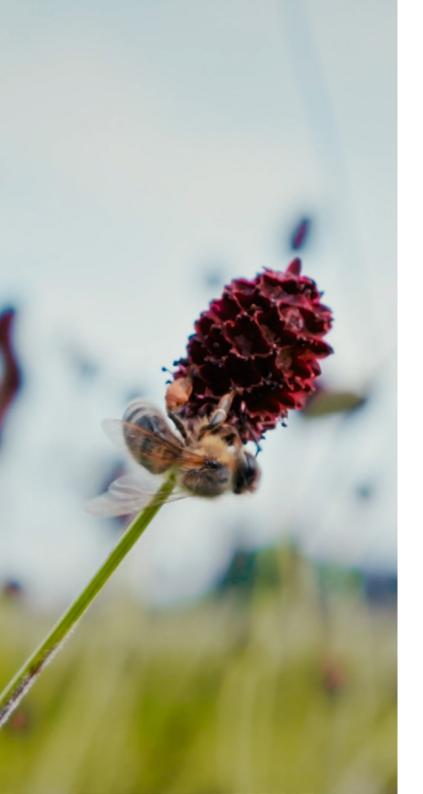




# 2023 HPC GROUP SUSTAINABILITY REPORT

Honouring 75 years of Sustainable Commitment: our first CSRD Report





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# 1. Letter to Stakeholders

# Dear employees, dear customers and business partners, dear readers,

75 years of HPC – that means outstanding and conscientious work in land recycling, environmental consulting and infrastructure planning. In keeping with our anniversary year, we are particularly pleased to present our first Sustainability Report 2023.

As an experienced engineering company providing a wide range of engineering solutions for decades, we rely on our core values blended with modern technologies for an advancing and ever-evolving future. From the very beginning, groundwater, mineral water, subsoil and soil activities were the bedrock of our company – all of which are essential elements of sustainability. This is where we came from. Since then, we have gradually expanded our portfolio to include more than 50 disciplines, all of which stand for the responsible use of resources.

A central element of our work is adaptability, always evolving to suit current trends and provide innovative solutions that pass the test of time. It is no coincidence that our corporate claim is: "For the Environment. For the People." We have always followed this guiding principle with conviction.

Sustainability is a path that we follow with absolute commitment and passion. For many years, we have been dedicated to environmental protection and social responsibility. This report is intended to show you where we currently stand and demonstrate with conviction where we want to go with clear guidelines. In doing so, we pursue a comprehensive approach to exploit opportunities and manage sustainability-related risks responsibly.

Since 2022, our commitment has been honoured with the EcoVadis silver medal – a recognition that motivates us to consistently continue our path.

With this first sustainability report, we want to send a strong signal: a signal for conscious and sustainable development. Our vision is to see a world of possibilities where people live in harmony with the environment and ecosystems that support their very existence. Our goal is to maintain a robust sustainability management system that supports and strengthens our vision based on our respective medium-term strategy – currently HEADS 2025.

Dear Readers, this report gives you a transparent overview of our progress to date and shows how we are shaping the change towards a more sustainable future. It is also about the natural foundations of life for future generations. We look forward to continuing this path together with you.

Yours sincerely,

The Board



**Thomas Osberghaus** 

Tromas Obefan,

# 2. About the Report

This report marks HPC Group's first publication on sustainability, referring to the fiscal year (FY) 2023. Over the past years, we have intensified our efforts to enhance sustainability performance across our operations. We are working diligently to align with the new Corporate Sustainability Reporting Directive (CSRD) and its standards, the European Sustainability Reporting Standards (ESRS).

Our Group values the distinct characteristics of each entity within our organisation and is committed to addressing specific needs in the regions where we operate. In this regard, we appreciate the gaps per the ESRS requirements identified in this report which we intend to close in the coming years as we take you along on our sustainability journey.

The purpose of this report is to provide a comprehensive overview of HPC Group's structure as it pertains to sustainability, as well as to outline the strategic pathway we are following to improve our sustainability performance. In the following sections, we present our initial steps towards consolidated Group-level reporting per ESRS requirements.

To offer additional context beyond CSRD standards, we also provide case studies showcasing how we create value on material topics, benefiting both our clients and the broader stakeholders. The Group's Sustainability Steering Committee has fully read and approved this report which in turn are fully endorsed by the Group's CEOs. All contents and rights are fully reserved by HPC AG. However, for questions regarding the contents and any related matters kindly contact the Groups Head of Sustainability.

# 2.1 Technical Information

The present sustainability statement has been prepared on a consolidated basis for our entire HPC Group, which comprises the following entities: HPC AG, HPC ENVIROTEC SASU, GEYSER HPC S.A.U., HPC IBK GmbH, HPC INTERNATIONAL SAS, HPC Italia S.r.I., and HPC POLGEOL S.A.<sup>1</sup>.

While compiling this report, we have adopted the following time horizons in compliance with ESRS 1:

- Short-term time horizon: corresponding to the reporting period of our financial statement.
- Medium-term time horizon: from the end of the reporting period up to five years.
- Long-term time horizon: more than five years after the end of the reporting period.

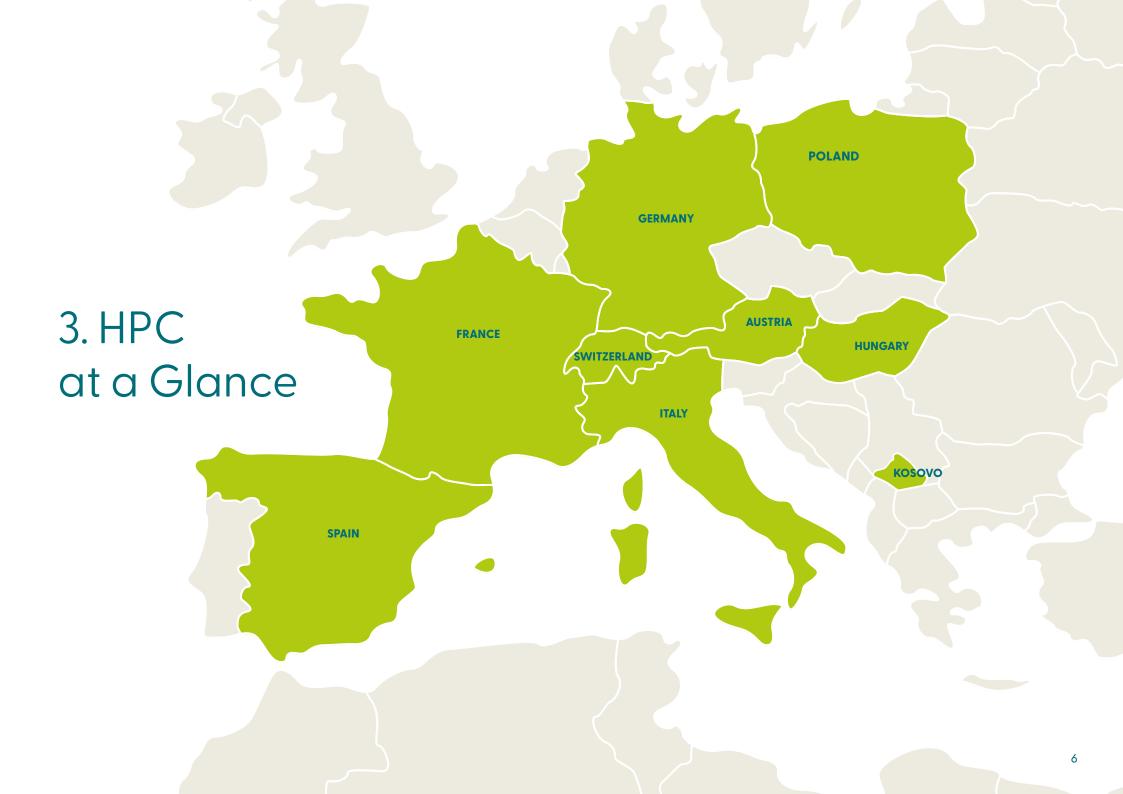
This sustainability statement only covers the first level of our upstream and downstream value chain, disclosing information regarding our direct business relations. We have not included information regarding our value chain from indirect sources (e.g., sector-average data). The sustainability report represents our first consolidated effort, and we are currently in the process of harmonising the data collected across our entities. Each entity has the flexibility to store raw data in a manner that best suits its needs. Consequently, some of the quantitative data reported in the following pages may be partial.

To ensure clarity in understanding our sustainability performance, we have marked with an asterisk (\*) instances where information is partial or uncertain. We have not omitted any information corresponding to intellectual property, know-how or the results of innovation.

Additionally, we have not excluded information regarding impending developments or matters during negotiation. Finally, we have not incorporated any disclosure requirement by reference.

We will continue working to align with CSRD requirements to further enhance our contribution to sustainability.

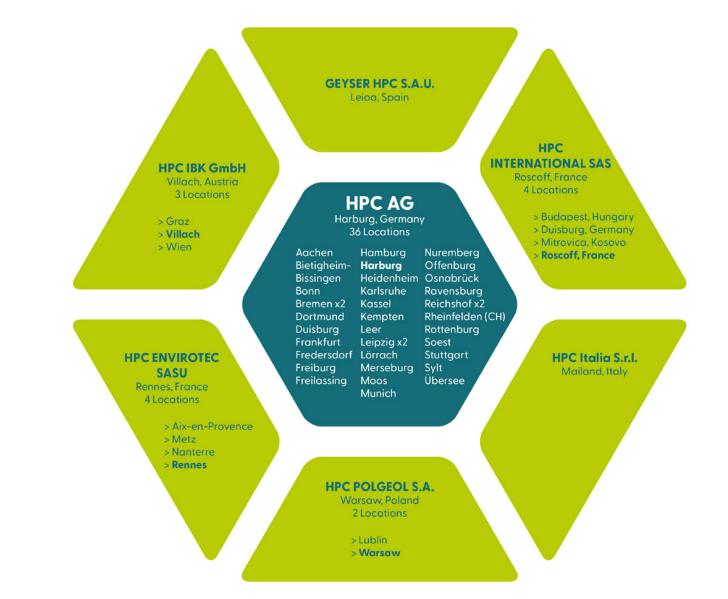
1) The scope of consolidation of the present sustainability statement is the same as for the financial statement.



The HPC Group, headquartered in Germany, is an international engineering company specialised in land recycling, environmental consulting, and infrastructure planning.

# Since our founding in 1948, we have grown to over 780 employees.

With our presence in over 35 locations in Germany and 16 locations in 8 countries across the EU, we continue to deliver sustainable solutions for complex environmental and infrastructure projects.



