

# HAWESKO

## HOLDING AG



NO. 1 FOR  
PREMIUM  
WINES

## 2021 REPORT ON ENVIRONMENTAL, EMPLOYEE AND SOCIAL MATTERS

*Declaration on corporate social responsibility (CSR) pursuant to Sections 289c and 315c of the German Commercial Code*



# WHO WE ARE AND WHAT WE DO

## THE HAWESKO GROUP

The *Hawesko Group* specialises in trading quality wines in the superior and premium market segments. It achieved sales of € 681 million in 2021. The group comprises a holding company, which operates as a superordinate unit and performs management tasks, as well as the three operational segments Retail, e-commerce and B2B. Retail and e-commerce serve end customers along a variety of distribution channels. The B2B segment supplies the restaurant trade and commercial resellers. All segments enjoy leading positions in Germany within their respective markets.

The *Hawesko Group* enjoys long-established, trust-based relationships with many premium wine producers all over the world. There are agreements in place to secure the group companies the exclusive distribution rights for Germany for many renowned wines and vineyards. Business relationships also exist with a broad clientele in Germany that is interested in high-class wine.

The group employed an average of 1,193 people in the 2021 financial year, predominantly in Germany, Austria and Switzerland. For a detailed presentation of the business model of *Hawesko Holding AG*, please refer to the Annual Report 2021, which you can download from [www.hawesko-holding.com](http://www.hawesko-holding.com).

# VALUES CREATE VALUE



Dear Readers,  
Ladies and Gentlemen,

Value and values mutually define each other. For us at the *Hawesko Group*, that really goes without saying. Probably quite simply because we trade in artisanal wine, and wine is one of the most sustainable food products around. Many years can pass between its production and consumption. So it has always been perfectly natural for us to think long-term and sustainably; the same applies to the businesses that supply us, and also to our partners. Wine is a natural product that bears the imprint of the people who produce it. Winemakers staunchly uphold the sustainable values that have always been the hallmarks of a good wine: the terroir, the vine and the work that is done at the winery. Nobody in Germany knows that better than the *Hawesko Group*, because nobody has a broader positioning in the wine market than ourselves. As a leading trading group for high-quality wines and champagnes, our ambition is to continue the

sustainable work that is done at the vineyard. That applies on the one hand to our range; over the next few years we aim to steadily expand the number of certified sustainable products in our range. And on the other hand it applies to our carbon emissions, which we are taking systematic steps to cut.

For both the businesses that supply us and the consumers, long-term relationships are important. Some of the actions that our winemakers take today will only produce clear results decades from now. Some of the products for discerning trade and private customers in Germany and other European countries are cellared for years before being released for sale. Specifically high-end wines are bought by wine connoisseurs with the explicit intention of only drinking them many years hence.

Another way in which value and values are aligned is how we market our products. One key aspect involves always treating our customers and employees fairly: we contribute an array of innovative ideas, look for a fair price-performance ratio and show high commitment to service. One reason we do that is because we know our employees and others that we work with are our biggest asset. Anyone who, like us, wants to sell premium products to a discerning clientele needs employees who are not merely competent, but also contented and motivated.

Value and values are also inseparable in the way we do business. One of the main success factors for the *Hawesko Group* is our relationships with some of the best and most prestigious wine producers in the world. They include Marchesi Antinori, Barons de Rothschild (Lafite), Louis Jadot, Penfolds, Taittinger, Kloster Eberbach, Gérard Bertrand and Torres. Some of them have been entrusting us with their products for more than 20 years. Developing, nurturing and deepening such relationships matters greatly to us. The ties we enjoy with our customers are another deeply important matter for us. These, too, are the work of many years or even decades.

The overriding priority for the *Hawesko Group* is to grow in a sustainably profitable way, while continuing to give our discerning customers excellent products and fantastic service throughout. We always want to be a good partner to the companies that supply us.

The true meaning of acting sustainably is not something we at the *Hawesko Group* have needed to learn, because it comes as second nature to us. We meticulously seek out the best solution and reflect calmly on how to put it into practice.

We are currently addressing a number of challenges; the need to keep optimising our entire supply chain is right at the top of our list of priorities. Other tasks include continuing to roll out digitalisation. We are focusing our attention on the shifting expectations and needs of our customers. Last but not least, we are constantly optimising our working processes and procedures. The aim is to minimise the amount of resources used while improving our performance. On all matters that impact the sustainable development of our business model, we remain in close dialogue with our suppliers.

## The Board of Management

Thorsten Hermelink	Alexander Borwitzky	Raimund Hackenberger
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# SUSTAINABILITY BUILDS TRUST

