

FIRST

Integrated Sustainable Management Report 2022

Annex

Global Reporting Initiative (GRI) and UN Global Compact (UNGC) content index

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GLOBAL REPORTING INITIATIVE (GRI) AND UN GLOBAL COMPACT (UNGC) CONTENT INDEX

HAKRO GmbH prepared the information for the period from 1 January to 31 December 2021 presented in this GRI content index in accordance with the GRI Standards.

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
Standard used for reporting:	GRI 1: Foundation 2021				
GRI 2: GENERAL DISCLOSURES					
	2-1 Organizational details	We are HAKRO	9 ff.		
	2-2 Entities included in the organization's sustainability reporting	About this report	125		
	2-3 Reporting period, frequency and contact point	About this report Imprint	125		
	2-4 Restatements of information	About this report	125		With this first Integrated Sustainable Management Report from HAKRO, information is restated and contextualised in relation to the business environment. The information is therefore only comparable with the previous year's separate sustainability reporting to a limited extent. If key figures are not comparable, this is indicated.
	2-5 External assurance	About this report	125		

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	2-6 Activities, value chain and other business relationships	We are HAKRO Our motivation Supply Chains & Products	12 f. 28 f. 68 ff.		
	2-7 Employees	Key figures	43 127		
	2-8 Workers who are not employees	–	–		None
	2-9 Governance structure and composition	Company Management & Dialogue	46 ff.		
	2-10 Nomination and selection of the highest governance body	–	–		The sole shareholder/managing director appoints additional managing directors. The company management appoint authorised signatories and persons having commercial authority following the decision of the sole shareholder. The three-person management team appoints the heads of department, who, in their respective positions, also form the HAKRO LAB. A basic principle of the selection process at HAKRO, including for the highest governance bodies, is people having a prior period of employment at the company before being appointed to an office; see also GRI 202-2.
	2-11 Chair of the highest governance body	–	–		The managing directors and the authorised signatory (<i>Prokurist</i>) are senior executives – in the form typical for a GmbH (limited company) under German law. They form the management team. The sole shareholder resolves any conflicts of interest in the management team by resolution.

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	2-12 Role of the highest governance body in overseeing the management of impacts	Company Management & Dialogue	50		The management team makes the final decisions regarding the management of the business activities' environmental and social impacts.
	2-13 Delegation of responsibility for managing impacts	Company Management & Dialogue	50		The management team delegates the responsibility for identifying and managing projects with environmental and social impacts to the HAKRO LAB until they are ready for decision by the management team.
	2-14 Role of the highest governance body in sustainability reporting	About this report	125		The management team commissions the preparation of an Integrated Sustainable Management Report, reviews the Integrated Sustainable Management Report and approves it.
	2-15 Conflicts of interest	–	–		HAKRO is a family-run limited company. Any conflicts of interest within the management team are solved by the management team, within the management team by resolution of the sole shareholder. There were no conflicts of interest in the reporting years.
	2-16 Communication of critical concerns	Company Management & Dialogue	50		The management team is available for the communication of critical concerns at all times. The standard route is via the HAKRO LAB, which, as a body, represents the organisation in its breadth and depth and prepares topics and decisions with particular relevance to corporate strategy. In the reporting year, no critical concerns were reported to the management team.

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	2-17 Collective knowledge of the highest governance body	–	–		HAKRO is a family-run limited company with fewer than 500 employees and does not have a supervisory board. The limited company is controlled by a sole shareholder – if necessary, by formal resolution. Acting sustainably is the core of the business strategy. The sole shareholder is continuously informed about new developments and topics by HAKRO LAB and the Sustainability, Responsibility & Innovation department.
	2-18 Evaluation of the performance of the highest governance body	–	–		The sole shareholder is involved in the operating business through her role as a managing director. Decisions are made by the management team with the addition of the authorised signatory. Projects with particular relevance to corporate strategy are prepared by the HAKRO LAB until they are ready for decision-making. This ensures the effectiveness of all those involved.
	2-19 Remuneration policies	Team & Diversity	97		

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	2-20 Process to determine remuneration	–	–		Our employees' remuneration is based on the applicable collective wage agreement for wholesale and foreign trade. From 2024 onwards, these are to be exceeded. Sustainability is at the heart of all our corporate activities and is therefore directly linked with the sustainability goals and sustainability performance of all managers and thus indirectly of all non-management staff. As an owner-run family company, HAKRO does not yet make any public statements about the remuneration of the members of the management team at this time.
	2-21 Annual total compensation ratio	–	–		As an owner-run family company, HAKRO does not yet make any public statements about this key figure at this time.
	2-22 Statement on the sustainable development strategy	Foreword	7		
	2-23 Policy commitments	Our motivation	22 f.	1–10	
	2-24 Embedding policy commitments	Company Management & Dialogue	49 ff.	1–10	
	2-25 Processes to remediate negative impacts	Company Management & Dialogue Supply Chains & Products Team & Diversity Site & Resources	47 ff. 57 ff. 93 ff. 103 ff.	1–10	

