



Corporate Social Responsibility

REPORT 2021

E. Hawle Armaturenwerke GmbH

made for generations.

Foreword

As a traditional family business with more than 70 years of experience, and as a company that operates on a global stage, we recognize our social responsibility toward the environment, society, and above all the “Hawle family”. This includes not only our 1,300 employees, who are a fundamental part of Hawle's success, but also their families together with our long-standing customers, suppliers, partners, and all people who gain access to clean potable water through joint action. **Through our Hawle brand promise “Made for Generations”, we are committed to operating in a sustainable way, in line with our values of partnership, passion, and safety.** These are the values that we live by, together with our employees, who are our most valuable resource. As part of this social responsibility, we support professional, but above all personal development, and jointly define comprehensive measures in the area of occupational health and safety.

We meet challenges such as climate change and an increasingly competitive environment with the Hawle quality promise and the durability of our products, which is also important in helping to conserve resources. However, based on an exceptionally high level of vertical integration, the focus is not only on our own CO₂-friendly production processes, but also on making sure that we take a holistic view of our procurement sources and the supply chain as a whole. For example, most of our pipe materials originate in Europe, which means shorter transport distances and, as a result, a reduced carbon footprint.

At our sites, we work hard to maximize energy efficiency and make investments in forward-looking and resource-conserving ways. In our new logistics hall at the Frankenmarkt site, for example, power caps and power-recovery brakes are used on the storage and retrieval machines. We have set ourselves the goal of further reducing our CO₂ emissions in many other projects concerned with resource efficiency and the circular economy.

We are rising to the challenge of achieving sustainable growth while maintaining consistent product quality in harmony with our stakeholders, society, and the environment. **Our goal for the future is to continuously improve our economic, environmental, and social behavior and processes in order to fulfill our responsibility as an internationally operating group of companies.**



Michael Bassani

COO Hawle Beteiligungsgesellschaft m.b.H.
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**Who we
are and
what we do**





1.1 It started with an idea

It is 1948. Trained machinist Engelbert Hawle is sitting in his modestly equipped workshop, asking himself how to connect two pipes together. The passionate inventor was already devoting his time to solving this problem while working at the Steyr factories during the Second World War. His job was to keep the water supply running. This simple question led to a revolutionary idea and the foundation of the company in the Austrian town of Vöcklabruck in 1948. **The ground-breaking invention was the 'spar flange' – a ring made of cast iron,** which made it possible to connect two pipes together and seal them.

The years that followed produced many more milestones, as valves and fittings for water distribution were developed. The Hawle Austria Group remains a family-run company based in Austria, but is now active all over the world. We manufacture high-quality valves and fittings that have distributed and controlled vital water supplies for decades.

Production plants in Europe and Turkey ensure that our high quality demands are always met.

We produce our cast products in our own foundry in Austria and source more than 87 % of our purchasing volume from the European Union. Short transport distances conserve the environment and reduce our carbon footprint.

After all, our brand promise is “Made for Generations”. This refers not only to our products, but also to leaving a livable planet for future generations.

1.2 **Why** do we do what we do?

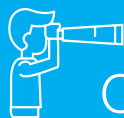
Potable water is the world's most precious resource. Even though the UN declared this vital element a human right in 2010, millions of people still do not have access to clean water.

Many people don't think twice when turning on the tap and enjoying a glass of fresh water. Only rarely do people wonder about the journey the water has been on before it flows out of the tap. The water has a long way to go from the source before it reaches our homes and houses. This is a job for our innovative valves and fittings for water distribution. Hidden from view, they work away to ensure the water we all need to live can flow where it is needed. This is what we're about.

Our products play an active role in securing a reliable water supply all over the world.



1.3 Our vision, our mission, our values.



OUR VISION

Clean drinking water means life. Life means commitment. That's why we provide the most reliable connections for drinking water supply around the world.



OUR MISSION

With pioneering spirit, reliable products, solution-oriented and partner-driven teamwork, we are actively shaping a reliable water supply around the world.



OUR VALUES

Passion

Engelbert Hawle's greatest passion was to continue breaking new ground after coming up with his revolutionary idea. This drive to evolve is therefore in our DNA. A passion and enthusiasm for innovation can be found throughout the company to this day, and it spurs us on to develop new inventions, technologies and processes. Hawle does not plan on losing its curiosity – and its aim will always be to find the best solutions for its customers.

Reliability

Water is a vital resource, which is why Hawle attaches the utmost importance to the reliability and functionality of its products. To us, reliability also means focusing on the future and acting responsibly in everything we do. For this reason, stable relationships with employees, partners and customers are the basis of a culture of commitment that underpins the Hawle brand. Security also means financial stability and reliability of supply. We make sure that both of these are upheld through long-term relationships with and professional management of our suppliers, as well as by manufacturing a large number of parts in-house.

Partnership

For our family business, partnership means putting people first. Hawle views the partners with which it cooperates as equals. Our corporate culture is built on respect, honesty and a willingness to listen. We find the best solutions by working as a team.

A scenic view of a waterfall cascading over mossy rocks in a forest with autumn foliage. The water is white and frothy as it falls over the dark, moss-covered rocks. The background is filled with trees in various shades of green, yellow, and orange, suggesting an autumn setting. The sky is a pale, overcast grey.

Sustainability in the Hawle Austria Group



2.1 Sustainability as a trend?

Today, everything has to be “sustainable”. But do you know what “sustainability” actually means? The term originally comes from forestry and means that no more wood is felled than can grow back at any given time. **Its modern meaning is that no more should be consumed than can be regrown, regenerated, and provided again in the future.** The goal is to preserve the natural regenerative capacity of our systems.

Hawle attaches particular importance to environmental protection and resource conservation. So, alongside the high quality of our products and efficient occupational health and safety protection, all-round conservation of the environment and economical use of energy are equally important goals for securing the future of the company and the jobs it provides.

We therefore rely on a range of certifications in the area of sustainability too. As well as the ISO 9001 quality management standard, almost all sites of the Hawle Austria Group are certified to the ISO 14001 environmental management standard. In addition, some Hawle companies have already been certified to ISO 50001 Energy Management and ISO 45001 Occupational Health and Safety Management.

2.2 The company policy we live by

Our quality, safety, environmental and energy policy (QSE) is based on our strategic mission statement and our corporate vision. We regularly question our policies in order to ensure our ultimate goal – satisfied stakeholders and therefore sustainable corporate success. We maintain a holistic and integrated management system. The Executive Board of the Hawle Austria Group lays down the basic principles of our policy on quality, energy, occupational health and safety, and environmental protection, and monitors its implementation.

This ensures that the policy

- Corresponds to the (core) competence and organizational structure of the company and is fit for purpose
- Increases customer satisfaction, employee orientation, and profitability, and provides a framework for defining and evaluating objectives for occupational health and safety, environmental protection, quality, and energy
- Is a prerequisite for providing the information and resources needed to achieve the defined objectives
- Contributes to the fulfillment of applicable legal and other requirements and is appropriate in terms of the nature and extent of the occupational health and safety risks, environmental impacts, and energy aspects of the company's purchasing, activities, products, or services
- Ensures a commitment to the implementation and continuous improvement of the IM system
- Is regularly reviewed and evaluated for its effectiveness
- Is communicated and understood within the company.



2.2.1 Quality policy

- We inspire through high-quality products that reliably fulfill their function over decades.
- All processes are subject to continuous improvement and further development with the aim of constantly improving the entire value chain.
- All process flows are transparent and clearly defined. Our understanding and awareness of quality is known to all employees and is applied in all processes.
- The focus on a “zero-defect target” is a matter of course for every employee. We apply the principle of preventive error avoidance and risk-based thinking and constantly review this.
- We continuously qualify our employees to satisfy our customers' requirements to the highest degree.
- We strive to establish long-term business relationships with reliable and high-quality suppliers in order to strengthen our competitiveness.

2.2.2 Environmental policy

- In all our corporate activities we look for sustainable and environmentally conscious ways of thinking and doing, and encourage personal responsibility among our employees.
- We are committed to protecting the environment and preventing environmental pollution.
- We implement statutory environmental requirements and binding obligations in good time and strive to constantly improve our standards.
- We produce using state-of-the-art manufacturing equipment and methods and work to continuously reduce our direct and indirect environmental impact.
- To this end, we use a certified environmental management system within the Group and continually strive to improve it.

2.2.3 Energy policy

- We define ambitious energy targets, develop suitable measures to achieve them, and monitor their implementation.
- We provide the information and resources necessary to achieve our energy goals and continuously improve the energy management system.
- We implement statutory requirements and binding obligations in good time and strive to constantly improve our standards.
- We produce using state-of-the-art manufacturing equipment and methods and work to continuously reduce our energy-related output.