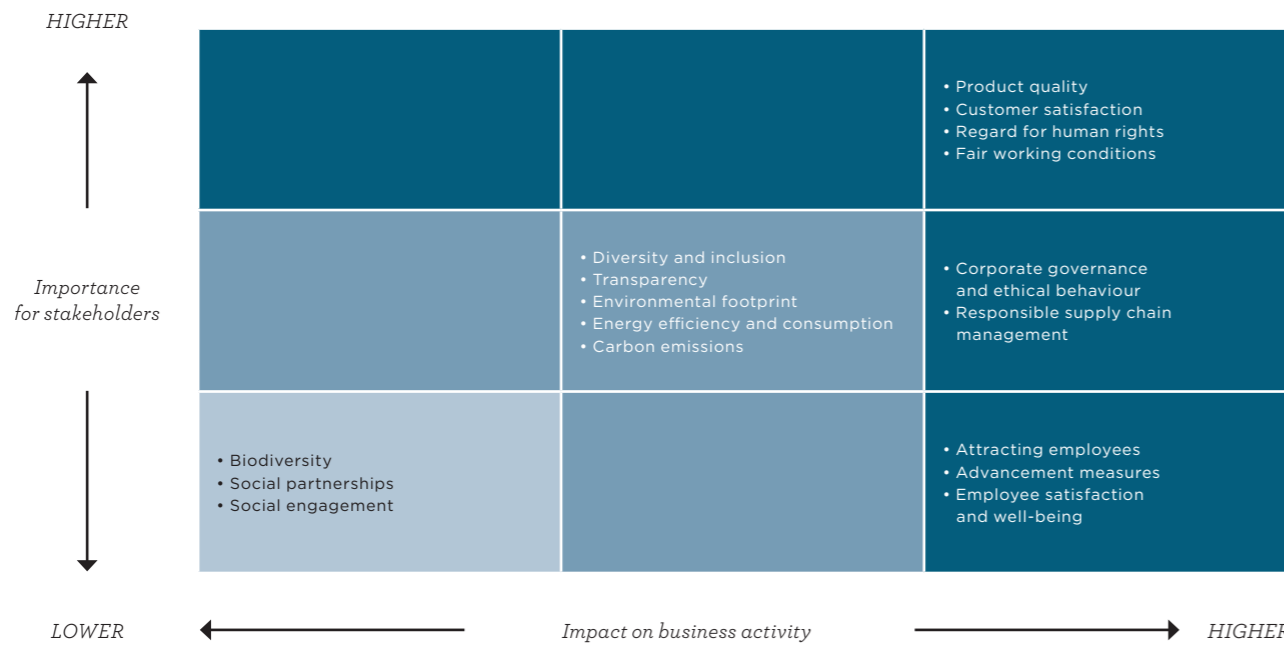
*Hawesko Holding AG* is committed to responsible management and supervision of the group and its formats, with the aim of increasing their value. By making its corporate principles transparent and allowing scrutiny of their ongoing evolution, it seeks to inspire, maintain and strengthen lasting confidence in the company among customers, business partners and shareholders.

The *Hawesko Group* maintains a constant dialogue with all relevant stakeholders. Current information about the company and the appropriate downloadable documents are permanently available at [www.hawesko-holding.com](http://www.hawesko-holding.com), the website of *Hawesko Holding AG*. The Board of Management has identified and evaluated the relevant issues of corporate social responsibility for the *Hawesko Group* and its stakeholders. Read more here about which aspects of our business activities have a significant impact on sustainability, and which sustainability aspects shape our business activities.



*What does CSR mean?*  
Corporate social responsibility, or CSR for short, covers actions that businesses undertake to promote sustainable development over and above what is required by law.

MATERIALITY MATRIX



The *Hawesko Group* engages with its various stakeholders and conducts a transparent and trustworthy dialogue with them as equal partners, along such channels as the following:

STAKEHOLDERS	INTERESTS	MEDIA
Customers	Price, quality, service, provenance	Advertising, call centre, online shop, catalogue, personal contact
Employees	Remuneration, health, well-being, recognition, work-life balance	Contact with superiors, management briefings, e-mail
Producers, suppliers, business partners	Quality, reliability, prompt payment	One-to-one talks, suppliers code
Shareholders and financial market participants	Financial performance, reliability, strategy	Financial reports, press releases, Annual General Meeting, one-to-one talks
Media, press	Consumer behaviour, advertising	Press releases, interviews

As a trading company, the *Hawesko Group* is aware that responsibility for environmental, employee and social matters is not limited to the group itself, even if that

is the only domain over which it has direct influence. For that reason the *Hawesko Group* has revised the previously applicable procurement standards and group-wide suppliers code. Suppliers give assurance that they comply with the principles presented in this code. The *Hawesko Group* consistently uses its influence in order to conduct responsible supply chain management.

Organisationally, group-wide CSR affairs are a matter for the Chief Financial Officer. He collects and monitors CSR-related data, and reports on this to the full Board of Management and Supervisory Board.

The Legal, Compliance, Internal Audit and Risk Management departments, which are part of the Finance division, are closely involved in the CSR processes. This brings together CSR topics and risk management organisationally within the group. The Board of Management and the relevant corporate departments lay down guidelines and make recommendations to the group companies.

The directors of the individual subsidiaries bear operational responsibility for the ongoing monitoring of and compliance with laws and group guidelines.

RISK ASSESSMENT

The Supervisory Board and Board of Management consider that none of the topics addressed in this area currently constitutes such a significant risk that it is highly likely to have serious negative effects on either the business activity or business relationships of the group or on its products or services. As matters stand and on the basis of the information known, there are no risks that pose a threat to the company as a going concern. Nor are any such risks identifiable in the future.

With regard to the overall risk picture for the *Hawesko Group*, we refer to the relevant comments in the Risk Report that is part of the Annual Report 2021.

EU TAXONOMY

The *Hawesko Group* does not have production facilities and belongs in the commerce sector of the economy. To that extent the group has only indirect influence over how effectively the relevant environmental standards are complied with in the growing and production of the products it trades in. Equally, as matters stand the commerce sector of the economy is not yet covered by the classification system of the European Union (EU) for the clear definition of “environmentally sustainable” business activities (sustainable finance taxonomy – EU taxonomy). In the absence of technical criteria for determining to what extent activities of the *Hawesko Group* are aligned with the EU taxonomy, it is not yet possible to state in this report how far activities of the *Hawesko Group* can be classified as environmentally sustainable under the EU taxonomy.



