

SUSTAINABILITY REPORT



OUR ROADMAP TO A SUSTAINABLE FUTURE.



HALFAR
Best of Bags.

DEAR READERS,

At a time when global environmental and climate challenges are becoming increasingly critical, sustainability is and remains an integral part of our corporate philosophy. At the heart of our business activities are durable products that make a meaningful contribution to the daily lives of the people who use them.

We strive to reconcile economic, environmental and social considerations in everything we do, and have put together this report to highlight our progress and initiatives in this regard. Our aim is to document how we use resources responsibly, develop innovative solutions and promote a culture of transparency and integrity in our own company and beyond. We have taken measures to reduce our carbon emissions, reduce energy consumption and minimise waste. We have also dealt intensively with the social aspects of our actions and are continuously working to promote diversity, equal opportunities and employee satisfaction.

Achieving these goals would not be possible without the commitment of our employees and our constructive ongoing interactions with our customers, suppliers, partners and stakeholders. And so for this, we would like to thank you all for your tireless efforts and collaborative spirit. We encourage you to use this report as a springboard for ongoing dialogue and for strengthening our cooperation further. Let's rise to the challenges together and develop solutions for the future.

Thank you as always for your continued interest and support.

The Management of Halfar System GmbH

SUSTAINABILITY REPORT 2022/23

This report has been put together to show you how we integrate sustainability into our day-to-day operations and the strategies we use to make it happen. Here at Halfar System, our concept of sustainable management aligns with the three-pillar model. In the interest of sustainable development, we treat environmental, economic and social objectives all at the same time and with equal importance.

Following a brief introduction to our company, our report addresses the three pillars of economy (product), ecology (nature) and social (people), along with their respective areas of impact: market, environment, community and workplace.



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THE
COMPANY

01

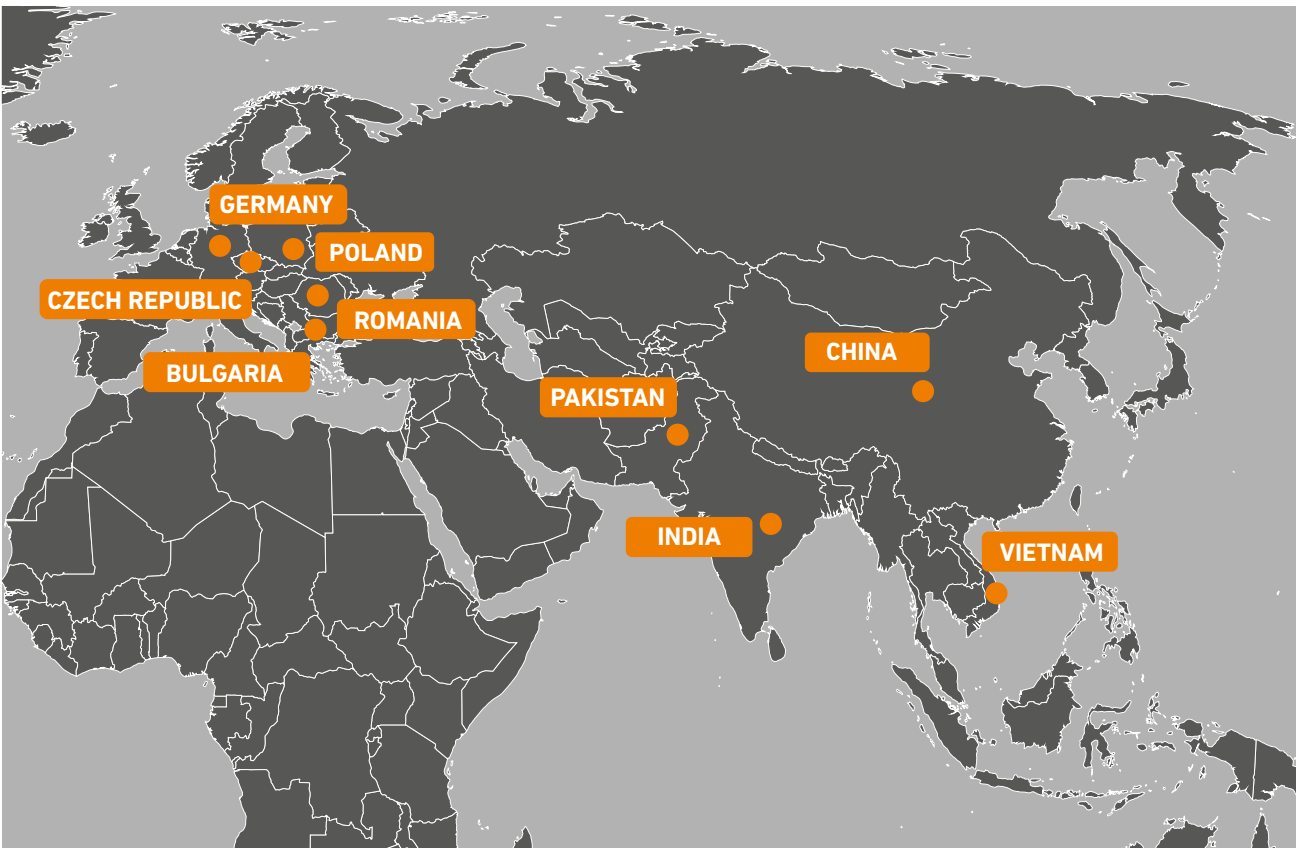


1 ABOUT HALFAR SYSTEM

Halfar System GmbH is a leading company in the development, design and production of promotional bags, technical bags, strap systems and accessories. Founded in 1986, it has operated in its current legal form as a GmbH (equivalent of an LLC under German law) since 1996. Halfar System GmbH is part of JCK Holding, operates two locations in Bielefeld and employs 130 people (2023). Of these, about 45% work in production (sewing, construction, embroidery, warehousing, finishing), with the other 55% in administration and customer advice. Halfar System offers training programmes for seven different professions. Product design, prototyping and sample production take place in Germany, while production itself takes place across Europe and Asia. We ensure that our manufacturing processes align with our corporate, procurement and environmental policies, as well as with the Halfar & amfori BSCI Code of Conduct. Halfar System has been a member of the amfori Business Social Compliance Initiative (amfori BSCI) since 2009, ensuring that our social and labour standards are met and continuously improved by the suppliers working

for Halfar System. We are also in close contact with our parent company when it comes to assessing the risks in our supply chain. JCK has a dedicated team of social compliance experts in Bangladesh, China and Germany. Our Group also includes Labtech Prüfungsgesellschaft mbH – an accredited testing laboratory specialising in textiles, fabrics and consumer goods.

- Management system ✓
- Company policy ✓
- Code of conduct ✓
- Procurement policy ✓
- Environmental management system ✓
- Environmental policy ✓
- Climate strategy ✓



Production across Europe and Asia



1.1 CORPORATE RESPONSIBILITY

Our approach to business is shaped by a sense of responsibility and ethical principles. We are committed to sustainable development that takes into account the needs of individuals, businesses and the environment alike. This is why, in addition to the guidelines applicable to Halfar System, we are also guided by the United Nations Sustainable Development Goals (SDGs). These 17 goals are the core of the 2030 Agenda adopted in 2015 and represent global objectives for sustainable development. They include economic, environmental and social development aspects and are aligned with our own understanding of sustainable development. The SDGs apply to governments and civil society as well as to the private sector and academia. The 2030 Agenda serves as a superstructure under which all structures, processes and ways of thinking and behaving are to be rethought and geared towards sustainable development. In line with our company orientation, size and value system, we see our greatest potential for influence in the following areas and the associated SDGs.



CONSCIOUS AND RESPECTFUL USE OF RE-SOURCES

Halfar System operates sustainably with raw materials and energy and ensures that resources are handled responsibly.

The projects we undertake are always achievable, and include climate protection strategies as well as low-emission mobility solutions, initiatives for employee health, and optimising our (product) range in line with sustainability goals. Through the measures described in the report, we have a direct impact on **SDG 7** affordable and clean energy, **SDG 12** responsible consumption and production, **SDG 13** climate action, and **SDG 8** decent work and economic growth.



DIVERSITY AND TEAMWORK

Just as important to us as the responsible use of resources is our commitment to treating all internal and external stakeholders with respect.

As a socially responsible company, we are committed to upholding human rights and safeguarding people's health. Halfar System is particularly focused on promoting equal opportunities and diversity among its employees. By this we mean that factors such as ethnic origin, religion, nationality, sexual orientation, gender, marital status, age or disability are entirely irrelevant. Through the measures we take, we have a direct impact on **SDG 17** partnerships for the goals, **SDG 10** reduced inequality within and among countries, **SDG 5** gender equality, and **SDG 4** quality education. For clarity, the SDGs are linked to the strategies and measures described in the report.

ALL 17 SDG ELEMENTS



Read more:



1.2 VALUES IN CORPORATE GOVERNANCE



Halfar System strives for the long-term and sustainable continued existence of the company at its Bielefeld site, with due regard for the interests of our owners, employees and customers alike. We also take into account the business, societal and social environment, consider environmental impacts, and comply with the applicable legal and regulatory requirements. When it comes to finding solutions to problems, we consider our suppliers our partners. As for our competitors, we strive to adopt a transparent and constructive approach in our interactions. The workplaces at Halfar System are designed to prevent accidents and health issues. We also consistently ensure compliance with health and safety regulations throughout our supply chain, as far as our influence allows, and our continuous improvement process ensures that both external and internal influences on the development of the company are taken into account.

1.3 INTEGRATION OF INTERNAL AND EXTERNAL STAKEHOLDERS

In the interest of transparency for internal and external stakeholders who are directly or indirectly affected by our operations, we share our codes of conduct and policies openly and without restriction. **Our company stakeholders include:**



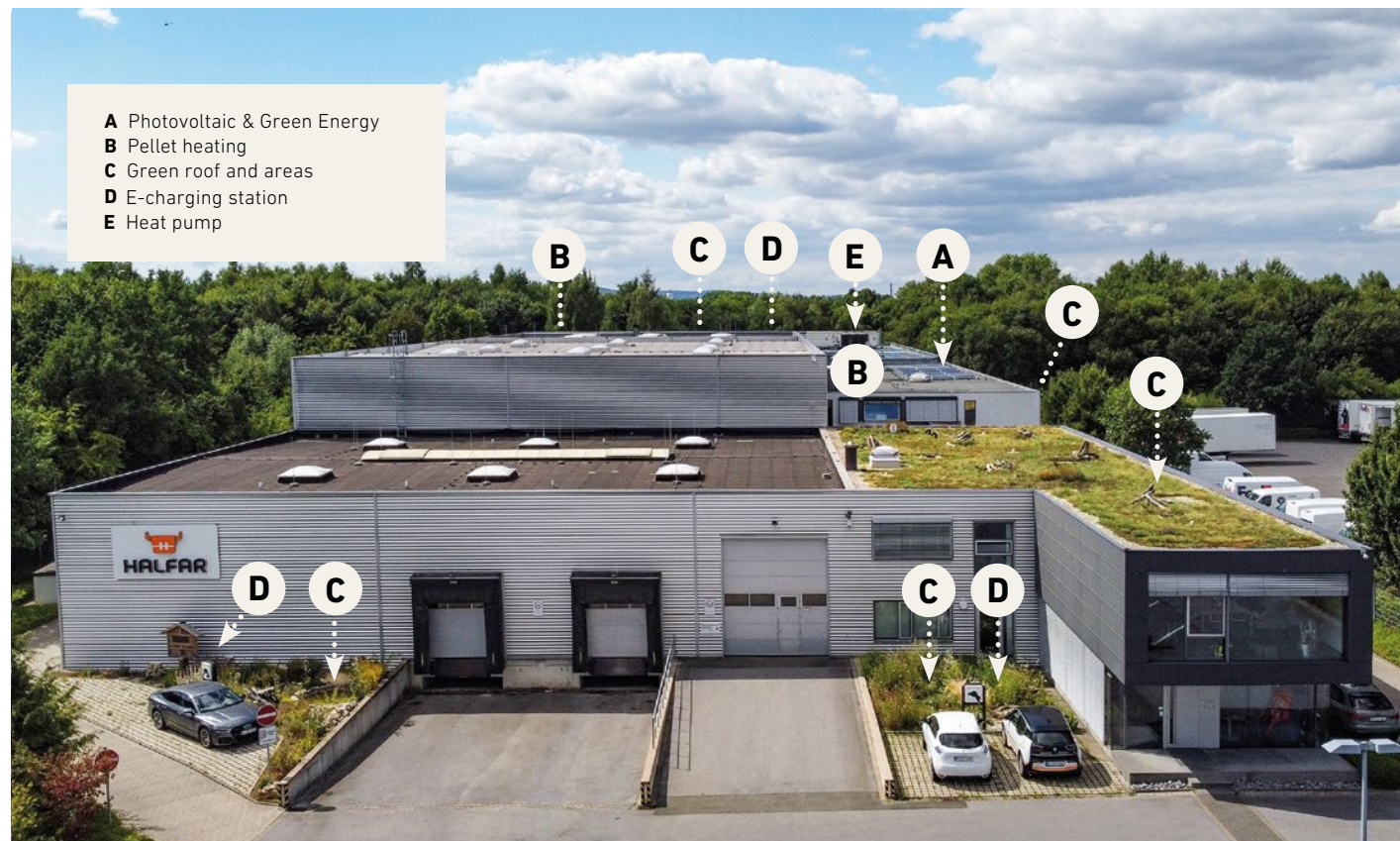
1.4 MEASURES AND TOOLS OF CORPORATE GOVERNANCE

The DIN ISO 9001:2015 management system allows us to create clear processes, identify potential risks, and initiate a continuous improvement process. Our success factors and goals are customer satisfaction, reliability, motivation and identification with the company. We monitor the achievement of these success factors and the objectives derived from them through customer satisfaction analyses, supplier evaluations and annual employee appraisals. In the field of environmental management, we work according to DIN ISO 14001:2015.

We define our CSR measures based on the above standards, the results of our corporate carbon footprint (CCF), and other key figures. We report transparently on this in our Sustainability Report and on our associated (online) channels.



