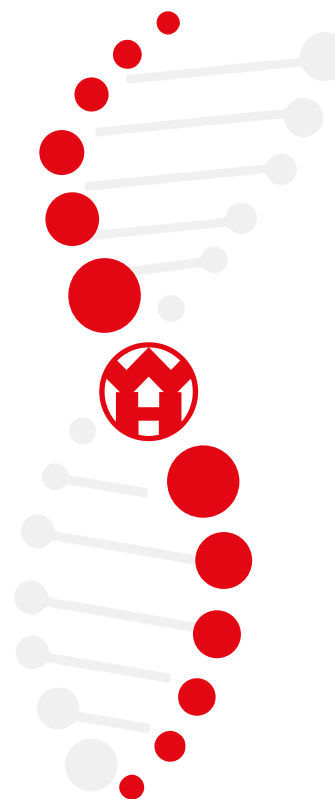


Since the beginning of the nineties, W&H has defined sustainability as one of the basic principles of its corporate activities in its Corporate Guiding Principles. On this basis, sustainability aspects have long been reflected in many areas of W&H. In the past year, we set out to develop this basic understanding that we have gained through experience into a sustainability strategy. One of the first goals was to provide managers and employees within the W&H

Group with guidance for future action. For this reason, the Executive Board developed guidelines. They were also used to discuss the many aspects of sustainability with the leadership team. They describe how we see ourselves and the first steps toward building a more sustainable organization and corporate management structure.



- ✓ Our business processes are sustainable: economically, ecologically and socially.
- ✓ Our innovations combine profitable growth and sustainability.
- ✓ Our knowledge and our solutions contribute to the sustainable evolution of flexible packaging.



What does that mean for us?

- ✓ Resource-saving, efficient solutions have priority in our development.
- ✓ We communicate our understanding of and our commitment to sustainability under the brand name „Greenovation“.
- ✓ We actively participate in shaping the regions where we are at home and are involved beyond the scope of the company.
- ✓ We advance the positive features of flexible packaging and strengthen its contribution to solving global challenges, e.g. the protection of food and goods.
- ✓ We are committed to the responsible use of flexible packaging and the development of a Circular economy.

Source: Guiding principles



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Integration into the corporate strategy EXCELLENCE 2025

As our sustainability activities evolve, so will our view of the guidelines and sustainability strategy. We will therefore regularly review and adapt them as part of the strategy process. To this end, a detailed target picture will be will be discussed and developed within W&H in 2023.

Fields of action of the W&H strategy „EXCELLENCE 2025“





Guidelines of the sustainability strategy

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Working on sustainability is a task for the entire W&H Group, which also includes the global subsidiaries. So how do we empower all employees in our growing company to strengthen and accelerate W&H's sustainable development? Especially as part of the company-wide HUB strategy, which promotes independent work of the sites outside Germany, this requires basic guidelines. These guidelines were set by the Executive Board this year. The key message: We don't see sustainability and Climate protection activities as a smokescreen. We want to communicate sustainability and emissions targets clearly, honestly and transparently instead of presenting them in a non-specific way focused on marketing.

To allow the subsidiaries and sites to act, each company in the group implements measures in line with its own priorities and responsibilities. The guidelines as well as defined fields of action ensure that progress is made with everyone pulling in the same direction, with the same goal and with coordinated measures. All companies in the group regularly synchronize their approaches and activities. A sustainability manager coordinates activities across companies in the W&H Group. This person is the central point of contact for sustainability issues and projects, both internally and externally.

How we see ourselves

- ✓ We want to expand and professionalize our sustainability activities. For this reason, it's our responsibility to initiate concrete measures, generate and promote initiatives, provide education, motivate and act as a role model.
- ✓ We structure all sustainability activities in line with the "ESG" criteria (environment, social and governance).
- ✓ We select our sustainability activities depending on their urgency and our effectiveness. This means that when implementing sustainability measures, we are not generally pioneers or fast followers, but instead take action where we can achieve the most.
- ✓ Sustainability measures must be affordable and there must be sufficient capacity for them. The activities must not lead to financial risk or to an overburden for the organization.



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- ✓ We evaluate and judge the success of a measure by its sustainability improvement and its economic added value.
- ✓ We always implement legal requirements on time. We harness the opportunities of digitalization to map legally compliant actions in our work processes directly.
- ✓ We recognize that sustainability improvements cannot be implemented on our own. Wherever it makes sense and is possible, we make use of external knowledge, form alliances and seek out collaborations with other companies.
- ✓ We prefer to take action ourselves rather than making donations; nevertheless, we support selected initiatives worldwide.
- ✓ We want our employees to be a part of this responsibility and motivate them to participate.

Steps of the Sustainability Strategy Development 2022





Fields of action

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W&H bases its sustainability activities on the 3-pillar model of sustainable development.

Accordingly, all activities are grouped as per ecological, economic and social aspects. Under the Environment, Social, Governance (ESG) dimensions, the topics that are currently especially important for the company and its stakeholders have been identified.



Source: http://webarchiv.bundestag.de/archive/2008/0506/wissen/analysen/2004/2004_04_06.pdf



ENVIRONMENT

- Environmental Protection
- Strategies for Climate protection
- Use of renewable energies
- Reduction of emissions
- Careful use of raw materials and energy



SOCIAL

- Occupational safety
- Health protection
- Compliance with labor rights
- Fair working conditions
- Prohibition of child labor
- No forced labor
- Compliance with ESG criteria for service providers and suppliers



GOVERNANCE

- Ethical corporate governance
- Compliance
- Prevention of corruption
- Independent supervisory board
- Risk management



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E

Environment

We are contributing to achieving the global Climate protection targets and creating a circular-oriented future. We do this by reducing our own emissions, realigning our business processes and empowering our customers with innovative machinery and products.

Climate protection

As a manufacturing company, we continuously reduce our own carbon footprint. We are guided by the Science-Based Targets initiative and set a fixed target for the reduction.

Circular economy

We meet our special responsibility in the flexible packaging market by promoting a Circular economy and mitigating the consequences of waste through our actions and technologies.

S

Social

We are helping to build a better life for everyone. To this end, we promote equal opportunities, especially in education. As a reliable employer, we are a valuable part of society at our sites.

Equal opportunities

We are committed to providing equal opportunities for everyone, and improving their quality of life.

Good employer

As a growing and attractive employer, we meet the need for employment that's meaningful and fairly compensated.

Community engagement

We consider ourselves part of society and we actively promote social life, voluntary work and education and qualifications outside our company.

G

Governance

We are committed to value-based governance. Trust, openness and optimism shape our actions. Long-term thinking and honest, open communication are important to us. Compliance with legal requirements is the basis of our business ethics.

Stability

As a family-owned company, W&H is focused on long-term success. This includes conservative financial management with a solid capital base that ensures our independence. Our shareholders form a long-standing connection with W&H spanning generations.

Transparency

We regularly report our progress on sustainability to our stakeholders. We base our results on measurable and comparable KPIs where possible.

Business ethics

We act legally at all times. Moreover, we are a reliable and honest partner for customers and service providers, and our word can be relied upon.



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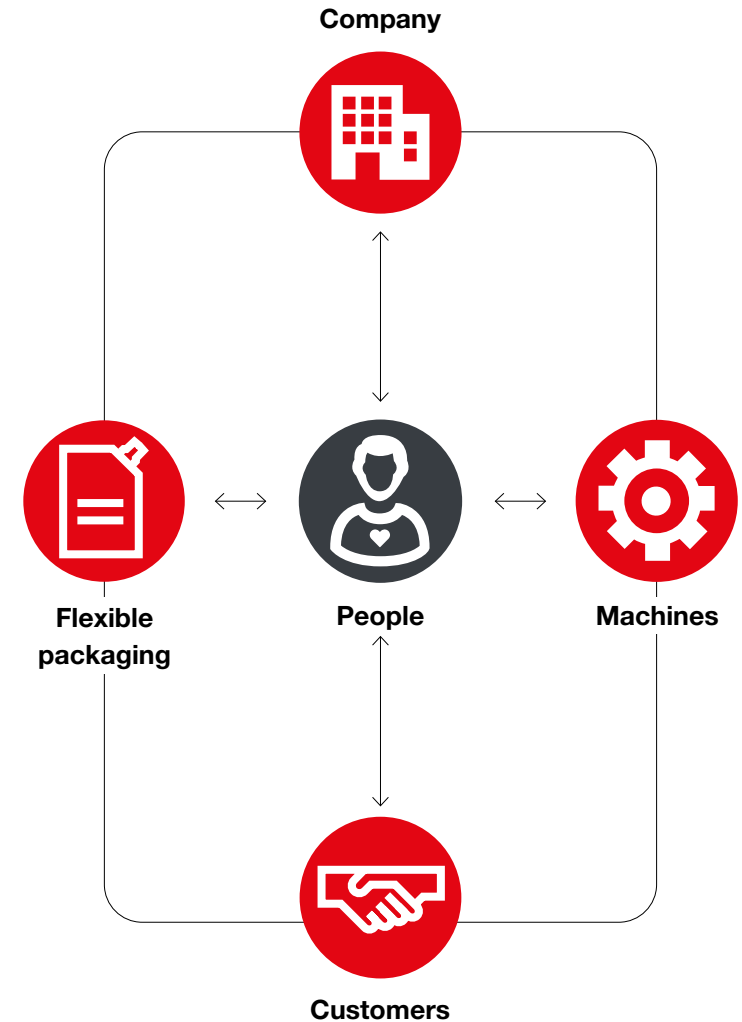