# ENVIRONMENTAL MATTERS

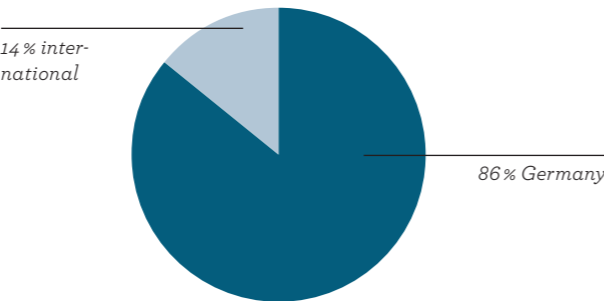
## OUR PRODUCT RANGE PLEDGE

The *Hawesko Group* strives to maximise the proportion of its sales revenue and unit sales that it realises from sustainable wines. Sustainable products already account for 67 percent of sales.

The characteristics and attributes of high-quality wines in terms of taste and quality depend greatly on the local cultivation conditions as well as the methods of viticulture and vinification adopted by each producer. These may vary considerably depending on wine-growing region and producer. Consequently, the methods used to operate in sustainable and environment-friendly ways may and do vary and are moreover constantly changing. National and regional regulations, too, may vary. There is a growing trend worldwide towards conscious, sustainable viticulture, vinification and appropriate further processing. In light of this, for the first time in 2021 the *Hawesko Group* categorised and assessed the sustainability of all producers whose products we sell as a trading group.

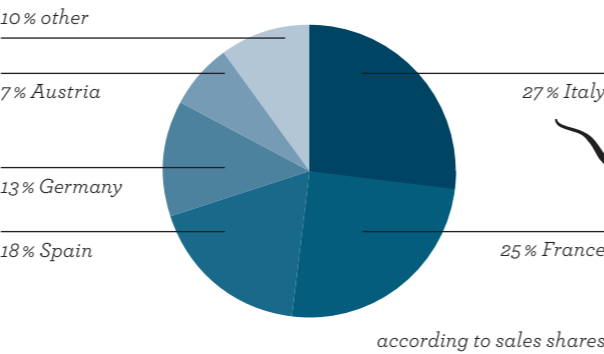
About 86 percent of the sales of the *Hawesko Group* are achieved in Germany, and the remainder above all in Austria, Sweden and Switzerland, and therefore in judicial areas in which EU law or comparable rules apply.

SALES SHARES BY COUNTRY



We source the overwhelming proportion of our products from EU member states. Upon harvesting and vinification, then during packaging and shipping, they are therefore automatically subject to the statutory rules and requirements in those countries.

PRODUCT ORIGIN BY COUNTRY



The *Hawesko Group* constantly draws on its influence to balance the demands, expectations and positions of the various parties involved. In the purchasing sphere, the *Hawesko Group* unceasingly encourages its suppliers to adopt eco-friendly practices and support the use of organic methods of cultivation and vinification. Many producers are receptive to this input and have their processes adapted and certified accordingly.

Our product range already includes a large number of products from producers who are certified as sustainable and organic. But even in the absence of certification, our buyers value the sustainable working

practices of many wine producers, on which basis we also categorise those producers as sustainable.

In 2022 we will concentrate mainly on those producers who we have not yet been able to assess conclusively. Our aim for the future is to steadily increase the proportion of sustainable products in our range as well as their share of sales.

PRODUCERS WHO...	TOTAL	SHARE OF SALES	MILLION BOTTLES
... are certified as sustainable:	316	25 %	23.8
... are certified as organic:	463	19 %	15.5
... operate sustainably:	436	23 %	20.8
<b>SUSTAINABLE PRODUCERS</b>	<b>1,215</b>	<b>67 %</b>	<b>60.1</b>
... have not yet been conclusively assessed or adopted sustainable wine-growing methods:	4,596	33 %	34.5
<b>ALL PRODUCERS</b>	<b>5,811</b>	<b>100 %</b>	<b>94.6</b>



## OUR CARBON FOOTPRINT

As a leading trading group for high-quality wines and champagnes, our ambition is to continue the sustainable work that is done at the vineyard. Addressing group-wide carbon emissions is part of that. All carbon emissions by the *Hawesko Group* were assessed by a TÜV-certified service provider for the first time for 2021. The assessments will be continuously updated. The objective of the *Hawesko Group* in doing this is to gradually reduce carbon emissions per bottle sold, and thus help protect the climate. Taking the Greenhouse Gas Protocol as an established best-practice standard, the carbon footprint comprises direct emissions from controlled sources (Scope 1), indirect emissions through the production of purchased energy (Scope 2), and indirect emissions in the supply chain including upstream and downstream emissions (Scope 3).

The *Hawesko Group* does not have production facilities and belongs in the “commerce” sector of the economy. To that extent the group has only indirect influence over how effectively the relevant environmental standards are complied with in the growing and production of the products it trades in. The impact of our business activity on the environment is therefore not comparable to that of businesses in manufacturing industry.

Scope 3 is by far the largest category of emissions for the *Hawesko Group*, from purchased wines and all shipments in the supply chain. Our responsibility therefore revolves around the impact on the environment of the way the product is made and its logistics. Specifically, that means the shipping of the goods from the producer to the warehouses (inbound logistics) and distribution to our customers and retail outlets (outbound logistics). We are already making a concerted effort to cut carbon emissions.

## SHIPMENT AND LOGISTICS

For the shipment of goods from the producers (inbound logistics), we fundamentally appoint only carriers that use vehicles equipped with state-of-the-art emission control and after-treatment technology. We take steps to ensure that our warehouses are served only by fully laden trucks, to avoid extra runs. Where possible, rail or sea are used for sections of the itinerary. We are endeavouring to increase the proportion of shipments handled intermodally – in other words using rail or sea instead of truck for part of the itinerary. Containers arriving from overseas continue on their way by inland waterway vessel. 99 percent of shipments take place using resource-friendly Euro pallets to DIN EN 13698, which can be used multiple times.