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	2-26 Mechanisms for seeking advice and raising concerns	Supply Chains & Products	67	1, 2, 3, 4, 5, 6, 10	
	2-27 Compliance with laws and regulations	Company Management & Dialogue	49		
	2-28 Membership associations	Company Management & Dialogue	54 f.		
	2-29 Approach to stakeholder engagement	Company Management & Dialogue	54	9	
	2-30 Collective bargaining agreements	–	–	3	We orient ourselves on the applicable collective bargaining agreement for wholesale and foreign trade for 100% of our non-management staff.
GRI 3: MATERIAL TOPICS					
	3-1 Process to determine material topics	Our motivation	27		
	3-2 List of material topics	Our motivation	27		
TOPIC-SPECIFIC DISCLOSURES					
GRI 201: Economic Performance 2016	GRI 3, 3-3 Management of material topics	Our motivation Our results	18 ff. 32 ff.		
	201-1 Direct economic value generated and distributed	Our results Key figures	34 f. 126		
	201-2 Financial implications and other risks and opportunities due to climate change	Our motivation Products & supply chains Site & Resources	20 f. 63, 82, 84 f. 105		

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
GRI 202: Market Presence 2016	GRI 3, 3-3 Management of material topics	Our motivation Site & Resources	27 105 ff.		
	202-2 Proportion of senior managers hired from the local community	Key figures	127		
GRI 205: Anti-corruption 2016	GRI 3, 3-3 Management of material topics	Our motivation Our results Company Management & Dialogue Supply Chains & Products	22 f. 38 47, 49 61	10	
	205-1 Operations assessed for risks related to corruption	–	–		We systematically manage corruption risks within and outside our supply chains on the basis of our HAKRO Code of Conduct and within the framework of our comprehensive risk analysis (see pp. 22 f., 38, 47, 49, 61). At factory level, we have not so far identified any increased risk of corruption that would have made an individual follow-up necessary.
	205-2 Communication and training about anti-corruption policies and procedures	Company Management & Dialogue	49		The topics of preventing and combating corruption are described in the HAKRO Code of Conduct.
	205-3 Confirmed incidents of corruption and actions taken	–	–		None
GRI 301: Materials 2016	GRI 3, 3-3 Management of material topics	Supply Chains & Products	86 ff.	7, 8, 9	
	301-1 Materials used by weight or volume	Key figures	126		
GRI 302: Energy 2016	GRI 3, 3-3 Management of material topics	Our motivation Site & Resources	27 103 f.	7, 9	

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	302-1 Energy consumption within the organization	Key figures	128		
	302-2 Energy consumption outside the organization	Key figures	128		
GRI 303: Water and Effluents 2018	GRI 3, 3-3 Management of material topics	Our motivation Site & Resources	27 105 f.	7	
	303-5 Water consumption	Key figures	128		The Schrozberg site is not an area with water stress.
GRI 304: Biodiversity 2016	GRI 3, 3-3 Management of material topics	Our motivation Site & Resources	27 106	7, 8	
	304-3 Habitats protected or restored	Site & Resources	106		The 10,000 m ² wildflower meadow at the Schrozberg site was not reviewed externally.
GRI 305: Emissions 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products Site & Resources	27 84 f. 105 ff.	7, 9	
	305-1 Direct (Scope 1) GHG emissions	Site & Resources Key figures	107 128		Our corporate carbon footprint (CCF) was calculated based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).
	305-2 Energy indirect (Scope 2) GHG emissions	Site & Resources Key figures	107 128		
	305-3 Other indirect (Scope 3) GHG emissions	Site & Resources Key figures	107 128		
GRI 306: Waste 2020	GRI 3, 3-3 Management of material topics	Our motivation Site & Resources	27 105 f.	7	

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	306-3 Waste generated	Key figures	128		We do not yet currently provide any further break-down of waste by composition.
	306-4 Waste diverted from disposal	Key figures	128		
GRI 308: Supplier Environmental Assessment 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products	27 59 ff.	7, 8	
	308-1 New suppliers that were screened using environmental criteria	Supply Chains & Products	71 ff.		The screening of our production partners using environmental criteria is part of our iMPACT Program audit system. HAKRO has long-term, stable partnerships with production partners; no new ones were added during the reporting period.
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chains & Products	57, 71 ff.		
GRI 401: Employment 2016	GRI 3, 3-3 Management of material topics	Our motivation Team & Diversity	27 93 ff., 100		
	401-1 New employee hires and employee turnover	Key figures	127		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	–	–		None. All benefits are provided both to our full-time and to our part-time employees.
	401-3 Parental leave	Key figures	127		
GRI 403: Occupational Health and Safety 2018	GRI 3, 3-3 Management of material topics	Our motivation Team & Diversity	27 93 ff., 100		