In Land Recycling, for example, we focus on the remediation and revitalisation of contaminated sites, offering expertise in soil and groundwater protection, pollutant analysis, and environmentally sound demolition.

Through our environmental consulting services, we support businesses with site assessments, occupational safety, and sustainability and permitting management to ensure regulatory compliance and meet long-term environmental objectives. In infrastructure planning, we provide integrated solutions for transport infrastructure, groundwater management, geotechnical engineering or renewable energy, focusing on sustainable and resilient development.

With decades of experience and a forward-thinking approach, we consistently expand our reach, ensuring that every project contributes to a more sustainable and resilient future. Our expertise is trusted by leading companies in sectors such as chemicals, IT, real estate, and automotive.

Additionally, we work hand in hand with local authorities and administrative bodies to design and implement social projects in a more just and equitable manner, thus building a more sustainable tomorrow together.

As a founding member of the Inogen Alliance, a global network of independent consulting firms, we can operate both locally and internationally, providing comprehensive Environmental, Health, Safety, and Sustainability services at a global scale.

This partnership enables us to offer tailored solutions to clients worldwide, combining global reach with local expertise.



## **Our Services**





Infrastructure Planning

Road and Civil Engineering Groundwater Management Geotechnical Engineering Supply and Waste Engineering



# 3.1 HPC Sustainability Organisation



# 4. Sustainability Statement

Since its founding in 1948, the HPC Group has been dedicated to "the Environment" and "the People". This commitment is not just a corporate motto but a guiding principle that drives our efforts to deliver high-quality expertise and pioneering technologies, addressing the challenges of today and tomorrow. We remain steadfast in our mission to ensure a safer, cleaner world for both current and future generations, shaping our business practices to provide the solutions necessary for a thriving and prosperous future.

Amid global challenges such as catastrophic flooding and inefficiencies in water and energy use, we recognise the crucial role of science and innovative solutions in creating a more just and sustainable world.

Our daily work is driven by the significance of our impact on clients and stakeholders, and our goal is to reduce our climate footprint by actively implementing sustainability measures throughout our business operations. By managing our materiality topics effectively, we aim to positively impact our value chain while building resilience against sustainability-related risks.

To integrate sustainability across the HPC Group, we established a Sustainability Steering Committee (SC), composed of the CEOs of our entities and other specialised employees. This committee serves as the decision-making body for all sustainability matters, meeting quarterly on a pro bono basis to discuss and make key decisions aligned with our **HEADS 2025** strategy. During these meetings, sustainability working groups, which are endorsed by the SC, along with the sustainability manager, present relevant sustainability matters for discussion and decision-making to the Steering Committee and the Board of Directors. This structure ensures that our business operations have minimal negative impacts on stakeholders and the broader supply chain.

Beyond the Steering Committee, working group members receive compensation through incentive schemes based on their hours of engagement in sustainability activities. The head of sustainability ensures fair distribution of these incentives, motivating colleagues to contribute actively to advancing the sustainability agenda within the HPC Group, despite their busy schedules.

We continue to set targets across various time horizons (short-, medium-, and long-term) with corresponding measures and assessments of their impacts on our business model and the value chain. To further demonstrate our commitment to sustainability and establish robust process control mechanisms to minimize related risks, many of our branches are certified for quality management (ISO 9001), environmental management (ISO 14001), occupational health and safety (ISO 45001 or SCC), and sampling (ISO 17020 and 17025). These systems are further validated through our EcoVadis assessments.

Through these efforts, we ensure that our sustainability practices not only meet regulatory standards but also drive meaningful change in our industry and communities. SILVER | Top 15% **ECOVADIS** Sustainability Rating JAN 2024

We are proud to announce that HPC has been awarded the silver medal by EcoVadis, one of the world's leading providers of sustainability ratings. This recognition placed us in the top 15% of all rated companies in our industry. It underscored our ongoing commitment to excellence in environmental responsibility, labour and human rights, ethics and sustainable procurement.

This award is more than just a medal for us, it is a commitment. We remain passionately dedicated to making a positive impact on a sustainable future, both for the environment and for people. Our continued efforts in these areas reflect our unwavering resolve to drive meaningful change and uphold the highest standards of corporate responsibility.



# 4.1 Our Sustainability Strategy

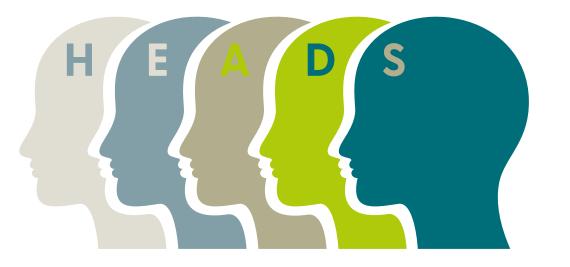
We demonstrate our main initiatives that support our sustainability agenda and how we continue to impact our value chain by driving positive change. We want to share our biggest achievements for the environment, the people and a better future.

Our **HEADS 2025 strategy** serves as the corporate framework guiding our actions and efforts toward sustainable business transformation. With sustainability embedded at the heart of our business model, we aim to implement policies and actions that foster strong relationships among colleagues and establish enduring partnerships with clients and business partners.

Together, we work toward change and a better future for the next generation.

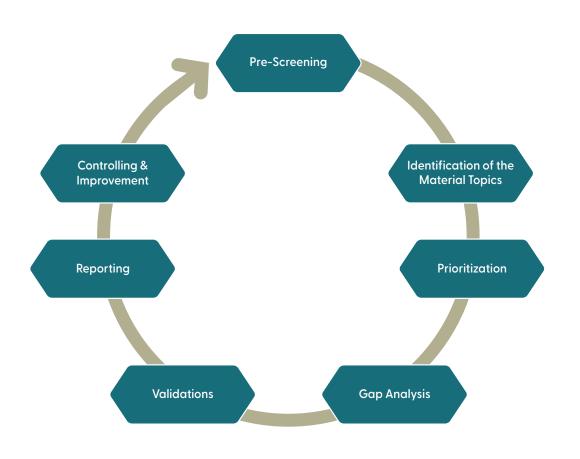
During the development of HEADS 2025, both the executive management and the Board of Directors took a participatory approach, ensuring that the views and concerns of key stakeholders, particularly the workforce, were considered. This inclusive process led to the establishment of relevant sustainability targets and key metrics, which were subsequently approved by the Board of Directors, setting the stage for further development and restructuring of our sustainability initiatives.

Strategic, Initiative Digitalisation (SID) are the operational tool driving HEADS 2025, enabling us to gain a competitive advantage through high-quality services. We are committed to supporting our employees through continuous engagement and professional development while enhancing customer care through ongoing client interactions and innovative solutions.



Human Excellence Assets Digitalization Sales

# 4.2 Materiality Assessment



**Materiality Process** 

According to the ESRS1, Double materiality is a concept which provides criteria for the determination of whether a sustainability topic or information must be included in the undertaking's sustainability report.

A sustainability topic or information thus meets the criteria of double materiality if it is **material** from the **impact perspective** or from the **financial perspective** or from both **perspectives**.

To capitalise on the opportunities presented by sustainable business practices and comply with regulations such as the CSRD, HPC aims to reposition itself with an agile sustainability management system, preparing for market challenges. In the 2022/2023 fiscal year, we conducted a double materiality assessment based on ESRS 1 guidelines.

To do this we began by asking, "What does sustainability mean holistically for HPC?". To answer this, we followed a structured process in line with ESRS 1 requirements. This included pre-screening internal sustainability topics to evaluate the current state of our sustainability efforts, conducting internal workshops with representatives from various stakeholder groups to identify potential sustainability topics relevant to these groups, and considering our business model to ensure sustainability due diligence. The identified material topics were refined through gap analysis using the PESTEL framework and validated by the Sustainability Steering Committee and the CEOs for further processing.

To strengthen the analysis, additional workshops were conducted with internal colleagues, considering factors such as age, gender, professional experience, client coverage, and project responsibilities. Following the ESRS 1 guidelines, workshop participants<sup>2</sup> assessed and ranked the sustainability topics based on two key questions for impact and financial materiality:

- 1. How important are these sustainability topics to our stakeholders when they evaluate HPC or make decisions about us?
- 2. How significant is HPC's influence on these issues in terms of resource allocation, interdependence, and issue management IRO (Impact, Risk, Opportunity)

A threshold of 3.5 in the materiality matrix was established to prioritise and rank the material topics as high to low-impact topics for further analysis. The outcome of this ranking informed the initiation of our sustainability due diligence process. We conducted a group-wide gap analysis to collect all necessary data for reporting according to ESRS. The findings from our gap analysis and sustainability due diligence process laid the foundation for the development of our sustainability management system, which serves as the basis for this report.

Participants acted as proxies to represent the opinions of our external stakeholders that we could not directly reach. We believe since they closely work with these external stakeholders, they could fairly represent their views.



HPC's Stakeholders Engaged in the Double Materiality Assessment

## **Our Material Topics**



# To identify and properly react to risks, we have implemented controls and early warning systems to monitor economic, project, and liquidity risks, market and competition-based risks. The organisation models and control mechanisms applied within the Group vary according to the different national legislations. The monitoring, management and mitigation of the Group's impacts is defined by clear policies implemented at the asset level. Each branch has designated functions in charge of managing the main impacts associated with their activities (e.g., carbon emissions, energy consumption).

#### Environment

E1-T: Climate change - Transport

E1-E: Climate change - Energy efficiency

E2&E5: Pollution, Resource use and circular economy - Waste management

E3: Water and marine resources - Water management/efficiency

E4: Biodiversity and ecosystem protection

## **HPC** Specific

C: HPC-specific - Communication

SM: HPC-specific - Succession management

BT: HPC-specific -Business transformation

CS: HPC-specific - Cyber Security / Data Protection

RSP: HPC-specific -Revenue with sustainable products

SI: HPC-specific - Sustainable innovation management

TA: HPC-specific -Target agreements

OM: HPC-specific - Online Marketing (Social Media & HPC Webpage Management)

With this system, we can continuously monitor and proactively improve the key sustainability impacts affecting stakeholders, staying ahead of sustainability-related risks whilst seizing opportunities.

As this is an ongoing process, updates on our progress will be provided in future reports as we continue to advance on our sustainability journey.