Intelligent order and delivery management in goods procurement (inbound logistics) is especially important. The procurement streams of the various purchasing organisations within the group are analysed by the appropriate stakeholders and synergy potential is identified. For imports from Italy, for example, around 50 percent of the goods traffic is handled by loading transport trucks onto rail. *Vinos* (e-commerce) and *Jacques’* (Retail) use this method of transport for imports from Spain and Portugal. Carbon emissions are thus much lower than if transported by road. Very energy-intensive air freight is not used.

Within the segments, wherever logical and possible, ordering and delivery processes are harmonised with the other brands in the same segment to reduce shipping and goods traffic, avoid unnecessary runs and cut costs. Because *Tesdorpf* handles predominantly low-volume orders in a reflection of its positioning in the top market and quality segment, wherever possible for shipping purposes these are grouped together with orders for *HAWESKO*, which usually run to a higher volume. For *Vinos*, too, orders are pooled where possible. The structural improvements made in the *Hawesko Group* in the past year included the restructuring of the companies in the B2B segment to realise and exploit synergy effects including from ordering, shipping and warehousing. For some time now, deliveries to the individual *Jacques’* locations have taken place only once a week, again further reducing the emissions caused by goods traffic. Grouping together the orders for multiple shops and adjusting the frequency of deliveries in line with seasonal demand cuts the number of delivery runs further. The creation of corresponding platforms and the harmonising of back-office functions within the *Hawesko Group* mean delivery and order processes can increasingly be combined more flexibly and smartly, thus further reducing carbon emissions.



**WIRWINZER**  
BESTE WEINE DIREKT AB HOF

## Straight from producer to customer

*Thanks to the WirWinzer marketplace model, which gives customers an uncomplicated way of buying wine online straight from the winemaker, it has eliminated altogether one leg of the dispatch route compared with conventional sales channels, because the goods are sent straight from the producer to the customer and therefore by the most direct, resource-light way possible.*



## ENERGY

Measures to save energy have been and are being realised at the administrative offices of the holding company as well as in the e-commerce, Retail and B2B segments; the emphasis is on seeking to use resources more intelligently. To achieve the European energy and climate protection goals, it was specified in Energy Efficiency Directive 2012/27/EU dated 25 October 2012 that all businesses that are not classified as a small or midsize enterprise must commission an energy audit to DIN EN 16247-1 by a registered energy auditor at least every four years. “The goal”, according to the Federal Office of Economics and Export Control, “is to analyse overall energy consumption, to break it down into an energy consumption structure and to identify energy efficiency potential by analysing the present situation.”

The energy audits conducted for the group subsidiaries in 2016 and 2017 according to the German Energy Services and other Energy Efficiency Measures Act (EDL-G) were renewed in 2019 within the scope of a repeat audit, based on the consumption figures from 1 January 2018 to 1 January 2019. The energy certificates for all buildings were renewed in 2016 in accordance with the Energy Saving Ordinance (EnEV). For two-thirds of the subsidiaries inspected, the auditors have recommended no further improvements. The next energy audit of the *Hawesko Group* will be conducted in 2022.

The *Hawesko Group* has a sustainability officer who deals with aspects of energy consumption. Eco-friendly consumables and recycling products are used wherever possible. New office workstations are equipped exclusively with state-of-the-art PCs and monitors, each generation of which better energy efficiency than the previous equipment generation. The logistics location in Berlin was converted entirely to LED lighting in 2017, achieving a 60 percent reduction in energy consumption for lighting.

In the climate-controlled logistics centre in Tornesch, an intelligent building control system optimises energy use. Green areas help to improve the microclimate and provide a habitat for local flora and fauna. The latest-generation industrial trucks (pallet and forklift trucks, stackers) are used; these are equipped with especially energy-efficient, modern lithium-ion batteries for optimal use of energy. Employees at the location are provided with travel passes for their journey to and from work, to encourage greater use of environment-friendly local public transport on a voluntary basis.

Thanks to improved warehouse management, goods that do not need to be kept cool are stored in corresponding zones of the high-bay warehouse. Thanks to the optimised energy consumption, electricity and gas consumption for logistics was also reduced year on year. The emergency lighting system and all pictograms are state of the art thanks to energy-saving, material-efficient, long-life LED lighting and batteries. Sections of the lighting system have also been upgraded to energy-efficient LEDs. Free water dispensers have been set up for employees to avoid plastic waste from water bottles.

Exclusively energy-optimised lighting concepts are used whenever our stores are refurbished or new ones opened. Preference is then given to high-quality, durable products from domestic suppliers. Compared to competitor products from the Far East, these offer not just a generally longer operating life, but a much better carbon footprint because of the much shorter shipping distances involved. Mainly natural and sustainable products whose character, quality and durability echo the high-quality product wine are used for fit-outs of both new shops and renovated premises. For the technology, only products that are especially energy-efficient and long-lasting are used.