- We use a certified energy management system within the Group and continually strive to improve it.
- In all our corporate activities, especially in the construction of new buildings, machinery, and the procurement of products and services, we look for sustainable and energy-conscious ways of thinking and doing, incorporating the latest energy-saving technologies.
- We are committed to protecting Planet Earth and reducing climate-damaging greenhouse gases.

2.2.4 **Safety policy**

- We are committed to providing safe and healthy working conditions for our employees and persons acting on our behalf, and regularly instruct and train them.
- Regular safety inspections, audits and workplace evaluations identify and eliminate hazards and minimize safety and health risks.
- Every employee is obliged to comply with the specifications and guidelines on occupational health and safety and to report incidents. Works councils and safety representatives are continuously informed, consulted and involved in decision-making processes.
- We analyze and document all accidents, near-accidents and work-related illnesses and implement appropriate measures to prevent a recurrence and minimize the associated days lost.
- We implement legal requirements and binding obligations in a timely manner and strive to continuously improve our standards.
- We strive for continuous improvement in safety and health management.

In all our corporate activities we look for sustainable and environmentally conscious ways of thinking and doing, and consider it our duty to protect the environment and leave a livable planet for our future generations.



Michael Bassani, COO



Systematic risk management along our supply chains means that we will also be equipped to react quickly and flexibly to customer demands in the future.

2.3

Strong partnerships through successful risk management

Quality leadership is only possible with strong partnerships. This is why Hawle turns to long-term partners at a local and global level at every stage of its value chain. Systematic risk management along our supply chains means that we will also be equipped to react quickly and flexibly to customer demands in the future.

In the procurement guideline of the Hawle Austria Group, we commit ourselves to ensuring quality and adherence to the agreed schedules and quantities at optimized procurement costs. In the supplier qualification process, we regard quality, environment, risk assessment, and responsibility as equally valid criteria.

Our material group strategy requires us to implement dual or multiple sourcing for strategic material groups, thereby ensuring that the supply chain is doubly or even multiply secured. Hawle uses a risk management tool to proactively identify, assess, and reduce risks within the supply chain. The supply network is made transparent at all levels and draws on publicly accessible risk data from expert databases on natural hazards and country risks, government sanctions lists, social media channels, and news portals. This enables Hawle to identify supplier-related risks even before the award decision is made or during supplier onboarding.

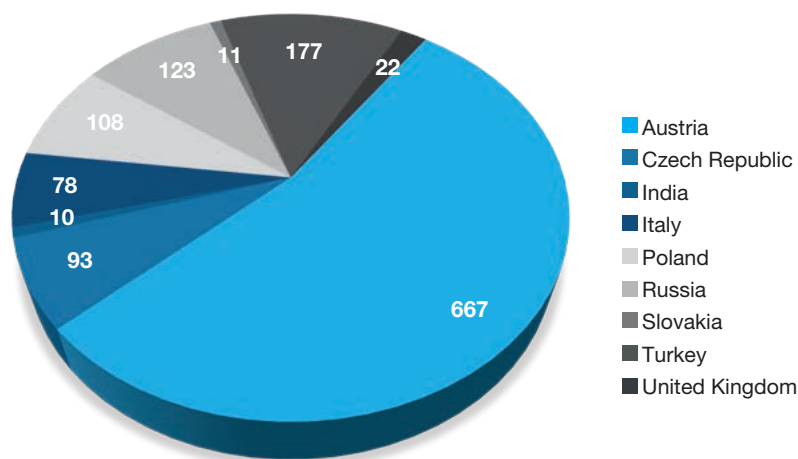
Using ready-made action plans, we can preemptively mitigate previously identified weak points in the supply chain and extend the response time in case of a risk event. Ongoing monitoring allows us to provide rapid and timely information about risk events and respond to the impact of unforeseen incidents with suitable mitigation measures.

Especially during the Covid pandemic, it has been found that basing Hawle's procurement activities on close, long-term supplier relationships, multi-level risk management, and supply chain resilience is enormously valuable when it comes to delivering products to our customers on time.



2.4 **The diversity** of our employees

The Hawle Austria Group employs colleagues from different nations and cultures. Based on our Austrian roots, an international corporate culture is emerging on the basis of growing markets and close cooperation between international subsidiaries. We rely on this diversity in our workforce to create an innovative working atmosphere. In 2021, the Hawle Austria Group employed around 1,300 people in nine different countries:



Hawle is expressly opposed to forced or child labor and discrimination of any kind. This fundamental approach is an essential part of our corporate culture and policies. If an applicant's professional qualifications and attitude match Hawle's quality standards, the door to the Hawle world is open to anyone and everyone. New employees are selected and trained on the basis of defined personnel requirements. These requirements are set out transparently in staffing plans or job descriptions.

In Austria, we currently employ eight people with disabilities at Hawle Beteiligungsgesellschaft m.b.H. and its largest subsidiary, E. Hawle Armaturenwerke GmbH. We are very proud to offer all our employees a working environment where the inclusion of people with health challenges is a matter of course.

With regard to the social rehabilitation of colleagues after prolonged illness or accidents, we cooperate with public institutions and offer many framework and support measures. Examples include part-time return to work, flexible working time models, and working from home.

2.5 Social engagement – more than just polishing our reputation.

Our actions as a family business are characterized by a down-to-earth attitude and a spirit of partnership. This is something we would like to pass on to the rest of the world beyond Hawle. Hence, we support projects that are in line with our corporate philosophy.

As a manufacturer of valves and fittings for water distribution, we are aware of the importance of water as a vital resource and are therefore pleased to support **Viva con Agua Austria**. This non-profit organization is committed to sustainable water projects run by Welthungerhilfe, giving people in many different countries access to potable water, sanitation, and hygiene facilities. Since 2013, Viva con Agua Austria has been funding WASH projects at primary and secondary schools

in Malawi. **WASH** stands for **W**ater, **S**anitation, and **H**ygiene – hygiene has become a particular focus of global attention due to the Covid pandemic. Hand washing is a very effective measure not only against the spread of coronavirus, but also against diarrheal diseases, which kill about one thousand children world-wide every day. Regular hand washing with soap can reduce this rate by 40 %.

Viva Con Agua's vision of “water for all – all for water” could not be closer to Hawle's heart.



In addition to projects related to vitally needed water, we also support social projects and activities. Every year at Christmas, Hawle, together with its employees, takes part in the “**Ö3-Weihnachtswunder**” event in aid of “**Licht ins Dunkel**”, Austria's largest charitable initiative. This supports around 400 social and disability projects throughout Austria every year and helps more than 16,000 children and their families. We also regularly support the Austrian charity **Kinderkrebshilfe (Children's Cancer Aid)** and help **individual cases**.

Our social commitment is also directed towards **our workforce**. As part of its charitable activities, Hawle offers colleagues at its Austrian sites the opportunity to take time off work: our employees are granted paid leave to attend duties as **volunteer firefighters** during working hours. In addition, training leave amounting to three working days per year is granted to volunteer firefighters who also act as fire safety officers or their deputies in our company.