As part of the sustainability efforts, we want to focus our capacity on areas where we can have impact and achieve change. The following questions guide W&H in identifying our greatest levers for more sustainability:

- ✓ How can we become more sustainable as a company?
- ✓ How can we make our machines more sustainable?
- ✓ How can we help our customers become more sustainable?
- ✓ How can we make flexible packaging more sustainable?
- ✓ How can we contribute to a more sustainable society?

People are central to all these questions. Employees are crucial – in how they live their lives outside of work, and as experts in the company. Partners in the business processes, customers, and the social environment also play an important role. W&H customers around the world have to find solutions in their individual environments – different regions, cultures and economic developments require different approaches.

Likewise W&H must not and cannot view the fields of action independently of these individual approaches either. Sustainability efforts must not run counter to the actual business purpose. Even in a company focused on sustainability, markets and the needs of customers are paramount. After all, only a sustainable solution that succeeds in gaining acceptance in the market is real progress.





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In addition to strategy development, the focus in 2021/2022 was on translating how we see ourselves into specific measures. To be effective as quickly as possible, annual focus topics are placed within the 3 pillars of sustainability.

Focus topics Environment

In view of the greatest challenges facing society, W&H will be concentrating on two focus areas in the Environment area:

- ✓ Determining and reducing carbon footprint.
- ✓ Promoting a Circular economy for flexible packaging

Both of these issues are of particular importance to society in general and for the company in particular. As a manufacturing mechanical engineering company in the flexible packaging market, this is where the greatest responsibility lies.

Focus topics Social

In the Social segment the first step in 2021/2022 was to take stock of the numerous existing activities. New focus topics will also be derived from the „Great Place to Work“ employee survey carried out in 2022.

Focus topics Governance

Governance was anchored in the organization with greater focus in 2022 in order to meet increasing requirements in this area, for example in data protection. In mid-2022, a separate department was created for this purpose by reorganizing the finance units.

Overview of measures in 2022

E Environment

Climate protection

- ➔ Recording our carbon footprint and implementing initial measures to ensure reductions

Circular economy

- ➔ Driving new machine innovations

S Social

Equal opportunities

- ➔ Reviewing the current status and setting priorities

Good employer

- ➔ Great Place to Work survey

Community engagement

- ➔ Continuing existing activities

G Governance

- ➔ Reorganizing the financial units with a separate area for corporate governance

Stability

- ➔ Continuing the alignment that we embody

Transparency

- ➔ Creating a reporting structure for sustainability

Business ethics

- ➔ Professionalization of the compliance and data privacy organization



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Reporting in line with global standards and sustainability targets

This first sustainability report from W&H will be published mid-term during the running fiscal year, and in an environment where external requirements and guidelines are developing in a very dynamic way. Many legal regulations are still worked on at the time of publication of this report, and there may be gaps and contradictions in individual cases. For this reason, an informal reporting has been created for the time being, focusing on the figures and results that are currently available. In anticipation of clear requirements, the transition to formal reporting will take place by 2024. Despite this transitional phase, this report is based on current sustainability reporting standards and incorporates them where possible. The following standards and guidelines were considered in the preparation of this report:

- ✓ UN Sustainable Development Goals (SDGs)
- ✓ Criteria of the German Sustainability Code (DNK)
- ✓ Global Reporting Initiative (GRI)

In the start-up phase, this function will be temporarily assumed by a working group comprising members from the Executive Board, Corporate Strategy, Corporate Communications and specialist representatives from the areas of environment, social affairs and governance. The Sustainability Working Group reports regularly to the Executive Board and the managers. Information on the progress of the work is shared with the subsidiaries every three months. In the long term, the working group will be transferred to a sustainability core team (Sustainability Manager, Corporate Communications, Executive Board member) under the leadership of the Sustainability Manager. The individual focus topics will be addressed in the form of overarching corporate projects. The Sustainability Manager has a coordinating function for these projects. They report regularly to the full Executive Board.

Embedding sustainability in the organization

Until now, the topic of sustainability had not been anchored in an explicit function within the company. A function for coordinating and synchronizing all activities will be created as part of our process designed to professionalize our sustainability strategy. The corresponding position for a Sustainability Manager is currently being filled and will be permanently embedded in the Corporate Strategy unit.



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The sustainability organization at W&H today and in the future

Interim working group Sustainability (since March 2022)

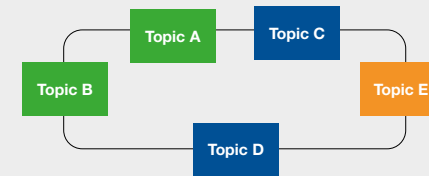
- ✓ Executive Board, Corporate Strategy, Corporate Communications
- ✓ Experts Environment, Social, Governance



Transition to permanent organization

Permanent Sustainability Organization

- ✓ Core team led by the Sustainability Manager
- ✓ Working groups



Worldwide locations and subsidiaries



ENVIRONMENT





Environment

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» We are contributing to achieving the global Climate protection targets and creating a circular-oriented future. We do this by reducing our own emissions, realigning our business processes and empowering our customers with innovative machinery and products.«

Climate change is one of the great challenges of our time. In order to achieve the 1.5-degree target of the Paris climate agreement, companies must make their contribution as part of society. We are meeting this responsibility. For this reason, the focus of our 2022 activities will be on the environment, with two key topics: “Accounting for and reducing our carbon footprint” and “Producing recyclable packaging”. In the current discussion about carbon emissions and the environmental impact of packaging waste, both focus topics are of utmost importance to W&H.



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Focus topic: Balancing and reducing the carbon footprint

As a manufacturing company, we continuously reduce our own carbon footprint. We are guided by the Science Based Targets initiative and set a fixed target for the reduction.

In the topic area of Climate protection, the W&H Group is guided by the Science Based Targets initiative with the goal of limiting global warming to 1.5 degrees Celsius. Accordingly, each company in the Group aims to reduce emissions by 4.2% per year. In 2021/2022, the Company Carbon Footprint (CCF) of W&H KG was determined for the first time retroactively for 2019, 2020 and 2021. Other subsidiaries will follow until the end of 2022. In this context, W&H accounts for greenhouse gas (GHG) emissions according to the principles of the Greenhouse Gas Protocol (GHG, Scope 1, 2 and 3). The result: With around 30,000 tons of CO₂ on average for the years 2019-2021, W&H KG in Lengerich is slightly above average compared to other mechanical engineering companies.

Supplying energy with green electricity and green gas

The biggest leverage point for reducing the company's carbon footprint is in supplying energy. From the beginning of 2022, W&H will cover its energy requirements from sustainable sources from regional municipal utilities. In the case of green electricity, the energy comes from hydroelectric, wind power and/or photovoltaic plants in Europe. As far as gas is concerned, offsetting carbon emissions in a way that's effective for the climate is achieved through audited and certified Climate protection projects in Europe. This conversion is a first step in the energy field. In addition to using other, alternative energy sources, reducing energy consumption is the long-term goal.

