



HAWESKO

HOLDING AG

REPORT ON ENVIRONMENTAL, EMPLOYEE AND SOCIAL MATTERS 2020

*Declaration on corporate social responsibility (CSR) in accordance
with Sections 289c and 315c of the German Commercial Code*

WHO WE ARE AND WHAT WE DO

AT A GLANCE

	FINANCIAL YEAR		CHANGE
	2020	2019	
Sales (€ million)	620.3	556.0	11.6 %
EBIT (€ million)	42.2	29.1	45.0 %
EBIT margin	6.8 %	5.2 %	1.6 percentage points
Employees	1,183	1,243	-4.8 %

THE HAWESKO GROUP

The *Hawesko* Group specialises in trading quality wines in the superior and premium market segments. It achieved sales of € 620 million in 2020. 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 which secure the group companies the exclusive distribution rights for Germany for many renowned wines and vineyards. There are in addition business relationships with a broad clientele in Germany that is interested in high-class wine. The group employed an average of 1,183 people in the 2020 financial year (including 29 apprentices), predominantly in Germany. The proportion of women within the group is 46 percent.

DELIMITATION

As a trading company, the *Hawesko* Group does not operate any production facilities of its own (with one exception of minor significance that was disposed of in 2020). The effects of its business activity on the environment as well as the development of local communities at municipal and regional level are therefore not comparable to those of businesses in manufacturing industry. That also applies, conversely, to the impact of municipal and regional factors on the business activity of the group. No key non-financial performance indicators are used in the management of the group, so no explanation of these is required.

For a detailed presentation of the business model of *Hawesko Holding AG*, please refer to the Annual Report 2020, which you can download from www.hawesko-holding.com.

NUMBER ONE FOR PREMIUM WINES

The wine market is a very regionalised, highly fragmented market comprising several hundred thousand winemakers, millions of labels and countless nuances of taste. Achieving a significant market position in this market segment consequently takes hard work.

All companies of the *Hawesko* Group have performed to an admirable standard, playing a crucial role in making us Germany's premium-segment market leader with a 25 percent market share – and Europe's number one premium wine trader.

Our aspiration as a leading European wine trading group for high-quality wines, champagnes and spirits is not merely to satisfy our customers – but also to surprise and delight them, time after time. The *Hawesko* Group therefore adopts a common strategy: with our deep roots in the world of wines, we offer exceptional expertise at every level. The closeness and sense of partnership with the winemakers that

has been built up as part of a long-term relationship places us at a unique advantage – as do our teams of wine experts, who spot trends sooner than others and come up with the perfect response. Last but not least, our group benefits from decades of experience and data-based knowledge of what our customers want.

All these strands come together in our overriding aim: to achieve a competitive advantage through exclusive products. The resulting economic benefit is huge – as is the satisfaction level of our customers. This year, too, we can therefore proudly claim:

Only the *Hawesko* Group delivers all this.

WEIN
& CO

VOL/UME
SPIRITS EXPERIENCE

Jacques'

WEINLAND
ARIANE
ABAYAN
GmbH

GLOBAL WINES
& SPIRITS

Carl Tesdorpf
FINE WINE. SINCE 1678.

Deutsches
Wein Classics

GLOBALwine

WIRWINZER
BESTE WEINE DIREKT AB HOF

WEIN
WOLF

HAWESKO
Hanseatisches Wein und Sekt Kontor

CWD
CHAMPAGNE & WEIN
GROSSHANDELSKONTOR

VINOS
Das Beste aus Spanien!

WA
WEINART

GRAND
CRU
SELECT

THEWINE
COMPANY
THE EASY WAY TO WINE

VALUES CREATE VALUE

Dear Readers,
Ladies and Gentlemen,

In this Report on Environmental, Employee and Social Matters (non-financial declaration pursuant to Sections 289c and 315c HGB) we tell you about the activities and progress of the *Hawesko* Group in the field of social responsibility in financial year 2020 and provide you with full sustainability information about Germany's leading premium wine trader.

Value and values are inseparably linked. Here at the *Hawesko* Group, we have always held that conviction. Maybe because we deal in one of the most sustainable products around. With no other food product might there be such a big gap in time between production and consumption as with wine. A long-term, sustainable outlook has therefore always been such a self-evident part of our DNA. The same is true of our suppliers and partners. Nobody in Germany knows that better than the *Hawesko* Group, because nobody is more broadly positioned in the wine market than ourselves.