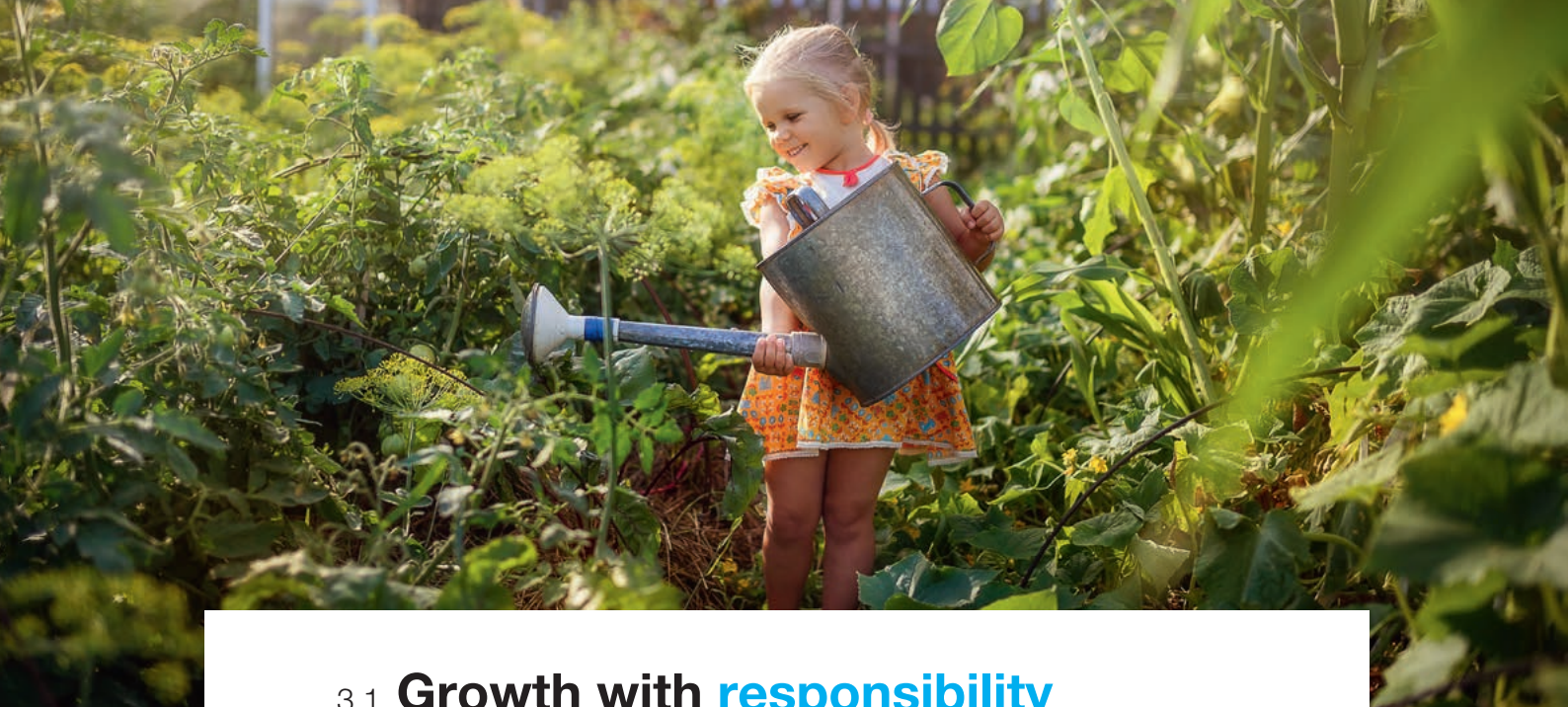
As a traditional family business, we also treat our employees as members of a strong and connected family. In difficult times or when exceptionally severe stresses occur, such as sickness or natural disasters, we provide support where we can.

” Martin Kast, CEO





Sustainability at E. Hawle Armaturenwerke GmbH



3.1 Growth with responsibility

E. Hawle Armaturenwerke GmbH is the largest subsidiary of the Hawle Austria Group. The first production site, set up in Vöcklabruck, Austria, in 1948, was followed in 1962 by the branch in Frankenmarkt. E. Hawle manufactures and sells valves and fittings for water distribution – products that are used in municipal water management from the source to the service connection. Hawle has been in family ownership ever since it was founded. This stable environment and commercial success provide the company with the necessary support for long-term planning and investment, as well as the security needed to undertake even complex development projects.

3.1.1 We are financially independent.

Our financing is largely based on liquid capital. We are so well capitalized that debt financing is seldom necessary. If we require debt financing, this is provided by internal Group funds. This excellent equity ratio underscores our security as an employer as well as our long-term financial independence as a family business. This guarantees independence from financial markets, giving us the financial scope to take advantage of investment and growth opportunities and to come through periods of crisis unscathed, making us a safe employer.

3.1.2 We support the local economy.

We are passionate about supporting and driving the local economy. E. Hawle's product assortment thus features a tremendously high level of vertical integration. Most of our added value therefore originates in Austria. Furthermore, around 85 % of the necessary raw materials are sourced within the European Union.

3.1.3 Sustainable research and development are important to us.

Through intensive research and development, we create system solutions and quality products for generations. Throughout the research and development process, environmental impact and environmental requirements are integral to our focus. E. Hawle is committed to making all processes and activities environmentally friendly and sustainable. In particular, during a product development process, attention is paid to the quality of our products, resource conservation, health, and climate protection. This focus enables us, among other things, to manufacture durable products, and, as a result, conserve the earth's resources. The best example is our 60-year-old, fully functional Hawle 'Vulkan' valve.

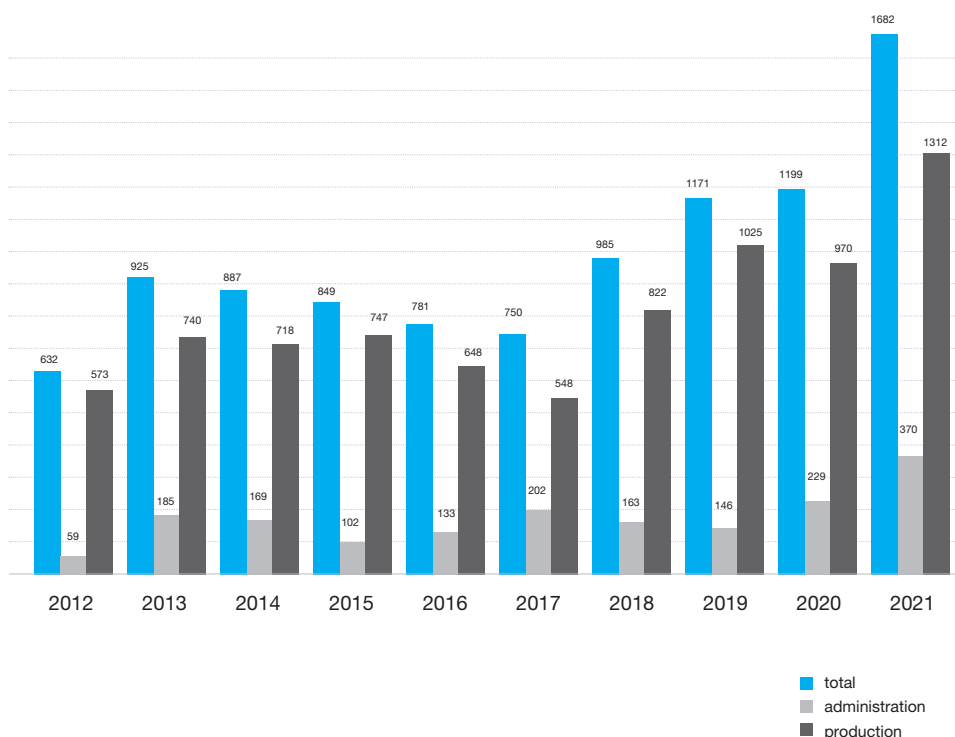
Manufactured in 1960, the Vulkan valve was dug up in the course of modernizing a water supply network at Traunsee lake in Austria. It did its duty reliably over decades and still works perfectly, despite its considerable age.

3.1.4 We invest in sustainable projects.

We regard climate protection as a challenge to be taken seriously and we accept our responsibility in this regard. Hence, we feel it is important to continuously implement climate protection measures in our operations. We are particularly pleased about the implementation of the project to save energy by means of recuperation brakes on forklifts in the new logistics center at the Frankenmarkt site. Recuperative braking converts kinetic energy into electricity and feeds it back into the “power caps”. This new technology not only smooths power peaks, but it also saves around 232,000 kWh per year through power recovery. This equates to the annual electricity consumption of almost 52 households.

3.1.5 We aim to identify and exploit improvement potential.

The Hawle Improvement Process² (HVP²) is an integral part of our daily working lives, because we are convinced that “small things can make a big difference”. All employees are encouraged to identify and realize potential for improvement in their own working environment in order to create an environment that is improving all the time. The goal of HVP² is to increase customer benefit and make processes more efficient, so as to increase quality, improve environmental and energy performance, and drive down costs. We are proud to report that 1,682 proposals were successfully implemented through HVP² in 2021. The fact that we have identified and successfully realized so much improvement potential shows how committed we are to achieving continuous improvement.



3.2 Living sustainably

3.2.1 Our belief in environmental and energy management.

For many, the term sustainability is still a trend. At E. Hawle, we have been operating in a way characterized by sustainability – environmental, social, and economic – for many years,

because all processes and procedures have complied with the guidelines of the ISO 9001 quality management system since 1995. We act responsibly by improving environmental performance and reducing energy consumption. This approach is an essential part of our corporate policy. We have also used the ISO 14001 environmental management system since 2012 and the ISO 50001 energy management system since 2016. In order to improve customer satisfaction even further, we continually examine and evaluate the requirements set out in these standards, both internally and through external organizations.

