

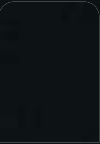


HEYNE & PENKE
VERPACKUNGEN

SUSTAINABILITY REPORT 2023

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1.0 INTRODUCTION BY THE MANAGEMENT




„Environmental competence. Saving energy and resources for the future.“ We are constantly aware of our responsibility for our planet and for future generations. For some years now, ecological aspects in packaging have increasingly become the focus of attention: they should consume as few resources as possible and be as environmentally friendly as possible. On the other hand, the protection and presentation of the product must not be compromised in order to avoid food waste. HEYNE & PENKE Verpackungen GmbH acts in an environmentally conscious way in all parts of production. We, the owners and managing directors Peter Penke-Wevelhoff and Christoph Penke-Wevelhoff, stand for the continuation of the established Heyne & Penke company tradition. „Flexible and forward-looking, we are guided primarily by the requirements of our customers when it comes to future investments and the development of new, sustainable packaging solutions.“

In the past, we have already taken multiple steps to demonstrate our awareness of the impact of packaging on the environment and that we are taking appropriate measures to minimize it as well and as quickly as possible. Together with our specialized departments, we develop tailor made environmentally friendly packaging solutions for each of our customers. In addition to protecting our environment, our employees are especially important to our company, a family-run business for almost 120 years. We are very proud to look back on the last few years and are optimistic about the future, in which there is still a lot to change. It is exciting to be part of this time of re-thinking in the world of food and non-food packaging!

Find out more about our sustainability activities and future aspirations and goals on the following pages! We hope you enjoy reading our first sustainability report!

Peter Penke-Wevelhoff
Christoph Penke-Wevelhoff

Managing Directors of
HEYNE & PENKE Verpackungen GmbH

A large, vibrant illustration of the Earth from space, showing continents and oceans. Above the Earth, a small, lush green island floats on a bed of white clouds. A large, leafy tree stands on the island, with a small yellow ring hanging from one of its branches. The sky is a clear, bright blue with scattered white clouds.

ENVIRONMENTAL COMPETENCE.

*Saving energy and resources
for the future.*

2.0 QUALITY AND PERFECTION

For almost 120 years, quality and innovation have been the key to success for HEYNE & PENKE Verpackungen GmbH in the printing and finishing of flexible packaging made of paper and film for the food and non-food industries. We are continuously increasing the efficiency of our company by investing in buildings and equipment. We constantly keep both our production facilities and our environmental technology up to date. Our workforce of now 190 employees is fully committed to the company motto: FULL SERVICE PACKAGING

Flat hierarchies and short decision-making processes ensure the fastest possible response to customer requests.



*Christoph Penke-Wevelhoff (Technical Managing Director, left)
and Peter Penke-Wevelhoff (Commercial Managing Director)*



**QUALITY AND PERFECTION
IN OUR PRODUCTION.
THAT IS OUR CLAIM.**

DAY BY DAY.



Quality packaging
MADE IN GERMANY

2.1 OUR MISSION STATEMENT



Historically, we have been building long-term and collaborative relationships with our customers and suppliers through Consistency, Reliability and Predictability. These are also our principles for future business operations. Verbal and written commitments or letters of intent to customers and suppliers are fulfilled by all employees.

Our company focuses on a long-term strategy; however, we regularly check its effectiveness and adapt it to the ever-changing environment.

The aspect of Environmental Protection is now fully integrated into the company's policy as a matter of course. The products sustainability through employing the latest environmental technology and using resources efficiently is a special focus in all our business and production processes. We maintain ecological standards in packaging production at the highest level, both in terms of recycling materials and reducing energy consumption as much as possible. Environmental responsibility doesn't cover only technical aspects but also all related organizational processes in the company, as well as consulting customers on specific ecological issues.

Each of our employees is firmly devoted to achieving and ensuring the highest quality and top standards for our products and services. Every employee acknowledges that the guarantee of the final product quality is an all-embracing task across all departments. In terms of our ISO standards, we test the quality of our products not just at the end of the manufacturing process, but we control it right from the beginning. We constantly adopt and endorse the latest technologies and innovations to deliver maximum benefits to our customers.