Long-term relationships are vitally important for suppliers and consumers alike. On the one hand because the consequences of many of our winemakers' actions today will only become fully apparent years or even decades later. Some of the products that we sell to discerning trade and private customers in



Germany and other European countries are only released for sale after many years of cellaring. On the other hand, customers purchase especially high-quality wines with the specific intention of only drinking them several years later.

But value and values are also inseparable in the way we sell our products. That includes fair treatment of our customers and employees alike: we offer a wide range of innovative ideas, fair value for money and high service commitment. And we acknowledge that our employees and partners are our biggest asset. The task of selling premium products such as the wines that we distribute to a discerning clientele calls not merely for competent employees, but for people who are content and therefore motivated. In that respect, pressure to sell and a working environment where dissatisfaction can build up are counterproductive.

Value and values also come together in the way we do business. Key success factors for the *Hawesko* Group include relationships with some of the best and most prestigious wine producers in the world, such as Marchesi Antinori, Barons de Rothschild (Lafite), Louis Jadot, Penfolds, Taittinger and Torres, many of which have been entrusting their products to us for many years. Developing, nurturing and deepening these relationships matters greatly to us. We attach equal importance to relationships with customers and consumers in Germany, Austria, Switzerland and Sweden, which again we have spent years or decades developing. The *Hawesko* Group's aim is not to gain market shares speedily and at the expense of profitability simply for the sake of a profitable sale, but to grow sustainably in a way that offers our discerning customers and high-calibre suppliers the service they deserve.

Operating sustainably is not something we at the *Hawesko* Group have needed to learn. It comes as second nature to us. Our shareholder structure, our financial strength and the positioning of *Hawesko* shares in the market as solid dividend-paying stock ensure we can meticulously seek out and implement the best solution instead of being forced to maximise short-term gains.

The challenges we currently face include the ongoing optimisation of our logistics, rolling out digitalisation for example for mail shots, focusing on shifting customer expectations and requirements, and steadily improving workflows and processes with the aim of reducing resource usage while increasing performance. We maintain a close dialogue with our suppliers in sustainably developing our business model.

The Board of Management

Thorsten
Hermelink

Alexander
Borwitzky

Raimund
Hackenberger

SUSTAINABILITY BUILDS TRUST

Hawesko Holding AG is committed to responsible management and supervision of the group and its brands, 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.

What does CSR mean?

"Corporate social responsibility', or CSR for short, is about a company's responsibility for society in the sense of sustainable business practices."

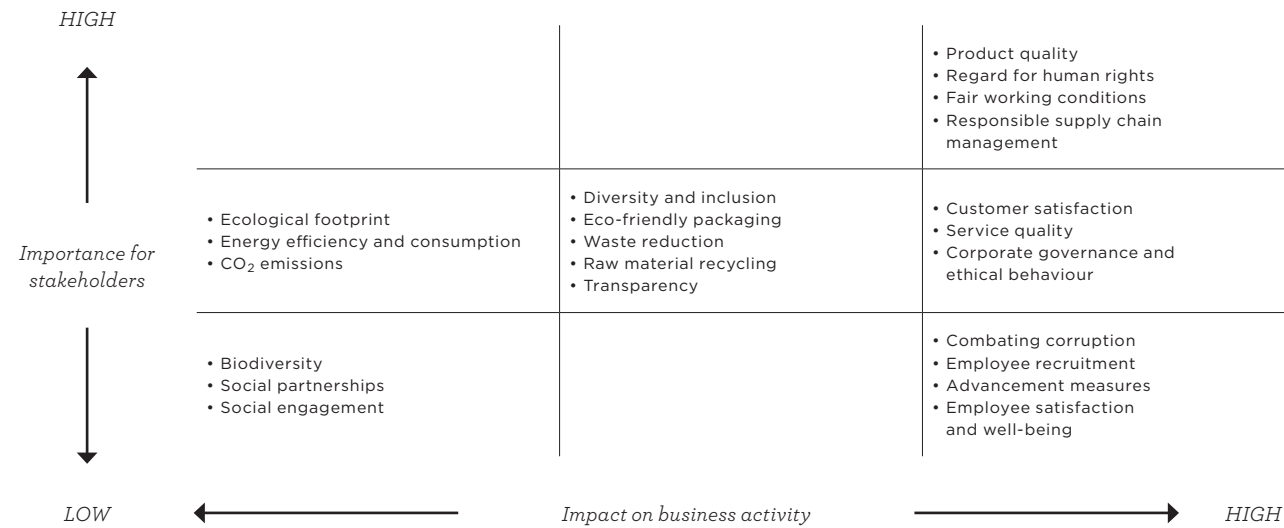
FEDERAL MINISTRY OF LABOUR AND SOCIAL AFFAIRS

CSR is the contribution that businesses are able to make to sustainability. The terms denote the responsibility of companies for their impact on society.