The measures to achieve the objectives are summarized in the QSE program with actions and objectives. **We regard environmental protection as an important management task.** Responsibilities are clearly defined. Rapid and successful implementation of the environmental and energy targets can only succeed with the support of all employees. We therefore regularly inform them about our company's environmental and energy efficiency measures. As part of their work, Hawle trains employees in personal responsibility and environmentally-conscious and energy-efficient behavior in the workplace.

We also pass on our high environmental protection standards to our suppliers. The needs and requirements are defined and documented. Where necessary, we carry out risk analyses – for example in the form of a forward-looking risk assessment or an FMEA (Failure Mode and Effects Analysis). These analyses are used to find potential sources of defects in products or processes in advance, to determine their significance and to evaluate them, so that we can then define suitable measures to avoid them in the future where necessary. High costs of troubleshooting and follow-up can be avoided or significantly reduced in this way.

Hawle also carries out a systematic energy planning process. Energy planning includes a review of those activities of the organization that affect energy performance. It is in line with the energy policy and aims to continuously improve energy performance. This serves to minimize greenhouse gas emissions, other environmental impacts, and energy costs resulting from business activities.

Essentially:

“Our goal is to constantly improve the energy efficiency and effectiveness of our systems and processes in order to reduce our specific energy consumption and conserve resources in a sustainable manner.”

3.2.2 Metrics lead us to our goal.





The standards governing environmental and energy management require our organization to develop environmental and energy performance metrics for key resources, waste groups, and energy sources. As part of the continuous improvement of our management systems required by these standards, we review these metrics on a regular basis to ensure they are meaningful and complete. As a result, we are constantly adding new metrics to the existing ones.

We collect data all the time in order to develop the metrics. At the end of the year, an annual report containing the most important metrics and changes is prepared and submitted to the management board. Based on this report, targets are developed for the following year, or targets previously defined are corrected and adjusted.

The following example illustrates how we define and monitor environmental targets: The management board releases metrics for monitoring environmental performance. The management board sets targets for certain parameters, and their attainment is monitored monthly in the form of a metric and reported quarterly.



Other environmental indicators and targets (also monitored by Hawle on a monthly or annual basis):

-  Reduction of hazardous waste relative to production output by **2 % p.a.**
-  Reduction of energy consumption relative to production output **0.9 % p.a.**
-  Reduction of electricity consumption relative to production output **3 % p.a.**
-  Reduction of heat consumption relative to production output **6 % p.a.**

ENERGY METRICS

E. Hawle Armaturenwerke GmbH requires four energy sources:

 Electricity

 Local and district heating

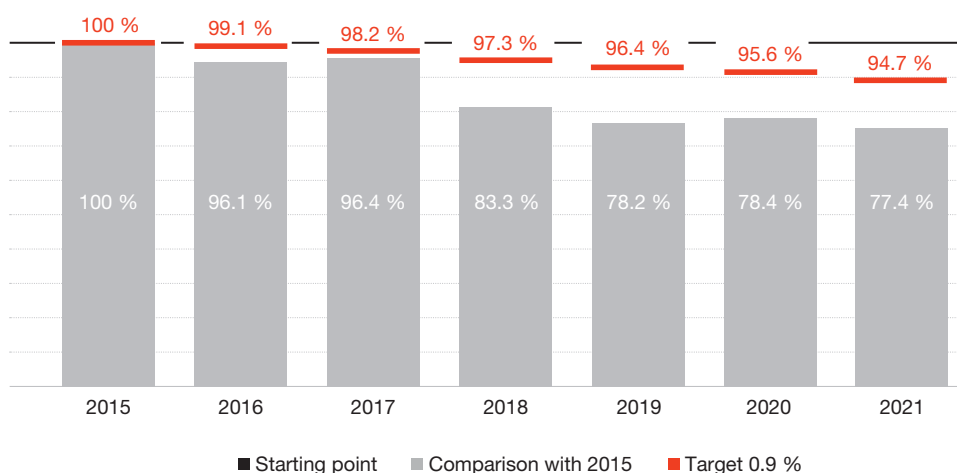
 Fuels

 Heating oil

To monitor consumption, a metric is defined for each energy source, representing energy consumption (kWh) relative to production output (€). The following charts show the change in this metric compared to the baseline.

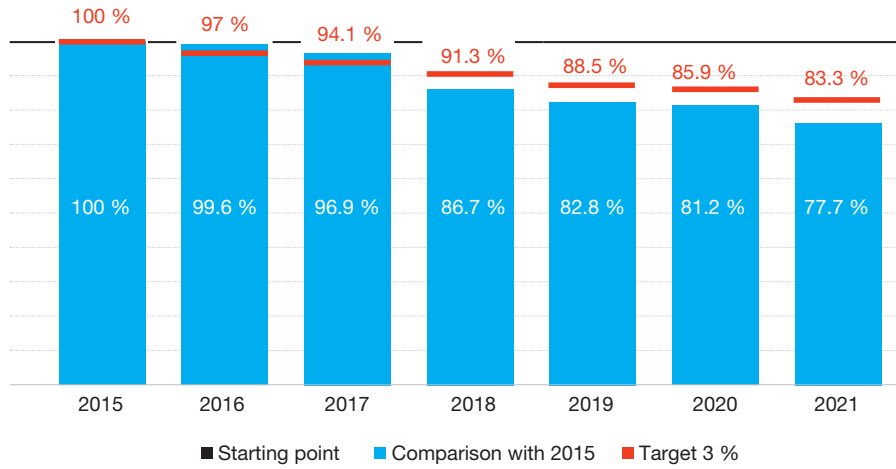
Total energy consumption

per sim. unit of production output*



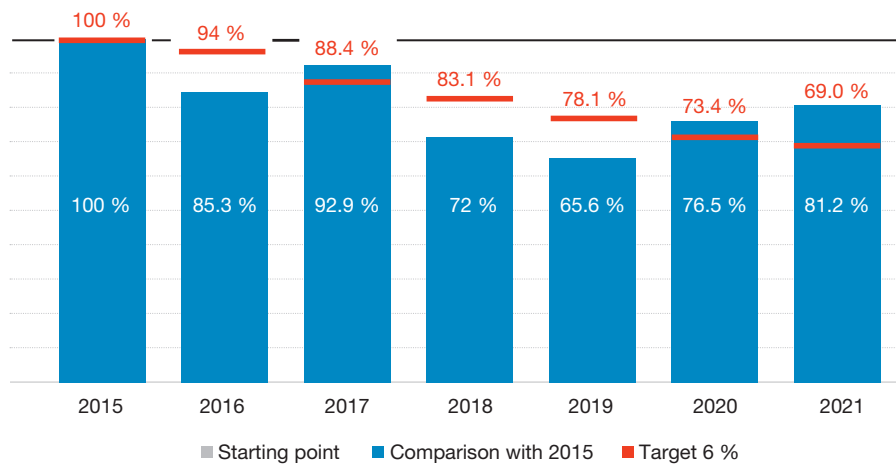
Electricity consumption

per simulated unit of production output*



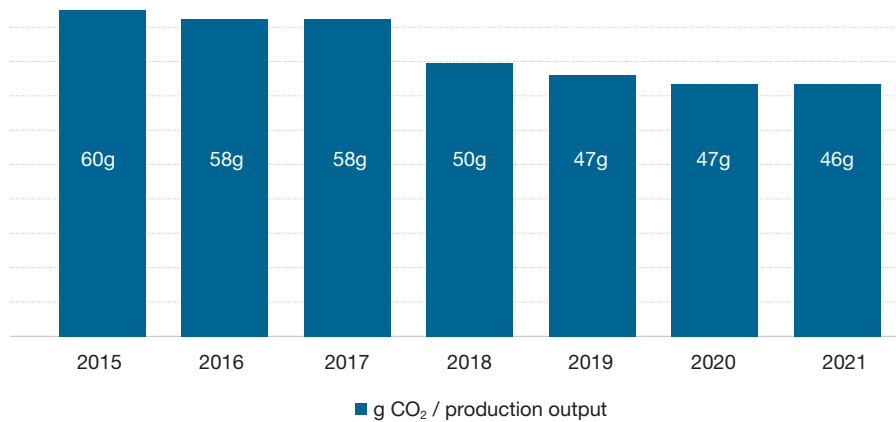
Local and district heating

per simulated unit of production output*



Grams of CO₂ per euro**

per simulated unit of production output*



* Production output: production cost volume of materials produced in-house Simulated: the chosen calculation method was the sum of the change in inventories (production costs) + cost of goods sold (back calculation from sales of parts produced in-house).