**CONSISTENCY AND
RELIABILITY**



**SUSTAINABLE
PRODUCTION**



**GUARANTEE
RELIABLE
QUALITY**

OUR MISSION STATEMENT

Our company follows the principle of a close partnership with our customers. This includes, among others: We handle all sales transactions quickly and to the fullest satisfaction of our customers. We support our customers in solving technical and commercial problems.

We closely monitor all important trends in the relevant sales and purchasing markets, identify new technical- and consumer- related market developments at their early stage and effectively respond by introducing product improvements, product innovations, modifications in technical and organizational procedures and new purchasing arrangements.

We believe in our employees and respect their individuality. We value high levels of employee performance, integrity and complete loyalty to the company. We support efficient and motivated employees through continuous professional development and training.

Our duty is to sustain a profitable company to ensure successful operations for our clients and ensure job security for our employees.



**CUSTOMER
RELATIONS**



**RESPECT
EMPLOYEES**



**GENERATE
PROFIT**

You can download our Code of Conduct from our website
www.heynepenke.com

2.2 RELIABILITY

We are committed to delivering perfect quality to our customers on time, every time. We guarantee excellent product quality through a structured development process and continuous quality management, with technical equipment that are regularly maintained and kept up to date. Our capacity planning is forward-looking and time-saving, enabling us to respond optimally to urgent enquiries. „Historically, we have been building long-term and collaborative relationships with our customers and suppliers through Consistency, Reliability and Predictability. These are also our principles for future business operations.“* The aim is to continue optimizing these processes.

„Our company focuses on a long-term strategy; however, we regularly check its effectiveness and adapt it to the ever-changing environment.“*.

The evaluation reveals potential for improvement that is considered an opportunity for optimization and is then implemented . An important part of the evaluation of our product quality is the number and type of complaints, which are processed by various specialist departments such as application engineering and the laboratory. The corrective action taken ensures that the claimed problem does not occur a second time.

Value analyses of the claimed product quantities in relation to the order volume are also carried out, not only to illustrate the impact of these production errors on quality, but also to show performance. With a forward-looking focus, sustainable management is our top priority, so we take appropriate measures every year to minimize the complaint rate and keep it low. In 2021, the number of complaints was 2.8%, whereas in 2022 it decreased to 1.8%. Numerous long-term customer and supplier relationships confirm our actions and motivate us to work together with full commitment in all our partnerships: FULL SERVICE PACKAGING.

*Excerpt from the corporate mission statement

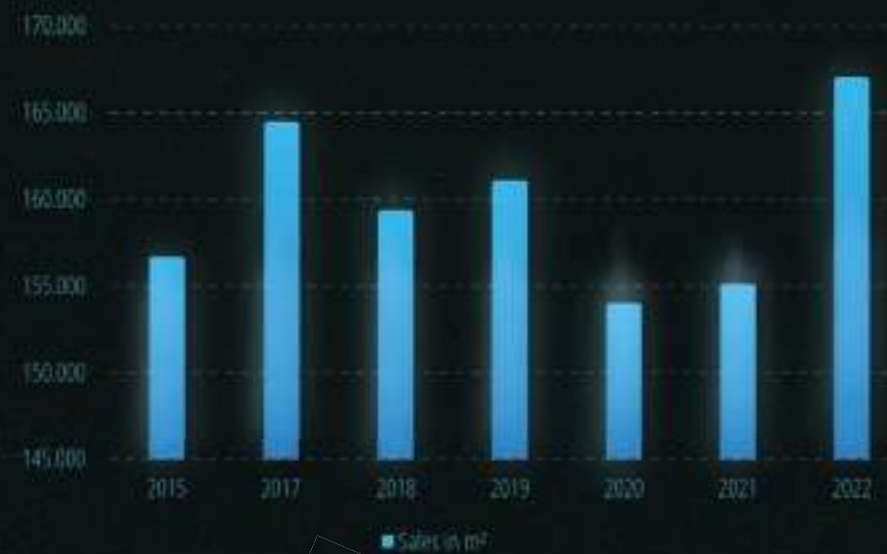
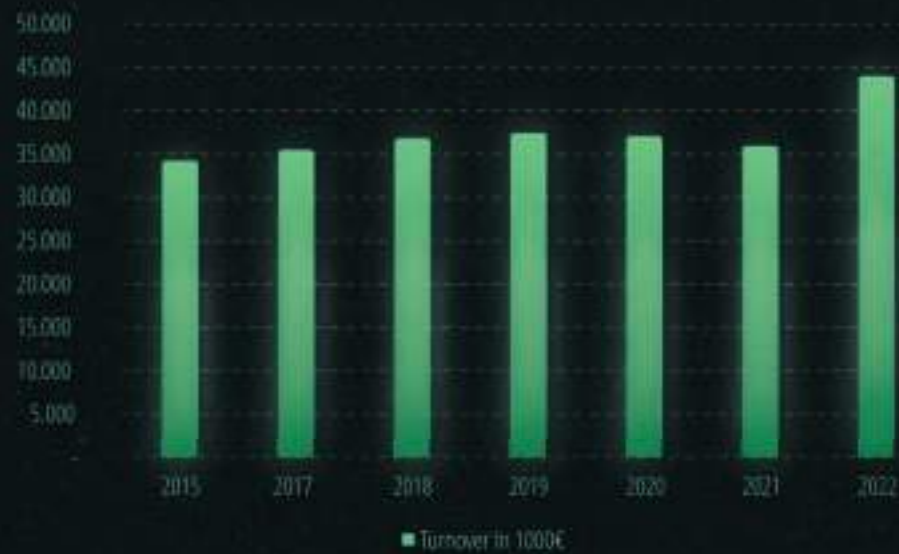