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, 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.

WESENTLICHKEITSMATRIX



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

STAKEHOLDER	INTERESTS	MEDIA
Customers	Price/quality/ service/provenance	Advertising/call centre/ online shop/catalogue/ personal contact
Employees	Remuneration/health/ well-being/recognition/ Compatibility of family and career	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/AGM/ 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, *Jacques'* for example (for ease of reading the company names are abbreviated in the following. Please refer to the overview on page 27) has introduced a suppliers' code that will apply to

the entire *Hawesko* Group from 2021. Suppliers give assurance that they comply with the principles presented in this code (please note the section "Regard for human rights"). The *Hawesko* Group consistently uses its influence in order to conduct responsible supply chain management.

Organisationally, CSR affairs are a matter for the Board of Management. Above all the Chief Financial Officer 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 for, 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

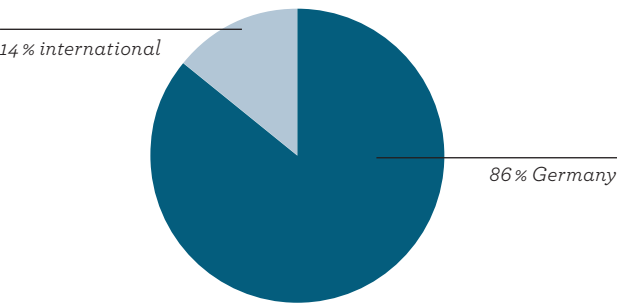
The Supervisory Board and Board of Management consider that none of the topics addressed in this area currently constitutes such a significant risk that it is highly likely to have serious negative effects on either the business activity or business relationships of the group or on its products or services. 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 2020.

CLEAR PRODUCTION AND SALES PICTURE

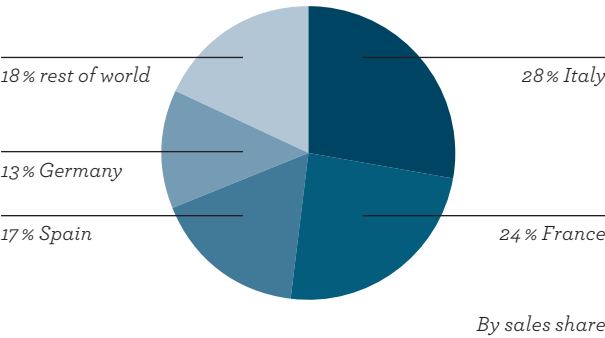
About 86 percent of the sales of the *Hawesko* Group are achieved in Germany, and the remainder above all in Austria and Switzerland, and therefore in judicial areas in which EU law or comparable rules apply.

SALES SHARES



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

PRODUCT ORIGIN



ENVIRONMENTAL MATTERS

The *Hawesko* Group does not have any production facilities of its own, with the exception of the subsidiary Ziegler which was disposed of at the end of 2020. To that extent the group has only indirect influence over how effectively the relevant environmental standards are complied with in cultivation and production. The taste and quality characteristics and attributes of high-quality wines depend greatly on the local cultivation conditions and methods of viticulture and vinification adopted by each producer. These may vary considerably depending on wine-growing region and producer. Approaches to sustainability and ecology are correspondingly varied and moreover constantly in flux. National and regional regulations, too, may vary. Nevertheless, there is a growing trend worldwide towards conscious, sustainable viticulture, vinification and appropriate further processing. The *Hawesko* Group uses its influence to balance the demands, expectations and positions of the various parties involved. In the purchasing sphere, the *Hawesko* Group and its brands constantly call upon their 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.

Under Council Regulation (EC) No 834/2007 (EC Organic Products Regulation), enterprises that make organic food products must be inspected each year by state-accredited inspection bodies. The *Hawesko* Group brands that deal with such products are certified to DE-ÖKO-005 or DE-ÖKO-006 for the sale of organically grown products (for example: <http://www.wsb-weinteam.de/gallery/Bescheinigung-Zertifikat-WSB-bis-31.01.2022.pdf>).