# 18.6 %

*of total power consumed comes from renewable sources It is our declared aim to meet even more of our requirements using green power.*

*In response, in*

# 2021

*we already switched conventional electricity supply contracts to green power tariffs. All electricity and gas purchases by the Hawesko Group are pooled and put out to tender via direct marketers. This also helps the active management of consumption.*

## BAG-IN-BOX

The sales option of wine in bag-in-box packaging is becoming increasingly popular. This consists of dual packaging with an inner pack that contains the liquid and an outer pack made from card to protect the pouch externally. This form of packaging brings multiple benefits. The simple tap, usually located low down on the pack, makes it easy and hygienic to dispense just the amount of wine required. It also means the contents do not come into contact with air, extending the shelf life. The lower package weight makes for easier shipping. What is more, both the outer and inner container can be recycled without using much energy. Although glass bottles can also be reused, the amount of energy that requires is higher. *Jacques'*, for example, already sells a wide range of wines as bag-in-box packs. The bag-in-box pack also allows consumers to enjoy high-quality wines with comparatively little environmental impact. Exclusively outer packaging that is certified to an international system for sustainable forestry (Forest Stewardship Council – FSC) is used. Manufacturers of design and lifestyle products are increasingly supplying high-quality decanters and similar products specifically for use with bag-in-box wines.



## MAIL SHOTS/SHIPPING

For direct mail, the addresses are chosen using intelligent selection principles. This cuts paper and energy consumption because print runs can then be planned more accurately, facilitating production of the exact print run needed. The ongoing creation of a new group-wide data warehouse will make it even easier to plan promotional mail shots effectively and precisely, so that individual customers receive custom recommendations.

A large proportion of advertising is printed on recycled paper or paper manufactured sustainably to FSC standards, in some cases certified with the Blue Angel mark.

For many years,  
*Jacques'*

*has been the only specialist wine retail chain with a nationwide presence to collect wine corks for expert recycling.*

As far as possible, advertising campaigns are designed for maximum shipping efficiency of the shopping cart contents. For Christmas business, standard and gift orders are grouped into combined shipping units by making modifications to order planning, reducing the amount of packaging required. Also, the unit and sales thresholds for free shipping are regularly optimised to explicitly encourage customers to place orders of a certain size, thus helping to avoid inefficient ordered amounts and therefore surplus packaging and delivery runs.

The *Hawesko Group* is steadily digitalising its processes and sales offers. Such processes include loyalty programmes, invoices and payslips. The switch to digital continues so that the amount of paper used can be steadily reduced.

## PACKAGING

The German Packaging Act that took effect on 1 January 2019, regulating the putting into circulation, recovery and recycling of packaging, has superseded the previous German Packaging Ordinance. According to the Federal Agency for Agriculture and Food, “The aim of the new act is to avoid packaging waste as far as possible, as well as to achieve a high level of reuse and recycling. The proportion of reusable drinks packaging in particular is to be increased to at least 70 percent. The German Act therefore complements the European Commission’s strategy on plastics. The Act moreover strives to create a level playing field.”

The Packaging Act is aimed not just at manufacturers of packaged goods; it also applies “to all enterprises that put into circulation products in packaging that is treated as waste by consumers. This affects packaging that can be collected and recycled via the yellow sack or yellow bin system, or in bottle banks and paper recycling bins.”

Recycling and the avoidance of waste are basic elements of a modern circular economy and make a vital contribution towards protecting the climate. Reducing carbon emissions and conserving natural resources through recycling are consequently important elements of our sustainability strategy.

The companies of the *Hawesko Group* participate in the dual system run by BellandVision. This company describes itself in the following terms: “As the largest dual system in Germany, BellandVision also organises the comprehensive collection of used and completely emptied packaging from private end consumers on behalf of industry and trade and takes care of its sorting and recycling – as prescribed by the Packaging Act”.

The companies of the *Hawesko Group* put a total of 29,309.5 tonnes of recovered packaging into the BellandVision dual system in 2020. Recovering this quantity of packaging avoided the equivalent of 10,715 tonnes of carbon emissions, which corresponds to the average annual carbon emissions of 3,178 cars.

98 %

*of transport packaging is made from renewable raw materials*

*It comprises*

68 %  
card



*and*

30 %  
paper

The size, type and shape of shipping cartons used in the *Hawesko Group* are constantly being improved for the most efficient packing density on pallets and therefore for shipping. Delivery note pockets are increasingly being switched from plastic to paper, and the stretch film that is used for safe dispatch of the pallets is likewise being looked at for potential for improvement.

## LOGISTICS PROVIDERS

By carefully selecting its external logistics providers and building sustainability and environmental criteria into its requirements profile, the *Hawesko Group* is actively helping to reduce emissions by the group. By using the “GoGreen” shipping option of DHL, the *Hawesko Group* has been offsetting elements of its environmental footprint since 2020. For parcels shipped “GoGreen”, a surcharge is levied on the shipping cost and invested in environmental projects to compensate for the greenhouse gases generated. DHL is helping to cut emissions by increasingly using electric vehicles for the delivery of parcels.

## MISCELLANEOUS

Since 2018, work clothing with *Jacques'* branding (shirts, aprons etc.) has been manufactured exclusively in Europe. As well as reducing shipping distances, this ensures that the manufacturing conditions meet European working, social and safety standards.

Since 2020 *Jacques'* has been using FSC-certified Blue4est® till receipts that can be put in the paper recycling instead of till rolls made from non-recyclable paper. Also in 2020, *Jacques'* replaced drinking water in glass bottles with central water fountains incorporating a filter system. As well as raising the profile of drinkable tap water, this brought savings from less transport.

The entire *Hawesko Group* is fundamentally making increased use of modern, high-performance digital tools, systems and equipment that make it possible to plan and implement workflows and processes more efficiently, precisely and flexibly, and therefore reduce the drain on resources while improving performance. These tools include increased use of cloud-based technologies and mobile devices that for example render printouts superfluous and replace physical processes with virtual ones (such as online meetings).

## EMPLOYEES, SOCIAL RESPONSIBILITY

The expertise, experience and exceptional dedication of the employees are hugely important for the positive development of the *Hawesko Group* and its companies. It is they who ensure day in, day out that the group's customers receive outstanding advice and service, and that business partners and suppliers feel they and their products are in good hands.