2.3 FACTS AND FIGURES

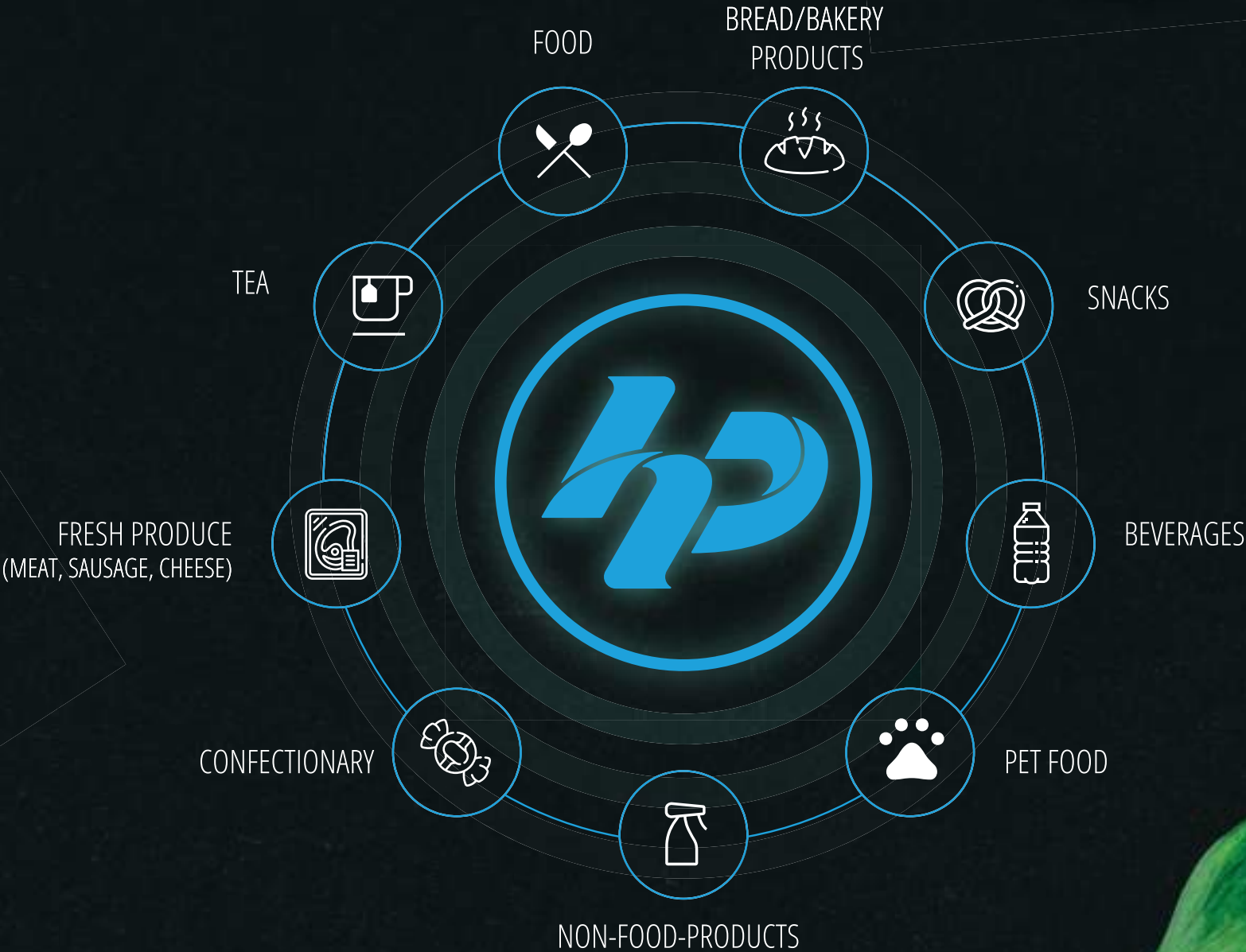
HEYNE & PENKE Verpackungen GmbH - founded in 1906 - is a leading, medium-sized manufacturer of flexible packaging made of paper and film. The various materials are printed using gravure and flexographic printing processes and further finished by lamination (solvent-based or solvent-free), coating (e.g. with varnish or wax) and slitting (into reels). HEYNE & PENKE Verpackungen GmbH currently employs around 190 people, of which around 40 work in administration and 150 in production in three-shift operation. Turnover in the past financial year 2022 totalled around 44 million euros.