#### Governance

G1 - EP: Business conduct - Environmental policy

G1-I: Business conduct - Integration of sustainability in our services

G1-VM: Business conduct - Vision & mission

G1-OC: Business conduct - Opportunities & challenges

G1-R: Business conduct - Roles & organisation

G1-G: Business conduct - ESG-Goals & programme

G1-C: Business conduct - Sustainability controlling & Steering

G1-EB: Business conduct - Ethics and behaviour

G1-S: Business conduct - Sustainability story

#### ocial

S1-S: Own workforce - Employee satisfaction

S4: Consumers and end-users

S1-D: Own workforce - Personal and professional development

S1-KT: Knowledge & expertise management and transfer

S1,2&3-HS: Own workforce, Workers in the value chain and Consumers and end-users - Health, Safety and well-being

S1-EI: Own workforce - Employee integration

S1-A: Solidarity & working atmosphere

S1-C-I: Own workforce - Internal communication

S1-WL: Own workforce - Women in management/ leadership positions

S1-PG: Own workforce - Gender Pay Gap

S1-I: Own workforce - Inclusion

S1-RW: Own workforce - Mobile/remote working

S1-PR: Own workforce - Parental leave Return

S1-FH: Own workforce - Flexible working hours

S2-S: Workers in the value chain - Supplier satisfaction

S2&3-C: Workers in the value chain and affected communities - External communication and reporting

S3-P: Affected communities - Social purpose/community

SI-C-W: Own workforce - Work council

# 5. Our Activities

This year, we proudly celebrated our 75th anniversary of excellence. Our entrepreneurial success results from many years of dedicated work that has allowed the company to grow and prosper. We have expanded our expertise, our business areas and our company size, while at the same time significantly strengthening regional cohesion between our locations and employees. As we celebrate this milestone, we remain committed to our core values and will continue to innovate and address the pressing issues of our time.

We share with you some internal and external major initiatives we undertook in 2023 that aligned with the CSRD requirements and demonstrate our commitment to driving positive change through our entire value chains. These initiatives highlight our unwavering dedication to creating a sustainable future and positively impacting our key stakeholders, which are our workforce, our clients and business partners, the environment and society.

# HPC



# 5.1 For the Environment

As an environmental consultancy, we place the highest priority on protecting and preserving the environment. Our commitment to sustainable practices is woven into every project we undertake, enabling us to deliver solutions that not only meet regulatory requirements but also drive lasting positive impacts. By championing sustainability, we help our clients adopt resource-efficient, resilient strategies that support both their business goals and environmental stewardship. This approach not only strengthens our role as trusted partners

in navigating environmental challenges but also reinforces our dedication to fostering a more sustainable and responsible future for all.

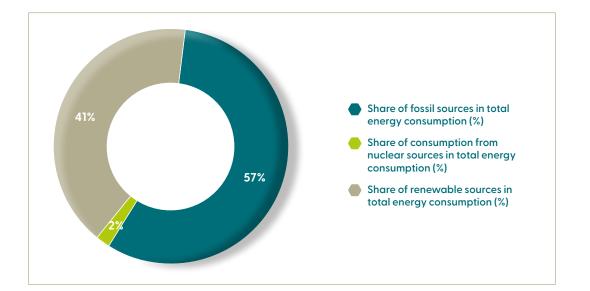


## 5.1.1 Climate Change

By **May 30, 2025**, we are aiming to develop and adopt a climate change transition plan, which will direct and instruct our climate change policies, target-setting, strategic actions, and overall efforts, especially when it comes to managing our emissions. Once an overarching climate change transition plan is adopted, we will devise and implement appropriate policies to govern our approach to climate change mitigation and adaptation.

This will include among others energy efficiency, renewable energy deployment, and any other areas contextually identified during plan drafting, as well as corresponding actions, implementation budgets and targets. We are planning to complete these additional activities by **December 31, 2025**.

In 2023, we performed our first group energy and  $CO_2$  calculation using methodologies from the GHG Protocol Scope 1 & 2 Inventory Guidance, Corporate Value Chain (Scope 3), Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. This ensured the base for increasing our performance in the next years.



#### Energy Consumption Mix – HPC Group 2023

Energy intensity per net revenue	HPC Gruop			
Lifelgy intensity per net revenue	2023	Net Revenue		
Total energy consumption per net revenue (MWh/ ${f C}$ )	0,0000654	97.233.800€		

#### Energy intensity per net revenue

The reference period for the assessment goes from January 2023 to December 2023<sup>3</sup>. The assessment considered the following entities, with offices located in the indicated countries:

- HPC AG (Germany)
- HPC ENVIROTEC SASU (France)
- GEYSER HPC S.A.U. (Spain)
- HPC IBK GmbH (Austria)
- HPC INTERNATIONAL SAS (France, Germany, Hungary, Kosovo)
- HPC Italia S.r.l. (Italy)
- HPC POLGEOL S.A. (Poland)

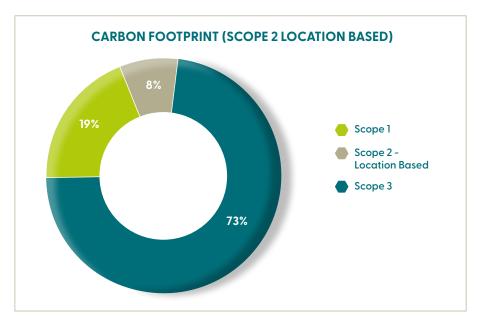
For Scope 1 and 2, the assessment primarily utilized actual consumption values, with some degree of reliance on estimations<sup>4</sup>.

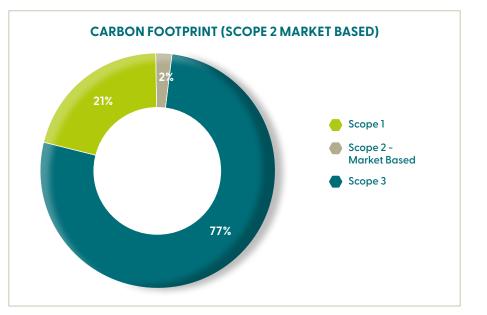
In contrast, the Scope 3 assessment was based on estimations and employed various calculation methodologies. More detailed information, including all adopted assumptions and limitations are available in our Company Carbon Footprint Report (HPC Group Corporate Carbon Footprint 2023).

As a Group, our entities contribute differently to the GHG emission.

- 3 Some data was not available for the reporting period, in that case, the latest available data was referenced (the matter has been appropriately signalled in the present document).
- 4 Estimated data includes some data related to fuels for mobile combustion, as well as some purchased energy data for one of our offices in Germany and for our offices in Hungary.

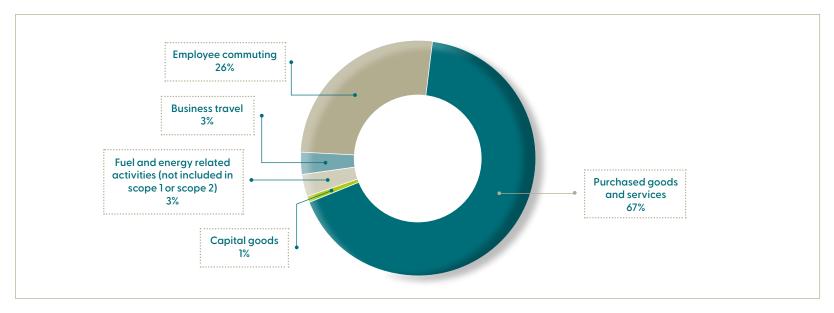






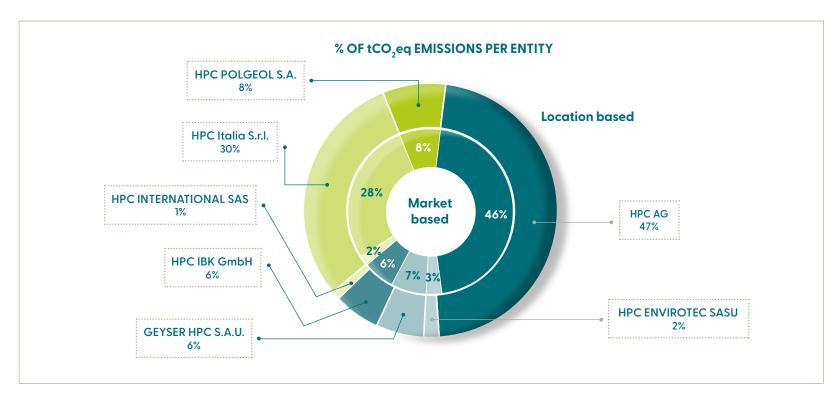
Total GHG Emissions (Location-Based)

Total GHG Emissions (Market-Based)



Scope 3 Emissions (Divided by Category)





#### Energy intensity per net revenue

Energy intensity per net revenue	2023	Net Revenue <sup>5</sup>
Total GHG emissions (location-based) per net revenue (tCO $_2$ eq/ $\in$ )	0,00005	97.233.800 €
Total GHG emissions (market-based) per net revenue (tCO₂eq/€)	0,00004	97.233.800 €

(5) As disclosed at page 20 of HPC AG Annual Report 2023





### THE CLIENT AT THE CORE OF OUR CLIMATE AGENDA

At HPC, we are dedicated to combating climate change through a variety of projects that aim to minimise greenhouse gas emissions.

#### **Enhancing Energy Efficiency**

One significant area of our work involves enhancing energy efficiency for our clients. These initiatives not only help clients achieve significant cost savings but also contribute positively to reducing their carbon footprint.

In 2023, **HPC POLGEOL** conducted an EED audit for an IT client under the EU's Energy Efficiency Directive 2012/27/EU. The audit aimed to assess energy use, recommend cost-effective energy-saving strategies and ensure regulatory compliance. Key recommendations included installing an air heat pump for hot water, adjusting cooling and heating practices seasonally, and adopting energy-saving protocols for office and IT equipment. Implementing these strategies can lower energy costs, reduce waste disposal and maintenance expenses, and enhance employee engagement through a more comfortable workplace.

This EED audit by HPC POLGEOL is just one example of the many projects we undertake to help our clients reduce their greenhouse gas emissions. Through these and other initiatives, HPC is committed to making a positive impact on climate change by helping clients achieve their energy efficiency and sustainability goals.

Integrated Design of Large-Scale Photovoltaic Plants (>10 MW)

HPC supports the client in defining plant configurations that allow for the installation of large-scale photovoltaic systems in sensitive contexts by minimising visual, hydraulic, and geomorphological impacts, utilising an integrated and multidisciplinary approach to design.

In 2023, HPC Italia optimised photovoltaic systems based on an analysis of the geomorphological and landscape characteristics of the intervention context for our client. The analyses were conducted through field surveys and photographic documentation. By employing an interdisciplinary approach, the photovoltaic system was designed to ensure its harmony with the characteristics of the area, adapting the system elements to the local morphology and using landscape mitigation measures to integrate the system's geometry with the surrounding natural environments.

The client can thus execute projects with less negative impacts on environmental components and less problematic in relation to the traditional identity characteristics of places and communities. This reduces the need for drainage systems by optimizing cable routes and minimising earthworks.