Fair pay and continuing training are the hallmarks of human resources work in the *Hawesko Group*. Alongside professional skills, training covers personal and social skills. People with different backgrounds and strengths can maximise their potential in the *Hawesko Group*. It is a matter of course that employees are selected and remunerated without regard to such matters as age, gender, sexual orientation, skin colour or nationality. The *Hawesko Group* strives for diversity when filling positions.

When filling management functions for the group and its formats, the Board of Management strives to appoint a sufficient proportion of women. The target communicated in the Annual Report 2017 of a 25 percent proportion of women among group managers by 30 June 2022 has already been met.

1,193

*employees*

28.5 %

*women in management positions*

### QUALIFICATIONS AND TRAINING

The continuing upskilling of employees enjoys a high status throughout the entire group. Only well-trained employees will be capable of achieving the high standards that the markets and customers expect. We therefore provide both demand-led training and specific advancement.

#### *Career starters*

Across the companies, the *Hawesko Group* offers a wide-ranging group trainee programme for future managers of the group companies. School-leavers receive training in the Product Management/Purchasing and Marketing areas. Over their 24-month traineeship, trainees work in all three segments of the *Hawesko Group*, enhancing cultural networking across the group.

The *Hawesko Group* also provides a wide range of options for school-leavers as part of a successful drive to attract young talent. In the year under review, there were 18 trainees (previous year: 25). Traineeships are predominantly in commercial vocations such as wholesale or export clerks, or dialogue marketing clerks. Those at the start of their career can also train in information technology and warehouse logistics. In partnership with Nordakademie Elmshorn, the Hamburg universities HSBA Hamburg School of Business Administration and FOM as well as the European University of Applied Sciences (EUFH) Brühl and Neuss campuses, we provide training in Business Management and Business Psychology as both a dual and a part-time course of study. This training course represents an alternative to exclusively theory-based studies.

#### *Advancement*

The advancement measures available within the group include courses designed to build up individual employees' personal performance profiles and their knowledge of wine, champagne and spirits, as well as develop their personality. Employees are in addition offered internal training courses which focus mainly on goods management and on the handling of user software. In 2021, € 0.4 million (previous year: € 0.2 million) was invested in training and advancement measures.

Future executives receive professional and personal development across all segments through the Junior Executive Programme (JEP!). The purpose of JEP! is so that the group can fill key positions that come up in the future with authentic, expert leaders recruited internally.

Then there is the Executive Programme (EP!). EP!, aimed at executives who already possess experience, forms a valuable part of their professional and personal development.

### PAY EQUALITY

The pay of new employees and pay increases are assessed fairly and without discrimination, taking colleagues in similar positions as a benchmark. Differences in pay are based on the qualifications, performance and professional experience of the individuals in question.

### WORK/LIFE BALANCE

Modern technology is increasingly making it possible for employees to work from home if the situation allows. It is also becoming increasingly common practice to use video conferences for internal meetings and discussions, as well as for meetings with customers or suppliers. This approach gives employees greater flexibility and minimises travelling time. The concerted group-wide drive to digitalise systems and processes enables virtual and social working environments to be combined more flexibly and dynamically. Many employees no longer need to be exclusively office-based and increasingly find they are able to decide for themselves where to work from, allowing a degree of mobility. Technology and the information architecture are there to benefit the people who use it. The *Hawesko Group* has implemented occupational integration management arrangements and many business units also offer occupational health management. The compatibility of professional and family life is an important concern for the *Hawesko Group*. Employees can obtain personal advice on the topics of maternity leave, parental leave and parental benefit payments.

## EMPLOYMENT OF PEOPLE WITH DISABILITIES

In financial year 2021 the group had 25 employees who were classified as severely disabled, equivalent to 2.0 percent of the workforce (previous year: 2.2 percent).

## CORPORATE SOCIAL BENEFITS AND RETIREMENT BENEFITS

A wide range of fringe and welfare benefits is available to the employees of the *Hawesko Group*. *Hawesko Holding AG* is a member of the Pensionskasse des Handels pension fund. Our membership gives all domestic employees of the group access to effective retirement benefit arrangements, including cover for invalidity and surviving dependants. Thanks to the combination of employer subsidies and individual salary sacrifice, contributions can be made directly into a reliable pension fund with no tax and social insurance repercussions.

On 31 December 2021, 342 (prior-year reporting date: 353) employees of the group belonged to the pension fund. Collectively negotiated employer subsidies came to € 0.1 million (previous year: € 0.1 million).

## SOCIAL MEDIA

A social media compass gives employees firm advice on how to protect their privacy and avoid conflicts when using social networks. The social media compass of the *Hawesko Group* is available for downloading at [www.hawesko-holding.com/wp-content/uploads/2017/10/2017-10-11-Hawesko-Konzern\\_Social\\_Media\\_Guidelines.pdf](http://www.hawesko-holding.com/wp-content/uploads/2017/10/2017-10-11-Hawesko-Konzern_Social_Media_Guidelines.pdf).

## COVID-19 PANDEMIC

From March 2020, measures were introduced across the entire *Hawesko Group* to reduce the risk of infections among employees and customers. Arrangements were made to enable most of the workforce to adopt mobile working, in order to reduce the number of people present in offices. Also, increased use was made of video conferences to scale back the number of in-person meetings. At the same time appropriate safeguards were introduced for those employees who needed to be always or intermittently present. These included such arrangements as altered shift concepts and social distancing, protective screens, the requirement to wear face and nose coverings or medical-grade masks, temperature measuring stations, the use of room-air filters, sanitising points and the ad-hoc conducting of rapid tests in the logistics area, in the offices and at the branches. During the months July, August and December 2021, various group locations hosted vaccination clinics. These were open to employees as well as their family members.