Breakdown of the Company Carbon Footprint (CCF) of W&H KG on average 2019-2021

Emissions in t CO ₂ e	2019	2020	2021
SCOPE 1			
Gas and fuel	4.026	3.858	4.348
SCOPE 2			
Electricity	5.405	5.446	8.498
SCOPE 3			
Upstream energy-related emissions	1.805	1.764	1.946
Business travel and hotel accommodation	7.786	2.470	3.574
Employee commutes	3.305	2.445	2.751
Water / waste generation in the company	2.891	3.494	2.874
Paper consumption	90	64	65
Consumables production	358	333	334
Logistics (internal)	1.155	1.155	1.254
SUBTOTAL	26.821	21.029	25.645
Capital goods (excluding buildings)	5.813	1.282	1.814
Capital goods (buildings only)	7.315	31	255
TOTAL	39.949	22.342	27.714

*calculated in line with GHG Protocol guidelines



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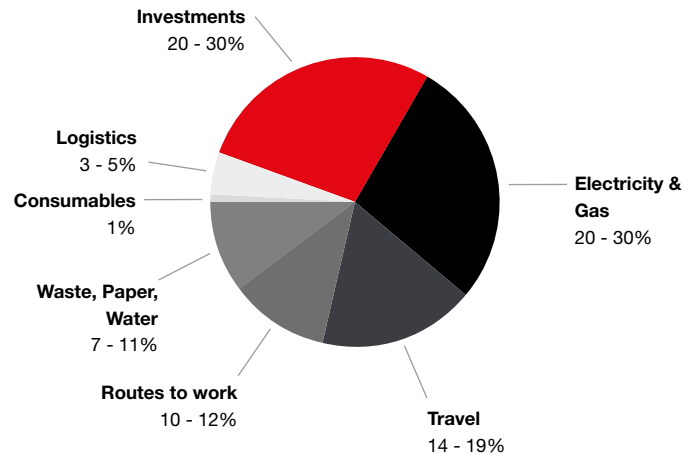
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Percentage distribution of CO₂ emissions on average 2019-2021



Taking climate impact into account in investments

A second major leverage point is investment: From now on, carbon emissions will be taken into account in the decision-making process for major investments. For new buildings, the total carbon footprint is accounted for once when the buildings are completed. Thus, it comes as no surprise that the CO₂ share in this area has decreased significantly since the last major construction measures were completed in 2019. For future new buildings, using alternative energy sources, e.g. via photovoltaics or geothermal energy, is an integral part of considerations for reducing our carbon footprint.

Travelling more consciously

The third major leverage point is mobility, i.e., primarily employees' commutes and W&H business travel. The results of a 2021 employee survey on commuting were surprising: Ten to twelve percent of W&H's carbon footprint is accounted for by this category. Out of

about 1,000 survey participants, only a few still get to work on foot, by bike or using public transportation. 99 percent of employees who travel to work by car use vehicles with combustion engines. This has a significant impact on our carbon footprint. The company-wide introduction of working from home reduces the number of kilometers driven. The job bike service introduced in 2022 also makes commuting to work by bike or e-bike more appealing. The bicycle garages and visitor parking lots have been fitted with e-charging stations this year. Work is underway on an efficient charging pole structure for employee vehicles – with around 1,200 parking spaces in many different areas, this is a major technical challenge. The new GARANT building was already fitted with charging stations in 2019, and it now has 14 charging points for electric vehicles. New guiding principles are also being set up for business travelers: The W&H vehicle fleet is gradually being converted to alternative drives. Digital communication options are being used extensively to reduce travel. Domestic flights are being avoided wherever possible, and instead a shift is being made to more sustainable modes of transport. The travel guidelines are being adapted accordingly.

Solutions to reduce the carbon footprint of W&H customers have also been implemented: Machine demonstrations in the technology centers can be watched via live video transmission instead of traveling in person.

W&H's footprint will shrink even further

The initial measures are noteworthy in that they are already leading to a significant and rapid reduction in our carbon footprint. The next carbon footprint will be determined at the beginning of 2023 and will indicate how effective the measures that have been put in place are. Ambitious but realistic targets have been set to ensure further reductions in the years to come.



Work travel table: Results of the anonymous employee survey on commuting to work in 2019 and 2020, with projections for 2021

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Means of transport	Commute in km			CO ₂ -footprint in t CO ₂ e		
	2019	2020	2021	2019	2020	2021
On foot, bicycle, carpool	893.349	569.548	640.742	0,0	0,0	0,0
Train	478.347	298.108	335.372	5,9	3,9	4,4
Public transportation	65.431	60.688	68.274	4,1	4,0	4,5
Passenger car, small car	3.714.245	2.690.803	3.027.153	484,3	369,2	415,4
Passenger car, mid-range	16.915.381	11.700.367	13.162.913	2.673,4	1.946,6	2.189,9
Passenger car, luxury class	568.845	446.887	502.748	111,3	91,3	102,7
Motorbike	175.149	185.233	208.387	18,9	21,0	23,6
Electric vehicle	154.776	212.145	238.663	1,0	1,4	1,6
Hybrid vehicle	71.842	87.035	97.914	6,4	8,1	9,1
Total	23.037.365	16.250.814	18.282.166	3.305	2.445	2.751

*calculated in line with GHG Protocol guidelines



Field of action: Circular economy

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Focus topic: Machine innovations for producing recyclable packaging

We meet our special responsibility in the flexible packaging market by promoting a Circular economy and mitigating the consequences of waste through our actions and technologies.

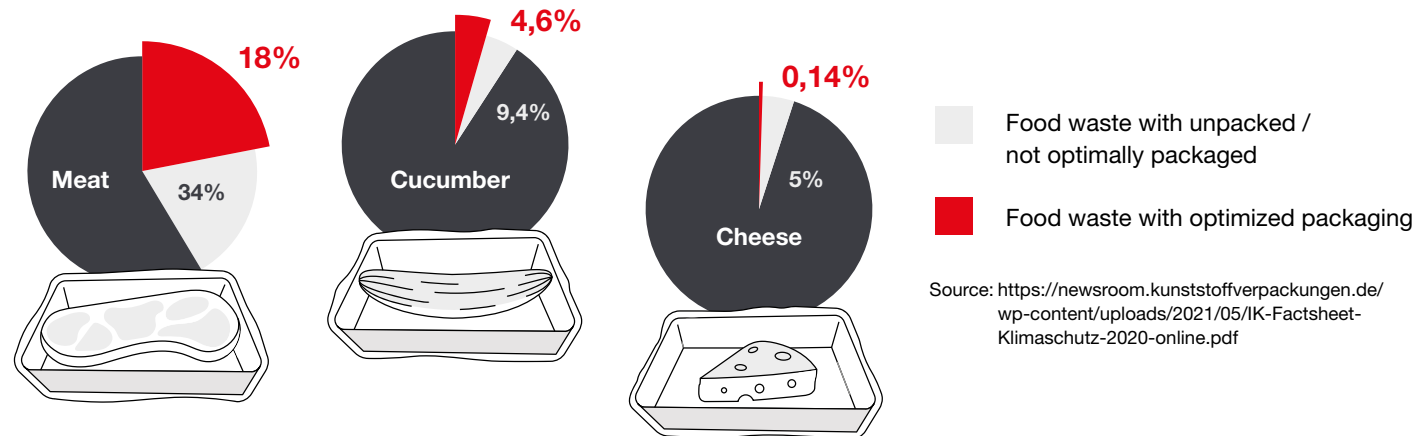
Since its foundation, W&H has specialized in machines for the flexible packaging market. While in the beginning the focus was on paper as a material for bags and pouches, machines for producing and processing plastics were added from the 1960s onwards. Today, W&H offers machines in the business units that focus on extrusion, printing and processing paper, film and woven fabric. Customers all over the world use W&H machines to produce materials that ultimately become flexible packaging. W&H is convinced of the protective properties of flexible packaging, especially when made of plastic. Flexible packaging effectively contributes to less waste. They save more CO₂ than their production generates. However, W&H also accepts the responsibility that

disposable packaging contributes significantly to environmental pollution and growing mountains of waste. The positive properties of flexible packaging, such as durability and performance, become an issue at the end of its life cycle. When disposed of improperly, flexible packaging contributes to environmental pollution.

For this reason, it is vital that flexible packaging be fully integrated into a Circular economy in the future. In recent years, W&H has focused on one aspect in particular: Using machine innovations to create the conditions for making flexible packaging recyclable. Two aspects are important for this: The machines must be able to produce recyclable films that have exceptional functionality and a low carbon footprint, and they must also be able to process recycled raw materials, especially recycled plastics.