SHIPMENT AND LOGISTICS

For the shipment of goods from the producers (inbound logistics), fundamentally only carriers that use vehicles complying with at least the Euro 5 emission category are chosen. We take steps to ensure that the central warehouse is served only by fully laden trucks, to avoid extra runs. For shipments for *Jacques'*, for example, the trucks achieve a capacity utilization of between 98 and 99 percent. Where possible, rail or sea are used for sections of the itinerary. If intermodal solutions are possible – in other words where transport is possible by rail or sea rather than by truck for part of the itinerary – this is the preferred option and efforts are being made to increase the use of such arrangements. 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.

In summer 2019 the warehouse for the B2B segment was moved from Tornesch in north Germany to a more central location in Worms, in the German state of Rhineland-Palatinate. This important strategic measure brings the warehouse logistics for wholesale business closer to the locations of most German and also many European producers, for example in France and Italy. This significantly reduces the shipping distances. The relocation of the warehouse has also significantly shortened distances to most customers. The majority of customers can now be supplied more swiftly and a portion of the delivery runs previously required can be avoided.

Logistics streamlining at *Jacques'* in 2020 and the associated relocation of the warehouse from Ibbenbüren to Mönchengladbach bring the facility closer to the logistics “centre of gravity” at *Jacques'* and therefore optimise the delivery routes. The relocation to a warehouse site with state-of-the-art equipment and high environmental standards has brought a substantial saving in carbon emissions.

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 identified. For imports by *HAWESKO* (e-commerce) and *CWD* (B2B) from Italy, 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, order and delivery processes are harmonised with the other brands in the same segment in order to reduce shipping and goods traffic, avoid unnecessary runs and cut costs. As *Tesdorpf* handles predominantly low-volume orders in a reflection of its positioning in the top market and quality segment, wherever possible 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 implemented in the *Hawesko* Group in the past year include greater dovetailing of the companies in the B2B segment in an effort to realise and exploit synergy effects. The result is that orders from different companies can be combined more helpfully, rendering deliveries more efficient. 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.

The *Hawesko* Group is constantly examining new, alternative drive forms for company cars. Wherever the vehicle's use profile favours alternative drive forms, plug-in hybrid, electric or natural gas drive are considered when arranging new vehicle acquisitions.

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 and Retail segments in Hamburg, Tornesch and Düsseldorf; the emphasis is on seeking to use resources more intelligently. To achieve the European energy and climate protection goals, it was specified in the Energy Efficiency Directive 2012/27/EU dated 25 October 2012 that all businesses that are not classified as a small to midsize enterprise must have an energy audit to DIN EN 16247-1 conducted at least every four years by a registered energy auditor. “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 suggested 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 achieves lower power consumption than the previous equipment generation. The logistics location in Berlin was entirely converted 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, the electricity and gas costs for logistics were 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.

Any energy-heavy lighting still installed at *Jacques’* shops is being replaced with energy-efficient LED light sources. Exclusively energy-optimised lighting concepts are used whenever stores are refurbished or new ones opened. Preference is then given to high-quality, durable products “Made in Germany”. 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. For example, the Apple iMac computers in use at the shops have a well above-average useful life.

The head offices in Düsseldorf and 181 *Jacques’* locations purchased electricity from renewable sources (as at: March 2021). Green power thus accounted for 55 percent of total consumption and reduced carbon emissions by 260,000 kilograms compared with conventional forms. Newly opened *Jacques’* locations are equally supplied with renewably generated power. On the other hand air conditioning systems are used only in isolated cases where they are specifically needed – currently in only 18 out of a total of 327 shops throughout Germany, in other words fewer than five percent. In the heating season, heating systems are automatically switched down to an optimised temperature. If the heating costs for a shop depart significantly from the target, the causes are investigated and action is taken to improve the situation. Environmentally harmful cleaning products are not used.

At *Globalwine* in Switzerland, PET packaging is routinely collected and put into the recycling system. Only printers that enable two-sided printing are used as standard. A process has been started to convert the lighting to energy-saving LEDs. At the Austrian subsidiary *Wein & Co.* the lighting is being changed to LEDs wherever possible.

At *CWD* and *Grand Cru Select*, most of the offices are fitted with motion sensors that turn lights on or off automatically as soon as someone enters or leaves a room. This avoids lights being left on by accident.