# SOCIAL ENGAGEMENT

In the *Hawesko Group*, we expressly encourage our employees to get involved as volunteers. By its very nature, volunteering mostly happens at a local level – for example in the social environment of the individual *Jacques’* shops – and is essentially underpinned by the social engagement of individuals. Social engagement is by definition often a personal act and as such not public. In many cases it comes as a direct voluntary response to a social problem or emergency and is therefore not something that can be governed by an enterprise. The *Hawesko Group* seeks to provide a framework for social engagement, and encourage and facilitate it. Its key tool here is a corporate culture that values social spaces for interaction and cherishes respectful interaction with one another, sanctions unjustified disadvantage and rewards civic courage.

Voluntary social engagement helps our employees to adopt different perspectives and thus promotes togetherness both within the individual entities and in the group as a whole. It consequently contributes to responsible, sustainable action by the group and its companies as elements of society.

### *SolidAHRität*

Following the disastrous flooding in July 2021 and its devastating effect on the towns of Altenahr, Ahrweiler and Bad Neuenahr, Dirk Würtz – head of the St. Antony

wine estate in Rhinehessen – launched an initiative offering a mixed selection of six bottles of donated wine for € 65. The *Hawesko Group* participated by donating bottles of wine as well as funds. The proceeds were passed on in full to winemakers in the Ahr region.

*Hawesko Holding AG* also contributed € 100,000 to the “Der Adler hilft” campaign launched by the Association of German Prädikatswein Estates (VDP). All funds raised by the VDP will go towards the reconstruction the Ahr wine-growing region.

### *Rhine CleanUp*

*Jacques’* employees took part in the annual “Rhine CleanUp” campaign ([www.rhinecleanup.org](http://www.rhinecleanup.org)) in a private capacity. As part of the campaign started by a Düsseldorf-based initiative, volunteers spent a day “collecting rubbish along and close to the Rhine, from source to mouth”, to protect the river not merely as a vital waterway, but also as a habitat for flora and fauna and as an adventure area and local amenity for humans.

The huge success of the clean-up campaigns to date demonstrates how important protecting the environment is to many citizens. As well as improving the environment and helping nature, the initiatives succeeded in raising awareness of the issue of waste plastic across the generations.

## COMBATING BRIBERY AND CORRUPTION

All employees of *Hawesko Group* companies are obliged to know the statutory provisions and internal regulations that govern their work and must observe these in the course of their activities, regardless of whether they impose limitations on the company and hinder its business success in the short term. Unlawful or improper conduct can cause harm in a wide variety of forms and damage a good reputation. The *Hawesko Group* is committed to fair competition and fair contractual arrangements with its business partners and therefore observes all regulations, above all competition and antitrust law as well as consumer, environmental protection and privacy law.

The good reputation of the *Hawesko Group* and its economic success depend critically on how we conduct ourselves in the everyday course of business. There is no alternative to personal integrity and healthy judgement. The *Hawesko Group* attaches importance to fair and lawful business dealings, and to avoiding conflicts of interest. The group does not tolerate any form of corrupt behaviour and distances itself from the merest suggestion of the same. This applies to both passive and active corruption. Openness and integrity are very important in our dealings with each other. We consider ourselves bound by high ethical standards. Criminal offences or non-compliance breaches within or outside our group of companies are not tolerated in any circumstances.

The *Hawesko Group* has taken a clear stance on all forms of bribery and corruption. This position is communicated unequivocally and systematically to all group employees. The code of conduct for the group is made available in writing to all employees, and all employees are made fully aware of their obligation to comply with it.

The group and its companies hold regular compliance training. To increase efficiency there are also e-learning options, which are especially well received by the employees.

The group's business partners and their entities are aware of the group's position on lawful and loyal behaviour. Our code of conduct can be viewed at <https://www.hawesko-holding.com/en/corporate-governance/>.

## INSIDER TRADING

The *Hawesko Group* publishes important corporate information in accordance with the relevant provisions of securities trading and stock exchange law. It thus ensures all individuals who participate in the capital market are supplied with timely information about circumstances that may influence the trading price of *Hawesko* shares or that investors are likely to consider pertinent to an investment decision (inside information).

Until its publication such information must be kept strictly confidential and may not be used for securities transactions. It is unlawful to buy or sell shares or other securities on the basis of inside information. It is also unlawful to share inside information with other persons so that they may use it to buy or sell shares or other securities profitably. The *Hawesko Group* has taken appropriate steps to obtain a confidentiality undertaking from all employees and service providers who deal with inside information. In specific, secure digital lists of insiders are maintained and managed efficiently with the help of an insider management system that meets the requirements of the EU Market Abuse Regulation. This involves for example identifying project-based and permanent insiders, maintaining the list of leaders and related parties, and automatically notifying the relevant persons.

## WHISTLEBLOWING HOTLINE

There are two pillars to the whistleblower system of the *Hawesko Group*. In addition to the internal channel of reporting to the line manager, the executive management and the person responsible for compliance, there is a whistleblowing hotline operated by an independent, external mediator. Employees and external parties may report unethical or unlawful conduct to the latter, with an assurance of anonymity if requested by the whistleblower. A group guideline covering all companies of the *Hawesko Group* has been drawn up and is available to group employees on their specific intranet. Employees who do not have intranet access have been supplied with the guideline in printed form. The guideline on the whistleblower system is available to third parties and business partners of the *Hawesko Group* at <https://www.hawesko-holding.com/en/corporate-governance/>.