# 5.1.2 Pollution

Currently, our entities have undertaken some specific actions to address pollution, such as integrating pollution-related objectives within management systems and installing E-charging ports in office parking spaces to encourage the use of electric vehicles. So far seven E-charging systems have been installed at our entities including Germany, France and Austria. Additionally, our Italian and French (Roscoff) entities carry out environmental impact assessments covering office and field activities. These are piloted initiatives with objectives of scalabilities across all entities through unified and collective mechanisms. By **December 31, 2025**, we aim to develop and adopt unified pollution prevention control policies and targets, which will enable a cohesive approach to defining and implementing entity-specific actions for effective control and monitoring.

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#### **FIGHTING POLLUTION**

#### Sustainability Assessment in Remediation Projects

HPC integrates sustainability assessments into the identification of the best technologies to propose to its clients. In the field of remediation, HPC implements methodologies for selecting the most effective techniques that provide added value not only in terms of environmental remediation but also in reducing climate, social, and economic impacts.

In remediating projects like soil and groundwater, we provide support to clients in evaluating the best remediation technology to apply to the specific context. Cutting-edge sampling methods are utilised to ensure results promptly whilst minimising environmental waste. Applicable technologies for the specific remediation are identified and assessed based on sustainability criteria, time, and costs. Additionally, through stakeholder engagement activities, we identify additional circularity actions and meet the needs of stakeholders.

With our 75 years of expertise in fighting pollution, we provide cutting-edge solutions for the client to be able to evaluate their remediation options using criteria that protect environmental, social, and economic sustainability, whilst considering the perspectives of their stakeholders to achieve the most sustainable remediation possible.

#### ERASE (ElectRode-Aided Soil remediation)



POSIDON has received funding from European Union's Horizon 2020 research and innovation programme under grant agreement N.776838

Research and development conducted within the framework of the pre-commercial procurement of the POSIDON project funded by the European Commission. In the context of the European PO-SIDON PCP project, HPC Italia and the Politecnico di Milano developed ERASE (ElectRode-Aided Soil rEmediation), an innovative technology for the in-situ remediation of contaminated soils and groundwater, addressing the growing demand for flexible and sustainable technologies.

After developing the concept design (Phase I) and conducting laboratory tests (Phase II), the technology was tested at two selected sites (Phase III). The activities included the installation and operation of the pilot plants, monitoring of the involved environmental matrices, analysis and interpretation of the obtained results, and the production of the project documentation. The patent application for ERASE was filed in April 2023, and commercialisation is expected within three years, following further development activities.

ERASE enables the treatment of both organic and inorganic pollutants and is applicable in sites with varying degrees of extent and depth in heterogeneous soils, whether saturated or unsaturated. It is an in-situ technology with the potential to reduce impacts and costs associated with remediations' life cycle.



#### HPC's Commitment to Cleaner River

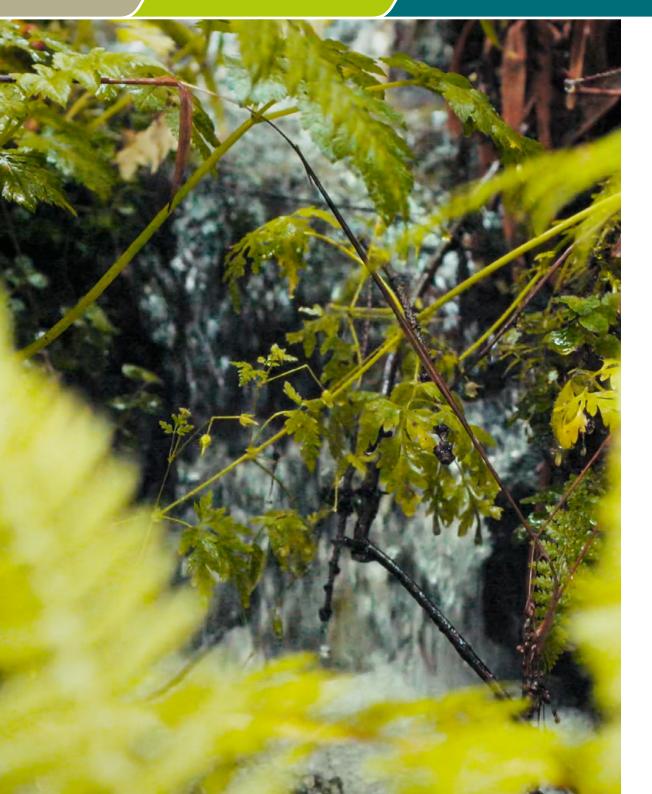
In line with our commitment to sustainability, HPC is dedicated to addressing environmental challenges, including the critical issue of water pollution. During our Summer Festival in 2023, we organised a group-wide initiative to collect plastic waste while paddling on a kayak expedition. This event was held in collaboration with the Clean River Project e.V., an environmental initiative that campaigns for clean rivers and seas across Germany.

The Clean River Project e.V. aims to reduce plastic waste pollution by raising awareness and actively cleaning up waterways. During our expedition, the collected plastic waste was creatively staged and transformed into photographic artworks, which were presented in exhibitions to highlight the pressing issue of plastic pollution.

By participating in this initiative, HPC not only contributed to the physical cleanup of our waterways but also supported the broader mission of educating and engaging the public on the importance of reducing plastic waste. Together, we aim to make a significant difference for the environment and for the people who depend on clean, healthy water bodies.

Pelican







## 5.1.3 Water and Marine Resources

At HPC, we believe three main resources are essential for survival: clean air, water, and a thriving ecosystem. Clean water is fundamental to life itself. To support the sustainable use of water and marine resources, HPC entities have implemented targeted actions to manage impacts in these areas.

For example, in Germany, we have integrated purification measures to prevent water pollution in our groundwater sampling operations and aligned with the Alliance for Water Stewardship guidelines in developing mineral water. Internally, we coordinate efforts to improve water usage and efficiency through a common structure, framework, and action plan.

Whilst our materiality assessment ranked water and marine resources as moderate impact areas, given our business model and industry, we still recognise the critical importance of efficient water and marine management. As a result, we plan to establish a unified water and marine resource management policy by **December 31, 2025**.

This policy will guide each entity in defining and implementing specific actions, enabling us to contribute responsibly to water and marine resource stewardship, manage sustainability-related risks, and promote a greener, more prosperous future.



### PROMOTING SUSTAINABLE WATER MANAGEMENT: HPC'S COMPREHENSIVE

Dedicated to providing comprehensive sustainability services in the field of water management, HPC has been collaborating with our international clients since 2018. Led by our German and Italian entities, this project focuses on implementing the Alliance for Water Stewardship (AWS) Standard, guiding various sites worldwide toward achieving AWS certification.

We supported the client's production sites by preparing technical documents, conducting gap assessments, supporting certification audits, monitoring, recertifying, and addressing post-audit gaps. We also offer communication services regarding water stewardship to ensure a holistic approach.

To further enhance the client's capabilities, we provide training on the AWS Standard and its implementation. Our AWS-certified staff ensures that our consulting services align with the latest international guidelines. With our support, the client has certified numerous production sites globally, fostering a collective awareness of water resources and emphasising the importance of ongoing stakeholder dialogue.

In addition to these services, HPC offers a wide range of water management solutions, including water quality monitoring, wastewater treatment, and sustainable water use planning. Our expertise helps clients navigate the complexities of water resource management, ensuring compliance with environmental regulations and promoting sustainable practices. Through these efforts, HPC continues to make a significant impact on sustainable water management, helping clients achieve their water stewardship goals and promoting responsible water use practices worldwide.





# 5.1.4 Resource Use and Circular Economy

CONTRACTOR OF

By 2060, global resource extraction is projected to increase by 60% from 2020 levels, intensifying environmental damage and risks (Global Resources Outlook, 2024, UNEP, IRP).

This acceleration in resource demand could severely disrupt global supply chains, impacting both food security and the availability of essential materials necessary for human survival. In response, businesses must adopt methods that align with nature and operate within resource limits.

Resource efficiency and the principles of a circular economy, which aim to create minimal to zero waste through cradle-to-cradle processes, can play crucial roles in balancing ecosystem health with human needs. At HPC, we prioritise cradle-to-cradle principles across all business operations. To ensure a closed-loop system and minimise waste, we follow the PRD principle (Prevention before Recycling before Disposal) in waste generation and management.

We see waste disposal as both an ecological imbalance and a financial burden. By reducing waste, we contribute to a healthier ecosystem and build resilience for the future. As part of our commitment, HPC Group entities implement various actions that support resource optimisation and a circular economy.

For example, in Germany, we provide **environmental training for employees**, focusing on managing room temperature, systematic device shutdowns, sustainable sourcing, and paper reduction. Reusable bottles are provided free of charge, IT packaging is recyclable and partially made from recycled materials, and eco-friendly cleaning agents are used in all offices. Furthermore, our IT hardware is either sold for reuse, refurbished for employee use, donated, or recycled.

We aim to recycle as much waste as possible, achieving approximately **98% recycling of paper waste** at the group level, alongside the **recycling of toner, ink cartridges, and batteries**.

Although we have not yet established company-wide resource efficiency targets, these initiatives allow HPC to continue optimising resource use for environmentally responsible business activities. As a service provider, our resource outflows are generally limited to office and remediation project waste.

However, we are committed to enhancing our practices and expect significant improvements by **December 31, 2025**, when we will implement unified policies and targets for resource use and the circular economy. This cohesive approach will enable entity-specific actions for a more sustainable future, creating shared value for our stakeholders.



#### **RESOURCE USE AND CIRCULAR ECONOMY**

Promoting Resource Use and Circular Economy: HPC's Role in Post-Flood Remediation

HPC is committed to promoting sustainable resource use and advancing the principles of the circular economy.

A significant example of this commitment is our involvement in the remediation following the devastating flood in Germany's Ahr Valley in 2021, led by our HPC Kassel branch.

On July 15, 2021, a catastrophic flood struck the Eifel region, severely impacting river valleys such as the Ahr, Kyll, Erft, Nette, and Rur. This disaster resulted in unprecedented damage, with Munich RE estimating the total at  $\in$ 47.6 billion for Germany, Belgium, and the Netherlands. Since the flood, HPC has been actively involved in rebuilding efforts, including the partial demolition of the historic thermal bathhouse in Bad Neuenahr, constructing a new irrigation well for the tennis facility in Bad Neuenahr-Ahrweiler, replacing a mineral water and a CO<sub>2</sub> transport pipeline, building a new treatment plant in the spa park, preparing water law applications for wastewater and stormwater discharge, and evaluating subsurface impacts for new spa park buildings.