Read more:





THE **PRODUCT**

02 ECONOMY

2 SUSTAINABLE PRODUCTS AND SERVICES

We base the economic success of our company on responsible and sustainable action both within the market and towards all market players. Our focus is on perfecting what works well, adopting a holistic approach to processes, and reconciling economic, ecological and social considerations. Every day, we ask ourselves how we can do more when it comes to increasing the benefits of our products, improving

their quality and durability, and optimising our manufacturing processes. As part of our production processes, we strive to incorporate sustainable criteria into our work at all stages of the supply chain within our control. In addition to our products, we also offer our customers a wide range of sustainable services, from finishing through to logistics and sales support.

2.1 CORE BUSINESS AND OBJECTIVES

Halfar System specialises in bags, backpacks, straps and textile carriers for the commercial market. At our Bielefeld headquarters, we handle the design, full development, pattern creation, prototyping, production and finishing of our bags. We also have many other specialist departments on site that contribute to the success of the company. Halfar System has been making bags for more than 35 years, during which time we have built up extensive expertise.

When developing our products, we take into account the needs of our customers as well as all relevant innovations and trends. Complying with legal regulations in production is just as important to us as considering the impact on people and the environment. Our aim is to deliver products that are not only durable and highly functional, but also entirely fit for purpose and appealing to our customers in terms of both look and feel. After all, HALFAR® products are designed to stand the test of time! To this end, we draw on our own expertise, collaborative discussions with colleagues, stakeholders and partners, as well as insights from scientific research. Wherever new materials, methods and processes allow, we use these to develop our products further and increase their added value. We design them with a clear focus on minimum material consumption, try to avoid waste, and design products that are timeless, durable and as repairable as possible. As early as the development phase, we try to factor in how the raw materials can be recycled at the end of the life cycle. In addition to our direct product range, we also offer and design services that make our solutions even more sustainable and durable. Going forward, we remain committed to our understanding that 'people hold on to attractive, well-crafted products for longer'. We consistently strive to take something good and make it even better!



2.2 INVOLVEMENT OF OUR CUSTOMERS

Our customers are our partners, and ensuring their satisfaction is our top priority. After all, it is only by working closely with our customers that we can achieve sustainable operations, development and growth. This is why we actively communicate our initiatives, offer advice on viable solutions, and collaborate with them to put these into practice. The dynamic interaction provides us with an accurate picture of the market requirements and customer satisfaction levels. As far as feedback goes, we see it as an opportunity to continuously improve our products and service. For this reason, we place great value on fostering good, collaborative, and long-term partnerships based on direct contact and frequent interaction. We pride ourselves on being available to our customers whenever they need us, whether that's digitally or in person.

- | | |
|--|---|
|  ANTISTATIC |  DISINFECTABLE |
|  LOW-EMISSION |  SPLASH-PROOF |
|  FLAME RETARDANT |  BIOCOMPATIBLE |
|  RECYCLED MATERIAL |  REFLECTIVE |
|  ORGANIC COTTON |  ATTRACTIVE ADVERTISING SPACE |
|  PVC-FREE |  VARIETY OF COLORS |

2.3 GENERAL STRATEGIES FOR SUSTAINABLE PRODUCT DEVELOPMENT AT HALFAR SYSTEM

We use a variety of methods and strategies to provide contemporary, durable and sustainable products and services, tracking their success every step of the way. We can then take our findings into account when developing new solutions. Here, we outline our key approaches to sustainable product development at Halfar System and introduce further Halfar System solutions using the example of our stock range.

RESOURCE-EFFICIENT PRODUCT DESIGN

Resource-efficient product design is the foundation of a sustainable product. It focuses on effectively leveraging durable, high-quality materials, minimising material consumption, and making the production process as smooth and resource-efficient as possible. In addition to focusing on the product's appearance, the design also optimises its functionality and durability, including the cutting and layering patterns.



DURABILITY AND REPAIRABILITY



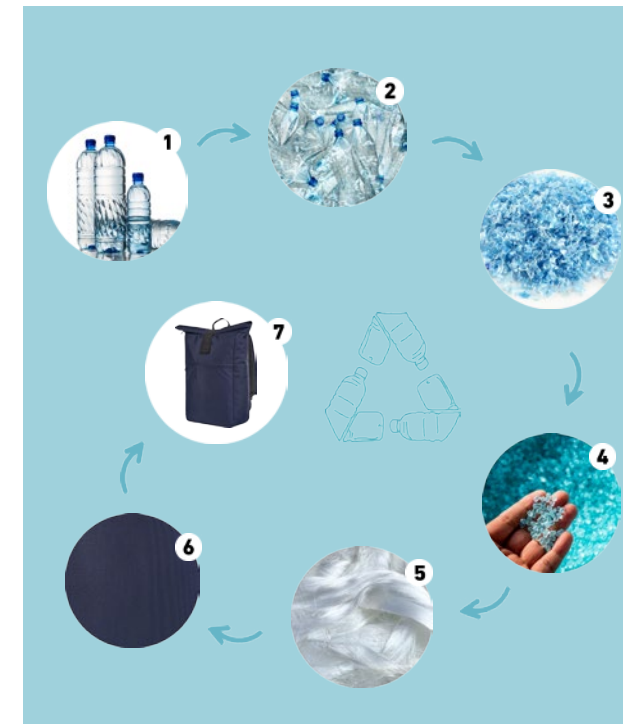
The story is the same for all of our products: the longer they are in use, the better their overall footprint. We take this into account throughout the entire development process. Design, function, correct material selection, quality assurance and logistics are all based on the Halfar durability principle.

In the interest of sustainability, durable products cut down on resource consumption and the generation of waste. Also, if products are designed to be repairable, this extends their potential lifespan, reduces environmental impact and promotes a culture of reuse and repurposing. Our repair service has been open to all users of our bags and backpacks since 2021 – more details on page 25. After all, fixing things is better than throwing them away!

USE OF RENEWABLE RAW MATERIALS

The use of renewable raw materials offers an opportunity to reduce the use of environmentally harmful plastics. Nevertheless, it is important to note that renewable raw materials are also limited resources, which makes it all the more important to treat them carefully. With this in mind, we take a number of parameters into account when deciding on a certain raw material, including whether the chosen option is fundamentally suitable for the intended purpose. This allows us to ensure that the product can be used for a long time.

FROM OLD TO NEW – USE OF RECYCLED MATERIALS



In times of scarce resources and environmental pressures, the use of recycled materials offers a compelling alternative to producing new ones. Fabrics made from or with recycled plastic waste help reduce resource consumption by avoiding the use of new fos-

sil fuels like petroleum and by cutting down on the water consumption associated with growing new cotton. This ideally helps to save emissions and resources while keeping them in circulation for the long term.

One of the best known recycling materials is rPET (recycled polythene terephthalate), which is obtained from used plastics. As part of the recycling process, the collected, sorted, cleaned and subsequently granulated plastic base materials are processed into new synthetic fibres, among other uses. These in turn produce new and robust flat fabrics that are also suitable for technical applications and heavier loads. In the context of using recycled synthetic fibre fabrics, we use the GRS label (see page 37), which looks at the entire production chain of recycled materials. Halfar System has been GRS certified since 2021.



Read more:

UPCYCLING OF EXISTING CUSTOMER MATERIALS

Another approach, often chosen for its emotional appeal, is upcycling. This is where we process the customer's materials and use them to create bespoke new bag designs. Depending on the material, this can be implemented with the help of our bag design kit or as a special production. The upcycling approach makes it possible to continue to use material that has already been used or is not suitable for any another purpose. If the material is suitable for bag production, it is possible not only to significantly extend its life cycle, but also to avoid the production of new material and the generation of waste. For materials that have already used up considerable energy and aren't suitable for other forms of recycling, upcycling them into a bag can be a viable and sustainable option.



Encounters with airbags are (fortunately) rare for ordinary people. It's different if you're a manufacturer of airbags. A Swedish company had the unusual idea of designing bags using airbag material.

PRODUCTION AT EUROPEAN SITES

Another option is to carry out production at our European facilities, which can be a sustainable alternative depending on the batch size and product type. The shorter transportation distances and reduced carbon emissions have a particularly positive effect on the product's environmental impact. Speed and security of supply can also play a role in the decision to manufacture in Europe.



STOCK RANGE

PVC-FREE



For years now, we have been trying to avoid the use of PVC in our product range and to continuously reduce the number of existing articles. In cases where we still use materials with PVC content due to their special properties, we take great care to only use clean materials that are low in harmful substances, legally compliant, and safe for use.

PACKAGING

Optimised packaging based on the principle of resource efficiency can also help reduce product emissions. Our approach when developing our product range includes using easily recyclable packaging and minimising how much is used without compromising our high standards for product protection and safety (see page 29 for details on our packaging optimisation project).

REDUCING AND OFFSETTING EMISSIONS

Despite our extensive efforts to make our stock more sustainable, the production of our bags still generates emissions that we cannot fully eliminate through optimisation measures. We therefore make a financial contribution to climate efforts as a way to offset these unavoidable emissions, which relate to our entire stock. These funds are channelled into climate protection projects, especially in the countries that produce our products, and contribute to the expansion of renewable energies and plenty more besides.



2.4 PRODUCT DEVELOPMENT AND QUALITY ASSURANCE

Halfar System is about solutions, which means we offer so much more than just a product. Our services and solutions represent fundamental aspects of the comprehensive package we provide. They contribute in important ways to making our products even more holistic, more durable and better for the environment. For us, it's simply second nature to consider the entire life cycle – from concept, material use and design

through to usage, transport and disposal. Ensuring safety and durability also plays an important role. In this way, we can be sure to create sustainable services alongside our products, benefiting our customers and the environment alike.

GENERAL MEASURES

As an DIN ISO 9001:2015 certified company, we follow defined and regularly audited processes in product development, purchasing and finishing. In this way, we ensure that sustainable innovations, key trends and customer feedback are incorporated into our developments and processes. The following sections delve into specific measures within our general product development process, all of which help to minimise the environmental impact of our products.

IN-HOUSE PRODUCT DEVELOPMENT, PROTOTYPING AND INDUSTRIAL PROPERTY RIGHTS

At Halfar System, we develop our products entirely from scratch, with over 20,000 styles already under our belt. Our in-house design combines our research, ideas and solutions into a cohesive whole. Customer requirements and new innovations are brought to life for the first time, eventually taking shape in three dimensions at the prototype stage. Bags for special applications and new innovative solutions are prototyped directly at our Bielefeld site. With 3D printing, CAD-based pattern creation, state-of-the-art infrastructure and the expertise of our employees, we are able to produce our prototypes directly on site and test them together with our customers to ensure optimal functionality. Our prototype development in Bielefeld

WE ALWAYS TAKE EXTRA CARE TO:

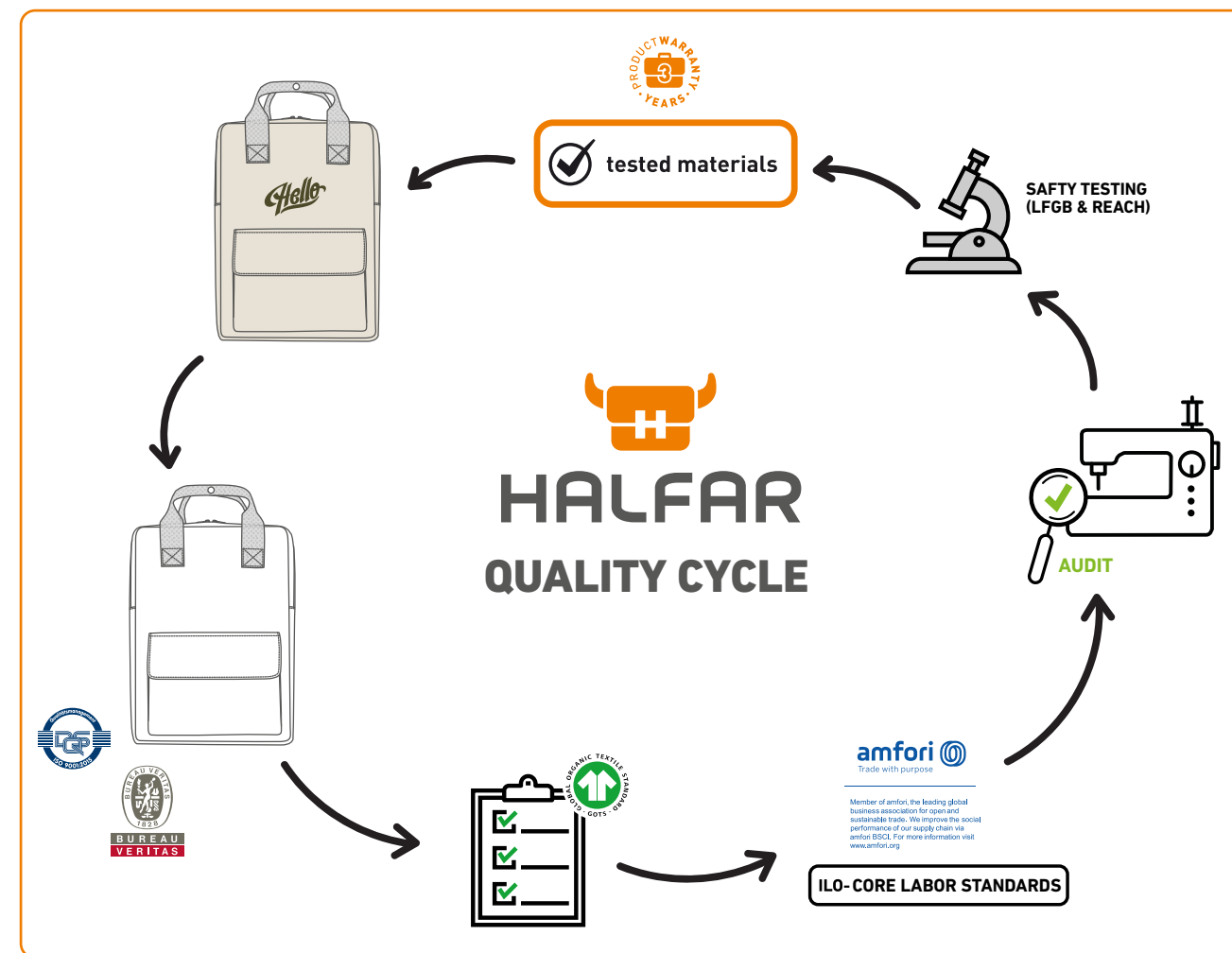
1. Select materials that are environmentally friendly, durable and capable of withstanding heavy use, in line with customer requirements. We are also pay attention to the economical use of materials while ensuring our products are compliant with relevant standards and ready for market.
2. Ensure our production and logistics processes are as efficient as possible in terms of both energy and resources.
3. Check that our production facilities comply with guidelines for decent working conditions to ensure that our products are not made in exploitative conditions.

is complemented by further local prototype facilities at our production sites across Europe and Asia, which allows us to maximise our innovation capacity, production reliability and speed. We are committed to ensuring that intellectual property is fully protected and preserved. As a company, we respect the intellectual property rights of third parties, including designs, utility models and patents, and ensure that our own industrial property rights are not infringed.