All electricity and gas purchases by the holding company are pooled and put out to tender via direct marketers. This also helps the active management of consumption.

PLASTIC BAGS

On 27 March 2019 the European Parliament passed legislation to ban single-use plastics from 2021. On 21 May 2019 the EU Council approved the Single-Use Plastics Directive. How the resolutions are implemented is left to the discretion of each individual member state. Following an agreement reached in 2016 between the Federal Environment Ministry and the German Retail Association (HDE), under which plastic bags may no longer be provided free of charge, consumption of plastic bags more than halved from 5.6 billion to 2 billion (–64 percent) over the period from 2015 to 2018.

In November 2019 the German cabinet passed an amendment to the Packaging Act that will prohibit traders from bringing lightweight plastic carrier bags into circulation from January 2022. The only exception is ultra-thin plastic bags that for example aid the hygienic handling of loose fruit and vegetables. Breaches of the ban on putting bags into circulation carry a fine of up to €100,000. In Austria, the sale of single-use carrier bags made from plastic was already banned on 1 January 2020 (“plastic bag ban”). Remaining stocks may be sold off before the end of this year. *Wein & Co.* ceased to provide plastic bags a number of years ago and *Jacques’* followed suit in 2020, even for purchase, with the result that the statutory requirements have already been met in full ahead of schedule.

BAG-IN-BOX

The sales option of wine in bag-in-box packaging is becoming increasingly popular in Germany, too. 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 required is higher. Nearly 30 percent, or almost one-third, of *Jacques'* sales volume goes into the customer's hands 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. Exclusively FSC-certified paper and shipping cartons are used at *Jacques'*. The direct mail shots sent by *CWD* have been carbon-neutral since 2012.

By changing the previous printing process used for mail shots at *Jacques'* from a two-stage to one-stage printing process in 2018, several sustainability aspects could be addressed: the simpler printing process also simplifies the print-related logistics processes. In addition, it is possible to plan print runs with greater precision but shorter lead times. Finally, less cuttings are produced, reducing paper consumption. Only the print run actually needed is produced, no surplus or outdated preprints are generated, and there is consequently no waste to dispose of. This affects over 10 million printed items per year. These are mailed exclusively climate-neutrally using the “Go Green” mailing option (please see also the remarks in the section “Logistics providers” further below). In 2020 *Jacques'* switched to a climate-neutral printing process.

At *Jacques'*, all shipping and gift boxes as well as most bag-in-box packaging versions are made from FSC-certified card. For many years, *Jacques'* has been the only specialist wine retail chain with a nationwide presence that has collected wine corks for expert recycling.

Vinos' carton supplier uses exclusively FCS-certified packaging, and all packaging used at the Berlin logistics base correspondingly meets that standard. Shrinking the size of the shipping cases used by *Vinos* and *Wein & Co.* avoids dispatching dead volume and makes better use of capacity in the delivery vehicles.

At *Vinos*, advertising campaigns have maximum shipping efficiency of shopping cart contents designed into the concept. 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.

At *HAWESKO*, the wine collector's cards that are supplied to subscribers under the “*HAWESKO Select!*” programme and contain additional, exclusive information about the wines in the programme have been digitalised. Since 2019, the supplementary information previously supplied as printed index cards has been available to subscribers exclusively as digital downloads. Also, payslips that were previously printed out have been digitalised – these can now be called up digitally in the employee portal. *HAWESKO* introduced the 18-bottle carton in 2020. This move has reduced the number of packages dispatched and increased the bottles per carton figure. 2020 also saw *HAWESKO* and *Tesdorpf* send out more invoices digitally. Consumption of paper was consequently reduced.

Through its marketplace model, which gives customers an uncomplicated way of buying wine online straight from the winemaker, *WirWinzer* has eliminated altogether one leg of the dispatch route compared with conventional sales channels, because the goods are now sent straight from the producer to the customer, without any detours via an intermediary, and therefore by the most direct, resource-light way possible.

At *CWD* and *Grand Cru Select* (both B2B), the thresholds for free shipping in both volume and price terms have been increased. This encourages customers to plan their orders better to avoid inefficient order quantities and therefore excessive packaging and delivery runs.

Thanks to the use of a cardboard compressor at the Tornesch location, since 2010 it has been possible to compress (outer) card packaging in readiness for recycling. In 2020, around 360 tonnes of cardboard were compressed to a high standard and sold as recyclable material. Plastic film is also compressed and disposed of expertly, as are wooden crates.