2.4 TURNOVER/SALES



2.5 OUR MARKETS



2.6 OUR PACKAGING



Form Fill Seal



Form Fill Seal



MONO FILMS

APPLICATIONS

FORM FILL SEAL:

Confectionery, snack products, bread, cakes, pet food

TWIST WRAP:

Sweets, chewy sweets, chocolate products

WRAPPERS:

Packaging for folding boxes

BEVERAGE LABELS

DPG-Certification

Form Fill Seal



Twist Wrap



OUR PACKAGING

Standup Pouch



Four-Side-Seal Bag



Lid Film



FILM LAMINATES

APPLICATIONS

FORM FILL SEAL:

Snack products, sweets, dried fruit, bakery products, cereals, frozen foods, tea, soap, wet wipes

LID FILMS:

Cheese and Cold Cuts (meat, sausage)

DEEP-DRAWN PACKS:

Baked goods, cakes and pastries

OUR PACKAGING



Transfer Images (Tattoos)



Twist wrap



Wrappers



Sealed-edge pouch



WAXED & COATED PAPERS

APPLICATIONS

TWIST WRAP:

Sweets, toffees, lollipops

WRAPPERS:

Bubble Gum, chewy sweets, sugar cubes, soap, razor blades

FLOW WRAP:

Snack products, Chocolate bars

SPIRAL LABELS:

Stacked Chips cans



Spiral labels



SUSTAINABILITY
AT HEYNE & PENKE
VERPACKUNGEN GMBH



3.1 SUSTAINABLE DEVELOPMENT GOALS



Heyne & Penke Verpackungen GmbH
supports the Sustainable Development
Goals of the United Nations

SUSTAINABLE DEVELOPMENT GOALS



Source: <https://sdgs.un.org/goals>



3.2 SUSTAINABILITY AT H&P

As defined in our mission statement, environmental awareness has been firmly embedded in our corporate policy for many years. This is evidenced by our numerous memberships, collaborations, projects and certifications. This year, for example, we implemented the environmental management system according to DIN EN ISO 14001:2015 (12, 13). The “Keimling” certificate documents the compostability of certain products (12, 15) and FSC certification enables us to use paper from sustainable forestry (15). More recently, the ISCC+ certification for the use of films with recyclate was added (12, 13), as well as certificates for recyclability when using various waxes through a collaboration with PTS (Papiertechnische Stiftung) (17). Sustainability projects were also carried out with the SPI (Sustainable Process Index) and the external sustainability consultant, Dr Thomas Gröner from TG PACK SOLUTIONS (17). Special attention is paid not only to the efficient and sustainable use of resources, but also to the handling of emissions and waste generated during production.