* The values from 2016 to 2019 have changed slightly compared to the CSR Report 2021 due to rounding errors. The values for 2020 have changed because the simulated production output was subsequently corrected.

** CO₂ emissions were calculated for the entire period shown using the current values from the Environment Agency Austria.

** What is represented here, are the CO₂ emissions caused by energy consumption. Other emissions contributing to the greenhouse effect are not shown here and are negligible. Example of refrigerant: In 2021, carbon dioxide equivalents amounting to only 0.12 g CO₂ / euro of output were emitted.

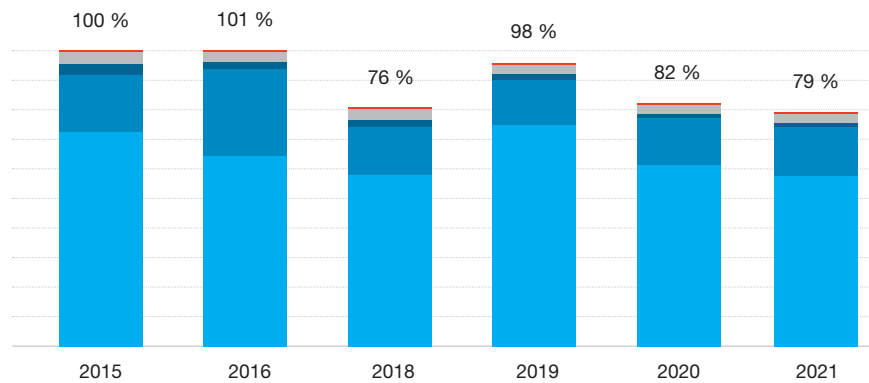
ENVIRONMENTAL METRICS

We also monitor environmentally relevant variables on a monthly and annual basis. Here, the ratio is calculated as the ratio of consumption (kg or m³) to production output (€). The charts show the percentage change compared to 2015.

- Relevant raw materials
- Waste and residual materials
- Water consumption

Relevant raw materials

quantities relative to production output and compared to 2015

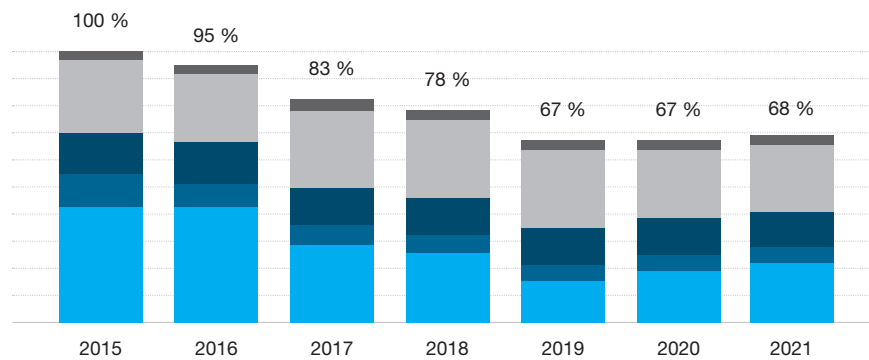


Complete data could not be collected in 2017 due to the system changeover to SAP. Because of a system changeover in SAP, data acquisition has been adapted in 2022, which results in minor changes of the key figures with a retroactive effect back to 2018.

■ Cast Iron ■ Raw material ■ Rubber ■ Plastic ■ Hazardous substances

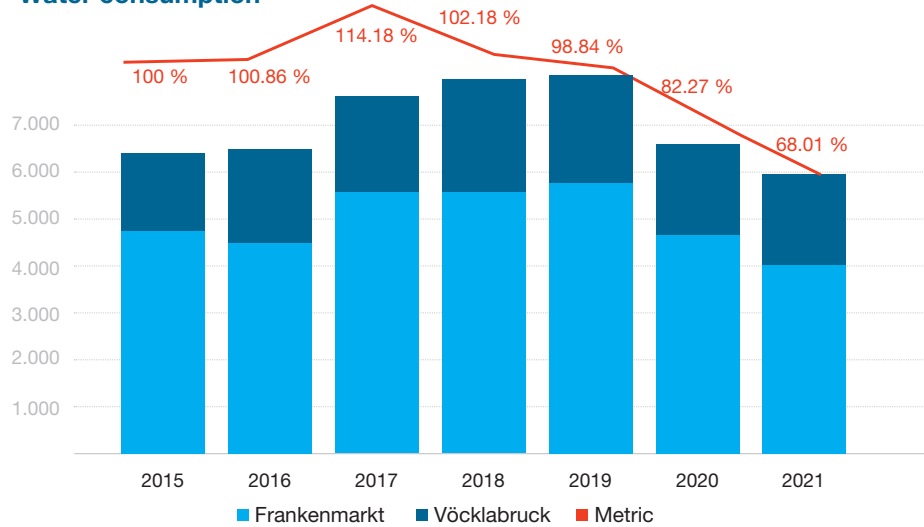
Waste and residual materials

quantities relative to production output and compared to 2015



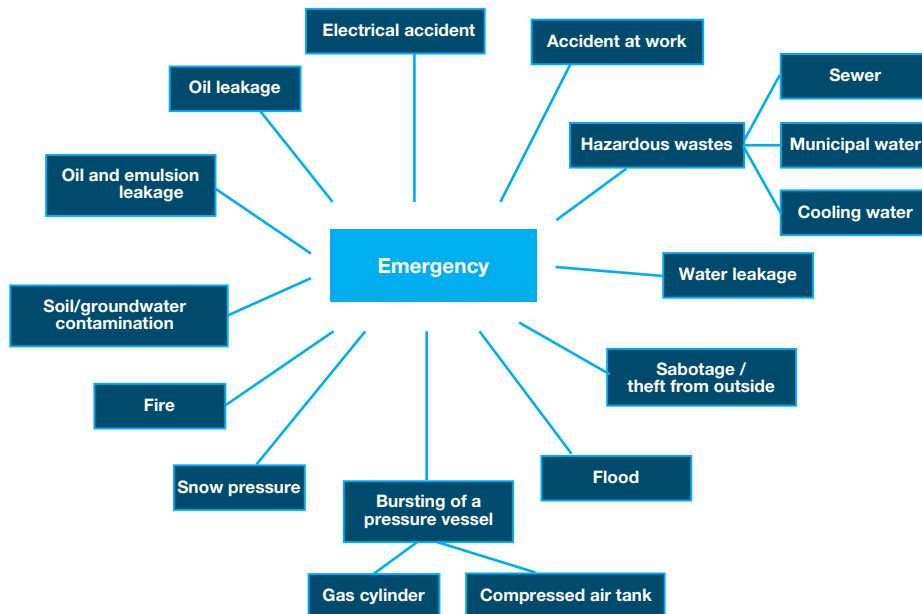
■ Ferrous metals ■ Other metals ■ Hazardous waste ■ Non-hazardous waste ■ Commercial waste

Water consumption



3.2.3 Emergencies and hazards: we are prepared.

Emergency planning and hazard prevention is something we take very seriously at Hawle. **Conceivable emergencies are reasonably considered in order to prevent possible environmental impacts in case of an incident.** For these emergencies, we run through realistic scenarios on the basis of which we assess the risk and take appropriate precautionary or hazard prevention measures. As a manufacturing company, our plants present various environmental hazards, such as fires, explosions, or the release of hazardous materials into the environment. But external influences can also create dangers for the environment. For example, the plants in Vöcklabruck and Frankenmarkt are equipped with emergency apparatus to deal with floods or heavy rainfall events.



THE COVID-19 PANDEMIC

Another scenario unfortunately materialized in 2020: the outbreak of the COVID-19 pandemic in early 2020 meant that new solutions had to be found overnight. The primary objective was to minimize the risk of infection while maintaining operations and delivery capability.

To achieve this, Hawle made production work stations Covid-compliant within a very short space of time. We provided our workforce with protective face masks, measured their body temperature, and stepped up cleaning and disinfection. Employees from at-risk groups who were unable to work from home were granted a paid exemption from their duties and we enabled over 200 employees to work from home.

We maintained raw material procurement in close consultation with suppliers. At the same time, we increased our inventories of critical raw materials and enabled in-house production to cope with the emergency.