MIGUEL TORRES

The estate of the Torres family, established in 1870, is one of the world's prestige producers of wines and brandies. A 2019 poll conducted among trade experts by the UK magazine Drinks International voted the bodega “Most Admired European Wine Brand” for the ninth year in a row. Torres does more than any other winemaker of its scale to protect the environment. Between 2008 and 2020, CO2 emissions from every bottle of wine produced were cut by 30 percent and the International Wineries for Climate Action working group has been created in partnership with other major winemakers. Inspired by company boss Miguel A. Torres, the family firm aims to cut its CO2 emissions by 55 percent by 2030 and by 80 percent by 2045 against the base year of 2008. To achieve that, each year Torres is investing 11 percent of its profit in the “Torres & Earth” programme. In 2017, Miguel A. Torres was presented with the Drink Business Green Award for Lifetime Achievement in recognition of his environmental commitment.

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.”

The enterprises affected need to sign up to a collection and recycling system and register with the Central Packaging Registry. The latter then also decides which packaging is affected. The register is available to the public at <https://lucid.verpackungsregister.org>.

The companies of the *Hawesko* Group participate in the dual system operated by Der Grüne Punkt – Duales System Deutschland (licensing of sales packaging). That company describes itself in the following terms: “Since 1990 Der Grüne Punkt has set up and run the world’s first dual system for the consumer-oriented, high-quality recycling of sales packaging. Today, it is a leading provider of take-back systems.”

Der Grüne Punkt awarded *Jacques’*, *Vinos*, *WSB*, *CWD*, *HAWESKO* and *Tesdorpf* the appropriate environmental certificates for the packaging recycled in 2019. According to figures from Duales System Deutschland, the carbon emissions saved are equivalent to growing, harvesting, storing and transporting more than 33,000 tonnes of locally grown apples.

HAWESKO GROUP COMPANIES CONTRIBUTED TO THE FOLLOWING SAVINGS IN 2019:

	<i>Jacques’</i>	<i>Vinos</i>	<i>WSB</i>	<i>CWD</i>	<i>HAWESKO</i>	<i>Tesdorpf</i>	Total
Carbon equivalent	3,990 t	1,897 t	2,970 t	314 t	2,358 t	91 t	11,620 t
Crude oil equivalent	595 t	316 t	438 t	47 t	352 t	14 t	1,762 t
Phosphate equivalent	1,392 kg	1,803 kg	1,541 kg	163 kg	1,254 kg	47 kg	6,200 kg
Primary energy	50,104 GJ	66,821 GJ	54,233 GJ	5,785 GJ	44,630 GJ	1,661 GJ	223,234 GJ
Sulphur dioxide equivalent	9,641 kg	6,630 kg	8,276 kg	862 kg	6,525 kg	249 kg	32,183 kg

Source: environmental certificate for 2019, Duales System Deutschland GmbH
The *Hawesko* Group will not receive the certificates for the year 2020 until after the copy deadline for this report.
GJ: Gigajoule

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 examined for scope for improvement.

At *Jacques’*, customer gifts are no longer packed in polybags and no additional plastic packaging is used for food items.

LOGISTICS PROVIDERS

Our logistics providers Hermes Logistik, DHL Freight and UPS are in turn realising their own environmentally compatible processes and are accredited to DIN 14001 (Environmental Management Systems). By using the “GoGreen” shipping option of DHL, the *Hawesko* Group is shrinking its environmental footprint. For parcels shipped “GoGreen”, a surcharge is levied on the shipping and invested in environmental projects to offset the greenhouse gases generated. DHL is helping to cut emissions by increasingly using electric vehicles for the delivery of parcels.

Through the Hermes “We Do!” initiative, carbon emissions by this service provider have been cut by almost 50 percent since 2010. Hermes also issues a monthly carbon statement, which helps the *Hawesko* Group to monitor its emissions from this area of activity and take corrective action. According to Hermes, the volume-adjusted carbon emissions at certain locations were reduced by 50 percent between 2006 and the end of 2020.

The *Hawesko* Group expressly supports this and other initiatives. 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 beyond the group, too.

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.

In 2020 *Jacques’* substituted till rolls made from non-recyclable paper for FSC-certified BLUE4EST till receipts that can be put in the paper recycling. 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 unnecessary and replace physical processes with virtual ones (such as online meetings).