HALFAR TESTING SYSTEM

We ensure that our products and services are ready for market, which means they not only comply with legal requirements, but also often exceed them. Our products are tested for harmful substances by means of an extensive testing system. This means, for instance, we contractually require our suppliers to ensure that none of their supplied goods and products, including packaging materials, contain substances of very high concern (SVHCs) above 0.1% by weight, as defined by the applicable regulations and candidate list at the time of production in accordance with Article 33 of the REACH Regulation. We check compliance with this obligation

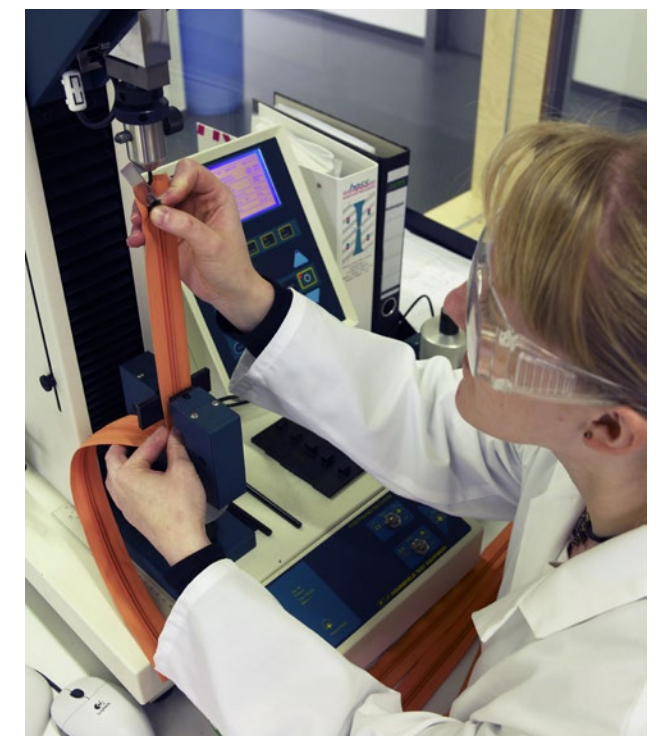
with the involvement of independent accredited laboratories. On the basis of our Halfar testing system, we can also ensure compliance with special industry-specific standards and specifications for our customers on request. Additional tests include the ones we run on the physical and mechanical properties of our products, as well as the durability of the material and workmanship. While we already have our own infrastructure in place for this, we also draw on the expertise of accredited testing laboratories as required.



PRODUCT QUALITY ASSURANCE

In addition to the chemical and physical tests, we also check the quality and processing of our products at the factory. Our material suppliers and factories are obliged to ensure that the Halfar specifications are met. Halfar quality inspectors check compliance with the requirements in accordance with the AQL (acceptable quality level) standard. Adherence to Halfar's quality benchmarks is monitored through spot checks, with the results from the representative samples compared with pre-defined acceptance criteria. If the Halfar quality requirements are not met, the appropriate corrective action is initiated. This process allows us to ensure that the manufactured products meet Halfar quality standards. We also take care to strike an

appropriate balance between quality assurance and production costs, and ensure we use raw materials and resources sensibly. In addition to the direct checks during and after production, we check the goods arriving in Bielefeld again for compliance with other quality criteria. For this purpose, we have established a cross-departmental quality team that is dedicated to other quality-relevant topics in addition to the tests. The aim of this collaboration is to identify sources of problems, develop and implement solutions, and transfer the findings to the specialist departments upstream. In this way, risk factors can be avoided or eliminated.



2.5 LOGISTICS, TRANSPORT CONTROL AND PACKAGING OPTIMISATION

Our approach to strategic procurement and manufacturing in Asia involves careful consideration of spatial and timing factors. The aim here is to streamline and manage the flow of goods to ensure a smooth and continuous supply. We mitigate any logistical risks by carefully planning ahead, and strive to make optimum use of freight capacities. This not only prevents costs, but also ensures that emissions are reduced to a minimum. In the same way, we optimise transport to and from our European manufacturing facilities. Our logistics focus on maximising load efficiency, avoiding empty runs, and preserving resources as key metrics. The availability of storage facilities is also essential for efficient planning of production and procurement. In line with our corporate focus on sustainability, we have invested in a large logistics warehouse. With 7,102 m² of floor space and 11,300 available pallet spaces, not to mention its ideal location in the heart of the largest market in Germany, it has offered optimal conditions that also benefit the environment ever since it opened in 2019. The warehouse was built with sustainability in mind, resulting in significant carbon reductions from the outset.

What's more, by consolidating warehouses, we have been able to achieve a considerable reduction in travel distances. Add to this an above-average building insulation, which is 20% better than the required building specifications, an energy-efficient eco-gas heating system, and a PV system with an output of 70 kWp in combination with a 24 kWh electricity storage system, and we can now count on environmentally friendly and energy-efficient operation at the new site (read more on pages 47 and 51). Since 2017, we have been calculating the emission values for unavoidable transport and allocating the resulting funds to finance our green spaces, among other initiatives. From green roofs to renatured green spaces and ecological compensation areas at our logistics facility, we have been able to convert a vast area in the interest of biodiversity (see pages 50–51 for more). Since 2022, we have gone above and beyond Halfar System's own offsetting methods and are making a financial contribution to climate action for our entire range of promotional stock (see pages 30–31).



2.6 FINISHING SERVICE

We make our bags for our customers. This means that, in addition to the basic product characteristics, the option of personalisation and customisation play an important role in our product development. Halfar System offers a variety of finishing options, which we also continuously improve in the course of the sustainable development of our products. Many of our processes are already particularly sustainable, but we continue to work closely with service providers of Halfar System GmbH to make further improvements where we can. Our largest service provider (the integration company described on page 57), for example, has been printing solvent-free for several years and has now switched to water-based paints. Time and again, we also succeed in finding new sustainable solutions in the field of finishing. One such example can be seen in the launch of our innovative new process that combines bag and advertising in a new way to save both time and resources: HALFAR FAST LANE®. Together with the FRAME series, Halfar System won the Promotional Gift Award in 2020.



2.7 HALFAR REPAIR SERVICE



HALFAR® bags and backpacks are designed to make you happy for a long time. That's why we pay so much attention to meeting high quality standards in design, material selection and processing. In the event that a HALFAR® product does somehow break, tear a seam or develop a closure malfunction during use, even after the statutory warranty, we can repair this with the HALFAR® repair service. We have various spare parts and materials for bags in stock. But most importantly of all, we have the necessary expertise. Our service allows us to extend the life cycle of the articles and make them fit for use again. Since we know that not every manufacturer is fortunate enough to have access to the same infrastructure as Halfar System, we also offer this service to third-party products to a reasonable extent.

2.8 SUSTAINABLE RANGE PLANNING

Halfar System designs and produces models for special applications. For the advertising media market, we offer a specially optimised range directly from stock. From minimalistic organic cotton bags through to elaborate business backpacks, our models showcase customer logos, provide a handy day-to-day companion for the people who use them, and physically convey the appreciation of the company that provided them.

The advertising media market is not historically known for providing particularly sustainable goods; however, Halfar System has been distancing itself from this reputation for decades with a targeted sustainability strategy with regard to the company, products and supply chains. The promotional bags are distributed via the promotional goods wholesale trade. With this product range, the sustainable strategies and the success of our product-specific measures can be well illustrated.



RECYCLED



REFLECTIVE



WEATHERPROOF



NATURAL

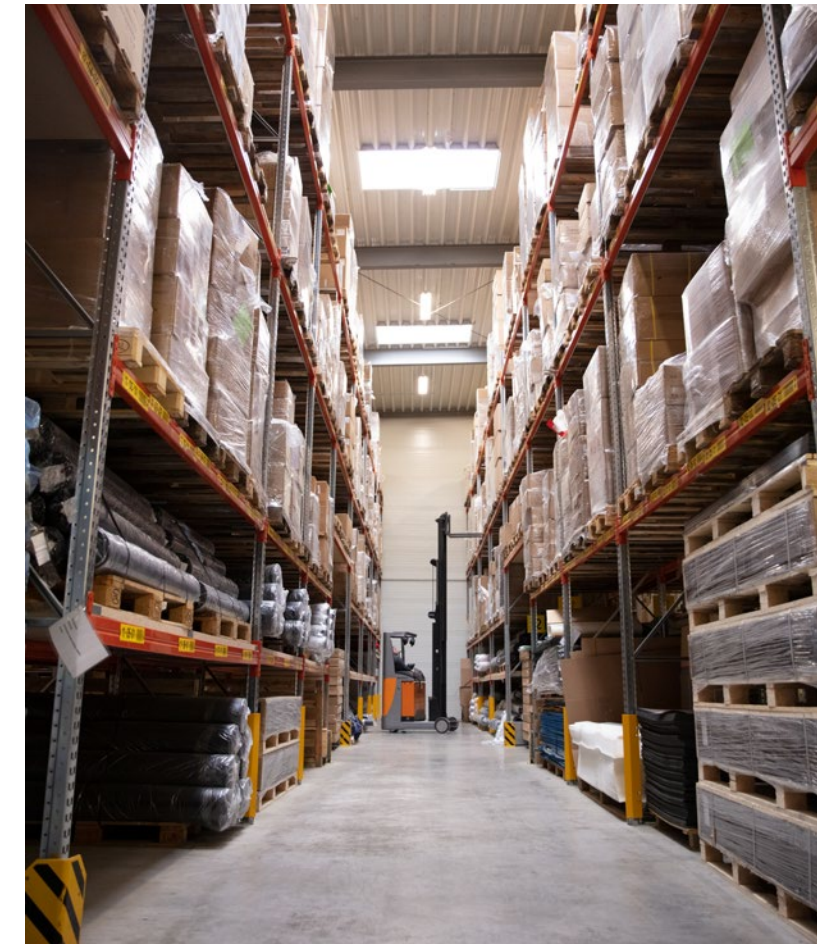


FUNCTIONAL



IDEA AND OBJECTIVES FOR THE STOCK RANGE

The Halfar stock range is geared to the needs of our customers, offering functional, durable and appealing products for many applications, target groups and price points. In 2024, our range of products for promotional use now includes 223 different models, available in up to twelve colours. We steer clear of any products that are unnecessary, short-lived, or produced under questionable circumstances. We stock up to 4 million parts for our customers in our state-of-the-art logistics centre, with our product development and sourcing following integrated, eco-friendly approaches to ensure sustainable business practices. Starting with in-house design, optimised logistics and the offsetting of unavoidable emissions, we work continuously to conserve resources and keep the ecological footprint of our warehouse products as small as possible (see page 18 onwards). We also go to great lengths to constantly incorporate new possibilities, scientific findings and the latest technologies into our work.



HOLISTIC APPROACH – CONTINUOUS RANGE EVOLUTION

For over 10 years now, we have been continuously working on the further development of our warehouse programme in line with our sustainability strategy. Our focus remains on the approaches detailed in the previous chapter, as we methodically pursue our goals without being distracted by passing trends. We disregard any seemingly sustainable innovations that currently lack real ecological value or practicality, although we do keep an eye on how they evolve. Examples include composites of renewable, natural raw materials with plastics or adhesives, which are currently not recyclable. If a technology or material develops that is more sustainable and scalable compared to the current standard, we take this innovation into account in our product range development and make

it accessible to our customers in this way. Any new solution must also allow us to present our customers with a cost-effective alternative to the current market options, ensuring that the innovation truly influences and benefits the market. We work with a wide range of partners to find solutions like these, from material suppliers and laboratories through to universities. By working closely with our partner companies and many other stakeholders, we maintain a constant exchange on topics of sustainability and product development, allowing us to develop a whole host of exciting and award-winning concepts and models. Two of these are presented overleaf.

MEASURE 1:


MODIFYING MODELS TO CUT DOWN ON EMISSIONS

HALFAR® BASKETS



Step 1:


The SOFTBASKET refrigerated shopper developed by Halfar is a modern and low-emission update to the classic and very successful BASKET (refrigerated) shopper. In addition to its practical and flexible use, the SOFTBASKET is characterised in particular by its ecological advantages. The elimination of a rigid aluminium frame reduces the material and energy consumption in production and thus represents an important environmental added value. In addition to space-saving storage, the new flexible design also enables the transport of bulky objects. In 2022, the first model of the low-emission SOFTBASKETS was awarded the Promotional Gift Award.

- 

Conservation of resources

Step 2:


A variant of the award-winning model, crafted from recycled materials and without the cooling function, was subsequently introduced. With its variety of colours, the flexible SOFTBASKET shopper, striking and attractively priced, promotes the use of versatile returnable shoppers instead of short-lived bags.

- 

Use of recycled materials

Step 3:

Halfar has also developed a solution for lovers of the classic BASKET models made of recycled felt or those with a sturdy aluminium frame. The inlay, which is specially adapted for the BASKETs, makes it easier to remove dirt from the base area and thus significantly increase the useful life of the product. This not only helps conserve resources but also encourages long-term use of the promotional item.

- 

Extension of the life cycle



MEASURE 2:

OPTIMISING STOCK PACKAGING TO SAVE EMISSIONS

In the past, we have dispensed with unnecessary decorative packaging and simply shipped our goods in transport packaging made of recyclable materials. This has allowed us to recycle most of the packaging waste generated at our site. Also, by unpacking the goods before processing, we have the opportunity to strategically transfer a large proportion of the protective packaging necessary for quality assurance during the import of the goods to the recycling system. In this way, the raw materials can be reused. We have no influence over what happens to the transport packaging if we ship the goods neutrally, i.e. without our own branding applied, so this prompted us to take another

look at how we can optimise our packaging. After initial success in reducing single-use plastic packaging for our cotton bags, we were able to save about 20 tons of plastic packaging by extensively reviewing, optimising and adapting the transport packaging of our entire stock based on the 2022 imports. The reason for this positive result was that, in 2022, we received more than 70% of our stock items without individual single-use plastic bags. The benefits of plastic savings are also reflected in the figures for our waste management statistics. Despite steadily increasing business operations, the total weight of plastic waste decreased by 54% from 2022 to 2023.