The frequency of such extreme weather events underscores the importance of effective stormwater management. At HPC, we combine engineering and natural sciences expertise to develop comprehensive strategies for these challenges. Through our work in the Ahr Valley and other areas, HPC promotes sustainable practices by focusing on resource-efficient rebuilding and waste management. Our efforts contribute to the circular economy by ensuring materials are reused and recycled, reducing waste, and minimising environmental impact.



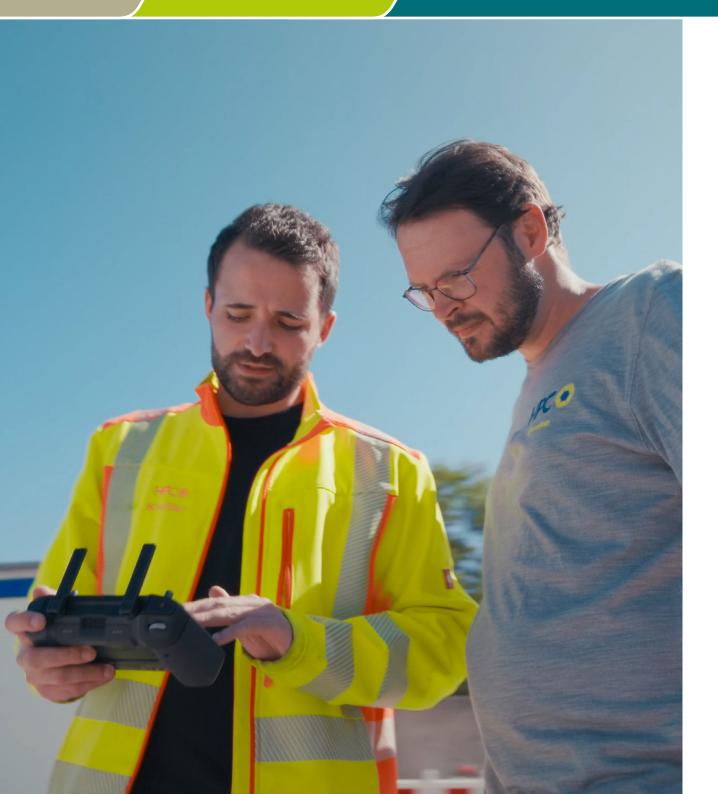




# 5.2 For the People

For over 75 years now, our core values have shaped our actions to how we relate to our own company, the employees the environment and society. Bonded by this value is the strong sense of responsibility we uphold through our business operations to actors of our value chain. Our actions are influenced by passion, respect

and openness to everyone. This involves treating our employees with respect, safeguarding human rights and actively giving back to the societies we operate in for a long-lasting and harmonious relationship that creates shared value for all.



## 5.2.1 Our People

Most of our employees are hired on full-time contracts and are primarily based in Germany and Italy, followed by Poland, France, Austria and Spain. Our workforce is diverse, representing 30 different nationalities.

The following tables provide a detailed overview of our workforce characteristics and distribution across the countries in which we operate, including a breakdown by gender and contract type.



	Country								
Indicator	Germany	ltaly*	France	Austria	Poland	Spain	Hungary	Kosovo	Total
Number of employees (Headcount)	459	143	62	58	53	18	2	2	797
Number of employees (FTE = 40 h per week;)	412	n.a.	61	50	52	18	2	2	597
Number of temporary employees (Headcount)	-	n.a.	1	-	-	-	-	-	1
Number of non-guaranteed hours employees (Headcount)	-	n.a.	-	-	1	-	-	-	1
Number of full-time employees (Headcount)	316	n.a.	61	44	52	18	2	2	495

### Employees by Country and type of contract (31.12.2023)

Reporting Period:	31.12.2023					
Indicator	Female	Male	Other 🙆	Not disclosed	Total	
Number of employees (Headcount)	261	393	-	-	654	
Number of employees (FTE = 40 h per week)	217	381	-	-	597	
Number of temporary employees (Headcount)	1		-	-	1	
Number of non-guaranteed hours employees (Headcount)	-	1	-	-	1	
Number of full-time employees (Headcount)	147	348	-	-	495	

HPC Group's employees by gender and contract

6 Gender as specified by the employees themselves.

POLAND GERMANY AUSTRIA FRANCE HUNGARY SWITZERLAND ITALY SPAIN 3 mmth →→→ 5 mm © 8 mmth 8 mmth 8 mmth 10 mmth •

In 2023, a total of **105 employees left the company** due to voluntary resignations, dismissals, retirements or deaths. Our turnover rate for the year was 13%\*.

	Entity								
Indicator	HPC AG	HPC ENVIROTEC SASU	GEYSER HPC S.A.U.	HPC IBK GmbH	HPC INTERNATIONAL SAS	HPC Italia S.r.I.*	HPC POLGEOL S.A.		
Turnover Rate	11%	13%	6%	26%	19%	n.a.	51%		

#### Turnover rate by entity

During the reporting year, our workforce included 15 non-employee workers (FTE)\*, comprised of one self-employed individual and one worker provided by agencies primarily engaged in employment activities. The main types of non-employee workers were trainees, self-employed individuals, and contract employees\*. Additionally, we employ subcontractors as service providers. However, they are not included in this category.

Our non-employed workers primarily perform roles as environmental consultants, engineers, office administrators, field and laboratory technicians and health and safety specialists.





## 5.2.2 Engaging with our People

We actively engage with our workforce to gather feedback during the annual mutual feedback meetings between employees and their supervisors. In addition, our German entity holds quarterly Occupational Health and Safety Committee meetings to address health and safety topics raised by employees and conducts on-demand discussions between the works council and the management board to address specific concerns. Furthermore, we encourage the submission of ideas for improvement and innovation through the Future Panel. The works council, the HR department and the teams advocate for vulnerable and marginalised employees, relying on the trust centre and whistleblowing procedure to gain insights into the perspectives of both vulnerable and other workers.

We have established a whistleblowing policy and channel to allow our workforce to raise concerns. This channel is managed by an independent third party responsible for addressing issues, taking mitigation actions, and informing whistleblowers of the steps taken. A dedicated policy ensures whistleblowers are protected from retaliation. The number of cases submitted through the whistleblowing channel is reported annually to the Board of Directors.

Furthermore, our employees are actively engaged in departmental meetings, with 87% of the workforce participating in these meetings in 2023.



We positively impact our employees through qualification programs designed to enhance both their technical expertise and social skills.

Given the nature of our business, the transition to a greener, climate-neutral economy presents only opportunities, not risks. Therefore, we do not foresee any negative impacts on our workforce as a result of this transition.

Actions related to general issues are integrated into the Group's strategy, monitored regularly, and the outcomes are communicated by the Board of Directors to the Company's shareholders at the annual shareholders' meeting, as well as to the Group's top management during HPC European Conference (HEC) meetings.

To mitigate the material risk of not having enough qualified experts, due to our reliance on our workforce, we are diversifying the platforms used for job postings and investing in employee training and professional development.

This initiative also supports the diversification of our services, as it strengthens the skills of our workforce, enabling us to seize new opportunities. As a Group target for 2025, we aim to provide each employee with an average of at least two days of internal or external training per year, plus weekly and monthly specialist group discussions and team events related to their business field, ensuring that all employees develop the necessary personal, social, and professional skills.



## 5.2.3 Actions on Material IRO

#### 5.2.4 Our Workforce – The Bedrock of our Existence

At HPC our activities require highly qualified experts and, therefore, we have a high dependency on our workforce. Without our workforce, we would not be able to celebrate these 75 years of excellence with pride. For decades we have worked hard to establish a company culture of inclusiveness, respect and above all safeguarding of human rights and dignity. We continue to work tirelessly to ensure that all material risks regarding our workforce are reduced to zero whilst we strive to leverage potential opportunities that guarantee top quality of services to our clients.

Material risks regarding our workforce are the lack of qualified workers, the loss of knowledge caused by the retirement of experienced employees and the hiring of people lacking the necessary expertise. These risks could impact our long-standing reputation of offering high-quality services. On the other hand, by continuously hiring highly qualified experts and investing in the training and qualification of our workforce, we can uphold this reputation for quality, developing new services and improving our business model. Moreover, material negative impacts on our workforce are related to individual incidents, such as work-related accidents or diseases, while positive impacts are related to our work environment, which is based on mutual respect, trust and security, predictability and flexibility to both employer and employee.

The receptors of these impacts on our workforce are mainly employees hired by us. Indeed, we do not have risks or opportunities related to specific groups of people. Based on this we acknowledge that, while working on our transition plan, and on the alignment to new environmental regulations for ourselves and our clients, opportunities might arise for new services like ESG consulting, planning of non-fossil energy devices (e.g. geothermal), soil protection, and biodiversity mapping which we could leverage to build a more resilient and climate-friendly habitat for our survival.

Furthermore, our operations are not at significant risk of incidents of forced, compulsory or child labour. Despite this, we recognise such proxy risks could arise in our supply chain for operational goods like mobile devices, computer wares and PPEs. These risks we reduced through our supplier code of conduct and other monitoring, ranking and selection of our suppliers.

Finally, to understand whether individuals with certain characteristics are at greater risk of harm, or whether activities or contexts put our workers at higher risk of harm, we have developed a risk assessment specifically for expecting and breastfeeding women that can be combined with the detailed risk assessment compiled for each project.

For the People - Our Workforce 39

## 5.3 Our Policies

We have a robust workforce policy that covers all employees across the organisation and is aligned with EU regulations and internationally recognised standards, like the United Nations Global Compact. While individual entities have the freedom to develop their workforce policies to suit country-specific conditions, our core workforce policies are centrally guided by HPC AG and applied throughout the entire Group.

Fair working conditions are safeguarded by national laws, and we work actively with the employee representatives. The Board of Directors and management actively involve employees at all levels, including through group-wide surveys. Since human trafficking is not identified as a risk in our sector, it is not addressed in our policies.