COMBATING BRIBERY AND CORRUPTION

All employees of *Hawesko* Group companies are obliged to know the statutory provisions and internal regulations concerning their work and must observe them in the course of their activities, even if the limits that these occasionally impose on the company could hinder 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, consumer and environmental protection law, as well as 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. The committing of criminal offences or non-compliance breaches within or out of our group of companies is not tolerated in any circumstances.

The *Hawesko* Group has taken a clear stance against all forms of bribery and corruption. This stance 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 they 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.

Our code of conduct on compliant and loyal behaviour can be accessed on the website of *Hawesko Holding* and the business partners of the group and its entities are aware of the group's stance. The code also contains provisions on the following matters.

Accepting of benefits

Benefits such as gifts, contributions or invitations may not be demanded. They must be declined if they could or are intended to influence the employee's decision.

Exceptions

Exceptions to this requirement are only permissible if they occur in the course of normal cooperation or existing blanket or partnership agreements.

Impermissible behaviour

- Offers to meet travel and accommodation costs are to be declined.
- The accepting of payments, credit or other financial benefits is not permissible.
- Business partners may not become involved in events at *Hawesko* companies as sponsors.
- Discounts or price reductions that benefit an individual or a group of employees may not be accepted.

Granting of benefits

- Business partners may not be granted special benefits that are materially unjustified..
- Business partners may only be offered or granted invitations, gifts and gratuities if these are not intended to influence decisions by the business partner, they are appropriate and are made in the course of normal business activity.

The complete code of conduct is available <https://www.hawesko-holding.com/en/corporate-governance/> for downloading.

Insider trading

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

Until its publication this 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.

Whistleblowing hotline

There are two pillars to the whistleblower system of the *Hawesko* Group. In addition to the internal reporting channel to the superior, the management and the compliance officer, since the second quarter of 2018 there has been a whistleblowing hotline operated by an independent, external mediator. Employees and external parties may anonymously report unethical or unlawful conduct anonymously to the latter. 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 print form. The guideline on the whistleblower system is available to third parties and business partners of the *Hawesko* Group for downloading at <https://www.hawesko-holding.com/en/corporate-governance/>.

The guideline clarifies for example 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, the person concerned, the procedure in the event of abuse of the whistleblower system, rights of appeal and privacy rights.

By the time this report went to press, only one report had been received on the whistleblowing hotline.

The report by the whistleblower was not about any of the topics covered in this CSR Report. The report submitted was nevertheless taken very seriously and could be swiftly clarified.

This demonstrates that the whistleblowing hotline is established and that, if in doubt, whistleblowers can protect their anonymity when submitting a report.

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

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, share ownership by employees and continuing training are the hallmarks of human resources work in the *Hawesko* Group. Alongside professional skills, training covers personal and social skills.

The group employed an average of 1,183 people in the 2020 financial year (including 29 apprentices), predominantly in Germany. When filling management functions in the group and its brands, the Board of Management strives for diversity and in particular seeks the suitable involvement of women. The target communicated in the Annual Report 2017 of a 25 percent proportion of women among group managers by June 30, 2022 has already been met.

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

The successful recruitment of junior employees starts with offering a diverse range of options for school-leavers. In the year under review, there were 29 apprentices (previous year: 30). 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.

School-leavers are put through a group-wide trainee programme 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.

Advancement

The advancement measures available within the Group comprise courses designed to develop the personal performance profiles and personality of individual employees. Employees are in addition offered internal training courses which focus mainly on goods management and on the handling of user software. In 2020, € 0.2 million (previous year: € 0.3 million) was invested in training and advancement measures.

Since the end of 2019 future executives have received professional and personal development across all segments through the Junior Executive Programme (JEP!). The purpose of JEP! is for the group to be able to fill key positions that come up in the future internally.

WORK/LIFE BALANCE

Modern technology is increasingly making it possible for employees to work from home where 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, minimises travelling time and reduces the amount of time they spend “away from home”. The concerted group-wide drive to digitalise systems and processes enables virtual and social working environments to be combined more flexibly and dynamically. Employees now no longer need be constrained by rigid working practices that do not accommodate their individual situation, and are now to some extent responsible for organising themselves. Technology and the information architecture are there to benefit the user. This is also vital to attracting well-qualified, promising and talented young professionals to management and leadership positions in the *Hawesko* Group.

The *Hawesko* Group has implemented occupational integration management arrangements and the e-commerce brand unit also offers 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. Parents are offered flexible working hours, part-time and home-office arrangements.