TRENDS IN PLASTIC WASTE AT HALFAR SYSTEM				
	2020	2021	2022	2023
Total in tons	11.48	12.21	12.59	5.8


-54% after optimising our packaging

KEY FIGURES OF THE STOCK RANGE – RESULTS OF MEASURES TAKEN

As we have outlined here, we are constantly developing our entire stock range. This includes continuously expanding the proportion of PVC-free models and increasing the proportion of models made from or with renewable raw materials, as well as recycled materials. As a general rule, our approach focuses on relevance and practicality.

Depending on the intended use, desired functionality and expected impact, each option is weighed up and implemented to the best possible extent in line with our sustainability principles. In terms of figures, this translates as follows:

STOCK RANGE	2018	2019	2020	2021	2022	2023	2024
Proportion of PVC-free bags	45%	54%	62%	66%	67%	71%	74%
Proportion of bags with/from renewable raw materials	N/A	9%	15%	19%	17%	16%	16%
Proportion of bags with/from recycled materials	N/A	N/A	4%	11%	15%	19%	21%

OFFSETTING ALL UNAVOIDABLE EMISSIONS IN THE STOCK RANGE



SOLAR ENERGY IN BHADLA, INDIA

With only 31 rainy days per year and an average of ten hours of sunshine per day, the Jodhpur region in Rajasthan has a desert-like climate. Here in northern India, this project generates electricity from solar energy. With annual carbon savings of around 779,930 tons, it makes a valuable contribution to climate protection, as the 832,550 MWh produced here would otherwise have been generated by thermal or fossil fuel power plants. In this way, the solar project contributes to increasing the share of renewable energy in India's electricity mix and improves the national energy supply. Since we also have production facilities in India, improving the electricity mix is also directly related to our products, enabling us to have an impact in a place that we would not otherwise be able to access. What's more, the project promotes the development of infrastructure in the region, such as the expansion and improvement of roads. The project creates lasting regional jobs with higher incomes than usual in the region and so also aligns with the core values of Halfar System.



Read more:



How does greenhouse gas offsetting work?

Before the offsetting process begins, the greenhouse gases first have to be measured and calculated. This involves defining system limits and determining the level of emissions within these limits. In this way, a carbon footprint is obtained, measured in CO₂equivalents. The calculated emissions are then offset in certified climate protection projects. To this end, we select projects that are implemented in the countries where our bags are produced.

Our aim is to support initiatives in areas where the production of our bags generates some emissions and where, as a company of our size, we have limited other means of influence. We work together with ClimatePartner for carbon accounting, project selection and offsetting. We use the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard as the accounting basis for our Halfar products. This is an internationally recognised standard that sets out clear criteria for the creation of a Product Carbon Footprint (PCF). A PCF determined in accordance with this standard refers to the life cycle of a product. The scope of the evaluation specified which life cycle phases and processes were taken into account in the accounting.

According to the cradle-to-customer plus waste approach adopted by Halfar System, all emissions from the extraction of raw materials, transport, production processes and packaging through to delivery to customers plus product disposal are considered. The only emissions not taken into account are those generated during use by the end customer, as these cannot be clearly defined or recorded. The ClimatePartner home page provides transparent information about the projects funded by our climate contributions. Apart from prioritising projects based in the countries where our bags are manufactured, we also strive to select those expected to have a lasting positive impact on the environment. This project represents an excellent example.

In addition to the measures already described to reduce emissions, we have been offsetting the unavoidable emissions from our stock items since 2022 using the cradle-to-customer plus waste approach.

Why do we still offset greenhouse gases despite this often being labelled as 'greenwashing'?

Even after implementing all economically feasible measures to reduce and avoid greenhouse gases, we still face unavoidable emissions from both the production of our bags and our business operations. We are aware that these emissions contribute to increasing the greenhouse gas effect and further global warming. This is why we have decided to offset these currently unavoidable emissions through certified climate protection projects and take responsibility in a practical and achievable way.

2.9 ETHICAL PRINCIPLES, HUMAN RIGHTS AND RESPONSIBILITY IN THE SUPPLY CHAIN



Halfar System sees itself as part of a changing global economy. This opens up opportunities, but also increases the level of complexity in the supply chain, making it all the more important for us to create clarity and recognise risks. As a socially responsible company, Halfar System is committed to upholding human rights and safeguarding the health of its employees. Production takes place at various locations depending on the task, objective and scope, with a particular focus on European and Asian production sites. In cooperation with our factories, suppliers and service providers, we expect everyone to respect human rights, ensure occupational health and safety, and follow all social standards set out by the International Labour Organisation (ILO), as well as any additional regulations and laws applicable in the respective countries.

Since 2009, Halfar System has been a member of amfori BSCI (Business Social Compliance Initiative), a major European company initiative to improve working conditions in global supply chains. A central pillar in this context is the amfori BSCI Code of Conduct, which all members agree to abide by. It is available in several languages and based on international labour standards to protect workers' rights as defined by the International Labour Organisation (ILO), the United Nations (UN) Guiding Principles on Business and Human Rights, and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. The code lists 11 core labour rights that the initiative's participants are encouraged to implement, including in their supply chain.

Regardless of the certification status, our suppliers confirm their compliance with the principles and values of the amfori BSCI by signing the code of conduct (CoC). Our partners are committed to ensuring that all stakeholders in the supply chain, including raw material suppliers and subcontractors, confirm, implement and respect the content of the code of conduct. In the course of visits and audits, we check compliance either ourselves or through third-party service providers to support factories in high-risk countries with amfori BSCI business audits. This ensures that our suppliers comply with the applicable laws and do not create precarious employment relationships. It also allows us to determine whether the quality assurance measures and social standards are implemented in line with requirements. To achieve this, our direct suppliers must contractually

commit to allowing Halfar System or an independent auditor appointed by us to carry out audits at their facility and, if necessary, at any subcontractors' sites. The results of the audits as well as other key figures are taken into account in a supplier evaluation. In addition to evaluating the facilities, we also conduct a risk assessment for the respective production countries in line with the Supply Chain Due Diligence Act (LkSG). Our management system (DIN ISO 9001:2015) allows us to assess the risks that can potentially disrupt or otherwise affect our supply chain. This proactive approach allows us as a company to take appropriate measures to mitigate or avoid risk. We achieve this by strategically managing our supplier base, implementing safety standards and developing contingency plans.

PROCUREMENT KPIs

Halfar System is certified according to various standards aligned with its product portfolio. The same is true for the majority of the facilities we work with. In any case, however, we require all our suppliers to comply with the



criteria of the amfori BSCI Code of Conduct/ILO Core Labour Standards. The additional certification structure in our supply chain for 2024 is as follows:

100% **OF OUR TOP 15 SUPPLIERS**
are certified according to BSCI and/or an equivalent internationally recognised social standard.

33% **OF OUR TOP 15 SUPPLIERS**
are also certified according to GRS.

83% **OF OUR SUPPLIERS**
who manufacture goods made of natural fibres for us are certified according to GOTS.

100% **OF OUR TOP 15 SUPPLIERS**
who manufacture goods made of natural fibres for us are certified according to GOTS.

MONITORING AND REMEDIAL MEASURES

Through regular monitoring and the implementation of specific remedial measures, major infringements can usually be prevented. Beyond that, understanding deviations allows us to initiate targeted further measures such as employee training or process improvements. This is how we ensure that any corrections are effective and result in sustainable improvements. These monitoring and remedial measures help to strengthen the integrity of our supply chain and ensure compliance with legal and ethical standards.

CORRUPTION, CONFLICTS OF INTEREST AND GIFTS

In everyday business life, an employee may get into a conflict that mixes business and private interests, making it difficult to make decisions in the company's best interests. Halfar employees are committed to avoiding any undue influence on their business decisions through gifts or other benefits. This means that any gifts and other benefits that go beyond the usual scope should not be accepted. If Halfar employees are affected by a conflict of interest or aware of infringements of agreed rules, the appropriate line manager or supervisor must be informed immediately in order to find a swift solution. Any conflicts or concerns regarding operations within the company may (and should) also be addressed openly and without reservation. Various channels are available for Halfar employees to do this, either directly or anonymously.



WHISTLEBLOWING CHANNEL FOR MISCONDUCT

In the event that any misconduct does occur within the supply chain, we have set up a dedicated whistleblowing channel to ensure that third parties can bring them to our attention. This can be accessed online. Our supplier agreements ensure that employees of the facilities that manufacture our bags are also aware of this channel and that the information is displayed locally in an accessible manner.




EXTERNAL CERTIFICATIONS AND STANDARDS



Generally speaking, external labels can enhance the sustainability of the entire supply chain. These are awarded by independent organisations that specialise in reviewing environmental and social standards of supply chains and have the necessary infrastructure to do so. External labels make it more feasible to ensure safety even in upstream parts of the supply chain and to minimise risks related to environmental violations, labour law breaches and other ethical issues. External labels provide uniform standards for environmental and social responsibility that must be met by certified companies.

This facilitates the assessment and selection of suppliers for products where differentiation based on other parameters is limited and the potential for exploitation in long supply chains is high. The use of such labels also signals to customers and stakeholders that the products or services meet certain criteria that are open to all stakeholders and are verified through regular and independent auditing. This increases credibility and trust, which is why we use a selection of recognised standards at Halfar System that are particularly suitable for our company and product portfolio. We also label our stock with the 'HALFAR tested material' seal, which confirms the suitability of our goods for market. The following pages provide an overview of the most relevant labels we use:

2.10 PROVEN SUSTAINABILITY

LABEL OVERVIEW

LABEL	EXPLANATION
	<p>TESTED MATERIALS</p> <p>“Tested materials” is more than just a sign of the quality of our bags – it is based on an intelligent, comprehensive quality assurance system confirmed by the renowned Bureau Veritas. This independent laboratory tests bags and backpacks before, during and after production at test facilities in Germany and China. Particular attention is paid to the safety and legal conformity of the materials used. Chemical ingredients in particular must comply with the relevant EU directives (including LFGB and REACH). The assessment also includes checking physical and mechanical properties as well as the durability of the materials and workmanship (such as the light resistance and load capacity). Another crucial factor is the social interaction with personnel at the production facilities in Asia, which is underpinned by our amfori BSCI social standards.</p>
	<p>GOTS</p> <p>The Global Organic Textile Standard (GOTS) is a globally applied standard for processing textiles made from organic natural fibres. It defines environmental requirements along the entire textile production chain, as well as strict social criteria. Compliance is confirmed by independent, accredited testing institutes based on the GOTS monitoring system.</p> <p>Halfar has been certified according to the Global Organic Textile Standard (GOTS) (CU1047624) since 2017.</p>
	<p>FAIRTRADE</p> <p>Fairtrade refers to goods that have been produced on the basis of fair trade and that have met certain social, environmental and economic criteria. Products bearing the Fairtrade label enable small farmers' cooperatives to achieve more stable prices and long-term trading relationships. Both farmers and employees on plantations receive an additional Fairtrade premium for joint projects. The standards also contain criteria for democratic organisational structures, environmental protection and safe working conditions. The checks are carried out by FLOCERT.</p> <p>Source: www.fairtrade-deutschland.de</p>

LABEL	EXPLANATION
	<p>STANDARD 100 BY OEKO-TEX®</p> <p>The STANDARD 100 by OEKO-TEX® is a globally standardised, independent testing and certification system for textile raw, intermediate and end products in all processing stages as well as used accessory materials. The central requirement is the development of test criteria, limit values and test methods on a scientific basis. It is based on a comprehensive and rigorous catalogue of measures with several hundred regulated individual substances. Discussions and developments deemed relevant are taken into account as soon and as effectively as possible in updates of the STANDARD 100 by OEKO-TEX® requirements. In many cases, test criteria and limit values go far beyond national and international requirements. Extensive product inspections and regular company audits also ensure that the industry is made aware of the responsible use of chemicals in a sustainable manner worldwide.</p> <p>Source: www.oeko-tex.com</p>
	<p>GLOBAL RECYCLED STANDARD (GRS)</p> <p>The Global Recycled Standard (GRS) was developed in 2008 by Control Union Certifications and has been managed by the Textile Exchange since 1 January 2011. The GRS is an international, voluntary, full-fledged product standard that sets requirements for independent certification of recycled materials, the product chain, social and environmental practices, and chemical restrictions. The aim of the GRS is to meet the requirements of companies that want to check the recycling content of their (finished and intermediate) products and to ensure that the social, environmental and chemical regulations defined by the GRS standard are met in production. The GRS standard, like the GOTS, covers all stages of the production and retail chain.</p> <p>Products that are certified to the Global Recycled Standard (GRS) contain (independently) verified recycled content. In addition, certified organisations have met social, environmental and chemical requirements (at every stage of the supply chain), from the recycling company to the final product.</p> <p>Halfar has been certified according to the Global Recycled Standard (GRS) since 2021 (CU1047624).</p>

ENVIRON- MENT

03 ECOLOGY

3. GENERAL INTRODUCTION

We are aware that our business activities have an impact on the environment, which is why we consider this very carefully in every decision we make. Our company headquarters is the focus of our daily operations and is therefore also the starting point of our sustainability measures. This building was designed with sustainability in mind from the initial concept phase. The offices face north to counteract unnecessary heat development, and state-of-the-art structural measures for sustainable management have been incorporated or retrofitted in all new building sections. Today, photovoltaics, pellet heating, modern LED lighting systems, outdoor shading, green roofs, additional insulation and water cooling in the ceiling create a pleasant indoor climate and significantly lower emissions than in conventionally operated buildings. Our external warehouse, which was put into operation in 2019, also meets these criteria.