SAVING RESOURCES FOR THE FUTURE.



“We maintain ecological standards in packaging production at the highest level, both in terms of recycling materials and reducing energy consumption as much as possible.”

3.3 ENERGY & CARBON FOOTPRINT

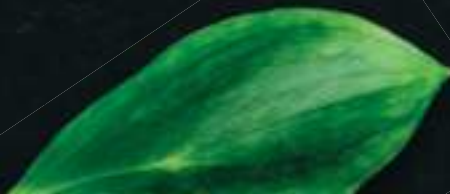
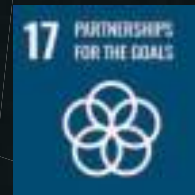


Order-related material purchasing and precise calculation of material requirements enable the avoidance of residual materials and waste as far as possible (9, 12). In addition, our waste management system, which has been completely revised in previous years, supports the circular economy by enabling recycling through waste sorting by material type (12, 15).

In addition to the environmentally conscious purchasing of raw materials, we also act sustainably in the energy sector. For example, our photovoltaic system generates carbon-neutral electricity (12, 13), which covers a large part of our energy requirements, and the administration and production buildings are illuminated with energy-saving LEDs (12, 13). The incineration of production exhaust air in our regenerative post-combustion plant generates heat and the weekend electricity is used to produce hot water (12, 13, 15). The advancement of e-mobility has become a particular focus in recent years. Our declared goal is to have replaced all company vehicles at Heyne & Penke with electric vehicles by 2030. This will include the expansion of the charging infrastructure on the company premises (13).

In order to visualise all of these activities in a standardised way and make them comparable on the market, we have been participating in the Carbon Disclosure Platform „CDP“ questionnaire for many years, in which the sustainability of a company is assessed in various environmental, business and social categories. A fixed component of the survey is the calculation of the carbon footprint in the form of direct emissions (Scope 1) and indirect emissions (Scope 2).

Fortunately, a decreasing trend has been observed here for several years. The upcoming EcoVadis certification completes our portfolio. Here, as at CDP, sustainability activities are documented and honoured with a certificate.



3.4 H&P-ECO-SOLUTIONS

At Heyne & Penke Verpackungen, we strive to achieve more. We want to stand out and demonstrate a difference. We set new standards and make plans for future generations. We endeavour to consciously look inside and outside our industry to find new ways to contribute to the issues and interests of our partners and stakeholders.

With the **hp-eco series**, we are taking concrete steps together in the right direction for a sustainable future. Together we are creating innovations for future generations!

With the **hp-eco series**, we offer our customers access to the best range of existing sustainable products (12) and innovative packaging solutions on the market; from packaging materials that help prevent food waste and improve hygiene to materials with a low carbon footprint (13) and high recycled content (15). The **hp-eco solution** also supports our customers in redesigning their packaging and switching to sustainable, innovative packaging solutions.



3.5 LABEL HP-ECO



The two most important sustainable aspects of packaging solutions are the circular economy* (9, 12, 15) and the carbon footprint (13). At Heyne & Penke Verpackungen GmbH, we assess the sustainability of packaging materials according to these two aspects and use our

hp-eco+ and **hp-eco++**.

hp-eco+

supporting the circular economy **or**
reducing the carbon footprint

hp-eco++

supporting the circular economy **and**
reducing the carbon footprint



*Recyclability & use of recycled material

3.6 RECYCLABILITY & USE OF RECYCLED MATERIAL

ISCC+ International Sustainability & Carbon Certification is an independent, multi-stakeholder initiative and the leading certification system supporting sustainable, fully traceable, deforestation-free and climate-friendly supply chains. With **hp-eco solutions**, we develop the right packaging for every need.



If material is used that contains recycled material as a source, a distinction must be made between the following types of recycling:

During **mechanical recycling**, plastic is cleaned, mechanically shredded, melted and processed into plastic granules (12,13,15). This type of recycling reduces the carbon footprint.

In **chemical recycling**, on the other hand, the plastic waste undergoes chemical or thermochemical processing to synthesize new polymers for film production (9, 12, 15).



Bio-circular materials are recyclable materials based on organic waste as a source to produce them (9,12,13,15). Biocycle refers to waste and residues of biological origin from agriculture, forestry and related industries (e.g. used cooking oil).