More sustainable consumption through product protection

Packaging effectively contributes to less food waste and thus saves more CO₂ than its production generates



Source: <https://newsroom.kunststoffverpackungen.de/wp-content/uploads/2021/05/IK-Factsheet-Klimaschutz-2020-online.pdf>



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Circular economy

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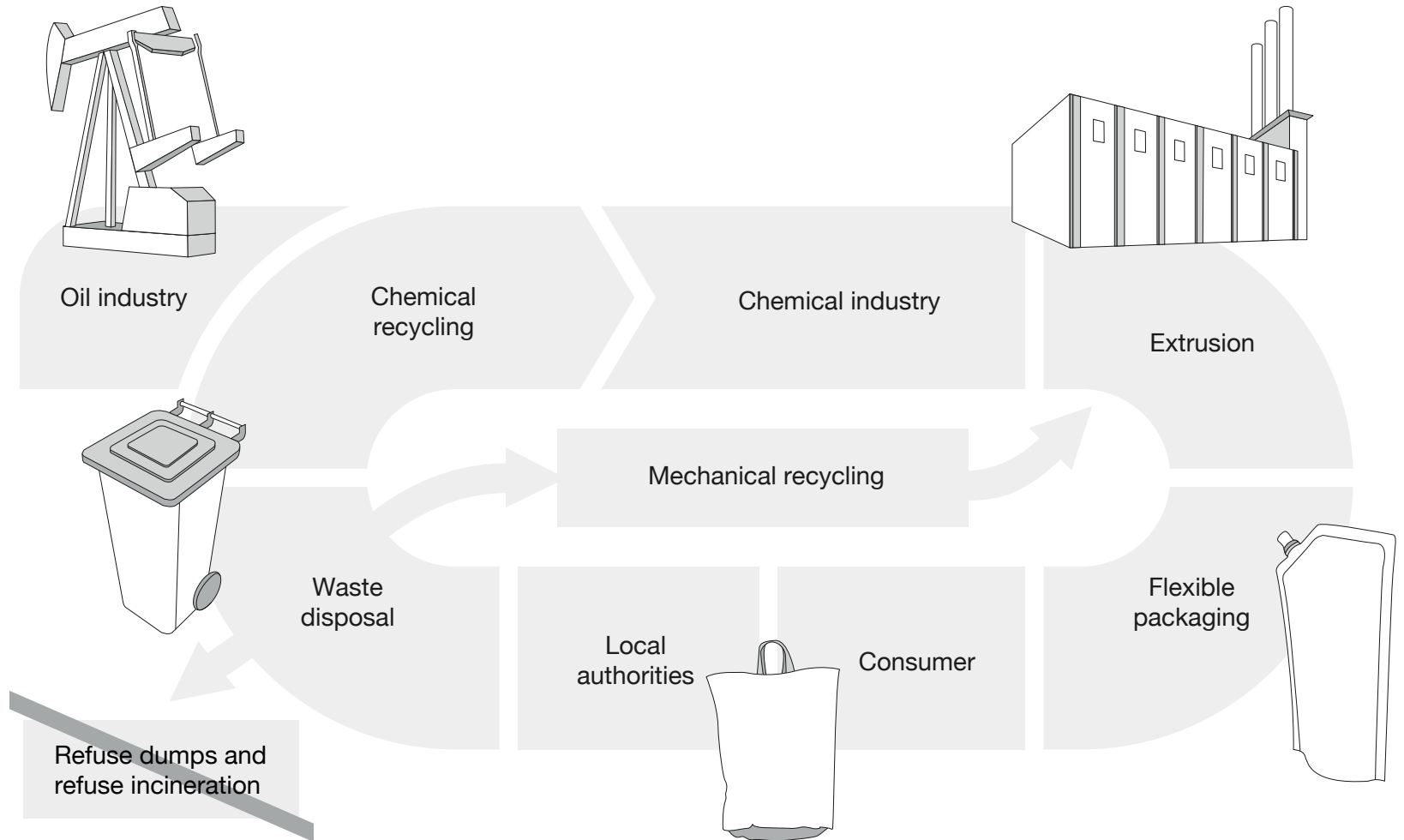
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The vision:
**A Circular economy in which resources are
are used for as long as possible**





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At the K 2019 plastics fair, one of the industry’s major flagship trade shows, W&H presented various approaches to producing flexible packaging with its full functionality in a recyclable way. One example is a stand-up pouch made of 100% polyethylene (PE). This can be recycled as a mono-material solution. It replaces material composites that are difficult to recycle, such as PET/PE solutions. This is achievable thanks to MDO technology (Machine-Direction-Orientation), which ensures the required properties by stretching the PE films. With well over 100 MDO systems installed worldwide, W&H is the technology leader in this field. The fact that the number of MDO systems in use since K 2019 has doubled demonstrates the significant increase in demand for this technology to produce sustainable packaging solutions. Customers around the world are expanding their packaging portfolio with sustainable alternatives using W&H systems. Examples include Pregis in North America and Ultimate Flexipack in the Asia-Pacific region.

In October 2022, the next K trade fair will be held in Düsseldorf, Germany. In line with our campaign slogan “Get in the Loop”, W&H has once again placed sustainability and solutions for building a Circular economy at the center of its trade fair innovations. From a technology standpoint, W&H is successfully driving the transformation of the market as an innovation leader. Technologies such as downgauging (film thickness reduction), the production of films based on mono-materials (PE, PP base with MDO stretch technology), solutions to avoid waste in production operations and to reduce energy consumption are just a few concepts leading to more sustainable production.

In addition to technological developments, W&H is a member of several associations and initiatives that promote the introduction of a Circular economy across companies. The European initiative CEFLEX is one example of this.

While developing the sustainability strategy, it became clear that while

continuing to develop machine technology is a valuable contribution, it cannot fully meet the responsibilities in this focus topic alone. The aim therefore, is to put existing activities in associations and federations to the test and to develop new measures in this focus area over the coming months.



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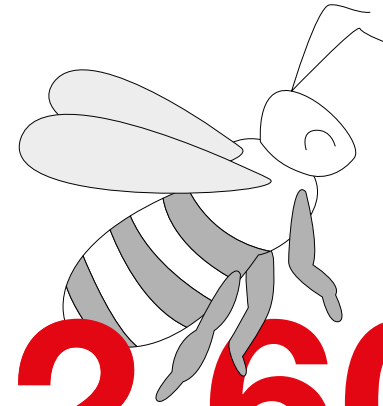


ENVIRONMENT

Full steam ahead



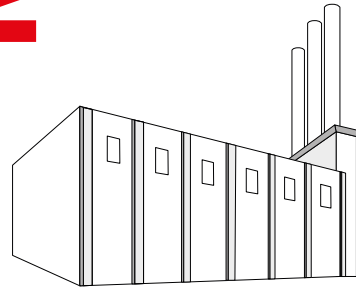
Since 2022, W&H has been sourcing 100% green electricity/gas for its Lengerich site



2.600 SQM

of bee-friendly flower meadows were created in 2022 on green spaces around our headquarters

Less is more

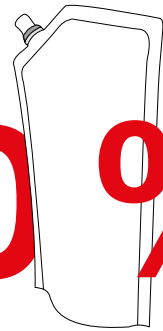


-4% reduction in CO2 in the Company Carbon Footprint from 2019 to 2021*

*without special effects such as construction measures, with special effects approx. -30%.

100%

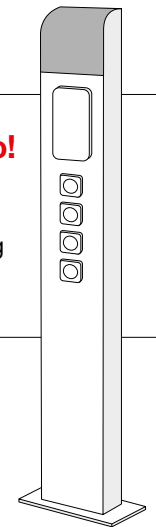
recyclable



The mono-material stand-up pouch is an example of recyclable flexible packaging

In the saddle, and off we go!

Since 2022, W&H has been offering job bikes and has created 12 charging options for e-bikes



Balanced

Since

2022

the W&H company restaurant is operating climate neutral.



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Social

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>> We are helping to build a better life for everyone. To this end, we promote equal opportunities, especially in education. As a reliable employer, we are a valuable part of society at our sites. <<

Especially when it comes to social issues, there are numerous aspects that W&H, as a family-owned company, has always been involved in, but which are not included under the umbrella of sustainability. For example, W&H has been training a considerable number of younger employees for decades. W&H has been established at its headquarters in Lengerich since it was founded more than 150 years ago, and is now one of the largest employers in the region. Social commitment is carried out in and around Lengerich via donations and sponsoring, as well as foundations related to the company. Due to the large number of existing activities, the initial focus in 2021/2022 was on taking stock and prioritizing social activities. The start of the war in Ukraine also gave rise to a new focus topic in the “Social commitment” field of action: Relief activities for Ukraine.



Field of action: Equal opportunities

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W&H is committed to offering everyone equal opportunities, and improving their quality of life.

Fair treatment of all employees regardless of age, gender, origin or other personal characteristics is the basis for equal opportunities. Since 2012, W&H KG has conducted employee surveys by the Great Place to Work organization. The results from 2019 show that W&H is above the industry average when it comes to fairness.