We have also repeatedly been recognised as an 'ÖKO-PROFIT' company. The **ÖKOPROFIT** label designates an 'ecological project for integrated environmental technology' – an initiative funded by the Ministry of the Environment in North Rhine-Westphalia. It enables participating companies to work with experts, municipalities and associations to develop and implement effective solutions for saving energy, water and waste. As part of the ÖKOPROFIT project, we started identifying improvement opportunities over 10 years ago and initially focused on implementing smaller measures. These included using recycled paper and installing flow restrictors as well as gradually upgrading and expanding our lighting systems. Major measures followed in the course of the building extensions, such as the installation of a photovoltaic system, the construction of a pellet heating system and the greening of various areas on the company premises (see pages 69–71: Milestones and history). The following pages outline key figures and measures on various topics.

As a **ClimatePartner-certified** company, we have recorded our greenhouse gas emissions and defined reduction targets, which we are continuously implementing.

We know we cannot avoid emissions entirely, so we offset these by contributing to climate protection projects.

We communicate transparently about these steps through the ClimatePartner-certified label and the associated Climate ID website. More on this on pages 30–31 and 42–43.



For more information on memberships and the Halfar climate strategy, visit: <https://en.halfar.com/about-us/sustainability/climate-strategy>



Read more:

3.1 STRATEGIES AND CERTIFICATIONS

As part of our environmental policy, we strive for the highest possible resource efficiency and the most sustainable product benefits for our customers. This notably includes the following topics:

1. Greenhouse gas emissions
2. Water use
3. Handling of chemicals
4. Biodiversity
5. Use of resources
6. Waste management
7. Waste water treatment
8. Prevention and management of major incidents

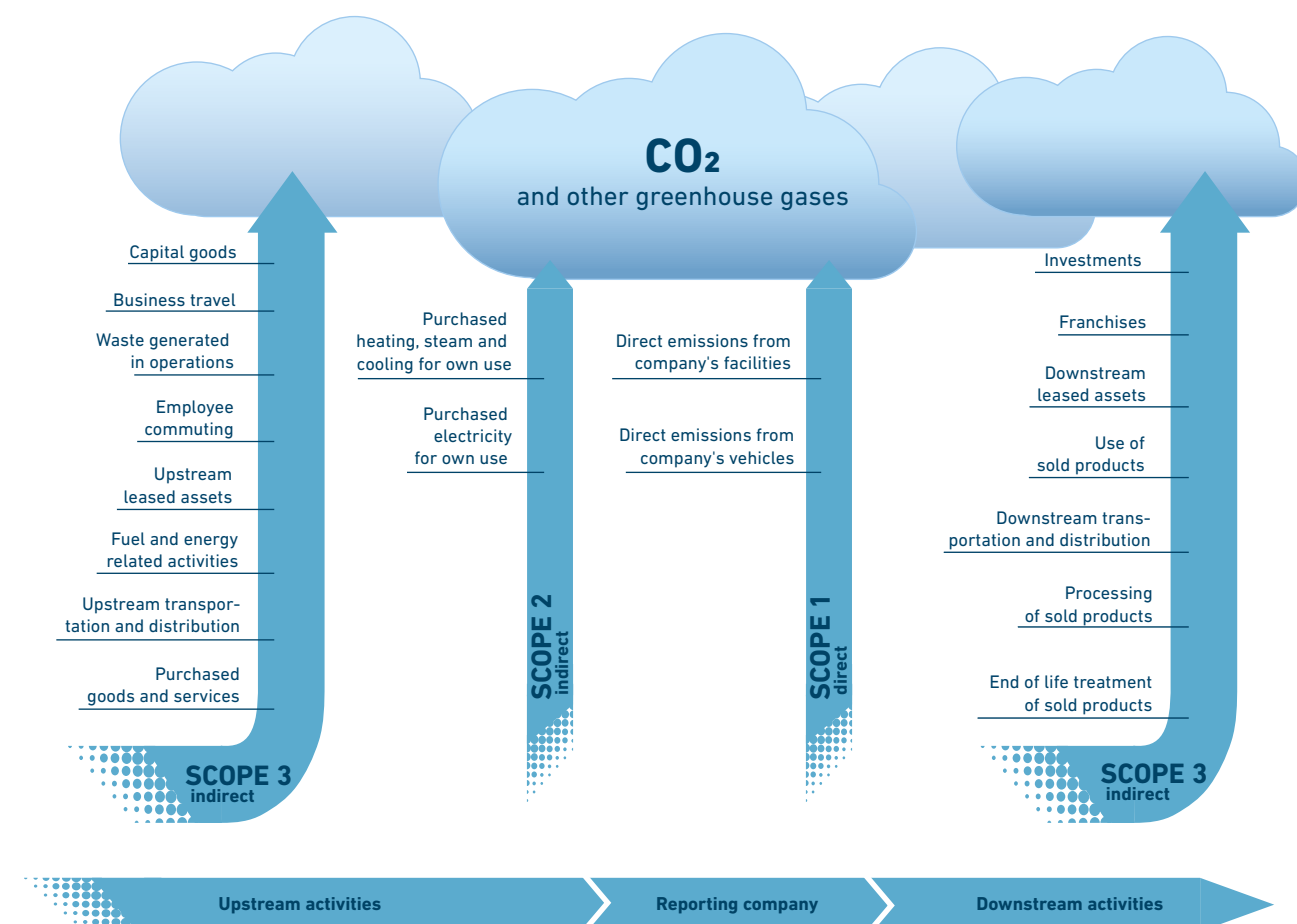
Since 2018, we have been working in accordance with **DIN ISO 14001:2015**, an international standard that specifies requirements for the environmental management system. In addition to fulfilling legal and other obligations, our aim here is to improve environmental performance.



3.2 MEASURES AND KEY FIGURES

As part of the Halfar climate strategy, we are taking measures in the areas of energy, water, waste and biodiversity that have been identified as relevant to Halfar System. We determine the associated key figures for internal control and improvement purposes and

to derive further measures. These notably include the values of Scope 1 and 2 as well as parts of Scope 3, as part of the survey of our corporate footprint.



CORPORATE CARBON FOOTPRINT

We work with ClimatePartner to find out where emissions are generated within the company and to calculate the **Corporate Carbon Footprint (CCF)**. This is divided into 3 areas of application (Scope 1–3) in which companies emit greenhouse gases. We have been identifying our CCF, continuously refining data collection, identifying potential for improvement and introducing measures to reduce emissions since 2020. For 2023, our CCF calculation includes an emissions total of 297.51 t of CO₂ equivalents, with values determined

using consumption data and emission factors. Primary data was used as far as possible, with the incorporation of secondary data from recognised sources where primary data was not available. The emission factors come from scientifically recognised databases such as ecoinvent and DEFRA. The calculation was based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

OUR CALCULATION APPROACH

SCOPE 1

mainly includes **direct emissions** from the company's internal fleet and heat generated by the company. This notably includes emissions from the pellet heater at Halfar System.

SCOPE 2

describes **emissions from purchased energy**, which refers to the purchased heat, i.e. eco-gas. Since Halfar System uses only renewable electricity otherwise, no further emissions are generated in this area.

SCOPE 3

includes all other **emissions in the upstream and downstream value chain**. It is important to bear in mind that the Scope 3 data is continuously refined and expanded, and not all collected emissions are directly and completely subject to our corporate control. Employee travel to the company in particular accounts for a large proportion of the Scope 3 emissions currently surveyed. In the 2021 data compilation, the share was 51%; today, it represents 45% of Halfar's corporate emissions. Through various operational measures and initiatives in the area of mobility, we were able to reduce these emissions by 34% between 2021 and 2023. Among other things, the introduction of mobile working, the offer of discounted public transport tickets, charging stations for electric cars, and job bike leasing have helped to achieve this positive result. You can read more about our employee benefits from page 59.

Despite implementing the measures described to reduce and avoid our greenhouse gas emissions, we know that our business activities still generate some unavoidable emissions. We offset these by supporting certified climate protection projects.

Since 2022, we have been formally recognised as a ClimatePartner-certified organisation. Further information on offsetting and how we offset the calculated, currently unavoidable emissions – including in relation to our stock goods – can be found on pages 30–31.

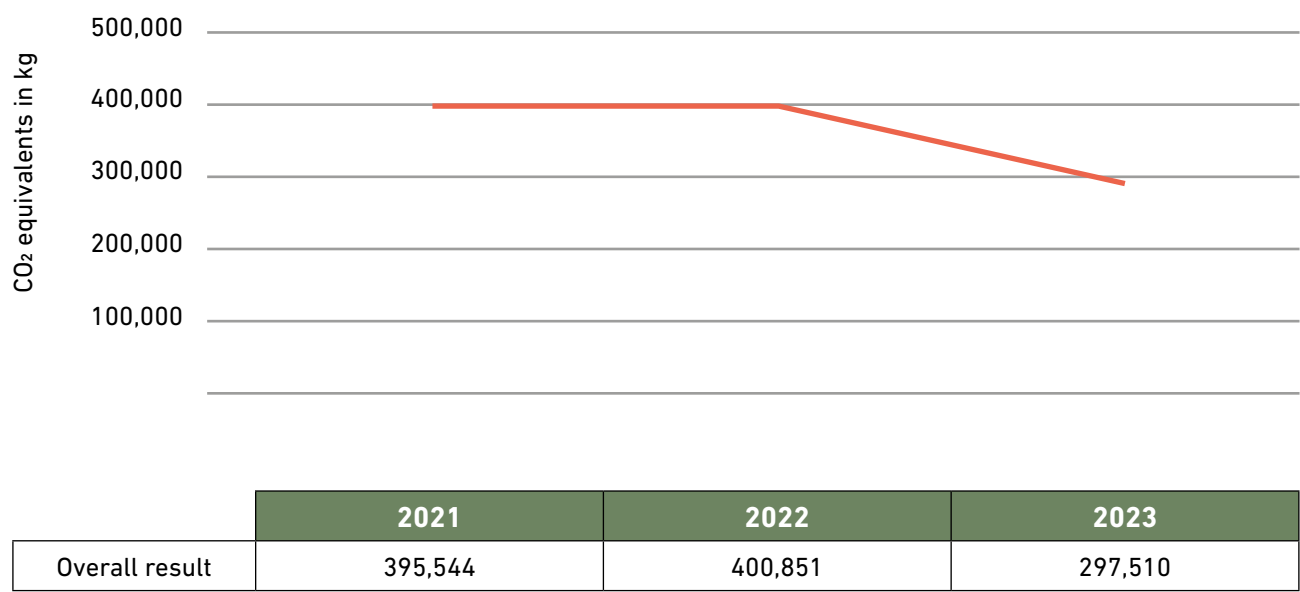
EVOLUTION OF EMISSIONS BY SCOPE

	2021	2022	2023
Scope 1	60,302	78,234	60,390
Scope 2	31,064	22,129	30,821
Scope 3	304,178	300,488	206,298

MOBILITY AND FLEET MANAGEMENT



TOTAL EMISSIONS DEVELOPMENT AT HALFAR SYSTEM



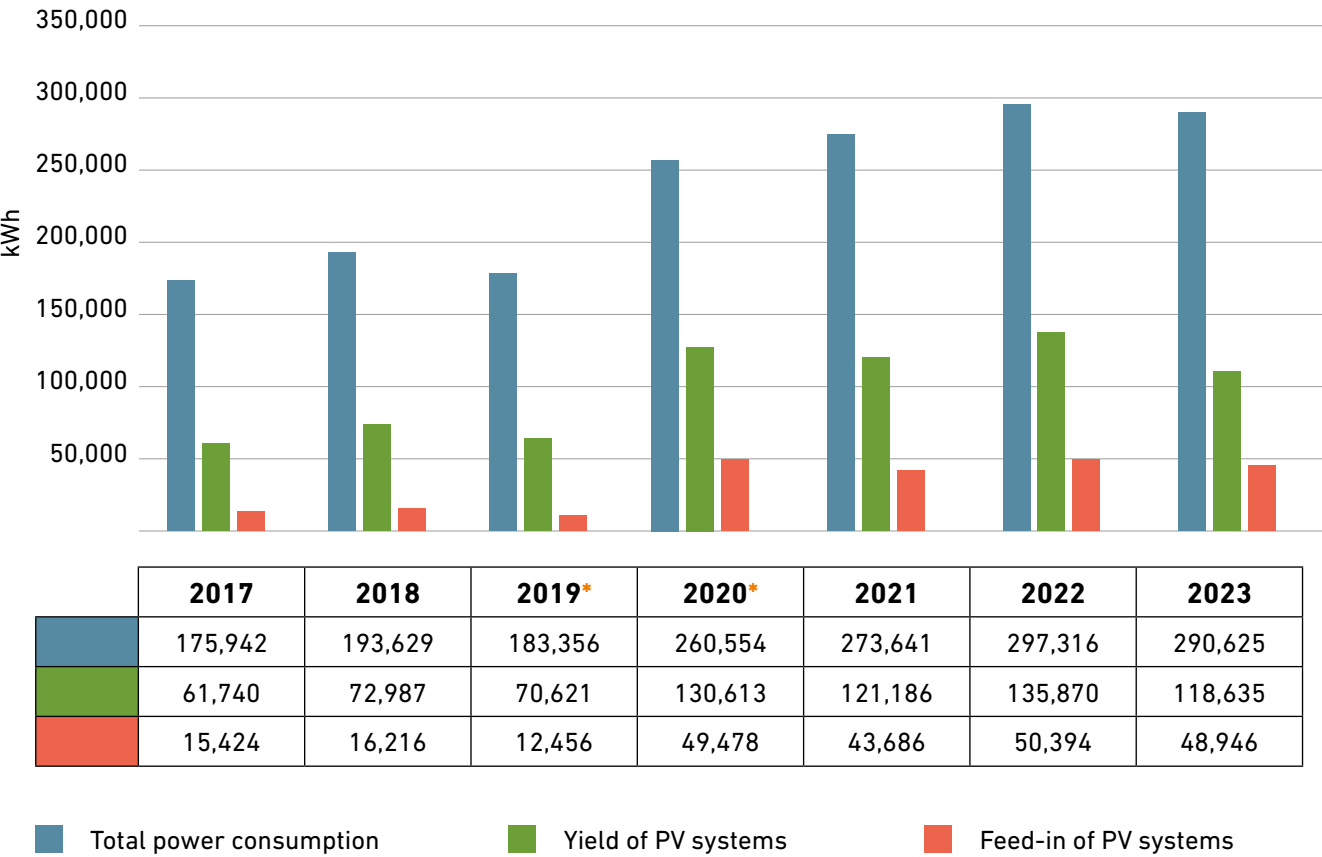
The company's own vehicle fleet also has a key role to play in our efforts to reduce greenhouse gas emissions. Electromobility is currently the most environmentally friendly alternative to conventional drive technologies, but the absolute value is still very low compared to vehicles with a combustion engine. The lack of comprehensive infrastructure in particular can be a decisive reason against the purchase of an electric car. This is why we want to contribute to a better supply by expanding our electrical infrastructure. In addition to charging the Halfar System hybrid and electric vehicles, we also offer carbon-neutral charging facilities for our customers, visitors and employees. We currently have 12 charging points available at our headquarters, with a further 2 at our logistics centre. We also added to our fleet of electric vehicles in 2022, which allowed the company to reduce its internal consumption of diesel further still.