3.2.4 Putting ideas into action.

Our management systems are systems that we have established in order to identify and carry out necessary measures. To demonstrate this credibly, some of the measures we have implemented in recent years are listed below:

- Optimization of procedures and processes
- Investments in machinery and plant
- Improvement of the building infrastructure

IMPLEMENTED ENVIRONMENTAL PROJECTS

- System for monitoring cooling lubricant and thus reducing waste
- Reducing pickling waste through process optimization
- Shutting down compressors at weekends
- Optimizing the pressure bands of the compressors
- Including ISO 14001 in the supplier evaluation
- Optimizing spindle blanks
- Recycling casting chips: reusable material cycle agreed with suppliers
- Converting to electronic delivery in payroll accounting
- Changing printer settings to print both sides
- Reducing disposable wooden packaging
- Packaging manual: coordinating with suppliers to avoid packaging and other waste
- Guest catering: drinks in reusable containers
- Cooling lubricant waste: reducing the system volume of the central cooling lubricant plant
- Wastewater analysis: monitoring water consumption, thereby reducing leakages
- Converting to low-noise compressed air guns
- Optimizing compressed air nozzles on processing machines

IMPLEMENTED ENERGY PROJECTS

- Replacing old lighting fixtures with efficient LED lighting
- Installing motion detectors to reduce operating hours of lighting
- Heat recovery for air compressors
- Heat recovery for refrigeration systems
- Heat recovery for ventilation systems
- Thermal building refurbishment (thermal insulation of building exterior and window replacement)
- Optimizing the heating control parameters
- Improved charging system for forklift batteries
- Frequency controlled air compressor
- Electricity recovery through recuperation brakes on storage and retrieval machines

How we reduce the use of solvents in our production facilities.

When our customers visit Hawle production plants, they notice one thing in particular: how clean they are. To keep it that way, we use solvent-free cleaners (Bio-Circle L-Ultra) or lower-solvent options (Metaclean). These environmentally friendly alternatives allow a marked reduction in solvents in the production facilities.

Microorganisms: away with the dirt!

At the washbasins installed in our facilities, microorganisms biodegrade contaminants such as oils or greases, allowing multiple use and minimizing solvent consumption and associated VOC (volatile organic compound) emissions in the production area.

A neutral carbon footprint – thanks to wood.

District and local heating provides heat at our Austrian sites in Vöcklabruck and Frankenmarkt. District heating means that waste heat released during the generation of electricity is conducted through hot water pipes to district heating customers who can then reuse it. In the case of local heating, heat is generated from the combustion of biomass (wood chips). This is obtained from wood – a sustainable raw material – allowing us to achieve a neutral carbon footprint.

Converting to LED lighting saves 600,000 kWh/year.

This electricity saving in our production facilities at the Austrian sites in Vöcklabruck and Frankenmarkt could power approximately 136 Austrian households (one household with 2.2 persons). We achieved this saving by switching to LED lighting. Hawle makes electricity savings of between 30 and 70 %, depending on the type of light fitting used.

Buy in Europe and cut transport distances.

Traffic on our roads is responsible for a substantial share of global CO₂ emissions. We produce castings for our products at our own foundry in Austria. Moreover, 85 % of our purchasing volume (raw materials used in production) comes from within Europe. This results in very short transport distances to the other production sites. No flights or overseas journeys. To illustrate: a 23-ton shipment of castings via ship and truck, from Shanghai to Frankenmarkt, would cause 2.65 tons of CO₂ emissions. In contrast, a delivery by truck from our subsidiary EGM to the production site in Frankenmarkt causes 0.28 tons of CO₂ emissions – only about a tenth as much! In this way, we reduce our carbon footprint.

How our new storage and retrieval machines save electricity.

In the new logistics center at the Frankenmarkt site, we are using new storage and retrieval machines with a power recovery system. These automated storage and retrieval machines have two motors – one for vertical and one for horizontal movements. Both motors are supplied with electricity from so-called “power caps” (capacitors – similar to a battery). When the storage and retrieval machine is braked, the kinetic energy is converted into electricity via recuperation brakes and fed back into the power caps. This new technology on the one hand smooths power peaks and on the other hand saves around 232,000 kWh per year through power recovery. This equates to the annual electricity consumption of almost 52 households!

Water – our precious element.

On all test stands for valves and hydrants, the water is collected and reused for the next test. Water is a precious resource and the focus of our activities, because man cannot live without water. Through our products, we make an important contribution to ensuring a reliable water supply.

Throw away waste product? Not us ...

What actually happens to the chips produced as waste during the machining of our castings? Do we throw them away and waste valuable resources? Not at Hawle. Using a hydraulic press, we turn the chips into briquettes which are then directly remelted in our own foundry. In 2018 and 2019 we generated some 300 tons of chips, which we were able to recycle in our foundry. In this way, we not only save primary raw materials but also avoid unnecessary journeys, leading to a neutral carbon footprint.



3.3 Putting people at the center

We offer our employees the opportunity to develop their own ideas and expand their horizons. Together with a passionate team, we develop and produce products for a reliable water supply. As a pioneer in the field of valves and fittings for water distribution, we combine traditional values and the career opportunities offered by an international company.

The corporate culture at Hawle is characterized by long-term partnerships. Hawle views the partners with which it cooperates as equals. Our corporate culture is built on respect, honesty and a willingness to listen. We find the best solutions by working as a team.

3.3.1 Hawle employees: Made for Generations.

Hawle has been family-owned since its establishment and is a company that is 'Made for Generations'. Many of our employees spend years or even decades of their working life at Hawle. Around 24 % of our colleagues have been with the company for more than 20 years, and just under half (40 %) for more than 10 years. It is not unusual for several generations of a family to work for us.

We are especially proud of these long-term partnerships, since they are an important pillar of our company's success. What counts for us is the interplay of practical know-how and new, innovative ideas. We provide a suitable working environment in which many generations can work together effectively.

We are proud to employ people who have been with us for many years. We are especially proud of those employees who carry on a family tradition, because their grandparents, aunts, mothers, or fathers worked for us previously.



Julia Traußnig, Human Resources Management

	E. Hawle total	Over 50s	Staff turnover*
Employees	367	109	9.87 %
Percentage	100	29.70	

* excluding seasonal interns

Putting people at the center – that is what partnership means to us. We maintain these relationships and partnerships beyond retirement: all generations of the Hawle family are invited to every celebration – our apprentices, team members on leave of absence, retired staff, and, of course, agency staff. At our anniversary celebration, we express thanks above all to our long-standing employees for their commitment and trust.

3.3.2 All-round safety in the workplace.

We are especially determined to protect our employees from hazards specific to our business, so as to keep them in the best possible health and ensure the highest possible level of safety. We implement all statutory occupational health and safety requirements aimed at effectively preventing accidents and health hazards.

Managers and employees are equally involved in the continuous improvement of safety in the workplace and health protection. Our company uses specially trained personnel to raise employee awareness about hazards in the workplace.

Our safety officers and safety specialists offer advice to staff at the respective sites and are actively involved in implementing the necessary activities. They are the first point of contact for all colleagues on safety-related issues in their daily work. Regular information, inspections, and training reinforce and promote responsible health and safety-conscious behavior among all employees. Specially

trained first aiders are on hand at every Hawle site to provide first aid on the spot in case of emergency.

Regular workplace evaluations carried out in consultation with the Occupational Health Service identify health and safety risks in the workplace. **For this purpose, we have experts from the fields of occupational medicine, occupational psychology, and workplace ergonomics at our disposal.** Within this framework, potential risk factors are identified and steps taken to eliminate them. An avoidability and substitution test is performed before hazardous substances are used. Hawle only uses substances that pose the lowest potential risk to people and the environment.

WE TAKE CARE:

We encourage all colleagues to report near misses and particular incidents, whether or not they had actual consequences such as injuries or damage to property. This enables us to detect safety issues and prevent damaging events in the future. We also organize regular safety training for all personnel. The transfer of knowledge from managers to their respective colleagues is supported by an app that enables learning independently of time and place.

We constantly monitor safety metrics and work continuously to improve occupational and process safety throughout the company.

WHEN SOMETHING DOES HAPPEN:

At the Frankenmarkt site, we recorded 12 occupational accidents in 2021. Of these, 7 were reportable (downtime more than 3 days).

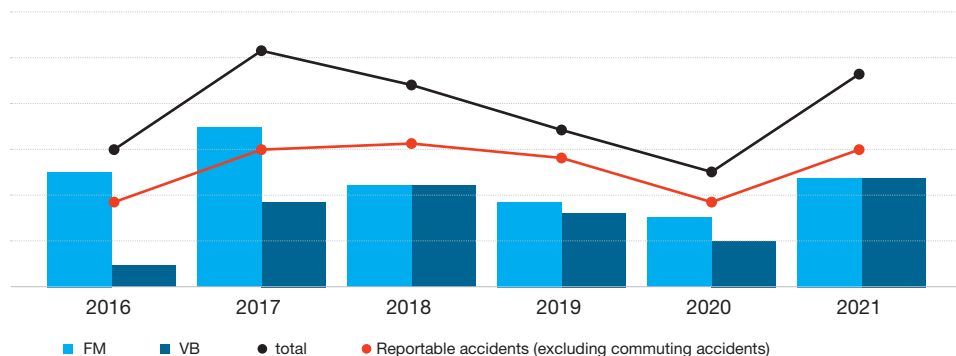
At the Vöcklabruck site, we recorded 12 occupational accidents in 2021. Of these, 8 were reportable (downtime more than 3 days).