Bio-Based materials are made from renewable resources (12,13,15).

Source: <https://www.iscc-system.org>



3.7 WAXFREE WRAPPERS

The challenge with wax paper is that paper recyclers avoid wax paper, although it has been proven to be recyclable (PTS study) and compostable (DIN CERTCO) (12, 15). The current status is that wax paper must be licensed as a composite in the German EPR systems.

One approach to solving this problem is an alternative packaging material. Twist wrappers **hp-eco++ Paper Twist**, for example, do not require the traditional use of wax (9). Here, the paper is coated with a new type of one-sided coating, whilst still allowing a high cycle rate of up to 1,800 on double twist systems. However, barrier properties are still given. The test phase is running at full speed and offers a working alternative to wax wrappers!

Currently, the application for soft & hard candies and bubble gum is about to be launched and it is in development for chocolate products.



3.8 SOCIAL RESPONSIBILITY OF OUR COMPANY

Our social responsibility for our employees extends from health and safety at work (3) to personnel management and development. Our employees are our most valuable asset - respect is one of our core values! We aim to create employee loyalty through a wide range of measures and offers by recognizing, valuing and promoting each individual. In addition to the principle of equal pay (10), holiday bonuses and special annual payments, we offer flexible working hours, a company pension scheme and commuting subsidies (8). Company events such as excursions, barbecues and joint Christmas parties are an integral part of everyday life at Heyne & Penke Verpackungen GmbH and strengthen team spirit.

Last, but not least, we offer our apprentices comprehensive, specialized training, during which they are involved in day-to-day business from day one, challenged by responsible tasks and supported by further training opportunities. Heyne & Penke advertises the fact that it trains people for its own company - this is particularly evident in the number of long-serving employees who have been with the company since their training.

We support future generations and the region in which we are located through various partnerships, such as with sports clubs, and co-operations with local schools (11). To communicate this social awareness, we have been a member of the „Sedex“ platform for responsible supply chains since 2008. Furthermore, a Code of Conduct was defined, published and forwarded to all employees and business partners in 2023. Management, supervisors and employees work and act as equals. This makes it possible to respond quickly and individually to everyone's needs. All of these measures are important to us and contribute to job security (3, 8).



SOCIAL RESPONSIBILITY



SAFETY & HEALTH

Work safety in all areas of the company is a top priority, not only due to our ISO 9001 certification, which has been in place since 1994, but out of a sense of responsibility towards all employees (3).

Regular risk assessment and safety inspections are intended to reduce accidents at work to a minimum by continuously optimizing all processes. One of the core corporate values of Heyne & Penke Verpackungen GmbH is respect; it is our duty to create a safe working environment for every employee (3, 10). For this purpose, there are official, internal and external safety officers who use binding inspection instructions to identify and analyse potential hazards at set intervals and initiate corrective measures. These are communicated to all employees through regular, mandatory safety training sessions in order to develop and consolidate a certain level of risk awareness.

Health protection also plays an important role in everyday life at Heyne & Penke. An external company medical officer regularly puts every single employee, whether in administration or production, through their paces! From eyesight tests to mobility checks to stress tests - ergonomic working is a top priority for us. Whether it's lifting aids in the packing department or height-adjustable desks in the office - the well-being of our employees is our top priority! In the future, we even plan to organize health days in cooperation with health insurance companies.



4.0 CONCLUSION

Thank you for taking the time to read our first sustainability report.

While writing it, we realised that we are on the right track towards a more sustainable future with our activities so far and that we are actually making a significant contribution to a positive future through further developments. This report summarises all the information in a compact and clear format and also serves as a basis for evaluating our impact more quickly in the future. It is good to

see that we have already achieved more in the area of sustainability than we initially thought. Further planned investments in the six-figure range in machinery and environmental technology in the coming years are intended to shorten processing times and reduce the use of energy and resources. Not least because of our support for the UN Sustainable Development Goals, we are now even more motivated to keep improving.

We would like to take this opportunity to thank Dr Thomas Gröner from TG PACK SOLUTIONS for the successful cooperation and all-round support in our sustainability project. Please continue to accompany us on our way to a more sustainable future, we are already looking forward to presenting our progress in the next edition!

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Quality packaging
MADE IN GERMANY