- ✓ “Employees are treated fairly regardless of their age.” **84%** (71% benchmark)
- ✓ “Employees are treated fairly regardless of their gender.” **90%** (84% benchmark)
- ✓ “Employees are treated fairly regardless of nationality or ethnicity.” **93%** (91% benchmark)

A look at the age distribution in the company shows: All age groups are represented at W&H. In line with social trends, the proportion of employees over 60 has been increasing in recent years. At the same time, the number of younger employees moving up the ranks is not increasing. In light of this development, W&H has increased the number of trainees to 28 in 2022 after slightly declining numbers in previous years.

A look at the distribution by gender shows a clear majority of male employees across all levels in the company. Only 15% of employees at W&H KG are female. This figure is in line with the national average of only 15.4% of women employed in STEM professions. *Women make up 9.3% of W&H’s extended management team. The Executive Board of W&H consists of four male members. The Supervisory Board of W&H is made up of a mixture of 5 men and 1 woman.

In the past, W&H has undertaken numerous activities to increase the proportion of women in professional and management positions. For example, female characters have been specifically used in communications to recruit junior staff and employees. The company consistently strives to improve work-life balance, which also enhances employer attractiveness for male employees. W&H is a member of initiatives such as “Komm, mach MINT”.

Another factor in equal opportunity is access to “education”. Lifelong learning is essential for a successful organization and a company focused on innovation like W&H. To this end, W&H bundles all activities related to “education” in the W&H Academy. The Academy distinguishes between three target groups: Customers, employees and trainees. Through training, customers are able to increase their production output, improve the quality of their products, and thus minimize scrap. Employees benefit from a wide variety of further training opportunities in-house, in-person, or through online formats. Trainees are closely supervised by qualified instructors in an innovative career field.

For internal further training, W&H uses the “W&H Learn” digital platform. Here, employees can access the W&H training catalog with offers from internal and external trainers whenever they feel like doing so. 324 training courses are currently available. The Covid pandemic sharpened our focus on the need to digitalize further training and education offerings. For example, the number of e-learning courses offered nearly quadrupled from 2020 to 2021. Around 75% of training courses were held as digital events in 2021. This enabled all employees to access further training, even during the restrictions imposed by the pandemic.

* Source: <https://statistik.arbeitsagentur.de/DE/Statischer-Content/Statistiken/Themen-im-Fokus/Berufe/Generische-Publikationen/Broschuere-MINT.pdf>



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A Great Place to Work survey was conducted again in 2022. The detailed results are currently being evaluated. Whether and to what extent diversity activities need to be expanded was also discussed at an international Group meeting. Focus topics for the “equal opportunities” field of action will be developed in the coming months on the basis of the new survey and discussion results.

Employee performance indicators

	2019	2020	2021
Number of employees (Group-wide)	3.137	3.031	3.221
in Germany	2.184	2.134	2.211
in Windmüller & Hölscher KG	1.808	1.725	1.779

Employees by gender (Germany)	2019	2020	2021
Male	86%	85%	85%
Female	14%	15%	15%

Employees by age (Germany)	2019	2020	2021
< 19 years	2%	2%	2%
19-29 years old	15%	13%	13%
30-39 years old	24%	25%	26%
40-49 years old	19%	19%	19%
50-59 years old	30%	29%	28%
> 60 years	10%	12%	12%

	2019	2020	2021	2022
Total number of trainees (Germany)	89	84	73	76
Newly hired trainees	24	19	19	28

Trainees by gender (Germany)	2019	2020	2021	2022
Male	90%	89%	90%	88%
Female	10%	11%	10%	12%

Performance indicators further training

Weiterbildungen	2019	2020	2021
Training dates carried out	181	241	391
Training participation (virtual classroom & in-person training)	1.160	1.092	3.230
Participation hours	12.020 h	11.185 h	18.211 h
E-learning sessions carried out (web-based training)	1.109	1.358	5.137



Field of action: Good employer

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As a growing and attractive employer, W&H meets the need for employment that's meaningful and fairly compensated.

As a family-owned company, it's always been important to W&H to create a strong sense of identity with the company among its employees. Accordingly, the topic of "employees" is one of the five fields of action in the [EXCELLENCE 2025](#) strategy. With an average employee tenure of 16 years, W&H is well above the national average of 11 years.

One of the most important measures for improving employee satisfaction is participation in the Great Place to Work survey, which W&H has conducted since 2012. 2195 W&H KG employees were asked to participate in the most recent survey in May 2022. At 54%, the participation rate was down on the previous year and below the benchmark of 66%. The overall rating as measured by agreement with the statement "All in all, I can say this is a very good place to work." decreased slightly from 81% to 77% compared to 2019. In terms of overall results, this puts W&H in the "Good" category compared to other companies taking part. Nevertheless, 2022 was the first time the survey did not show an improvement over the previous survey. A detailed evaluation has begun to sound out the reasons for this, and to derive appropriate measures to mitigate any issues. The goal is to further increase the perception of W&H as an excellent employer.

Leadership at W&H

Strengthening a common understanding of leadership and further training for all managers has been identified as another key field of action in the past. By 2018, W&H had already developed "W&H LEAD," a company-wide leadership guideline. Encouraged by the results of employee surveys, this guideline was gradually conveyed to new and existing managers through workshops and further

training. New employees with management responsibility receive appropriate further training within 6 months. Overall, around 13% of managers have completed the leadership training program to date. Currently, about 40 managers are in LEAD further training. A follow-up/refresher program, "NEW LEAD for Experienced," was initiated in 2022 with a total of 120 seats to better reach the target group of experienced leaders (leadership experience of more than 2 years).

Another leadership tool for managers was made available in the form of "Shopfloor management". This is based on the concept of shopfloor management and the lean philosophy. It aims to actively develop employees and processes in day-to-day work. Shopfloor management is applied wherever interactions between employees and managers take place – in other words, throughout the entire company. The concept of shopfloor management is structured into leadership tasks, tools and behaviors, and leadership roles. Managers apply these elements regularly and purposefully. Shopfloor management has now been rolled out in more than 80% of W&H KG's divisions. 133 managers and 1525 employees have been supported and coached in how to put it into practice. More than 5,000 coaching and review hours have been completed. For this purpose, 34 in-house coaches were trained, 16 of whom are currently actively fulfilling this role. The rollout was implemented with an external partner.



The instruments of „Shopfloormanagement“

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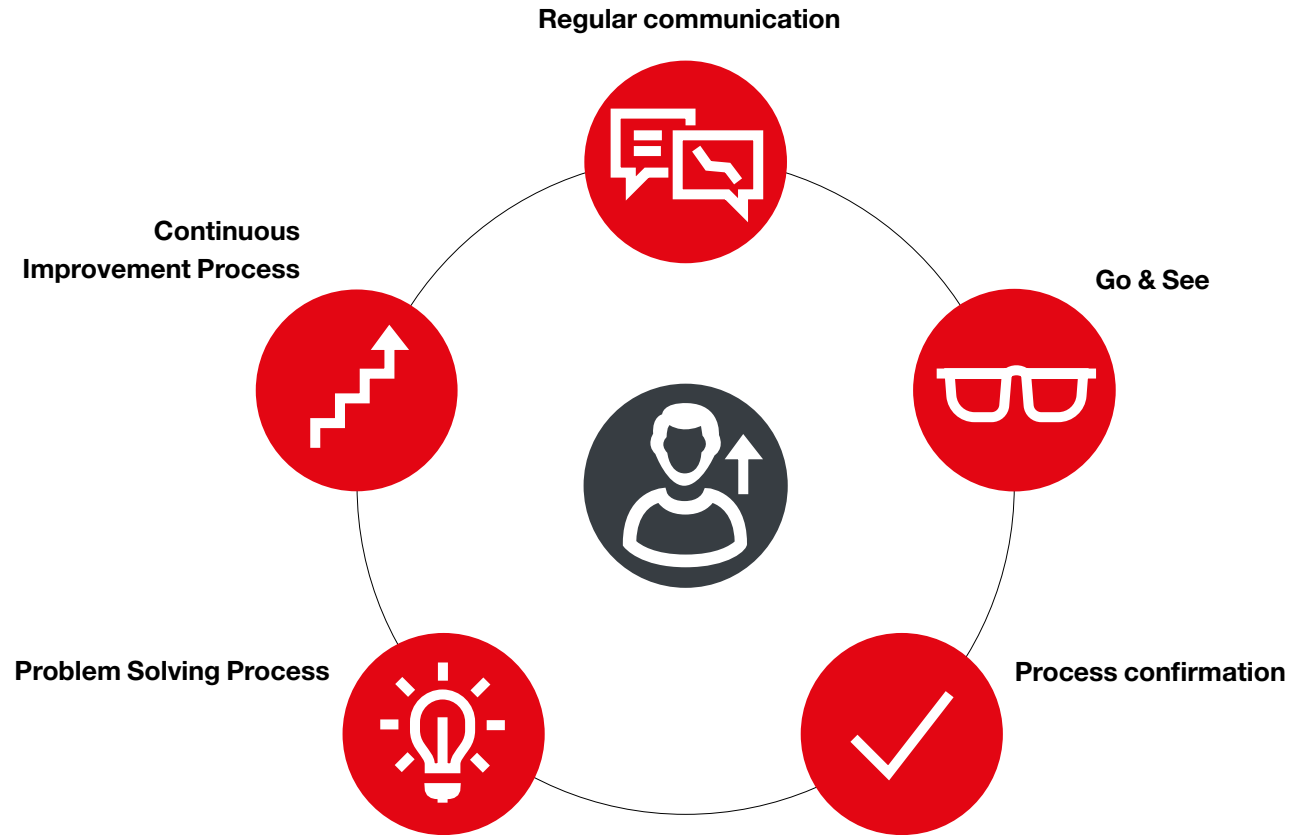
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LEADership Principles