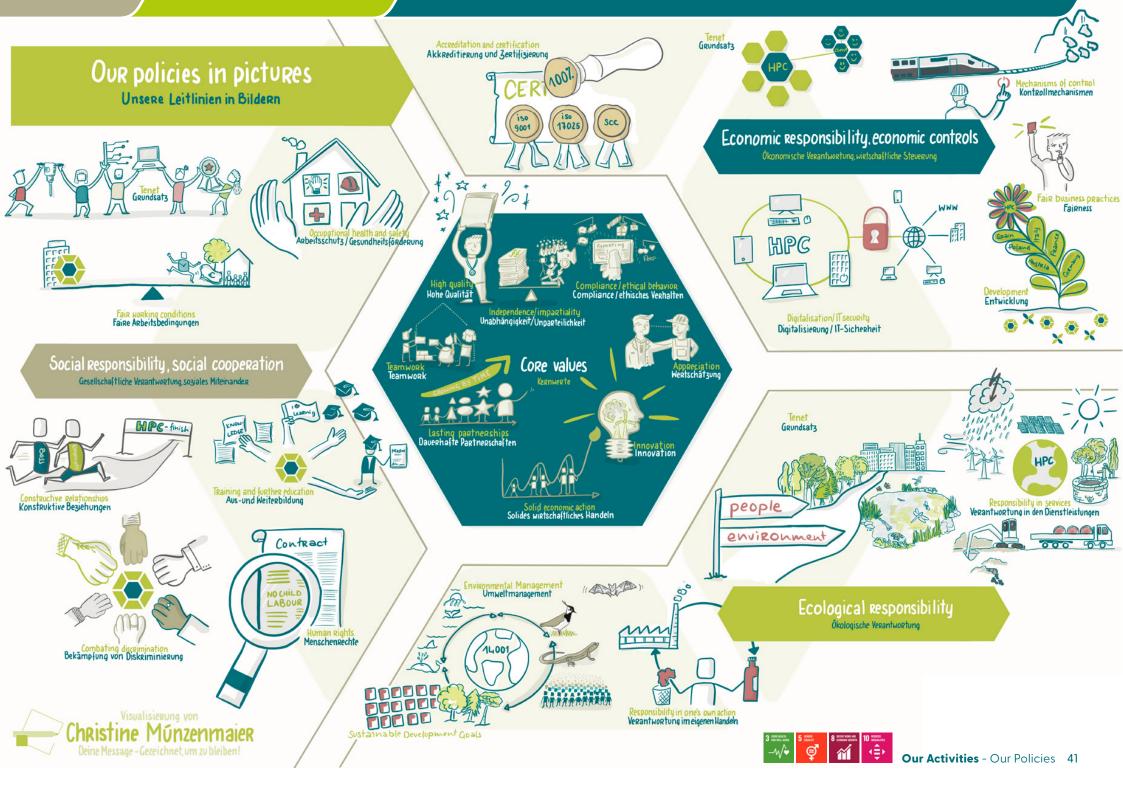
At HPC we proudly welcome and support diversity among our workforces. We are convinced that through diversity we have the power to inspire innovation and break barriers beyond our strengths and imaginations. With our open company culture, we promote inclusion and equal opportunities among our workforce. We are firmly committed to opposing all forms of discrimination, as reflected in our policies that prohibit discrimination based on nationality and ethnic origin, colour, gender, sexual orientation, disability, age, religion, political opinion, and other group-specific characteristics like minority or vulnerable groups.

To combat discrimination and harassment, we have implemented a whistleblowing procedure, alongside our Human Rights policies, to enable employees to voice concerns. Additionally, we hold annual mutual feedback discussions, providing a platform for grievances to be addressed. As part of our dedication to inclusion, we are committed to employing individuals with disabilities actively integrating them into our work processes and ensuring the inclusion of vulnerable groups.

To prioritise workplace safety, most HPC entities have established an Occupational Health and Safety Management System in line with ISO 45001 standards and SCC certifications. At HPC, the health and safety of our workforce go beyond mere compliance; it is our highest priority. Our commitment is to ensure that every team member leaves for work and returns home safely to their families, friends, and loved ones—a fundamental gift we aim to provide. We are dedicated to creating not only a safe working environment but also a supportive space where our workforce can thrive with love, care, and compassion that fosters their physical, psychological, and emotional well-being. To this end, we are developing a long-term program based on our policies focused on enhancing both the mental and physical health of our team, promoting a happier and healthier workforce for the future.

Our suppliers are required to adhere to the Suppliers' Code of Conduct, which is based on national laws and regulations, and international standards, including the United Nations Universal Declaration of Human Rights, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's International Labour Standards, and the United Nations Global Compact. It is our goal that by **December 31, 2025**, we have implemented the processes or mechanisms required to monitor our compliance with these principles.







## 5.3.1 Diversity and Inclusion

1,6% of our employees are people with disabilities, and 16%\* are minorities or vulnerable groups. 63% of the total workforce at all sites have received training on preventing discrimination and human rights violations.

During the reporting year, we recorded **zero incidents of discrimination and received one complaint of discrimination through our employee concern channels**, which did not result in any fines, penalties or compensation for damages. Additionally, there were no cases of severe human rights incidents, and no confirmed incidents of discrimination have occurred\*. Women are a fundamental part of our team, representing **40% of our workforce**, **32% of employees in a top management position\*, and 8% of our Boards of Directors**.

We are a company with a relatively young workforce, with **18% of our employees under 30 years old, 44% between 30 and 50 years old, and 38% above 50 years old**. We believe that all of our workers should receive equal pay for the same job or pay level; therefore, we are committed to reducing the gender pay gap across our entities.

Type of Employee	Female	Male
Employee	261	393
Top Management	24	51
Board of directors	2	22

© MK Photography 2022

Our Policies - Diversity and Inc



## **40% WOMEN**

of our workforce

#### **O** INCIDENTS of discriminations

OF WOMEN IN A TOP MANAGEMENT POSITION 8%

32%

WOMEN OF OUR BOARDS OF DIRECTORS

**Employees** 18% under 30 years

44% employees beetween 30 and 50 years old

38% employees above 50 years old

63% OF THE TOTAL WORKFORCE AT ALL SITES HAVE RECEIVED TRAINING ON PREVENTING DISCRIMINATION AND HUMAN RIGHTS VIOLATIONS

1,6% of our employees are people with disabilities 16%

OF EMPLOYEES ARE MINORITIES OR VULNERABLE GROUPS



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#### © MK Photography 2022



#### 5.3.2 Employee Wellbeing and Social Security

64% of our global workforce, is represented by workers councils, such as the General Works Council. This is reflected in the unique structure of the HPC group and its entities. However, all entities are free to form and be represented by workers' councils whenever they want to or per country-specific regulations.

Moreover, 100% of our non-employees located in Italy and France are covered by Collective Bargaining Agreements, while the non-employees located in the other countries are covered by national legislation or regulations in this regard.

Most of our employees are covered by social protection through public programs that provide support against income loss due to Sickness, work injury and acquired disability leading to unemployment, Parental leave, and Retirement.

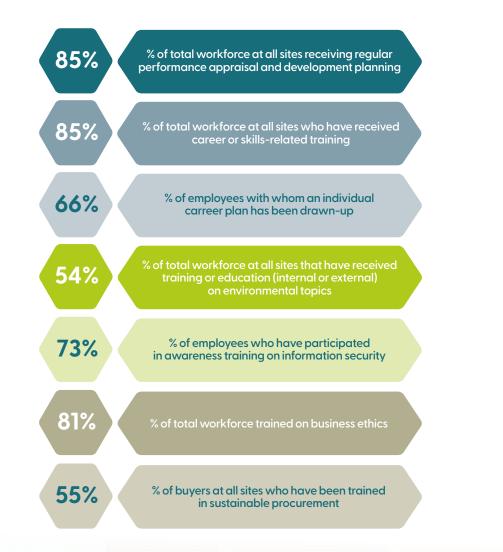
In line with our commitment to fair working practices, **100% of our employees are paid an adequate wage in line with applicable benchmarks**. Additionally, all employees at HPC AG have contracts that include clauses for additional vacation days. Furthermore, **100% of our employees are entitled to family-related leave** through social policy and, where applicable, collective bargaining agreements. More than 43% of our workforce is covered by supplementary healthcare insurance\*.





We are committed to always providing the best services to our clients by ensuring that our employees undergo periodical skills and career-enhancing trainings.

In 2023, we accounted for a total of **3.185 hours** of external training, corresponding to about **4 hours** per employee. Specifically, male employees received an average of **4,7 hours**, while female employees received an average of **5,1 hours**\*.



Training and career development





### 5.3.4 Health and Safety

Providing the best health and safety conditions for our workforce is one of our core values and we always strive to improve our health and safety management systems, already covering 100% of our employees, to maintain the highest safety standards.

To continuously reduce the risks and the events of work-related injuries, accidents and ill-health, we carry out periodical health and safety risk analysis in all our operational sites\*, our employees are provided only with CE-certified protective equipment and undergo periodical medical examination. If needed the employees are subject to additional screening.

Moreover, all our sites and equipment have been inspected, tested and serviced in the last 5 years\*.

We believe that training is fundamental to preventing and managing health and safety risks, therefore, all our employees with relevant roles or tasks have undergone training on occupational health and safety risks and good work practices. Similarly, all our subcontractors working at our sites have followed health and safety training\*.

Compared to 2022 the accidents reduced by 100% for HPC Envirotec and HPC Polgeol and increased by 22% for HPC AG, but it did not change for the other entities.



**Health and Safety of Workers** 



# 5.4 Affected Communities

Although the relationship with our affected communities is important, we do not impact these communities directly, since we are service providers. It is essential to emphasise that we offer consultation services to our clients on how to engage with and manage their impact on the affected communities. By guiding our clients in their interactions, we aim to promote positive outcomes and ensure that the needs and concerns of these communities are adequately addressed.

#### **EFFORTS FOR THE COMMUNITIES**

#### Fostering healthier and safer communities through Vaccination campaigns

Since 2014, HPC has been actively supporting communities through various health-focused initiatives, including an annual vaccination campaign. In Italy, for example, our colleagues organise yearly vaccination and awareness events for clients, promoting seasonal flu vaccinations for employees and providing tailored informational materials. Each year, two to three vaccination dates are scheduled, during which a doctor and nurse administer vaccines to employees. This initiative aims to protect personnel health by preventing and reducing the impact of seasonal flu, thus decreasing associated complications.

Through these efforts, HPC not only helps safeguard the health of employees and clients but also fosters a culture of health awareness and proactive care across the organisation.



Our relationship with clients is fundamental to everything we do, serving as the cornerstone for the success and sustainable transformation of our operations. We believe that fostering transparent, trustworthy relationships is essential.

Each HPC entity manages client relations with an open,

transparent approach tailored to specific country conditions, allowing local expertise to address clients' needs with a global perspective.

To support this, we have established a client management system that regularly collects feedback to address both critical and non-critical issues, ensuring high client satisfaction across all entities. Systems are also in place to prevent recurring issues; for example, we track complaint frequency and include findings in management reviews for resolution. Additionally, our headquarters periodically sends newsletters to about 88% of our clients, keeping them informed about company updates, industry developments, and events.

This continuous engagement ensures that we consistently deliver high-quality services that not only meet client needs but also drive positive change in the communities and environments in which we operate.