The guideline clarifies such matters as which persons are entitled to submit a report, indicates when they are under obligation to report something, lays down criteria and requirements for a report, and provides information on the reporting system. It also sets out the process that follows a report, along with how it is documented and investigated. In addition it explains the measures to protect the whistleblower, or the person concerned, the procedure in the event of an abuse of the whistleblower system, as well as rights of appeal and privacy rights.

The *Hawesko Group* supports civic courage. Reprisals against whistleblowers are not tolerated.

## REGARD FOR HUMAN RIGHTS

The code of conduct of the *Hawesko Group* is based on the principles of the Universal Declaration of Human Rights and the United Nations Global Compact. To uphold ethical corporate governance, all employees, managers and the company as a whole are obliged to observe the laws of the Federal Republic of Germany or their respective country.

The *Hawesko Group* expects all employees to be treated fairly and to have their rights and privacy respected. No discrimination on the basis of gender, disability, ethnic background, nationality, religion or belief, age, sexual orientation or other characteristics protected by law is tolerated. The *Hawesko Group* does not tolerate any harassment or bullying in the workplace, nor any related discrimination.

Relations between Board of Management members, managers and employees in the *Hawesko Group* are guided by the principles of mutual respect, openness, honesty and a common understanding of trust-based partnership. Their dealings with each other are characterised by active, open and constructive communication, and also mutual feedback.

A breach of the *Hawesko Group* guidelines is treated as a dereliction of duties with potentially negative consequences, including for employment. It is the task of employees in management and leadership positions to make sure employees know the guidelines and comply with their provisions. Managers who fail to meet this obligation may be subject to disciplinary measures and legal consequences.

### SUPPLIERS CODE

As one of the leading corporate groups in Europe's wine industry, the *Hawesko Group* plays an important role for its suppliers and for third parties in the wine sector as a whole. In its awareness of this role, the *Hawesko Group* has revised the procurement standards previously in place and in early 2021 adopted a group-wide suppliers code that is in essence based on the principles of the United Nations Global Compact, the United Nations' Universal Declaration of Human Rights and the International Labour Organisation (ILO) conventions as well as on the code of conduct of the *Hawesko Group*. This code is intended to achieve compliance with acceptable working conditions along the entire supply chain. Suppliers give assurance that they comply with the principles presented in this code.

## RESPONSIBLE HANDLING OF ALCOHOL

As one of the oldest alcoholic beverages known to humankind, wine has a tradition stretching back more than 5,000 years. Over the centuries, wine has become established as an aspect of life, culture and nutrition. Over time, the role of wine has changed from an important food source to a cultural symbol, then a drink to complement food and good company. The art of wine growing and wine production, too, has evolved. Certain wine regions have even been recognised by UNESCO as world heritage sites.

For many winemakers, their profession is also a vocation and they therefore go about their handicraft with passion and meticulous care. They staunchly uphold those values that have always been the hallmarks of a good wine: the vine, the terroir and the skilled work that is done at the winery. Wine is a natural product that bears the imprint of where it is grown and is brought to perfection by the people who produce it. Scarcely any other beverage has greater capacity to delight than wine. Perhaps that is because of its variety. There are hundreds of varieties, incredibly diverse terroirs and many, many thousands of producers. That alone is an initial indication of how wide-ranging and fascinating wine can be.

For all its positive attributes, wine always contains alcohol too. Whenever alcohol is consumed in excess, there is an increased risk of long-term illness and dependence that can be detrimental to quality of life and health. For that reason, we as a wine trader regard it as very important to educate our customers and employees in the potential dangers involved in consuming alcohol and to recommend that wine always be enjoyed in moderation.

Within the group, we support a range of initiatives to promote the responsible consumption of alcohol. These include the Wine in Moderation (WiM) initiative of the German Wine Academy ([www.deutschewein-akademie.de](http://www.deutschewein-akademie.de)) and the Maßvoll Geniessen ("Enjoy in Moderation") initiative ([www.massvoll-geniessen.de](http://www.massvoll-geniessen.de)).

The Federal Office for Health Education (BZgA) also produces media advising the responsible consumption of alcohol ([www.bzga.de/infomaterialien/alkoholpraevention/](http://www.bzga.de/infomaterialien/alkoholpraevention/)).

All the relevant information is available in English at <https://www.drinkaware.co.uk>.

### YOUTH PROTECTION

As the high-quality products sold by the *Hawesko Group* are aimed at responsible consumers, in a reflection of their characteristics and positioning in the premium segment, and are conducive to deliberate, appreciative consumption in moderation, they lend themselves less to abuse than other alcoholic beverages. The *Hawesko Group* is nevertheless mindful of its responsibility to prevent alcohol abuse. In accordance with youth protection legislation, the *Hawesko Group* sells alcoholic beverages only to persons over the age of 18 (in Sweden: over the age of 20). The date of birth must be supplied for orders placed in online shops. Parcels are marked with a red sticker displaying the instruction that they may not be handed over to persons under the age of 18. If in any doubt whatsoever, delivery agents are also obliged to confirm the age of the person taking receipt of a consignment by checking their ID.

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**COMPANY NAME****INTERNAL DESIGNATION***Carl Tesdorp GmbH**Tesdorp**Grand Cru Select Distributionsgesellschaft mbH (formerly  
CWD Champagner- und Wein-Distributionsgesellschaft m.b.H.)**GCS**Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH**HAWESKO**Jacques' Wein-Depot Wein-Einzelhandel GmbH**Jacques'**Wein & Vinos GmbH**Vinos**WirWinzer GmbH**WirWinzer*

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