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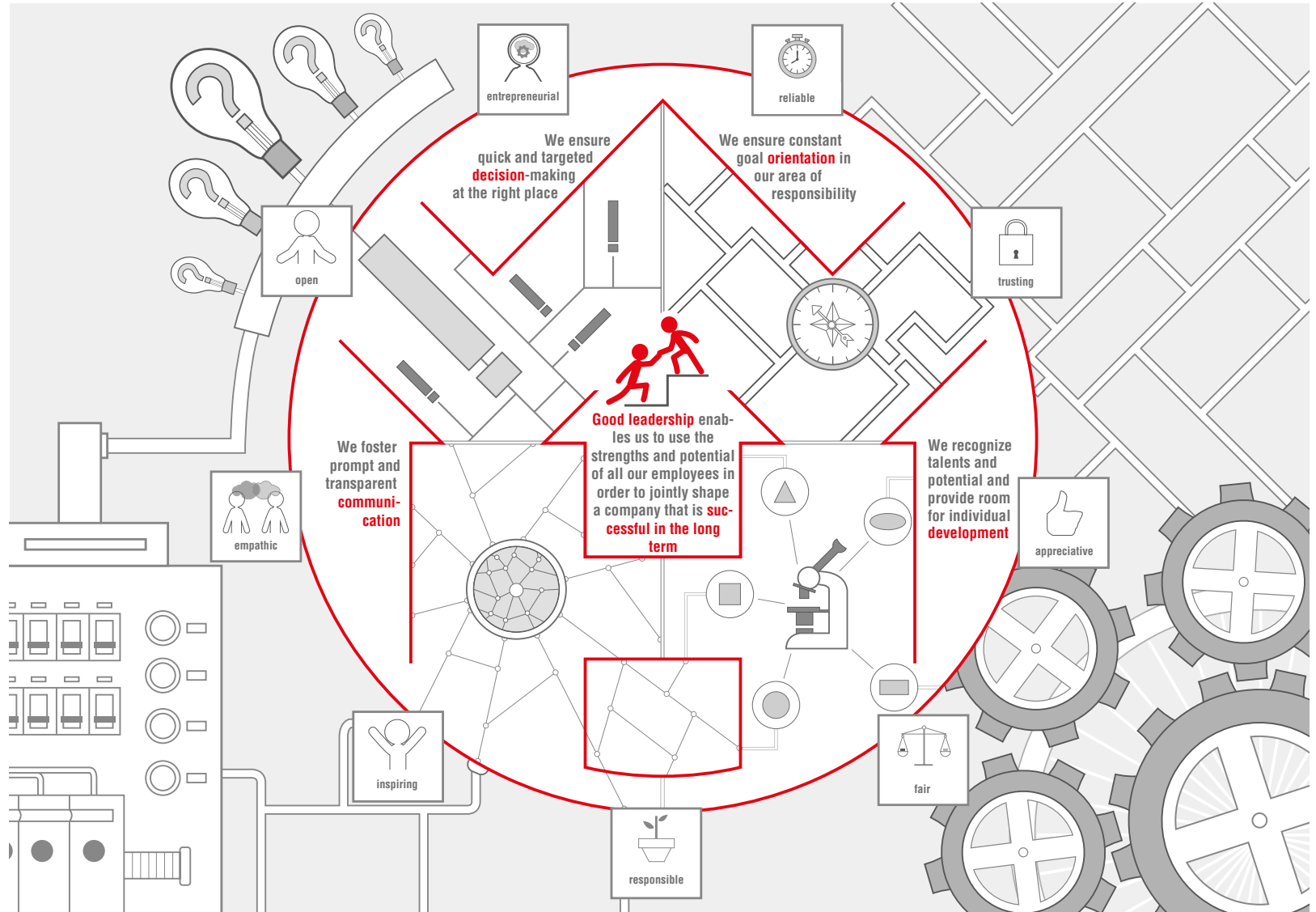
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Working hours at W&H

In the 2019 employee survey, the desire for more flexible working hours and locations was frequently expressed. With the onset of the Covid pandemic, an interim solution was initially created from the beginning of 2020 by allowing employees to work from home for a short time and making working hours more flexible. At times, up to 35% of employees worked from home during the pandemic. In June 2022, this arrangement was transferred to a "mobile working" company agreement, which allows employees to work from a different location for up to three days a week. Flexible working arrangements were also introduced in 2021 in the manufacturing areas where the nature of the work made this a feasible option. A new company agreement to make working hours more flexible is being drafted now and will be signed in 2022.

Employee benefits at W&H

Being an employee at W&H is intended to have other benefits in addition to enjoyable work. For several years now, the W&H Works Council has been coordinating partnerships with regional service providers via the "W&H Card", and W&H employees benefit in a wide variety of ways. Based on employee feedback, the company has financed additional offers in recent years. These include a partnership with an independent counseling center in Osnabrück as part of the company's health management program. Social worker Ms. Ostermann advises employees on personal problems in their professional or private lives and provides support in seeking professional medical help. To promote personal health, employees receive a subsidy for a health care provider of their choice, or have the opportunity to take part in numerous offerings through the Qualitrain company fitness program. For leisure activities, W&H has teamed up with Ticketsprinter and Corporate Benefits. Employees receive appealing discounts on various products, services and events in the leisure sector. Since August 2022, employees of W&H KG, Exakt Maschinenbau and the W&H Academy have been able to take advantage of a company bike leasing offer from eurorad.

Good employer: Performance indicators

Table with 5 columns: Great Place to Work - Survey, 2012, 2015, 2019, 2022. Rows include Participation rate, Trust Index*, and Overall rating**.

*Trust Index©: This value represents the mean value of all core characteristics of the Great Place to Work® questionnaire and reflects the average rating of all individual characteristics.

** Agreement with the statement "All in all, I can say this is a very good place to work."

Table with 4 columns: 2019, 2020, 2021. Row includes Average length of service (in years).

Table with 5 columns: Participants Company Health Program, 2019, 2020, 2021, 2022*. Rows include Easy-Fit and QualiTrain.

* still ongoing



Field of action: Community engagement

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We consider ourselves part of society and we actively promote social life, voluntary work and education and qualifications outside our company.

For many years, W&H has supported projects in Lengerich and the region with a five-digit sum each year. This includes support for projects in the areas of social welfare, education, culture and sports. In education and sports, the focus is on supporting children and young people. All activities are deliberately focused on Lengerich and the immediate region, i.e. the employees' catchment area. A donations committee decides on incoming requests. In addition, donations and sponsorships tied to specific events are approved and financed via special budgets.

One such special budget was made available in 2022 to mark the war in Ukraine. W&H provided a total of around €40,000 for Ukraine aid and carried out three of its own aid transports to the crisis region. The total includes donations from W&H employees amounting to around €9,000. The support ranged from medical products for the civilian population, such as medicines, IV bags and dressing materials, to a van to distribute relief supplies on site. Numerous employees also got involved privately - from interpreting and offering housing, to organizing their own donation campaigns.

The W&H shareholders are also socially involved through two foundations related to the company: Since 2015, the charitable Adelheid Windmüller Foundation has supported educational projects. It's dedicated to promoting education, especially education and further training of pupils, trainees and students, as well as education and further training of adults. The focus of the activities is on STEM promotion in the schools by organizing a student competition for competition for secondary schools and support for computer science

projects as early as in elementary schools.