Our Policies - Consumers and End-Users 48

# 6. Governance Information

We recognise that strong governance is fundamental to achieving our mission of sustainable impact. By implementing robust compliance frameworks and fostering a culture of responsibility, we ensure that our operations align with the highest standards of regulatory and ethical conduct.

# 6.1 Company Structure



## 6.2 Business Conduct

Each entity within HPC Group often operates under its own set of policies, tailored to its specific regulatory, operational, and market requirements. This creates a landscape where policies may differ across divisions. Recognising this, we aim to establish a unified, strategic approach to align these policies.

This strategy will ensure that all entities meet the European Sustainability Reporting Standards (ESRS) requirements comprehensively. By harmonising our policies and creating a standardised framework, we intend to streamline compliance processes and bolster its collective commitment to sustainability, promoting transparency and accountability across all our operations.

We ensure the behavioural integrity of HPC Group through the strict observation of the applicable legal regulations. We strongly believe in fair competition, and we do not sign or tolerate agreements with our competitors to restrict competition. Additionally, all our employees are obliged to comply with our legal framework, which includes antitrust and competition provisions. We centre our relationships with suppliers, customers and other business partners around fair business practices and we do not tolerate corruption and bribery.





## 6.2.1 Corporate Culture

Our corporate culture is expressed and communicated through our Group policies. This covers our values, our commitment to fair business conduct and the fight against corruption and bribery. The Group policies are available on our website and are communicated to all new employees upon onboarding. In the future, we aim to implement a training program regarding business conduct to be delivered to our employees across all entities.

Additionally, we aim to implement Group-level processes to develop, promote and evaluate our corporate culture and to identify, report and investigate concerns about behaviours in contradiction with our Code of Conduct. We are currently in the process of streamlining our whistle-blowing and anti-retaliation system to a more centralised approach for more effective and coordinated efforts in managing identified whistle-blowing cases that guarantee the highest standards of keeping to our Group's policies or code of conduct.

## 6.2.2 Anti-corruption and Anti-bribery

In 2023, we have recorded zero incidents or convictions of corruption or bribery, and zero incidents of compliance or information security were recorded\*. Someentities have so far adopted and implemented anti-corruption and anti-bribery policies. We are actively working towards aligning all our entities with policies on anti-corruption and anti-bribery that are consistent with the United Nations Convention against Corruption.

While some entities do not yet have these policies or procedures to investigate incidents of corruption and bribery in place, we are committed to developing and implementing a comprehensive Group-wide policy and systems that will help us to prevent, detect, investigate and respond to allegations or incidents related to corruption and bribery at the Group level by **December 31, 2025**.

Currently, entity-specific policies and procedures regarding bribery and anti-corruption are communicated to new employees during the onboarding process.

However, since these themes are fundamental and at the core of our business, we aim to define a dedicated communication and training system to ensure that the information and implications of our anti-bribery and anti-corruption policies are clear and accessible to everyone by **December 31, 2025**.

## 6.2.3 Certifications and Awards

We strive to achieve and maintain the highest levels of quality and safety, as proven by the various ISO certifications held by our entities.

Certification	HPC AG	HPC ENVIROTEC SASU	GEYSER HPC S.A.U.	HPC IBK GmbH	HPC INTERNATIONAL SAS	HPC Italia S.r.l.*	HPC POLGEOL S.A.
ISO 9001	Yes	No	Yes	No	Yes	Yes	Yes
ISO 14001	Yes	No	Yes	No	Yes	Yes	No
ISO 17025	Yes	No	No	No	No	No	Yes
ISO 17020	No	No	Yes	No	No	No	No
ISO 45001	No	No	No	No	No	Yes	No
Other certifications	SCC	Regulatory certification from Ministry of Env. acc. to decree 09/02/22 MASE (health & safety)			PCA.AB463 Certificate of Accreditation of Testing Laboratory (just in Poland)		



Certifications, by entity



# 7. Content Index

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# 7.1 Material ESRS Reported

	Material Disclosure Requirements	SDG Benchmark	Reference	Page
	ESRS 2 – General Disclosures			
BP-1	General basis for preparation of sustainability statements		<ul><li> About the Report</li><li> Sustainability Statement</li></ul>	4 11
BP-2	Disclosures in relation to specific circumstances		<ul> <li>About the Report</li> <li>HEADS Sustainability Strategy</li> </ul>	4 13
GOV-1	The role of the administrative, management and supervisory bodies		<ul> <li>HPC Sustainability Organisation</li> <li>HPC Organigram</li> </ul>	10 10
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		Sustainability Statement	11
GOV-3	Integration of sustainability-related performance in incentive schemes		Sustainability Statement	11
GOV-4	Statement on due diligence		Sustainability Statement	11
GOV-5	Risk management and internal controls over sustainability reporting		Sustainability Statement	11
SBM-1	Strategy, business model and value chain		HEADS Sustainability Strategy	13
SBM-2	Interests and views of stakeholders		Double Materiality Assessment	14
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Double Materiality Assessment	14
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		Double Materiality Assessment	14
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		Double Materiality Assessment	14

	Material Disclosure Requirements	SDG Benchmark	Reference	Page
MDR-P	Policies adopted to manage material sustainability matters		• tbd	
MDR- A	Actions and resources in relation to material sustainability matters		• tbd	
MDR - M	Metrics in relation to material sustainability matters		• tbd	
MDR - T	Tracking effectiveness of policies and actions through targets		• tbd	
	E1 – Climate Change	7,9,12,13		
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	7,9,12,13	• tbd	
E1-1	Transition plan for climate change mitigation	7,9,12,13	• tbd	
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	7,9,12,13	• tbd	
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	7,9,12,13	• tbd	
E1-2	Policies related to climate change mitigation and adaptation	7,9,12,13	Climate Change (ESRS E1)	20
E1-3	Actions and resources in relation to climate change policies	7,9,12,13	Climate Change (ESRS E1)	20
E1-4	Targets related to climate change mitigation and adaptation	7,9,12,13	Climate Change (ESRS E1)	20
E1-5	Energy consumption and mix	7,9,12,13	Climate Change (ESRS E1)	20
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	7,9,12,13	Climate Change (ESRS E1)	20

	Material Disclosure Requirements	SDG Benchmark	Reference	Page
	E2 – Pollution	3,6,14,15		
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	3,6,14,15	• Pollution (ESRS E2)	25
E2-1	Policies related to pollution	3,6,14,15	• Pollution (ESRS E2)	25
E2-2	Actions and resources related to pollution	3,6,14,15	• Pollution (ESRS E2)	25
E2-3	Targets related to pollution	3,6,14,15	• Pollution (ESRS E2)	25
	E3 – Water and Marine Resources	6		
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	6	• tbd	
E3-1	Policies related to water and marine resources	6	• Water and Marine Resources (ESRS E3)	28
E3-2	Actions and resources related to water and marine	6	• Water and Marine Resources (ESRS E3)	28
E3-3	Targets related to water and marine resources	6	• tbd	
	E5 - Resource Use and Circular Economy	11,12		
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	6	• tbd	
E3-1	Policies related to water and marine resources	6	Resources Use and Circular     Economy	30
E3-2	Actions and resources related to water and marine	6	Resources Yse and Circular     Economy	30

	Material Disclosure Requirements	SDG Benchmark	Reference	Page
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E5-5	Resource outflows	11,12	• tbd	
	S1 – Own Workforce	3,5,8,10		
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SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3,5,8,10	• For the People (introduction)	33
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S1-2	Processes for engaging with own workers and workers' representatives about impacts	3,5,8,10	Engaging with our People	37
S1-3	Processes to remediate negative impacts and chan- nels for own workers to raise concerns	3,5,8,10	Engaging with our People	37
S1-4	Taking action on material impacts on own workfor- ce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3,5,8,10	• Engaging with our People	37
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3,5,8,10	Engaging with our People	37
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S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3	Affected Communities (ESRS S4)	47

	Material Disclosure Requirements	SDG Benchmark	Reference	Page
	S4 – Consumers and End-Users	12		
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G1-4	Confirmed incidents of corruption or bribery		Anti-corruption and Anti-bribery	52

# 7.2 Appendix A

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# 7.3 Environment

## 7.3.1 Climate Change

In this chapter, we report some detailed data.

Each entity gathered data using its internal monitoring procedures. Currently, there is no internal standardized procedure for measuring and monitoring this data, but a common methodology will be developed and adopted by **December 31, 2025**. The displayed data reveals some gaps that will be addressed within the same timeframe **7**. Please refer to our Group GHG-Inventory report 2023 for details.

For the reporting year 2023, we did not disaggregate energy consumption by activities with high climate impact and instead calculated overall energy intensity. By the end of 2025 we plan to develop a methodology that will enable disaggregated calculations.

In 2023, we calculated our first group-level **Greenhouse Gas (GHG) Emission Inventory**, using methodologies from the GHG Protocol Scope 1 & 2 GHG Inventory Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions.

For the calculations, we utilized emission factors sourced from the Association of Issuing Bodies (AIB), the European Commission's Covenant of Mayors (CoM), the UK Department for Environment, Food and Rural Affairs (DEFRA), Eurostat, Green-View, and the US Environmental Protection Agency (EPA). Only publicly available emission factors were used, and all calculations were performed using internally developed tools.

Gas oil and purchased/acquired electricity, heat, steam, and cooling data for HPC AG is from the financial year 2022, as the financial year 2023 data is not yet available, moreover, the data for some offices was obtained through assumptions. Fuel consumption and electricity data are missing for HPC International's Kosovo, Hungary, and Germany offices. Natural gas consumption data is not available for HPC Italia. The reference period for the assessment goes from January 2023 to December 2023<sup>8</sup>. The assessment considered the following entities, with offices located in the indicated countries:

- HPC AG (Germany)
- HPC ENVIROTEC SASU (France)
- GEYSER HPC S.A.U. (Spain)
- HPC IBK GmbH (Austria)
- HPC INTERNATIONAL SAS (Germany, France, Hungary, Kosovo)
- HPC Italia S.r.l. (Italy)
- HPC POLGEOL S.A. (Poland)

For Scope 1 and 2, the assessment primarily utilized actual consumption values, with some degree of reliance on estimations <sup>9</sup>.

In contrast, the Scope 3 assessment was based on estimations and employed various calculation methodologies. More detailed information, including all adopted assumptions and limitations is available in our Company Carbon Footprint report (HPC Group Corporate Carbon Footprint 2023). Material Scope 3 categories were chosen based on a preliminary assessment of their significance within the HPC Group's activities. It is important to note that all data for calculating Scope 3 emissions was gathered internally and not obtained from suppliers or other value chain partners.