ENERGY

We generally aim for the lowest possible electricity consumption in all of our business activities. As part of our environmental management system, we collect all relevant energy data both at our headquarters and at the logistics centre. We have been collecting the key figures since 2017 and we analyse these regularly to allow us to initiate appropriate improvement measures, such as the expansion of the PV system (see below). Across all of our facilities, we only use electricity from renewable sources. Our powerful photovoltaic systems enable us to generate a significant proportion of the required electricity ourselves. For additional requirements, we purchase certified green electricity, which means the emissions created by our electricity demand amount to 0.00 tons.

The graph shows the development of electricity consumption and the proportion of electricity generated in-house by our photovoltaic systems. In order to properly interpret the figures presented, the following factors must be taken into account: Our logistics centre in Altenhagen went into operation in 2019 and included an additional photovoltaic system, which resulted in a corresponding increase in both the total electricity consumption and the yield of the PV systems. Lower electricity consumption was recorded in 2020/21 due to reduced business activities as a result of the Covid pandemic. Based on the current state of technical possibilities for reducing our electricity consumption further, we assume that it will stabilise at the level now reached.



* Commissioning of the logistics centre at the end of 2019 including PV system
 * 2020/21 Covid pandemic

HEADQUARTERS

While our use of photovoltaic systems and renewable energy purchases result in zero emissions, our goal continues to be to enhance our rate of self-generated electricity even further. To this end, we expanded the photovoltaic system at our headquarters by 29 kWp in 2023 to allow us to generate even more of our own electricity. This now has an output of 99 kWp. We also had a 36 kWh electricity storage system installed at our headquarters, which remains charged unless there is a need to use the electricity generated by the self-generator. As described on page 41 under 'ÖKO-PROFIT', we have also been reducing our electricity demand for many years through measures such as converting our lighting systems to more environmentally friendly LEDs. This initiative saw us equip another section of the high-bay warehouse with modern LED lighting in 2023.



LOGISTICS CENTRE

Our logistics centre went into operation at the end of 2019 and is also operated exclusively using electricity from renewable sources. Even the warehouse was constructed using sustainable methods.



Sustainable equipment at the logistics site

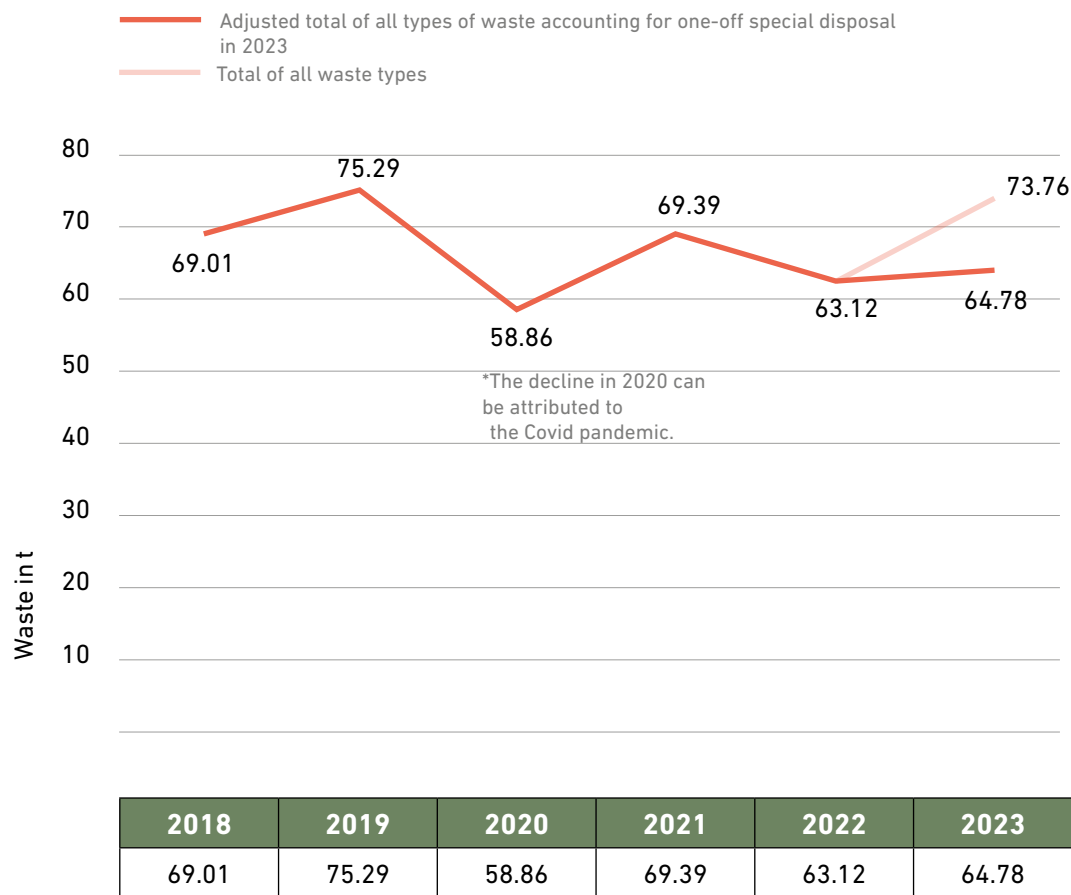
- Photovoltaic system with 70 kWp and 24 kWh of electricity storage
- Operated with green electricity and green gas
- Two charging points for electric cars
- Extensive lighting also with daylight
- External shading of windows exposed to direct sunlight
- Above-average building insulation
- 1,500 m² of outdoor compensation areas to provide habitats for insects and wildlife

WASTE

We also take responsibility for the generation and disposal of waste created by our business operations. After exploring all possible waste avoidance measures, the waste at Halfar System is collected separately as part of a defined disposal concept, ensuring environmentally sound disposal or recycling. The amount of different types of waste is calculated by the waste management company and can be found in the chart below. In 2023, the total amount of waste was 73.76 tons. This is mainly made up of paper, cardboard and plastic packaging. Other types of waste include biodegradable waste, wood and residual waste. In this context, Halfar System’s business operations only generate non-hazardous, largely recyclable waste. Effective waste recycling requires precise sorting by material type, which is why we chose to optimise our waste sorting system across our locations in 2023.

These measures include the addition of an organic waste bin at every coffee station. Sorting of biodegradable waste can make a particularly valuable contribution to environmental protection, as it can be broken down into materials such as biogas or compost. We have also carried out further optimisations with regard to our plastic waste. (Single-use) plastics in particular are a major problem, as they cannot be recycled indefinitely and are very difficult to break down if they are to be released into the environment. In a bid to reduce this waste, we carried out further extensive packaging optimisations on our stock, as described on page 29. According to the waste management statistics, this project resulted in more than half of our plastic packaging waste being saved in 2023 compared with 2022.

TOTAL WEIGHT OF WASTE



WATER



One of the many water areas for wildlife at the main entrance in Oldentrup

Water is one of the most valuable resources of our planet and vital to the survival of people, animals and plants. Water bodies at both locations serve as drinking stations for wildlife and insects alike. An annual average of 563 m³ of water has been used by Halfar System over the past two years, which is equivalent to the amount of waste water produced. It is used solely for household-like applications at both the headquarters and logistics site, which notably include being used for drinking water or for our sanitary facilities. We use biodegradable cleaning agents to avoid polluting the water, and no pollutants are released as a result of this usage.

In general, however, the water and chemicals used in the production process of textiles can have a negative impact on the environment. To keep this influence to a minimum and ensure careful handling of water in our supply chain, we oblige our suppliers to comply with legal and other regulations. We also use recognised standards such as GOTS, OEKO-TEX STANDARD 100 and Fairtrade for natural fibres (see pages 36–37). In addition to these measures, we support approaches to sustainable development within our supply chain. By switching from a solvent-based to a water-based ink system, our printing partner prosigno significantly improved the impact of screen printing on water resources. More about prosigno on page 57.



BIODIVERSITY

Our corporate responsibility includes not only minimising the negative effects of our business activities, but also purposefully making a positive impact on our environment. In addition to the prevention and reduction of greenhouse gas emissions, conservation of biodiversity is of particular importance in terms of environmental protection. Natural habitats and species provide us with food, drinking water and basic medicines in many different ways. They also regulate the climate and can protect us from floods, for example. Even insects have a key role to play in a healthy ecological balance; however, these are critically endangered and the decline in biodiversity is dramatic. In a bid to contribute to the conservation of biodiversity as a company, we at Halfar have already converted several areas at our sites into biotopes that specifically promote regional biodiversity.

... AT THE LOGISTICS CENTRE

The external surfaces of our logistics centre have also been designed in such a way that they contribute substantially to the preservation of biodiversity. The environmental concept at the logistics centre creates 1,500 m² of living space for plants, birds and insects alike. To this end, we have filled the area with nutrient-poor soil, built piles of dead wood and stone, and planted a variety of wild plants and herbs. These have been selected so that the insects always find flowering plants and grasses throughout the year and so have access to food sources in every season. The cultivation of old apple varieties and other berries also helps maintain biodiversity, as their flowers provide ample nectar and the fruits serve as food for wildlife. Utilising lean soils is key to fostering this kind of plant diversity. To preserve these soils and set the stage for all future growth cycles, we maintain the areas with careful pruning and by removing clippings.

This prevents the formation of excessively rich (over-fertilised) soils. Through strategic and targeted measures such as these, we allow the ecosystem to develop in its own right and in a variety of ways. In doing so, we also actively promote a balance between people and nature in the areas we use for our economic activities.

Key figures – Land use	
Company premises (Oldentrup and Altenhagen)	27,732 m²
Planted area (Green areas and green roofs)	≈5,150 m²
Proportion of planted area	≈18.6%

...AT OUR HEADQUARTERS

Following the insect-friendly greening of two building roofs and the entrance area, we created further insect-friendly compensation areas in 2020/21 as part of our climate projects at our headquarters (see pages 69–71: Milestones and history). Each area was designed and brought to life based on its respective location – half-shade, shade or full sunlight, and in front of the building or behind it. Perfectly adapted to the local conditions, the plants are now thriving. The abundance of different flowers is now enjoyed not only by various insects, birds and other wildlife, but also by our employees and visitors. In 2022, we had the ecological benefits of some of our flowering areas certified with the Insect Respect quality mark – a new global standard for handling insects. Insect-friendly habitats certified by Insect Respect actively promote biodiversity and make a valuable contribution to environmental protection and social awareness. The certified Insect Respect compensation areas provide insects with the necessary retreats complete with food, hiding and hibernation opportunities.



Development of a compensation area at our headquarters



PEOPLE

04 SOCIAL

4. GENERAL INTRODUCTION

In the context of the three pillars of sustainability, the social pillar focuses primarily on promoting equality, social justice, health, education and equal opportunities for the members of a society. In terms of corporate social responsibility (CSR), various areas of activity are distinguished to which the company should contribute. The local community, for example, describes the impact of the company on the society and public sphere in which it is active. The conditions in which the employees of the company work are discussed in the workplace section. Customer satisfaction and product responsibility also play an important role in the context of corporate responsibility. Companies should offer products and services that are safe, high-quality and ethically acceptable. It's equally important to recognise the company's commitment to upholding human rights within the organisation and along the supply chain, as well as its dedication to promoting ethical business practices with its own stakeholders. Since we have already reported extensively in the previous chapters on the topics of product responsibility, the supply chain, and compliance with ethical principles for dealing with our stakeholders, the social chapter is divided into the remaining key areas of local community and workplace.

4.1 OBJECTIVES

In the spirit of mutual respect, we strive for fair collaboration and joint, solution-oriented action. Our approach to business is shaped by a sense of responsibility and ethical principles. We are committed to sustainable development that takes into account the needs of individuals, businesses and the environment alike. Our Halfar Code of Conduct describes the rules we follow.



4.2 OUR INITIATIVES IN THE LOCAL COMMUNITY



We are committed to sustainable development. This is why it is so important to us to make our entrepreneurial contribution to the well-being of society as a whole. Community-wide engagement is an important part of our corporate culture and has been a tradition with us for many years. Within our company, we offer all employees the same opportunities for their own career development and firmly oppose any form of discrimination. We also advocate for reducing inequalities outside our company and foster a culture of responsibility in our interactions. To this end, we specifically promote projects and support selected initiatives and organisations that are in line with our corporate values. In this section, we list some of the projects we support and share our reasons behind them.

COOPERATION WITH SCHOOLS AND UNIVERSITIES

At Halfar System, we see education as a fundamental driver of personal growth and societal progress. We believe that education allows people to make informed decisions and participate actively in the democratic process.

After all, a good education is essential for preserving the earth's natural resources and ensuring positive social development. This is precisely why we have been working closely with Realschule Heepen secondary school for a number of years. In this context, we provide young people with insights into our everyday business life and support them with tangible donations.

COMMUNITY-WIDE ENGAGEMENT

We are also committed to society as a whole, which can be seen in our commitment to the Bielefeld Civic Foundation and regional cooperation with WEGE Bielefeld. We are also in close contact with the HSBI and other organisations for sustainable community cooperation.

REGIONAL COOPERATIONS

Strengthening the regional economic hub of Bielefeld is of great importance to us, since Halfar System is also based in this dynamic region. We are proud to work alongside other companies to participate in projects and initiatives that promote sustainable development in the region.