Since 1998, the "Foundation for Education, Art and Culture", founded by Walter Steinbeck, has been committed to the region. Initially conceived as support for "W&H people in need through no fault of their own," the foundation's purpose was expanded to include education, art and culture. One particular focal point is promoting reading among students in Lengerich's elementary schools, with around 40 active reading helpers at present.

Special activities in previous years:

2019

Sponsoring the FabLab in Lengerich to celebrate W&H's anniversary

2020

Regional sustainability event: Lengerich climate forum

2021

Donating masks/hygiene items for Lengerich hospital facilities during the Covid pandemic, donations in kind for the Ahrtal floods

2022

Relief efforts for Ukraine



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W&H undertakes the following regular donations and sponsorships:

- ✓ Annual sponsorship of SC Preußen Lengerich
- ✓ W&H Cup: Tournament throughout Germany for junior soccer players hosted by SC Preußen
- ✓ Testing campaigns for the German Association of Bone Marrow Donors
- ✓ Christmas donation (instead of cards)
- ✓ Event-related sponsorship of local sports clubs (2021, for example, riding and driving club, as well as a golf club)
- ✓ Event-related donations to regional elementary schools
- ✓ Annual donations to DRK (German Red Cross), fire department, gymnastics club



Info box: W&H is helping Ukraine - overview of campaigns in 2022

- ✓ Donating packaging materials
- ✓ Renting a transporter for the various trips
- ✓ Purchasing a transporter for the Lviv region in collaboration with the Lengerich association "Action for Dignity & Justice"
- ✓ Procuring and distributing medicines for chronically ill people in collaboration with Lengerich doctors and a Ukrainian youth organization
- ✓ Transporting donated haversacks and school materials to Ukrainian children in Poland
- ✓ Procuring and transporting emergency medicines and materials worth 10,000 € for Ukraine in collaboration with Lengerich doctors and pharmacists
- ✓ Converting our office in Poland into a refugee shelter
- ✓ Support of the benefit run in favor of Ukraine at Lengerich schools



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relief transports organized by W&H to Ukraine in 2022

Know-how



2 million euros per year for employee training

NINE TIMES

Awarded

2022 Top national employer (for the 9th time in a row) and top training company

178 SQUARE METERS

New electrical workshop for training and further training in 2022



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» We are committed to value-based governance. Trust, openness and optimism shape our actions. Long-term thinking and honest, open communication are important to us. Compliance with legal requirements is the basis of our business ethics. «

Compliance with legal and internal regulations, as well as with principles of conduct, is an essential prerequisite for the continued existence of the company. The conduct of every employee reflects on W&H. It shapes the interaction within the company, the perception of customers and partners, and the long-term reputation of W&H in the market. Compliance with the law is the foundation for that – beyond this, W&H is synonymous with honesty, reliability and equal partnership. Trust, openness and optimism define our actions. W&H is committed to being an innovative market leader. The independence embedded in our guiding principles allows for sustainable governance and puts long-term goals ahead of maximizing profits in the short term.



Field of action: Stability

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As a family-owned company, W&H is focused on long-term success. This includes conservative financial management with a solid capital base that ensures our independence. Our shareholders form a long-standing connection with W&H spanning generations.

As a family-owned company, W&H is focused on the long term, with the aim of ensuring the company's autonomy and independence. The foundation for this is provided by stable financing with a high equity ratio, which has been consistently increased along with growth in recent years. W&H works with professional financial partners and maintains a long-standing, trusting relationship with them. This keeps the risks for the company to a minimum. In addition, maximum stability is ensured so that even difficult phases can be withstood.

Stability is also provided by the company's shareholders. 38 shareholders stand behind Windmüller & Hölscher, they are extremely committed and hold close personal ties. Most of the shareholders have a direct family connection to the company founders Gottfried Windmüller and Hermann Hölscher. In recent years, shares have mainly been transferred as part of a generational change to secure stability for the future.

Stability performance indicator

Equity ratio	2017	2018	2019	2020	2021
Balance sheet total	568,3	599,7	646,7	699,6	776,3
Equity ratio in %	39,3	39,8	40,1	41,6	42,0



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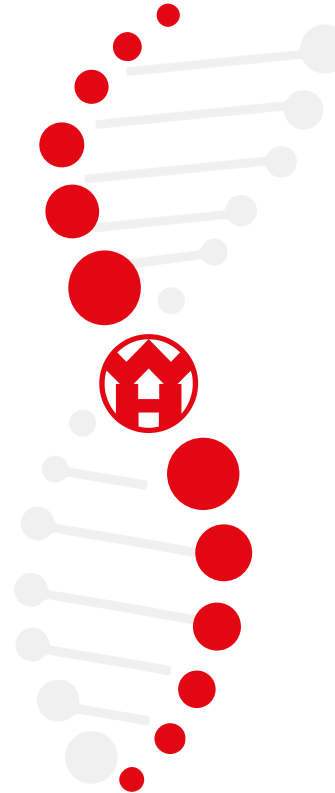
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Guiding Principles Independence

7 INDEPENDENCE

- ✓ Conservative financial management with a healthy capital base ensures our long-term independence.
- ✓ Our owners have been with W&H for generations. We see their continued trust and investment in W&H as an obligation to succeed.



What does that mean for us?

- ✓ We weigh costs and benefits in every decision.
- ✓ We handle resources responsibly.
- ✓ We protect our family business by handling sensitive information confidentially.
- ✓ We maintain a trusting partnership with our banks and secure sustainable financing.

Source: Guiding principles



Field of action: Transparency

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We regularly report our progress on sustainability to our stakeholders. We base our results on measurable and comparable KPIs where possible.

Professionalizing our sustainability activities also puts their communication to the test.

The Greenovation logo, which has been used for all sustainability activities since 2010, was revised and adapted in line with the business's more up-to-date understanding of what sustainability means. In the future, it will be used as a label for all activities, information and projects related to sustainability improvements at W&H. Since 2017, internal communication has included a separate column on the topic of "sustainability" in the employee newspaper "Für Dich" (For You), which is published twice a year. A comprehensive presentation on the topics of "Packaging" and "Waste" was created in 2018 by an external consultancy on behalf of W&H and other partners, providing an introduction to the topic for all employees. The launch of a new, global intranet platform in the fall of 2022 will make information available to all W&H Group employees. Information on sustainability at W&H will also be available there in the future. W&H's website and the monthly e-newsletter are important sources of information for customers. There are regular reports on product developments and application examples on the topic of sustainability. Product innovations that are relevant to sustainability are presented at trade fairs and the company's own events. At regional events, such as the climate forum of the city of Lengerich, W&H educates interested visitors on sustainability topics. Due to the restrictions imposed by the pandemic, few activities of this kind have taken place over the past two years. In addition, W&H is active in communication via associations, for example in the main public relations committee of the Industrievereinigung Kunststoffe e.V., which uses a communication campaign to inform the general public about sustainability topics.

The redesigned Greenovation logo now encompasses all three areas of sustainability



before



after

In the future, the goal is to expand on the external information, pass it on to W&H stakeholders, and turn it into an opportunity for dialog on sustainability. The first step was to include questions on the importance and implementation of sustainability topics in the Great Place to Work survey for the first time in 2022. Further dialog campaigns will be part of any measures put in place over the coming months.

Communicating Sustainability

Customer/Public	Employees
W&H Website <ul style="list-style-type: none"> Greenovation (New as of October 2022) E-Magazine „Sustainability“ Category Fairs/Events	Intranet page Sustainability Employee magazine "Für Dich" Fixed category Great Place to Work employee survey
Shareholder	Locations/communities
Shareholders' Meeting	Taking part in regional events



Field of action: Business ethics

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We act legally at all times. Moreover, we are a reliable and honest partner for customers and service providers, and our word can be relied upon.

Compliance with legal and internal regulations, but also with value-based principles of conduct, is an integral requirement for the continued existence of the company. Every employee represents the company and the values of the W&H guiding principles. In 2017, a Code of Conduct (Compliance) was developed and circulated at W&H. This covers fundamental ethical values such as conduct in compliance with the law, respect and integrity, and observance of human rights, dealings with colleagues and business partners, as well as measures to prevent corruption and on competition and antitrust law. Violations of this Code will not be tolerated. They adversely affect the business's trustworthiness, reputation, as well as the vast majority of employees who share W&H's values. In the different legal and cultural frameworks of an international environment communication of the required behaviour is key. A consistent response is taken in the event of violations, and in the event of deliberate behavior, steps are also taken in line with labor law. This Code of Conduct will be revised in the coming months based on the results of the sustainability discussions held in recent months, and then circulated again.