Compared to the industry average, the picture for E. Hawle is very gratifying. The accident rate of the largest manufacturing business is less than a third of the industry average.

¹ Number of accidents at work per 1,000 Hawle employees

All accidents

(excl. commuting accidents; incl. non-reportable)



Through our internal Hawle Improvement Process (HVP²), we encourage colleagues to make suggestions on how we can improve our processes with regard to quality, the environment, energy, and safety. We take these suggestions on board and implement them wherever possible.

The Austrian sites in Vöcklabruck and Frankenmarkt receive a large number of safety suggestions each year.

2018	212 suggestions
2019	272 suggestions
2020	289 suggestions
2021	327 suggestions





3.3.3 Hawle apprentices: securing our future.

Apprentices are a vital element of any company's strategy to ensure its future success. Well-trained specialists ensure the innovative strength, competitiveness, and growth of a company. We have been training commercial apprentices at our Austrian sites since 1979 and industrial apprentices since 1991.

Young people who choose an apprenticeship with us are given the opportunity to contribute their strengths, talent, and ideas in an international environment. We attach great importance to the training and development of our apprentices and offer numerous advanced and further training courses.

In 2017 we received the accolade of “**State Approved Training Company**”. In 2019, we were honored with INEO certification as an “exemplary teaching company” for a further three years. The INEO Award stands for the values of Innovation, Sustainability, Engagement, and Orientation. These awards are clear evidence of the quality of our teaching activities.

3.3.4 We go the extra mile.

Every employee makes a significant contribution to the success of our company. As well as an above-average salary, we therefore have various bonus schemes in place, such as performance bonuses, referral bonuses (for employees who recruit other employees), and bonuses for suggestions on how we can improve. In 2021, the workforce received a “Covid bonus” by way of thanks and appreciation for their performance under the challenging conditions of the Covid pandemic.

We also offer our team extensive social benefits, such as an allowance for travel expenses, and support measures as part of the company's program to promote health in the workplace. The compensation policies practiced at Hawle are designed to ensure attractive, market-appropriate compensation for all employees and to strengthen our competitive position.

3.3.5 A workplace with prospects.

ONBOARDING: WE ARE THERE FOR EACH OTHER FROM DAY ONE.

We support new staff with a comprehensive and well-structured onboarding process. This includes measures that provide new colleagues with optimum support when they join our company and help them to integrate successfully. As part of the pre-boarding process, we are in regular contact with future employees even before they start work and keep them informed about matters relevant to the company.

It is important to us that Hawle employees feel at home in our company from day one, and are aware of how important they are to our success. With this in view, we have introduced a comprehensive onboarding system, which includes targeted training on the requirements of our quality, environmental and energy management systems.



Gerhard Böll, Head of Group Human Resources

EMPLOYEE DEVELOPMENT AND QUALIFICATION.

Hawle attaches great importance to the personal and professional development of its workforce. The annual training budget enables each and every individual to develop their own potential and expand their skills. The need for qualifications is determined as part of the **annual employee appraisal**. The necessary skills and areas of responsibility of our colleagues are summarized in job descriptions for the different positions.

Our managers benefit from our **in-house leadership program**. Here we provide training on management tools and methods and prepare our junior managers for executive roles.

Hawle also offers its workforce good prospects and promotes them not only through on-the-job training, but also through alternatives such as job rotations, trainee programs, or cross-project work. This gives our employees the opportunity to acquaint themselves with projects and tasks without having to commit to a change immediately.

LIFELONG LEARNING WITH THE HAWLE ACADEMY.

We create a framework for all colleagues in which they can make the most of their potential and develop their creativity. At the 'Hawle Academy', our in-house qualification institute, we offer an extensive range of training schemes that com-



bine technical expertise with the requirements of the market. The opportunity to attend tailored training sessions is offered not just to our workforce but also to partners and customers.

The Hawle Academy is built on three pillars:

JOB-FIT

Here, Hawle employees receive training that supports them in their daily work. Training courses are available in the areas of IT, languages and management, personality development, and training specific to our company.

PRODUCT AND APPLICATION

These training programs are aimed at end customers as well as our workforce. Participants gain the knowledge and skills needed to ensure that they can handle Hawle products with confidence as part of their assigned tasks. For this reason, we place particular emphasis on practical knowledge transfer.

HAWLE VISITING

Customers, partners, students, and schoolchildren can take a look behind the scenes during a guided tour of the plant. Every year, numerous guests visit our Frankenmarkt and Vöcklabruck sites. They are given a tour of the production facilities and are also offered the chance to try out some of the training the Hawle Academy has to offer. This provides an ideal combination of theory and practice.

The Hawle Academy imparts application and product-oriented knowledge and offers opportunities for personal development. In this way, Hawle prepares its employees, customers and partners for all the challenges they will face in their daily work and helps to ensure the lasting success of everyone involved.

In 2021, 145 employees attended Hawle Academy training and 119 employees attended external training. .

	Number of training hours
Total	3.153,80 hours p.a.
Per employee	8,59 hours p.a.

Training for Generations with the Hawle IQ app

Digitalized training offers can increase the effectiveness of training and demonstrate that acquired knowledge has been retained. Alongside our successfully established training programs, we are therefore focusing on a mobile app that **optimally complements classroom training and enables digital knowledge transfer.**

Through a combination of different formats and content, relevant and company-specific knowledge is conveyed in a light-hearted, easy way. The mobile learning concept offers flexibility in time and space and allows a self-directed and individualized learning experience, which subsequently ensures that employees retain what they learn for the long term. Learning progress can also be monitored and learning content delivered as and when needed.

3.3.6 Helping our employees achieve a good work-life balance.

Hawle offers a range of models for optimally reconciling the demands of career and family life. Around eleven percent of colleagues at E. Hawle work on part-time models. For optimal working time organization, we rely on flexible working hours – such as flextime without core hours, part-time models and much more besides. **Our modern working time models allow for the needs of childcare and the like.**

Our aim is to allow employees to organize their working hours as individually as possible, while at the same time making optimum allowance for operational requirements. Flextime options for shop-floor workers and white-collar staff are set out in a company agreement. This offers employees a high degree of self-reliance and autonomy.

	Full-time employees	Part-time employees	Share of women
Absolute figure	325	42	68
Percentage	89 %	11 %	19 %

3.3.7 What do our employees say?

Our employees are our most valuable resource. **We therefore attach great importance to employee satisfaction and offer the best possible conditions for them to work productively and in a congenial atmosphere.**

Employee participation plays a key role at our company. We therefore conduct employee surveys at regular intervals. This helps us to measure the satisfaction of our workforce and identify specific potential for improvement in our company. Our aim is to provide our colleagues with the best possible conditions for their daily work. We regard the employee survey as a tool for the workforce to contribute their views, help shape the company, and develop it further together.

A response rate of 63 % and overall satisfaction of 73 % in our last employee survey at the Austrian sites are **clear evidence of our colleagues' satisfaction**. Employees emphasize, in very positive terms, the way they are appreciated by managers and within teams. 79 % of all colleagues also confirmed that they see their long-term future at Hawle.

Dialog with employees is also strengthened through **annual employee appraisals** with the respective line manager. The employee appraisal serves as a tool for management by objectives and as an important basis for our employees' personal development. The individual framework of the interview allows feedback from both sides in line with our values.



3.3.8 Hawle Vital – promoting health in the workplace.

Staying healthy together both inside and outside work: the aim of promoting health in the workplace is to help employees stay healthy through a range of offers.

“Hawle Vital” makes a significant contribution to our employees' well-being. **The program offers a wide range of health promotion activities designed to help individuals to improve the way they look after their own health and encourage them to stay fit.**

“Hawle Vital” includes all kinds of programs to boost mind, body and community spirit. As a company, it is important to us to offer our employees a safe and healthy workplace. A focal point of Hawle Vital is our **occupational healthcare concept**. Three external preventive healthcare specialists from the fields of occupational medicine, occupational psychology, and ergonomics, together with our internal safety specialist, support our company in all aspects of occupational safety.