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	403-1 Occupational health and safety management system	Team & Diversity	100		
	403-2 Hazard identification, risk assessment, and incident investigation	Team & Diversity	100		
	403-6 Promotion of worker health	Team & Diversity	100		
	403-8 Workers covered by an occupational health and safety management system	–	–		100% of our workers are covered by our occupational health and safety management system.
	403-9 Work-related injuries	Key figures	127		
GRI 404: Training and Education 2016	GRI 3, 3-3 Management of material topics	Our motivation Team & Diversity	27 93 ff., 99 f.		
	404-1 Average hours for training per year per employee	Key figures	127		
	404-2 Programs for upgrading employee skills and transition assistance programs	Team & Diversity	99 f.		
	404-3 Percentage of employees receiving regular performance and career development reviews	Team & Diversity	100		Regular development reviews with all employees; since 2022 implementation of a respectful target agreement system at department level
GRI 405: Diversity and Equal Opportunity 2016	GRI 3, 3-3 Management of material topics	Our motivation Team & Diversity	27 93 ff., 97–99	6	

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	405-1 Diversity of governance bodies and employees	Our results Key figures	43 127		The company's shares are held by the sole shareholder. The management team consists of the sole shareholder, another managing director and an authorised signatory. 60% of the managers are women, 6.1% of workers have a handicap and the workers represent 13 countries of origin.
	405-2 Ratio of basic salary and remuneration of women to men	Team & Diversity	97		The ratio of the basic salary is 1:1.
GRI 406: Non-discrimination 2016	GRI 3, 3-3 Management of material topics	Our motivation Team & Diversity Supply Chains & Products	27 93, 97-99 57 ff.	6	
	406-1 Incidents of discrimination and corrective actions taken	Supply Chains & Products	68		
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products	27 59 ff.	3	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supply Chains & Products	71 ff.	3	
GRI 408: Child Labor 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products	27 59 ff.	5	

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
	408-1 Operations and suppliers at significant risk for incidents of child labor	–	–		We regularly assess our production partners in accordance with the highest social standards (see also audit results from p. 71). The results of this assessment are also part of our comprehensive risk analysis (see p. 22 f., 38, 47, 49, 61). To date, we have not identified any increased risk for child labour at factory level.
GRI 409: Forced or Compulsory Labor 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products	27 59 ff.	4	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	–	–		We regularly assess our production partners in accordance with the highest social standards (see also audit results from p. 71). The results of this assessment are also part of our comprehensive risk analysis (see p. 22 f., 38, 47, 49, 61). To date, we have not identified any increased risk for incidents of forced or compulsory labour at factory level.
GRI 414: Supplier Social Assessment 2016	GRI 3, 3-3 Management of material topics	Our motivation Supply Chains & Products	27 59 ff.	1, 2, 3, 4, 5 6, 10	
	414-1 New suppliers that were screened using social criteria	Supply Chains & Products	71 ff.		The screening of our production partners using social criteria is part of our iIMPACT Program audit system. HAKRO has long-term, stable partnerships with its production partners; no new ones were added during the reporting period.
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chains & Products	71 ff.		

GRI Standard	Disclosure	Chapter	Page	10 Principles of the UN GLOBAL COMPACT	Note
GRI 418: Customer Privacy 2016	GRI 3, 3-3 Management of material topics	Our motivation Our results Company Management & Dialogue	22 f. 38 47, 49 ff.		The protection of personal data as a whole is an integral part of the HAKRO Code of Conduct.
	418-1 Substantiated complaints concerning breaches of cus- tomer privacy and losses of customer data	–	–		None

FAIR WEAR FOUNDATION INDEX

Fair Wear Foundation criteria

Transparency about the limitation of the Code of Labour Practices (Social Report)

Criterion	Chapter	Page
1. SUMMARY	Our results	40 f.
2. SOURCING STRATEGY		
2.1 Sourcing strategy & pricing	Supply Chains & Products	68 ff.
2.2 Organisation of the sourcing department	Supply Chains & Products	68 ff.
2.3 Production cycle	Supply Chains & Products	69
2.4 Supplier relations	Supply Chains & Products	71 ff.
2.5 Integration of monitoring activities and sourcing decisions	Supply Chains & Products	70 ff.
3. COHERENT SYSTEM FOR MONITORING AND REMEDIATION		
3.1 + 3.2 Per factory/per country	Supply Chains & Products	71 ff.
3.3 External production	Not applicable to HAKRO	
4. COMPLAINTS PROCEDURE		66 f.
5. TRAINING & CAPACITY BUILDING		
5.1 Activities to inform staff members	Supply Chains & Products	70
5.2 Activities to inform agents	Supply Chains & Products	70
5.3 Activities to inform manufactures and workers	Supply Chains & Products	71