CORPORATE SOCIAL BENEFITS AND RETIREMENT BENEFITS

A wide range of fringe and welfare benefits is available to the employees of the *Hawesko* Group. These include most notably retirement benefit schemes. *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.

At 31 December 2010, 399 employees (prior-year reporting date: 403) of the group belonged to this pension fund. Collectively negotiated employer subsidies amounted 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.

COVID-19 PANDEMIC

From April 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, 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.

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 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.

Rhine CleanUp 2019

In 2019, *Jacques’* employees took part in the “Rhine CleanUp” campaign (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 plants and animals and as an experience area and local amenity for humans. On 14 September 2019 over 20,000 people of all generations took part in this campaign in 108 towns and cities. This was up from 10,000 people in 59 towns and cities in 2018. The two days of the campaign in 2018 and 2019 collected a

total of 291,061 kilograms of rubbish, which was then properly disposed of. In Duisburg, the articles collected included an edition of “The Poetical Works of Lord Byron” from Leeds University Library (United Kingdom), which was last borrowed in 1998. 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. In 2020 the management of *Jacques’* planned to enable its employees to take time off from work in order to take part in the clean-up campaign, in a further demonstration of social engagement. Unfortunately the initiatives envisaged for 2020 were unable to take place due to social distancing rules and the hygiene precautions necessitated by the pandemic.

The initiatives organised by regional and local clean-ups include Blockblocks Rhein Cleanup (www.blockblock.de) from Düsseldorf: “Joining forces for clean rivers and seas. We hold clean-ups and other actions to tackle plastic waste pollution and promote the more conscious use of plastic and other resources.” The clean-up on 30 June 2019 in the North Rhine-Westphalia capital city was followed by a “wine clean-up”, in which helpers were invited to bring the event

REGARD FOR HUMAN RIGHTS

The code of conduct for the *Hawesko* Group is based on the principles of the Universal Declaration of Human Rights and the UN 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 and its subsidiaries do 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 and its brands 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 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 these guidelines and comply with their provisions. Managers who fail to meet this obligation may be subject to disciplinary measures and legal consequences.

Jacques’
As the leading and best-known wine-shop retailer in Germany, *Jacques’* plays an important role in the wine trade as a whole. In its awareness of this role, *Jacques’* has drawn up a 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 humane working conditions along the entire supply chain. Suppliers give assurance that they comply with the principles presented in this code.

The suppliers’ code contains provisions on such matters as the following:

- Compliance with laws
- Discrimination
- Forced labour
- Child labour
- Working hours
- Pay
- Health and safety
- Handling of alcohol
- Corruption
- Environmental protection
- Product safety
- Supply chain

The suppliers’ code can be consulted at <https://www.jacques.de/ueber-uns/lieferantenkodex/>.

The complete code of conduct is available for downloading at <https://www.hawesko-holding.com/en/corporate-governance/>.

Addiction prevention and responsible handling of alcohol
As the high-quality products sold by the *Hawesko* Group are aimed at responsible consumers, based on 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 nevertheless recognises its responsibility to educate people about alcohol abuse and how to prevent it. This is especially pertinent for *Jacques’*, *Wein & Co.* and *Vinos*, because they offer free tastings of wine. As part of this responsibility, they seek to prevent alcohol abuse by systematically upholding youth protection legislation and ensuring that the opportunity for free tastings is handled responsibly. To that end, regular training and internal events are held on the subject of addiction prevention, to promote greater awareness among those in charge and their employees.

In accordance with youth protection legislation, the *Hawesko* Group supplies 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 with 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 recipient by checking their ID.

COMPANY NAME

Carl Tesdorpf GmbH
Globalwine AG
Grand Cru Select Distributionsgesellschaft mbH (formerly CWD Champagner- und Wein-Distributionsgesellschaft m.b.H.)
Grand Cru Select Weinhandelsgesellschaft mbH
Hanseatisches Wein- und Sekt-Kontor HAWESKO GmbH
Jacques’ Wein-Depot Wein-Einzelhandel GmbH
Wein Service Bonn GmbH
Wein & Co. Handelsges. m.b.H.
Wein & Vinos GmbH
WirWinzer GmbH
Gebrüder Josef und Matthäus Ziegler GmbH

INTERNAL DESIGNATION

Tesdorpf
Globalwine
CWD

Grand Cru Select
HAWESKO
Jacques’
WSB
Wein & Co.
Vinos
WirWinzer
Ziegler

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