3.4 **Responsibility and integrity: at our partners too.**

Quality leadership is only possible with strong partnerships. **That is why we at Hawle maintain close, long-term relationships with suppliers in order to jointly provide our customers with innovative products of the highest quality and on schedule.** An interdisciplinary team carefully selects suppliers and strategic partners as part of the qualification process. In a multi-stage onboarding process, Hawle suppliers undergo a qualification audit. Here we ensure – as a first step – that potential candidates meet our high standards. The criteria of quality, environment, risk assessment, and social responsibility apply.

Suppliers apply to us via a supplier relationship management portal and are required to complete a supplier self-disclosure for those products they wish to supply to Hawle. Strategic Purchasing checks the information and, as a next step, invites the supplier to complete a questionnaire specific to the product category. In parallel with this process, an initial risk review of the supplier is performed using our risk management tool. **The makes the value chain transparent and identifies risks related to the supplier.** We use the Integrity Next platform, which is embedded in our risk management system, to ensure environmental sustainability and social responsibility compliance. We monitor supply chains through self-disclosure and social media monitoring.

Once the potential Hawle supplier has successfully completed these steps, an interdisciplinary team visits the supplier and verifies the submitted information on site as part of a formal qualification audit. Suppliers who ultimately qualify as Hawle suppliers are periodically evaluated in the categories of quality, environment, delivery reliability, and service.

Hawle is committed to acting responsibly and with integrity and to conveying a strong sense of social, ethical, environmental, economic and social responsibility that goes beyond legal requirements, and demands the same of its suppliers.

In our collaborations with our partners, we observe the relevant compliance guidelines. Our supplier relationships are characterized by fairness, transparency and free competition. Through our supplier relationship management portal, we ensure that suppliers submit comparable offers on fair terms and that contracts are awarded transparently on the basis of the criteria used by Hawle. Unethical business practices, such as accepting gifts that are tied to obligations or expectations, are alien to the company and will not be tolerated.

As a family-run company, we feel a sense of social responsibility and refuse to accept poor working conditions in the production of our products. We are committed to the protection of human rights, feel obliged to stand up for equality and reject any form of discrimination. As a basic requirement, we also expect this attitude from our suppliers in their business practices.

Environmental protection is another cornerstone of our corporate philosophy. Hawle suppliers therefore manufacture products sustainably and without wasting resources. **The aim of our procurement strategy is to support regional and Europe-wide sourcing in such a way as to strike a balance between cost effectiveness, short transport distances, and optimum delivery capacity for customers.** As a result, Hawle has been able to procure approximately **87 % of its goods from within Europe**. We remain as committed as ever to the European procurement market, as the about-turn in the thinking of many companies shows that Hawle has been right to focus on **stable supply chains and rapid response capability**.

We visit existing suppliers in person to conduct regular audits in order to satisfy ourselves that they comply with our ethical and social requirements and high quality standards. If a supplier breaches any aspect of sustainability, we initiate necessary measures and check that they are implemented. If non-compliance is detected, cooperation with a supplier may be terminated. To date, we have not

come across any such case during the audits performed.

Hawle stands for proactive cooperation with its suppliers. Through mutual dialog, we ensure that the principles of fair, high-quality production of certified products are upheld. We foster relationships with our customers and suppliers and continue to develop them in line with our high quality standards.

Be the change you want to see in the world.



Mahatma Gandhi

Hawle Austria Group in figures

(2021)

10,000

PRODUCTS

1

FAMILY

205 million

EUROS REVENUE

12

SUBSIDIARIES

21 million

INVESTMENTS

1,300

EMPLOYEES

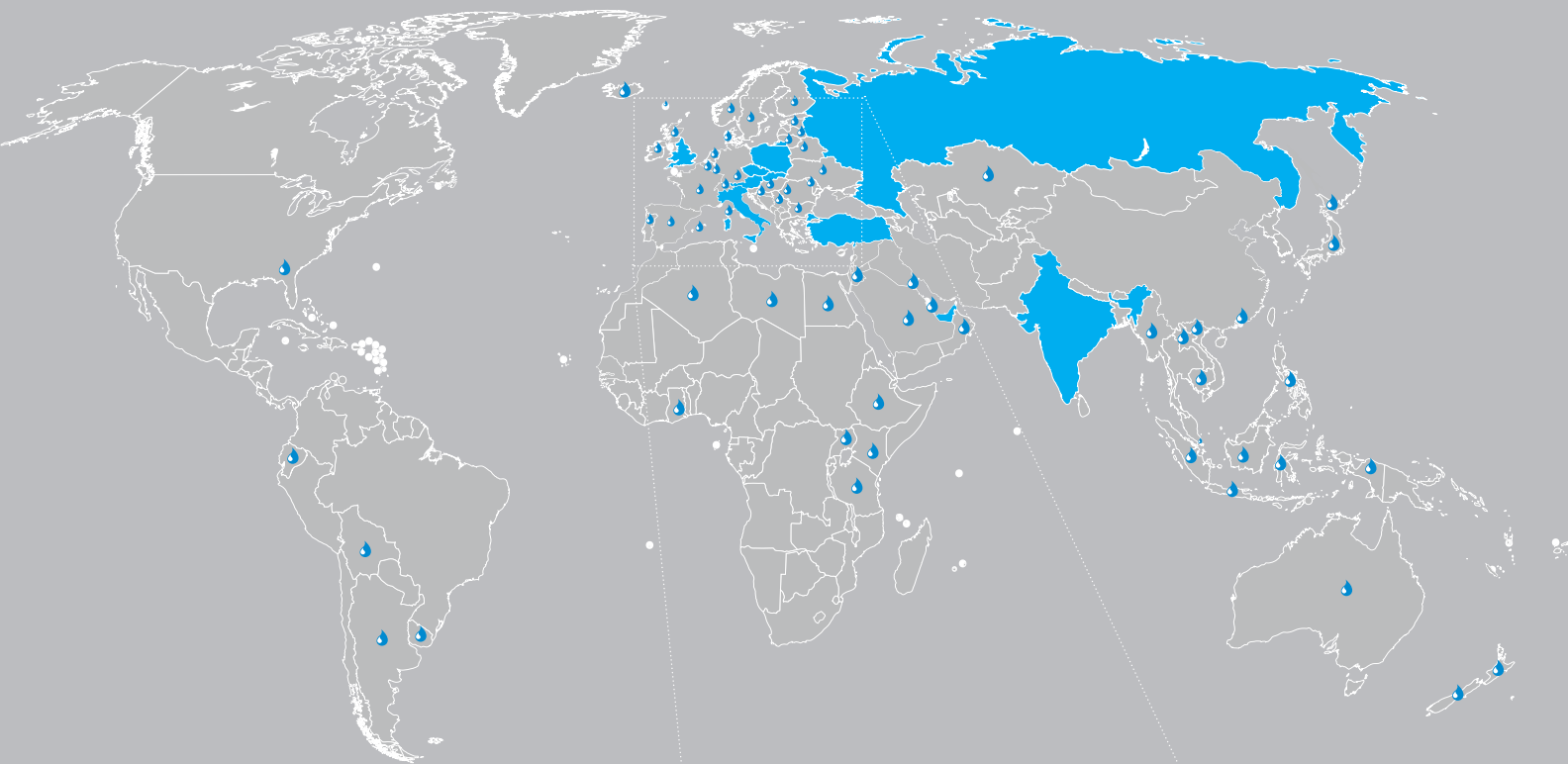
0 %

LOAN CAPITAL

100 %

QUALITY CONTROL

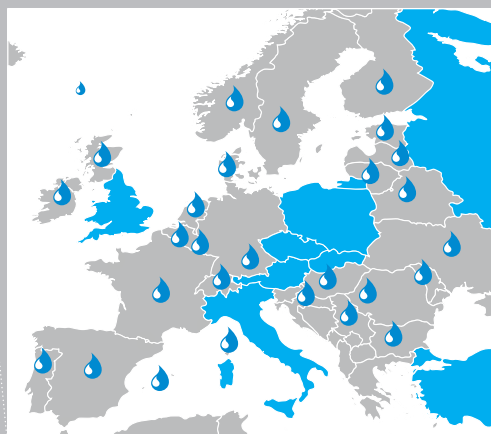
Our family is established worldwide



Hawle Austria Group

Austria	  
Czech Republic	  
Poland	 
Slovakia	
Russia	 
United Arab Emirates	
Turkey	 
Italy	 
India	
United Kingdom	

Hawle Partner
Austria Group



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