Criterion	Chapter	Page
6. TRANSPARENCY & COMMUNICATION	Company Management & Dialogue	51
7. STAKEHOLDER ENGAGEMENT	Company Management & Dialogue Supply Chains & Products	54 ff. 80 ff.
8. CORPORATE SOCIAL RESPONSIBILITY	Our motivation Company Management & Dialogue Team & Diversity Site & Resources	16 ff. 46 ff. 92 ff. 102 ff.

WIN CHARTER INDEX

The 12 guidelines of the state of Baden-Württemberg's WIN Charter

Guideline	Chapter	Page
HUMAN RIGHTS, SOCIAL AND EMPLOYEE MATTERS		
<p>GUIDELINE 01 – HUMAN AND EMPLOYEE RIGHTS</p> <p>We respect and protect human and employee rights, ensure and promote equal opportunities and prevent any form of discrimination or exploitation in all our corporate processes.</p>	<p>Our motivation</p> <p>Our results</p> <p>Supply Chains & Products</p> <p>Team & Diversity</p>	<p>20 ff.</p> <p>40 ff.</p> <p>58 ff.</p> <p>97</p>
<p>GUIDELINE 02 – EMPLOYEE WELL-BEING</p> <p>We respect, protect and promote our employees' well-being and interests</p>	<p>Team & Diversity</p>	<p>94 f.</p>
<p>GUIDELINE 03 – STAKEHOLDER GROUPS</p> <p>We take account of and respect all stakeholder groups and their interests when it comes to processes.</p>	<p>Company Management & Dialogue</p>	<p>54</p>
ENVIRONMENTAL MATTERS		
<p>GUIDELINE 04 – RESOURCES</p> <p>We are increasing resource efficiency and raw material productivity and reducing the use of natural resources.</p>	<p>Supply Chains & Products</p> <p>Site & Resources</p>	<p>84 ff.</p> <p>105 ff.</p>
<p>GUIDELINE 05 – ENERGY AND EMISSIONS</p> <p>We use renewable energy, are increasing energy efficiency and are reducing greenhouse gas emissions in line with targets or offset them in a climate-neutral way.</p>	<p>Supply Chains & Products</p> <p>Site & Resources</p>	<p>84 f.</p> <p>105 ff.</p>
<p>GUIDELINE 06 – PRODUCT RESPONSIBILITY</p> <p>We take responsibility for our products and services by assessing the value creation process and the product cycle for their sustainability and creating transparency in this regard.</p>	<p>Our motivation</p> <p>Supply Chains & Products</p>	<p>28 ff.</p> <p>58 ff.</p>

Guideline	Chapter	Page
ECONOMIC VALUE ADDED		
GUIDELINE 07 – BUSINESS SUCCESS AND JOBS We ensure long-term business success and provide jobs in the region.	Our motivation Team & Diversity	18 ff. 94 ff.
GUIDELINE 08 – SUSTAINABLE INNOVATIONS We promote innovations for products and services that increase sustainability and underline the innovation potential of the Baden-Württemberg economy.	Supply Chains & Products	86 ff.
SUSTAINABLE AND FAIR FINANCES, ANTI-CORRUPTION		
GUIDELINE 09 – FINANCIAL DECISIONS We act in the spirit of sustainability, especially when it comes to financial decisions.	Our motivation	18 ff.
GUIDELINE 10 – ANTI-CORRUPTION We prevent, uncover and impose sanctions on corruption.	Our motivation Our results Company Management & Dialogue Supply Chains & Products	22 f. 38 47, 49 58 ff.
REGIONAL ADDED VALUE		
GUIDELINE 11 – REGIONAL ADDED VALUE We generate added value for the region where we do business.	Our results Company Management & Dialogue Site & Resources	39 53 105 ff.
GUIDELINE 12 – INCENTIVES FOR CHANGING THINKING We set incentives for changing thinking and acting at all levels of the company and involve both our employees and all other stakeholder groups in a constant process for increasing corporate sustainability.	Our motivation Company Management & Dialogue	18 ff. 54 f.

In our Integrated Sustainable Management Report 2022, we provide information on our new strategy and on many first times on the way to jointly shaping HAKRO's future. And we announce our vision of becoming the best in the industry by 2030. HAKRO – the leading integrated sustainability company for corporate wear.

The Integrated Sustainable Management Report 2022 is available online on:

→ www.hakro.com/en/service/downloads

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