- 8 Some data was not available for the reporting period, in that case, the latest available data was referenced (the matter has been appropriately signalled in the present document).
- Estimated data includes some data related to fuels for mobile combustion, as well as some purchased energy data for one of our offices in Germany and for our offices in Hungary.

Energy consumption and mix	HPC GROUP
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	3441,03
Fuel consumption from natural gas (MWh)	0
Fuel consumption from other fossil sources (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	177,06
Total fossil energy consumption (MWh)	3618,09
Share of fossil sources in total energy consumption	57%
Consumption from nuclear sources (MWh)	117,44
Share of consumption from nuclear sources in total energy consumption	2%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	1698,48
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	929,78
The consumption of self-generated non-fuel renewable energy (MWh)	0
Total renewable energy consumption (MWh)	2628,26
Share of renewable sources in total energy consumption	41%
Total energy consumption (MWh)	6363,79

HPC Group Energy Consumption and Mix (2023)

Energy consumption and mix	HPC AG	HPC ENVIROTEC SASU	GEYSER HPC S.A.U.	HPC IBK GmbH	HPC INTERNATIONAL SAS	HPC Italia S.r.l.	HPC POLGEOL S.A.
Fuel consumption from coal and coal products (MWh)	0	0	0	0	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	2054,93	408,88	116,48	96,14	46,17	250,29	468,15
Fuel consumption from natural gas (MWh)	0	0	0	0	0	0	0
Fuel consumption from other fossil sources (MWh)	0	0	0	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	87,01	26,12	0	0	13,55	21,37	29,01
Total fossil energy consumption (MWh)	2141,94	435,00	116,48	96,14	59,71	271,66	497,16
Share of fossil sources in total energy consumption (%)	53%	86%	88%	27%	56%	38%	100%
Consumption from nuclear sources (MWh)	0	70,28	0	0	47,16	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	14%	0	0	44%	0	0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	1490,27	0	0	208,21	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	415,80	0	15,54	52,85	0	445,59	0
The consumption of self-generated non-fuel renewable energy (MWh)	0	0	0	0	0	0	0
Total renewable energy consumption (MWh)	1906,07	0	15,54	261,06	0	445,59	0
Share of renewable sources in total energy consumption (%)	47%	0%	12%	73%	0%	62%	0%
Total energy consumption (MWh)	4048,01	505,28	132,02	357,20	106,87	717,25	497,16

HPC Group Energy Consumption and Mix, disaggregated by entity (2023)

Emission category	Data Gathered/Reason for Exclusion
Scope 1	
Stationary systems	Real values and estimated values
Mobile combustion	Real values and estimated values
Process emissions	Not relevant
Fugitive emissions	Not relevant
Scope 2	
Purchased energy	Real values and estimated values
District heating	Real values
Scope 3	
1 Purchased goods and services	Real values and estimated values
2 Capital goods	Real values and estimated values
3 Fuel and energy-related	Real values and estimated values
Activities (not included in	Real values and estimated values
Scopel or Scope 2)	Based on consumption data
4 Upstream transportation and distribution	Not relevant (no significant transportation of purchased materials)
5 Waste generated in operations	Insufficient data availability
6 Business traveling	Real values and estimated values
7 Employee commuting	Estimated values
8 Upstream leased assets	Not relevant (no significant leasing of assets)
9 Downstream transportation	
10 Processing of sold products	Not relevant (the HPC Groups specialises in service provision
11 Use of sold products	rather than in production activities)
12 End-of-life treatment of sold products	
13 Downstream leased assets	Not relevant (no significant leasing activities by the company)
14 Franchises	Not relevant (the HPC Groups' business model does not include franchises)
15 Investments	Not relevant (No investments whose emissions have not been recorded in other categories)

The following table presents the results of our first group-level GHG Emission Inventory, establishing a baseline for future comparisons and progress tracking. Notably, during the reporting year, our activities did not produce any biogenic CO<sub>2</sub> emissions from the combustion or biodegradation of biomass.

	Retrospective				Milestones and target years				
GHG Emissions	BY	СМР	2023	%N/N-1	2005	2030	(2050)	ANL % TGT / BY	
Scope 1 GHG Emissions									
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	-	-	895,89	-	We are yet to define our GHG reduction targets				
Process emissions	-	-	0%	-	- vve c	are yet to define ou	IF GHG reduction 1	argets	
Scope 2 GHG Emissions									
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	-	-	365,9	-		rro vot to dofino ou	r CHC reduction	araota	
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	-	-	91,73	-	<ul> <li>We are yet to define our GHG reduction targets</li> </ul>				
Total GHG directly emitted (Scope 1 and 2 location-based)	-	-	1.261,8	-	Weo	are yet to define ou	r GHG reduction t	argets	
Significant scope 3 GHG emissions									
Total Gross indirect (Scope3) GHG emissions (tCO2eq)	-	-	3.387,0	-					
Total gross Scope 3 Upstream GHG emissions	-	-	3.387,0	-					
Total gross Scope 3 Downstream GHG emissions	-	-	0	-					
1 Purchased goods and services (tCO <sub>2</sub> eq)	-	-	2.270,1	-	Weo	are yet to define ou	r GHG reduction	argets	
2 Capital goods (tCO <sub>2</sub> eq)	-	-	21,11	-	_				
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2) (tCO <sub>2</sub> eq)	-	-	84,7	-					
4 Upstream transportation and distribution (tCO <sub>2</sub> eq)	-	-	-	-					

Gross Scope 1, 2, 3 and Total GHG Emissions

	Retrospective				Milestones and target years				
GHG Emissions	ВҮ	СМР	2023	%N/N-1	2005	2030	(2050)	ANL % TGT / BY	
6 Business traveling (tCO <sub>2</sub> eq)	-	-	116,8	-					
7 Employee commuting (tCO <sub>2</sub> eq)	-	-	894,3	-	We are yet to define our GHG reduction targets				
8 Upstream leased assets (tCO <sub>2</sub> eq)	-	-	-	-					
9 Downstream transportation (tCO <sub>2</sub> eq)	-	-	-	-					
10 Processing of sold products (tCO <sub>2</sub> eq)	-	-	-	-					
11 Use of sold products (tCO <sub>2</sub> eq)	-	-	-	-					
12 End-of-life treatment of sold products (tCO <sub>2</sub> eq)	-	-	-	-					
13 Downstream leased assets (tCO <sub>2</sub> eq)	-	-	-	-					
14 Franchises (tCO <sub>2</sub> eq)	-	-	-	-					
15 Investments (tCO <sub>2</sub> eq)	-	-	-	-					
Total GHG emissions									
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	-	-	4.648,9	-					
Total GHG emissions (market-based) (tCO2eq)	-	-	4.374,7	-	We are yet to define our GHG reduction targets			argets	

Follows the GHG Inventor with emissions disaggregated by entity. This allows for detailed analysis and considerations regarding the concentration of emissions within our activities.

GHG Emissions	HPC AG	HPC ENVIROTEC SASU	GEYSER HPC S.A.U.	HPC IBK GmbH	HPC INTERNATIONAL SAS	HPC Italia S.r.l.	HPC POLGEOL S.A.
Total Scope 1 (tCO <sub>2</sub> eq)	540,42	105,04	29,47	27,88	11,42	63,61	118,06
Total Scope 2 - Market Based (tCO <sub>2</sub> eq)	37,43	12,05	0	0	41,52	9,77	24,89
Total Scope 2 - Location Based (tCO <sub>2</sub> eq)	183,87	6,59	2,72	12,90	4,15	133,09	22,61
Scope 3 – Total (tCO <sub>2</sub> eq)	1402,83	2,14	260,05	229,82	142,65	1141,82	207,74
Scope 3 - Purchased Goods (tCO <sub>2</sub> eq)	631,70	-	228,62	116,21	136,06	997,86	159,73
Scope 3 - Capital Goods (tCO <sub>2</sub> eq)	20,54	-	0,29	-	-	0,28	-
Scope 3 - Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2) (tCO <sub>2</sub> eq)	27,47	2,14	0,95	1,96	1,35	46,33	4,19
Scope 3 - Business travel (tCO <sub>2</sub> eq)	11,72	-	12,23	1,25	3,90	68,47	19,20
Scope 3 - Employee commuting (tCO <sub>2</sub> eq)	711,39	-	17,69	110,39	1,34	28,87	24,62
Total - Market Based (tCO <sub>2</sub> eq)	1980,68	119,23	289,25	257,70	161,66	1215,19	350,70
Total - Location Based (tCO <sub>2</sub> eq)	2127,12	113,78	291,97	270,60	158,23	1338,51	348,41

Gross Scope 1, 2, 3 and Total GHG Emissions by entity

#### 7.3.2 Resource Use and Circular Economy

Waste generation is reported differently across entities, depending on the legal frameworks of each country. Currently, HPC Italy and HPC Poland have adopted aligned structures for waste reporting <sup>10</sup>.

		Non- hazardous waste	Hazardous waste	Radioactive waste	TOTAL tonnes	TOTAL tonnes	% waste
Recovery	Preparation for reuse	-	0,01	-	0,01		5%
	Recycling	4,75	0,09	-	4,84	274,85	
	Other recovery operations	269,62	0,38	-	270,00		
_	Incineration	-	0,67	-	0,67		95%
Disposal	Landfill	-	-	-	-	4.983,31	
	Other disposal operations	4.976,30	6,35	-	4.982,65		
	TOTAL	5.250,67	7,49	-	5.258,17		

#### Waste for HPC Italy and HPC Poland expressed in tonnes

It's important to highlight that HPC Italy is designated as the waste owner due to the remediation activities it conducts on behalf of its clients. Notably, HPC Italy is responsible for producing 99.5% of the total waste.

Other activities that we bring forward include:

- In France, we ensure that smartphones purchased for employees are refurbished. Used computers and electronic devices are either given to employees for reuse or offered to local schools and associations. Additionally, at HPC 86% of paper waste is recycled. All batteries and 88% of toner and ink cartridges are recycled after use.
- In Austria, 96% of paper waste is recycled, while all toner and ink cartridges, and 95% of used batteries, are recycled after use.
- In Italy, as of 2023, 94% of the electricity used for company activities comes from certified renewable sources and resource use/circular economy objectives are integrated in the company management system. 100% of the paper is collected and then recycled by the municipality. All toner and ink cartridges, as well as batteries, are recycled after use.
- In Poland, all toner and ink cartridges, as well as batteries, are recycled after use. However, these efforts are currently not coordinated under a common structure, framework, or action plan. In the future, we aim to develop and adopt unified resource use and circular economy policies and targets, enabling a cohesive approach in defining and implementing entity-specific actions.

# 8. Imprint

HPC AG remains committed to sharing its progress towards **ESG initiatives**. For further information regarding the content of this report, we invite you to contact us.

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