Export control and data privacy were in the spotlight in 2021/2022 as a result of more stringent requirements coming into force. The company is continuously striving to implement the requirements of the EU General Data Protection Regulation (GDPR), and other applicable national and international data privacy requirements. In 2020, the data privacy organization was restructured as per the requirements of the General Data Protection Regulation (GDPR). The Data Privacy Officer and the Chief Information Security Officer of Windmüller & Hölscher KG each report directly to the Executive

Board. IT Security and the Data Privacy Steering Committee regularly share information on all topics related to IT security and data privacy. It is staffed with representatives from all areas of W&H KG as well as the subsidiaries. A communication platform accessible to all employees is used to share information on current topics in the Group. Employees are regularly trained on current requirements and threats related to data privacy and data security. In spring 2022, the mandatory training for all employees on data privacy basics was updated on the W&H LEARN education portal. Newly hired employees will also receive an automated request to complete the data privacy training.

With regard to export control, the organization was restructured in 2022 to cover the more stringent requirements more effectively. The "Export Control Officer" reports directly to the Executive Board member responsible for exports. Their main role is to check, organize and ensure that export transactions are admissible in line with foreign trade law. Export control officers act across departments and functions and have the right to issue technical instructions.



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Field of action: Transparency

Field of action: Business ethics

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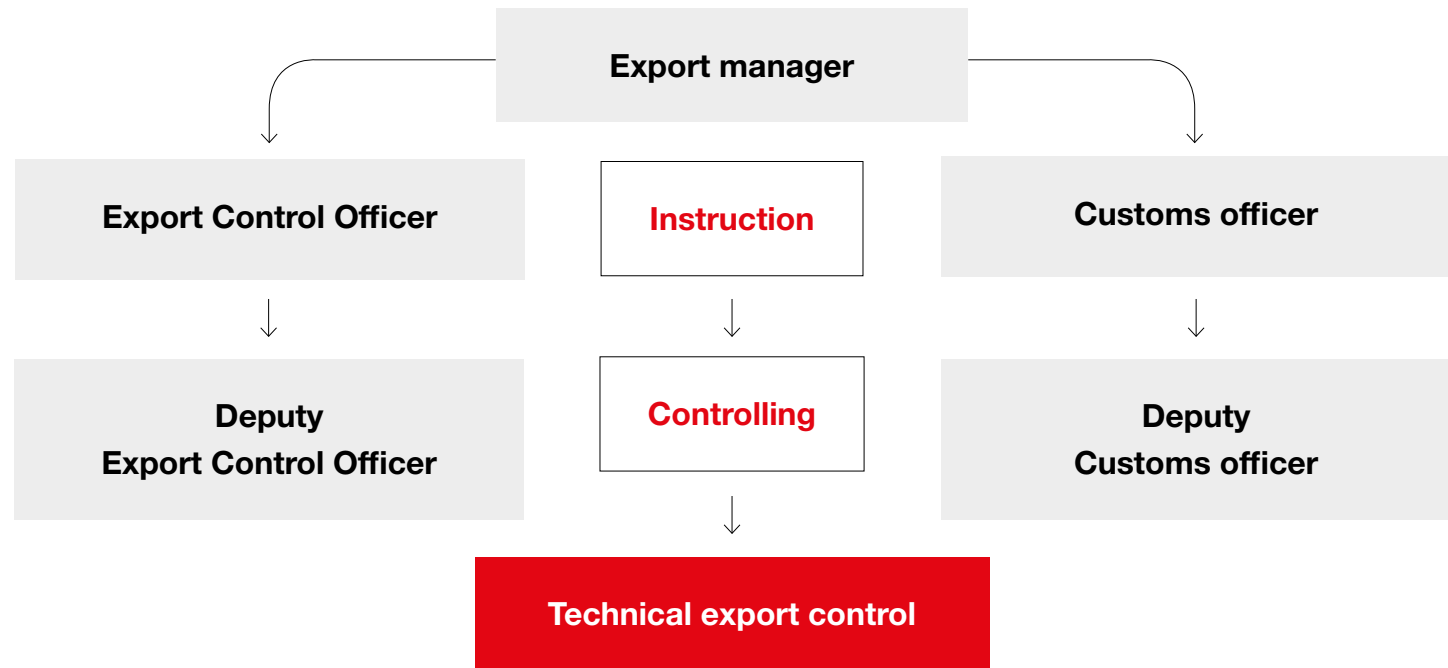


A new Corporate Governance area will be created within the CFO's area of responsibility. Corporate Governance will establish the guidelines for Group-wide commercial implementation of the W&H strategy and define the action framework for the Finance & Controlling operating unit.

Processes to ensure compliance with national and international, internal and external regulatory requirements will be established and audited as part of an internal review.

In addition to tax and company law requirements, redesigning the W&H compliance system is a crucial task for Corporate Governance.

New organization for export control since 2022





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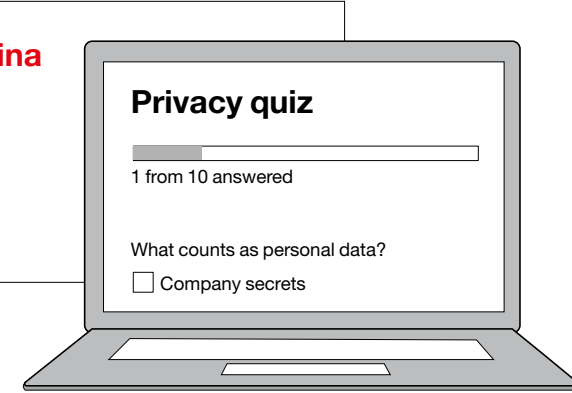
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Data Protection with Kristina

The Data Privacy Basics Training uses stories from everyday life to make employees fit for 10 test questions.



8.000

RECIPIENTS

receive W&H's monthly e-newsletter with news about the company and the market

38

shareholders are committed to W&H and feel personally connected to the company.

5/5

of the most visited e-magazine articles 2022 are customer examples for sustainable applications



150 years of W&H

Founded by Gottfried Windmüller and Hermann Hölscher more than 150 years ago, W&H continues to be a family business.



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References to international guidelines and standards



SDGs UN Sustainable Development Goals

DNK Criteria of the German Sustainability Code

GRI Global Reporting Initiative

Directive	Information	Chapter/topic
Company Profile		
GRI	GRI 102 – Organizational profile	
	GRI 102-1: Name of the organization	Company Profile
	GRI 102-3: Headquarters of the organization	Company Profile
	GRI 102-4: Operating sites	Business model
	GRI 102-5: Ownership and legal form	Business model
	GRI 102-6: Supplied markets	Business model
Sustainability strategy		
GRI	GRI 102 – Strategy	
	GRI 102-14: Statement from the highest decision maker	Preface
DNK	Criterion 1 – Strategic analysis and measures	Guidelines of the sustainability strategy (strategic analysis) Focus topics 2021/22 (measures)
	Criterion 3 – Goals	Fields of action and focus topics



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Environmental

SDG	SDG 9 – Industry, innovation and infrastructure	Environmental
	SDG 12 – Sustainable consumption and production	Environmental
	SDG 13 – Climate protection measures	Environmental
GRI	GRI 103-1: Explanation of the main topic and its distinction 2016	Field of action: Climate protection – Focus topic: Carbon footprint
	GRI 103-2: The management approach and its components 2016	Field of action: Climate protection – Focus topic: Carbon footprint
	GRI 103-3: Assessment of the management approach 2016	Field of action: Climate protection – Focus topic: Carbon footprint
DNK	Criterion 13 – Emissions relevant to the climate	Company Carbon Footprint
GRI	GRI 103-1: Explanation of the main topic and its distinction 2016	Field of action: Circular economy – Focus topic: Machine innovation
	GRI 103-2: The management approach and its components 2016	Field of action: Circular economy – Focus topic: Machine innovation

Social

SDG	SDG 4 – High-quality education	Social
	SDG 8 – Dignified work and economic growth	Social
	SDG 10 – Fewer inequalities	Social
	SDG 11 – Sustainable cities and communities	Social
	Criterion 15 – Equal opportunities	Field of action: Equal opportunities Performance Indicator: Employees by age/gender
	Criterion 16 – Qualification	Performance Indicator: Number of further training courses and participants
	Criterion 16 – Community	Field of action: Community engagement

Governance

SDG	SDG 8 – Dignified work and economic growth	Governance
	SDG 9 – Industry, innovation and infrastructure	Governance
DNK	Criterion 20 – Conduct in compliance with laws and regulations	Business ethics