An example of this form of cooperation is our work with WEGE Bielefeld, which is a municipal economic development agency of the city of Bielefeld that works to support the local economy in the best possible way. Halfar System also participates in various projects and initiatives, in addition to collaborating with the 'DAS KOMMT AUS BIELEFELD' (Made in Bielefeld) network. In meetings concerning the local industrial area at our site, we not only exchange ideas with our neighbours, but also deliver presentations such as 'Best practice – How companies enhance biodiversity' and 'From good to better' to report on our sustainability activities, share our experiences and expertise, and open up our facility to all those interested.

BIELEFELDER BÜRGERSTIFTUNG

Bielefeld Civic Foundation (BBS) carries out projects, supports clubs and initiatives with financial support, and provides networking opportunities for various stakeholders. One of its primary missions is to bring people together who want to make a difference. Halfar System supports Bielefeld Civic Foundation in the context of a financial sponsorship.



- **ALINE**
The support network for single mothers
- **FIT DURCH FRÜHSTÜCK**
Early childhood education project
- **'ENERGIE-PARCOURS'**
for primary education
- **AUFWIND**
Scholarship programme for motivated young people
- **SAFE KIDS**
A project with various modules designed to make children's lives safer
- **INSEKTEN WILLKOMMEN**
Programme for school-age groups from day-care centres
- **PLASTIK, MÜLL UND MEER**
Raising awareness of plastics, waste and marine conservation among children and teens

DIVERSITY, EQUALITY AND INCLUSION

In addition to education and regional cooperations, diversity, equality and inclusion represent other major concerns of ours. Since 2013, we have enjoyed a special cooperation with the **integrative screen printing company prosigno**. We both operate under one roof at our headquarters in Bielefeld, which allows us to collaborate closely and enjoy all the mutual benefits of short and accessible connections between both businesses:

prosigno

is a subsidiary of Werkhaus GmbH, which in turn is a division of Lebenshilfe. For 19 years now, we have maintained a close cooperation with Werkhaus GmbH. At the end of 2020, for example, we were awarded the Sustainability Heroes Award by DQS in the 'Diversity' category for this cooperation.



KNOWLEDGE SHARING

The possibility of straightforward exchange between employees enhances knowledge about the products and various finishing technologies.

AVOIDANCE OF CO₂

The shared use of the premises eliminates transport routes and the associated emissions.

INCLUSION

The shared use of social spaces fosters a natural interaction between people with and without disabilities, helping break down barriers and prejudices.



OTHER PROJECTS

We are also involved in a number of other projects under the local community umbrella, some of which are ongoing, as outlined below:

1 GLÜCKSTOUR

We regularly take part in a local charity bike ride, through which chimney sweeps raise money for children with cancer: www.glückstour.de

2 BLOOD DRIVE DAY

Many of our Halfar employees took part in a local blood drive in the industrial area: <https://www.drk-blutspende.de/>

3 REGIONAL COOPERATIONS

We are proud members of regional business networks, as well as participants in various initiatives and regional projects

4 KNOWLEDGE SHARING

We exchange expertise on sustainability issues with sister companies, suppliers and trading partners

5 BONE MARROW TYPING DRIVE

We hosted a DKMS bone marrow typing campaign on site, in which many employees took part: www.dkms.de/de/spender-werden

6 SCHOOL COOPERATIONS

Cooperations with regional schools to promote education across the region

7 SUPPORT FOR THE BAD MÜNSTEREIFEL RELIEF OPERATION

We opened up our external warehouse as a collection point for equipment and materials to support victims of the flood disaster in the west of Germany

8 COOPERATIONS WITH UNIVERSITIES

We offer students practical insights through individual projects and lectures, or as part of their academic work

4.3 OUR INITIATIVES IN THE WORKPLACE



Halfar System is a family business through and through, and we value collaboration and interaction at every level. For us, the workplace is a place of constructive cooperation where we can bring our ideas to life together. This is why we take great care to ensure our core values of **respect, equal opportunities and an open culture** that fosters individual potential are consistently upheld. We put this into practice by providing training and professional development opportunities, and by involving our employees in key company projects. We also develop and support models for networking and team building throughout the organisation, promote and invest in modern communication technologies, and foster an open-door culture. In this section, we will look at what that means in practice:



GUIDELINES – COOPERATION AT HALFAR SYSTEM

Our commitment to the sustainable development of employees influences the way we work at Halfar. We know that developing people’s potential helps ensure our competitiveness in the long run, so we are only too happy to take responsibility for this as an employer. The Halfar Code of Conduct sets out the framework for our cooperation.

It offers a clear and transparent overview of our core values and the basis of our actions for all. It also documents our commitment to sustainable development, which takes into account not only the needs of every last individual, but also those of the company and the environment.

OUR PERSONNEL STRUCTURE

Diversity is an important value in our company and something we actively promote. In terms of our employee structure, this translates to a high degree of diversity. People of various nationalities, skin tones, and abilities all work together to make our company a success. As a result, we will have 130 employees at the beginning of 2024, with 100 of them working full-time, 30 working part-time, and 4 employees currently on parental leave. The diversity of our workforce is also reflected in the age structure, which ranges from 18 to 63, with an average age of 41.5.

We only have to look at the length of time people choose to stay with the company to gauge the excellent relationships we have with our employees. On average, this is 8.4 years, and as many as 41 employees have been with the company for more than ten years. The workforce is divided into 55% administrative staff and 45% industrial, of whom 60% are female and 40% are male. The proportion of those in leadership positions is 41% women compared with 59% men. **This is 12 percentage points higher than the German average for 2022.**

Read more:



	2021	2023
Number of employees	122	130
Workforce growth (previous year – current year)	-7%	+9%
Average age of the workforce	40	41.5
Average number of years of service	7.2	8.4
Proportion of employees with more than 10 years of service	30.3%	31.5%
Proportion of men	39%	40%
Proportion of women	61%	60%
Percentage of full-time employees	80%	77%
Percentage of part-time employees	20%	23%
Proportion of men in leadership positions	62%	59%
Proportion of women in leadership positions	38%	41%
Proportion of women in executive management	50%	33%
Proportion of men in executive management	50%	67%
Proportion of employees in administrative positions	60%	55%
Proportion of employees in industrial positions	40%	45%

EMPLOYEE DEVELOPMENT

As part of our employee development, we have established various training and further development measures and provided the appropriate infrastructure for these. The aim here is to create the ideal conditions for passing on our expertise

and allowing this to be put into practice in real-world scenarios. Programmes such as ‘training on the job’ and ‘job rotation’ play a role in allowing employees to develop a well-rounded skill set.

APPRENTICESHIPS AND CAREER PREPARATION INITIATIVES

We provide pathways to career entry in the form of apprenticeships, entry-level qualifications and dual-study programs. Our apprenticeships are available in the following professional fields:

APPRENTICESHIPS IN

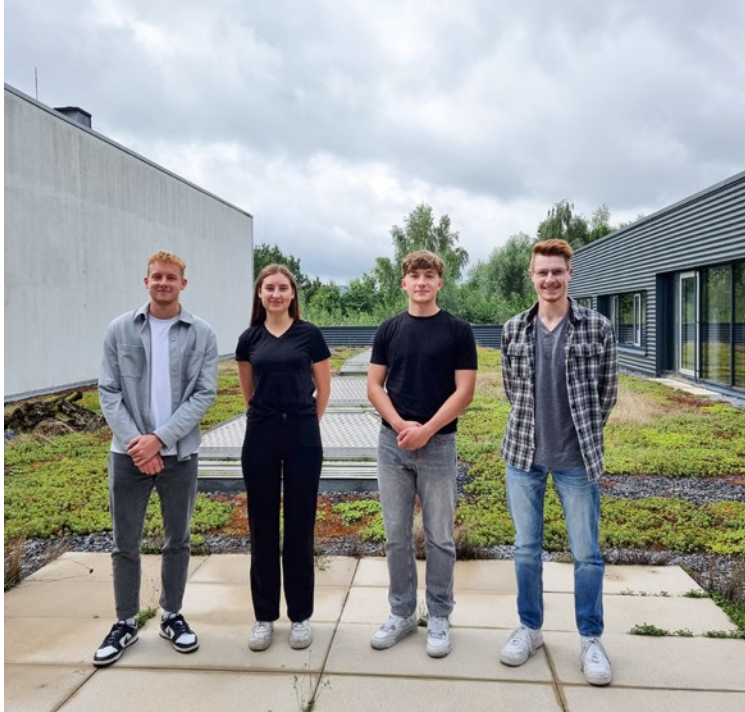
- Digital and print media design
- Warehouse logistics
- E-commerce
- Marketing communications management
- Textile and fashion sewing
- Industrial business management
- Wholesale and foreign trade management

As of August 2023, we have 14 people involved in apprenticeships. We support this in-house training and vocational school education with extra resources, including opportunities for our future apprentices and their families to get to know our company better even before they begin. Our ‘Bagground day’ initiative is designed to break down barriers, provide reassurance and allow newcomers to feel welcome. The apprenticeship period includes many opportunities to participate in project work, whether that’s in a live active context or as a closed training project.

This notably includes participation in the ‘OWL Energy Scouts’ competition, from which our carpooling portal emerged, interaction with apprentices from other companies, such as our sister company or other regional businesses, and our contributions to our apprentice social media channel to showcase their creativity and communication skills.

Our apprentices are also encouraged to take on representative activities at events to support the development of their soft skills. This allows them to feel more confident when dealing with customers, supervisors and colleagues, and also empowers them to present facts in a clear and understandable manner. A major highlight of our textile and fashion sewing apprenticeship is our cooperation with a regional textile company, which allows us to provide specialist knowledge in this field. As part of this cooperation, apprentices of both companies have the opportunity to spend a certain period of time in the other company and gain a broader level of knowledge in their professional field in the process. This means that our apprentices can also pick up skills in relation to other textile products such as clothing. The success of this approach is reflected in the outstanding qualifications of our apprentices. All apprentices are offered assistance with exam preparation or other necessary topics whenever they need it. In addition to the traditional vocational training, Halfar System also offers the opportunity to complete an entry-level qualification. Young people receive a one-year vocational orientation, which serves to prepare them for a future apprenticeship and is supported by theoretical elements from the vocational school.

In 2019, a young employee was able to successfully complete his career orientation and then begin his apprenticeship with us. A total of three people have completed an entry-level qualification with us so far. Halfar System also offers the opportunity to complete a dual-study programme – a type of training that alternates between hands-on work and academic phases with the aim of building up sound theoretical and practical knowledge in parallel. In this way, knowledge becomes less abstract and is directly applicable in practice. A further opportunity afforded by Halfar System is the option to join us as a working student and gain initial professional experience in the form of traineeships.



Our new apprentices for 2023

ONGOING TRAINING AND PROFESSIONAL DEVELOPMENT PROGRAMMES

Our cooperation is structured in flat hierarchies, which means we work on tasks and projects in equally balanced teams. To foster cohesion and simultaneously encourage employees to achieve their individual goals, we delegate responsibility and support collaborative communication. This means our employees are happy to support each other and share knowledge with their colleagues. Supervisors act as ‘coaches’ and help solve specific problems. In this way, all employees can develop on the job and grow to meet their challenges. For all those who want to gain experience in the company beyond their work, we have introduced a job rotation programme that allows employees to get to know another aspect of our business.

This enhances expertise, simplifies processes and, above all, leads to improved mutual understanding. In addition to targeted development in the workplace, we also impart specific knowledge and skills in various off-the-job measures. To this end, we regularly conduct internal training courses on relevant topics and offer employees the opportunity to participate. We also encourage people to take part in selected external training courses, seminars or workshops based on specific events and tasks. Individual and group coaching opportunities form part of our personalised approach to employee support. Participation in ongoing training and professional development programmes opens up opportunities to advance and exciting (internal) career paths for many of our employees.

KEY FIGURES FOR PERSONNEL DEVELOPMENT	2021	2022	2023
Number of apprentices	15	12	14
Apprenticeship professions	6	6	6
Proportion of employees with first aid or fire safety training	20%	17.6%	19.2%
Proportion of employees benefiting from regular appraisals	100%	100%	100%
Proportion of employees who have participated in the voluntary job rotation programme	23%	18.5%	10.8%

OUR WORKING ENVIRONMENT SPACES

Our working environment has been specially designed to promote communication and cooperation. It is characterised by a bright open architecture, clearly defined spaces, structured areas, ergonomic equipment, and state-of-the-art technology and infrastructure. Spaces have been created throughout the company to promote the exchange of ideas and collaboration across departments, such as rooms with large conference tables and appropriate technical equipment. At the same time, there are also opportunities to work alone and in small groups. When it comes to sharing internal knowledge, we use a modern wiki system that allows employees to provide everyone with the relevant results, insights and news relating to our work. In addition to digital communication, we also use analogue channels to exchange information. A prime example of this is our Green Board, which provides clear updates



on all new measures in the field of sustainability. The Green and White Post allows employees to submit proposals on the topic of sustainability or on other business issues that are important to them.

REMOTE WORKING



Many professional activities at Halfar System do not necessarily require our employees to be physically present on site. This is why we already offered the option of remote working on a case-by-case basis in the past. With state-of-the-art IT equipment allowing us to take an even more diverse approach to our work, we have now drawn from past experiences, the pandemic and changes in the workplace to standardise and firmly establish our remote working options.

Provided their work allows, all of our employees can now benefit from structured access to this modern way of working. The improved work-life balance, reduced commuting costs and time, and reduced impact on traffic and the environment have all reinforced our commitment to this approach, as has our emphasis on a culture focused on achieving results rather than simply showing up. To fully achieve the advantages of remote working, such as enhanced flexibility, better work-life balance, and resource efficiency, clear guidelines are essential. At Halfar System, this takes the form of a contractual agreement and well-defined processes. These represent the framework of remote working for our employees and provide the necessary security for all parties. Remote working requires not only secure technical access to company data and systems but also the commitment of well-informed and specially trained employees to ensure data confidentiality and integrity.

DIGITAL INFRASTRUCTURE AND DATA PROTECTION

Digital infrastructure is an important part of our workplace. In addition to ensuring a collaborative way of working that supports the development of knowledge in the company and among our employees, we are also concerned with the protection of sensitive data. With this in mind, we have taken extensive measures to ensure we have the necessary expertise to handle this data. We also work with a specialised law firm to ensure and regularly verify that our (digital) procedures always comply with the current legal requirements of data protection. The appointment of the data protection officer, establishment of relevant technical security measures such as firewall, encryption and access controls, as well as procedures for secure data management and deletion, are all a matter of course at Halfar System. We also always ensure that data

is handled carefully when selecting our service providers. We are fundamentally guided by the principle of data economy. Respectful use of all resources, utmost care, strict confidentiality and compliance with applicable data protection guidelines are firmly anchored as principles in our Halfar Code of Conduct. The same applies to our handling of industrial property rights, either of third parties or our own. As we strive to educate our employees about the increasing risk of cyber attacks and data breaches, and to raise their awareness further of the importance of careful data handling, we conduct extensive training programmes that also include recurring real-world applications. Our technical and digital infrastructure is also subject to regular review.

MOBILITY SOLUTIONS

Beyond their responsibilities at work, our employees have opportunities to personally engage in environmental protection and sustainability initiatives. The suggestion scheme is just one example of these.

In the context of cutting down carbon emissions and using resources sensibly, all employees have a choice of different mobility solutions, for example:



JOB TICKETS AND DEUTSCHLANDTICKETS

Bielefeld has a well-developed railway and bus network, and our facility is accessible from every corner of the city. With a public transport stop located right outside the door, it is the logical option for many of our colleagues to commute in this way. As a company, we support our employees and offer them the opportunity to purchase a wholesale regional transport subscription at a reduced rate via Halfar System. We also subsidise and support the use of the 'Deutschlandticket' by our employees.

TRAVELLING TOGETHER – HALFAR DRIVE



Carpooling is a popular and energy-efficient way to get to work. Developed as part of the 'Energy Scouts' apprentice project, the 'Halfar Drive List' documents the company's carpooling supply and demand and is available to all employees via the company wiki. In addition to the obvious environmental benefits, carpooling is relaxed, inexpensive and – most importantly – fun!

JOBRAD

'JOBRAD' – THE SERVICE BIKE CONCEPT

The possibility of leasing an (e-)bike through a salary conversion scheme is a firmly established benefit offered by Halfar System. More and more employees are now commuting to work by bike. Not only is cycling a sustainable and inexpensive form of transport, but ditching the car also pays off in terms of the resulting health benefits. The popularity of cycling among Halfar employees is highlighted by our regular participation in the 'Stadtradeln' event. This nationwide campaign encourages participants to stick to their bike for a full 21 days in a bid to improve the climate. To date, Halfar System has been involved five times, covering a total 10,669 km in 2022/2023 and saving 1,771 kg of CO₂.



HEALTH IN THE WORKPLACE

In addition to our objective of promoting a collaborative ethos within the company through a modern, open infrastructure, the health of our employees is another essential consideration. Our aim here is to ensure that professional activities are carried out as safely as possible and that the health of employees is safeguarded in the long term. The systematic planning and implementation of the necessary measures within the company is supported by an occupational

health and safety committee. At Halfar System, this is made up of the management, the occupational health and safety specialist, the company doctor, safety officers and managers. The committee is in place to ensure that all statutory requirements are met. In addition to the legal requirements, various measures have already been implemented in the past with the aim of protecting our employees' health.

MEASURES

Height-adjustable desks along with **ergonomically shaped chairs** make office-based working easier and help prevent back pain. We also have access to regular support from an occupational therapist, who offers 1:1 training for employees at their workplace and helps them adjust their chairs appropriately.



In areas with predominantly standing workstations, **PU floor mats** are installed to help relieve employees' musculoskeletal systems.



The weekly **organic fruit and vegetable basket** for each department creates a healthy alternative to the usual office chocolate treats. We also have water dispensers available throughout our facilities to complement the company's diverse range of coffee products.



Beyond the workplace, the **Sportnavi programme** subsidised by the company since 2023 offers our employees a cost-effective and flexible opportunity to take advantage of sports and relaxation programmes.



The special circumstances of 2020/21/22 also motivated Halfar's management to take **extensive measures to protect against infection** within the company and establish a consistent and transparent information policy that informed all employees constantly and promptly about measures, regulations and opportunities. The extremely positive feedback from this approach has led to a proactive information policy within the company that covers many business issues. By promoting constructive, cross-hierarchical exchange, this policy makes a positive contribution to psychosocial health in the company. The information policy is accompanied by fixed opportunities for exchange, such as the weekly meeting between department heads, regular meetings between team leaders and within teams, as well as the monthly breakfast for all employees. Coaching sessions, such as those for people taking on leadership roles, complete the company's health and wellness provisions.



In our logistics facilities, the use of **exoskeletons** is designed to provide relief for employees carrying heavy loads and helps protect the musculoskeletal system.



KEY FIGURES

The workplaces at Halfar System are designed to prevent accidents and health issues as far as possible. We also consistently ensure compliance with health and safety regulations. Employees are encouraged to adhere to the relevant rules and guidelines to the best of their knowledge and belief, and regular training and safety briefings are provided. The success of our occupational health and safety measures is reflected in the average number of days lost per employee, which amounted to just 10 in 2023. This means that Halfar System is significantly below the figure of 23 average sick days per employee in 2022 published by iwd, the umbrella organisation for occupational health insurance funds.



KEY FIGURES ON HEALTH IN THE WORKPLACE	2021	2023
Average number of sick days per employee	7.75	10.03
Proportion of employees with 10 or fewer sick days	73%	64%
Number of workplace accidents subject to declaration	0	0
Proportion of employees with health and safety training	100%	100%

FREEDOM FROM DISCRIMINATION AND EQUAL OPPORTUNITIES

Halfar System believes that the success of the company depends on the sum of the skills and achievements of every last individual and the commitment of all employees. This is why we treat each other with respect and attach importance to the rights and dignity of each person. The way we interact with each other is characterised by respect, fairness and appropriate objectivity. This is something our employees agree to comply with in company agreements and declarations.

Halfar System also promotes equal opportunities and diversity among employees, which means factors such as ethnic origin, religion, nationality, sexual orientation, gender, marital status, age and disability are entirely irrelevant. In this way, Halfar System creates a non-discriminatory workplace for its employees. In the event of non-compliance with these regulations, there are channels available to report this – including anonymously – and all employees are made aware of these.

FAMILY FRIENDLINESS

Individual career progression within the company is largely influenced by personal commitment and participation in business development. By treating our employees as individuals, including with regard to their personal circumstances, this allows us to create flexible, mutually beneficial working models that also support the balance between family life and work. In this way, employees are free to create their own individual career paths that correspond to their personal strengths.

The city of Bielefeld formally recognised Halfar System as being 'exceptionally family-friendly' thanks to this flexibility in 2016 and again in 2023.



4.4 RESULTS AND INSIGHTS IN THE SOCIAL DOMAIN

To summarise, togetherness, diversity and sustainable development opportunities are all firmly part of the Halfar System ethos, as are openness, pragmatism and a solution-oriented approach. Whether in the company, with customers or other stakeholders, healthy and profitable cooperation characterises our culture and contributes to Halfar System achieving real success. The following chapter highlights the extensive milestones we have achieved to date in chronological order.



5. MILESTONES AND HISTORY

1998

- Cooperation with WEGE

2000

- Completion of new company headquarters
- In-house finishing options

2001

- Installation of 1st PV system in construction phase 1

2002

- Cooperation with Werkhaus GmbH

2004

- Training company

2005

- Completion of construction phase 2

2006

- Installation of wood pellet heater in construction phase 2

2009

- Member of amfori BSCI
- Quality assurance system confirmed by Bureau Veritas

2011

- Start of bag donation to the 'Glückstour' event

2012

- Start of bag donation to Sri Lanka
- ÖKOPROFIT® award

2013

- Completion of construction phase 3
- Expansion of wood pellet heating in construction phase 2
- Use of an automatic LED lighting system in construction phase 3
- Heat pump installation
- Flat roof greening in construction phase 3
- Cooperation with prosigno GmbH
→ move into company headquarters

2014

- Expansion of PV system in construction phase 3

- ÖKOPROFIT® award
- Cooperation with Realschule Heepen secondary school

2015

- Recognised at PSI Sustainability Awards in category: Environment Initiative
- Certification according to DIN ISO 9001:2008
- Participant in the 'Klima and Gewerbe' initiative
- Launch of 'JobRad' bike leasing scheme for employees
- Bag donation to refugees

2016

- 'Exceptionally family-friendly' award
- Start of bag donation to the 'Fruchtalarm' project
- Participant in the 'Entry Qualification Plus Language' programme
- Nominated for the OWL CSR award

2017

- Introduction of organic cotton in the standard range
- Completion of the project for 100% carbon-neutral working at HALFAR® by switching to green electricity
- Cooperation with GAB (Association for Employment and Career Development)
- Option for employees to purchase a public transport subscription
- Recognised at the PSI Sustainability Awards in the categories: Social Excellence & Environment Initiative
- Membership of B.A.U.M. e.V.
- Height-adjustable desks and soft PU mats introduced for HALFAR® employees
- Member of the OWL 2018 energy efficiency network
- Organic cotton added to the standard range
- Addition of the OEKO-TEX® 100 standard to the standard range
- Provision of 'talee' platform for employees
- ÖKOPROFIT® recertification
- Start of the 'INSECT Aid' project
- Start of the carbon-neutral shipping project
- Awarded OWL CSR prize
- Bag donation to riders in the 'Glückstour' event

5. MILESTONES AND HISTORY

2018

- Recognised at PSI Sustainability Awards in the category: Social Excellence
- Recertification according to DIN ISO 9001:2015
- Certification according to DIN ISO 14001:2015
- Fairtrade licensing
- GOTS recertification
- Donation of book bags to schoolchildren
- Participation in the Energy Scouts project
- Introduction of a 'Bagground day' for apprentices and their families

2019

- Further inclusion of organic cotton in the standard range
- Start of sponsorship of the Soay sheep at Olderdissen Zoo in Bielefeld
- Foundation of a scholarship at the Westfalen-Kolleg in Bielefeld
- Completion of an innovative working area in construction phase 4
- Introduction of weekly fruit baskets for employees
- Participation in a stem cell donation drive by the DKMS
- Conversion to LED lighting in sewing, construction and digital printing
- Installation of water dispensers for employees
- Installation of an electric charging station at the Oldentrup site
- Flat roof greening in construction phase 1 in cooperation with Insect Respect®
- Launch of a new online shop
- Adoption of a tree sponsorship
- GOTS recertification
- Participation in a city cycling initiative (for CO₂ savings)
- Bag donation to riders in the 'Glückstour 2019' event
- Introduction of an efficient new finishing process
- Procurement of a hybrid car
- Nomination in 5 categories for the PSI Sustainability Awards 2019
- Recognised at PSI Sustainability Awards in categories: Social Excellence, Social Initiative & Economic Excellence

- Carbon offsetting in catalogue printing
- EcoVadis certification (Silver rating)
- Commissioning of a new logistics site
- Installation of a high-capacity PV system at the logistics site
- Bag donation to the Bielefeld Civic Foundation

2020

- Introduction of products containing cotton from offcuts in the standard range
- Recognised at 'Büro und Umwelt' Awards 2020
- Switch from standard to organic cleaning agents
- Extension of our sponsorship of Olderdissen Zoo
- Insect-friendly planting of an additional area at the Oldentrup site
- Environmental project at the logistics facility
- 2nd participation in city cycling initiative (6,124 km cycled & 852 kg CO₂ saved)
- Installation of additional electric charging points at the Oldentrup site
- Carbon offsetting in catalogue printing and all advertising brochures
- Acquisition of two additional hybrid vehicles
- Production of face masks for a Dutch retirement home in partnership with the Rotary Club Bielefeld
- Bag donation to the Bielefeld Food Bank
- Donation of laptop bags to schoolchildren
- Recruitment of an HR officer
- Installation of high-performance Hepa air filters throughout the company
- Recognised at the DQS Sustainability Heroes Awards in the category: Diversity
- Introduction of our environmental policy
- Introduction of our sustainable procurement policy
- Inaugural CHOICE Sustainability Conference in digital form
- Installation of a battery collection point
- Introduction of in-house flu vaccinations
- Provision of free materials for workplace health and safety (masks, disinfectants, etc.)

5. MILESTONES AND HISTORY

2021

- Recognised at PSI Sustainability Awards in categories: Social Excellence, Environment Initiative & Sustainable Company of the Year 2021
- Conversion of the felt articles in the stock range to recycled polyester felt
- Certification according to the Global Recycled Standard (GRS)
- First-aid training on the defibrillator with Armin Halfar
- EcoVadis certification reawarded (Silver rating)
- Switch to LED lighting in the high-bay warehouse at the main facility
- Acquisition of another electric car
- GOTS recertification
- Recertification according to DIN ISO 9001:2015 & 14001:2015
- Insect-friendly planting of an additional area + installation of an additional electric charging station as part of the 2021 offsetting project
- Creation of an XXL insect hotel by employees
- 3rd participation in city cycling initiative (5,798 km cycled & 852 kg CO₂ saved)
- Calculation of a climate footprint for the company & our products in the standard range
- Provision of on-site Covid vaccinations by the company doctor for employees, family and employees of the surrounding companies
- Support for the flood relief operation in Bad Münstereifel (initiative of journalist Jutta Küster from Bielefeld)
- Implementation of the 'CHECK-A' initiative by B.A.U.M. Consult GmbH for risk analysis of climate change impacts
- Participation in the blood drive within the industrial area
- Renewed support for Bielefeld's 'Fruchtalarm' project by the von Laer Foundation
- 2021 Sustainable Company of the Year

2022

- OWL CSR prize 2022: Special Jury Prize
- Certification of insect-friendly living spaces by Insect Respect
- Award for resource-saving Soft Basket shopper
- 2022 Sustainable Company of the Year
- Acquisition of more electric vehicles
- EcoVadis certification reawarded with Gold status
- Close cooperation with ClimatePartner
- Membership of OWL (Chamber of Industry and Commerce climate initiative)

2023

- Recognised as exceptionally family-friendly
- Commissioning of PV system extension (by 29 kWp with a 36 kwh storage unit)
- ACTIVE sports/travel bag wins Promotional Gift Award as a premium product
- GRS recertification
- GOTS recertification
- ÖKOPROFIT® award reissued
- Alliance for Development and Climate Foundation
- Packaging optimisation project
- Conversion of another section of high-bay warehouse with LED lighting

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