SUSTAINABILITY REPORT 2024/2025



HALFAR

DEAR READERS,

The years 2024 and 2025 were marked by dynamics, change, and responsibility for Halfar. At the same time, our operating environment was characterized by increasing regulatory requirements, technological developments, and societal expectations.

As a medium-sized, family-run company, we see it as our mission, despite numerous challenges to balance economic success with environmental and social responsibility. At a time when global challenges in the areas of environmental and climate protection are becoming increasingly urgent, sustainability is and remains an integral part of our corporate philosophy. Over the past two years, we have taken important steps to make our processes more resource-efficient, further strengthen fair working conditions, and reduce our environmental footprint. The installation of a stairlift to improve accessibility and the energy-efficient renovation of a logistics warehouse's roof are just a few examples of this.

We invite you to see for yourself how we approach sustainability at Halfar System. Please use this report as a basis for dialogue and further collaboration. Let's work together to find solutions to the challenges of today and tomorrow!

Thank you very much for your interest and support.

The Management of Halfar System GmbH

Bielefeld, September 2026



SUSTAINABILITY REPORT 2024/25



TABLE OF CONTENTS

1. INTRODUCTION 6

2. THE COMPANY 10
2.1 Certifications ... 12
2.2 Binding Guidelines ... 14
2.3 External Evaluation ... 14
2.4 Production Sites ... 15
2.5 Sustainable Development Goals ... 15

3. THE ENVIRONMENT 20
3.1 Energy and Greenhouse Gas Emissions ... 20
3.2 Biodiversity ... 25
3.3 Resource Use and Circular Economy ... 26
3.3.1 Durability and Repairability ... 26
3.3.2 Use of Renewable Raw Materials ... 27
3.3.3 Use of Recycled Materials ... 27
3.3.4 Upcycling ... 27
3.4 Water Consumption ... 28
3.5 Waste ... 28
3.6 Climate Risks ... 29
3.7 Climate-Related Measures and Development Initiatives ... 30

4. SOCIAL 34
4.1 Scope of Application: Workplace ... 34
4.1.1 Employee Benefits ... 35
4.1.2 Career Start ... 36
4.1.3 Human Resources Development ... 36
4.1.4 Employee Structure ... 37
4.1.5 Health in the Workplace ... 38
4.2 Scope: Supply Chain ... 39
4.2.1 Customers ... 41
4.2.2 Product Safety and Quality Assurance ... 41
4.2.3 Intellectual Property Rights ... 41
4.2.4 Prosigno ... 42

5. GOVERNANCE 44
5.1 Corruption, Conflicts of Interest, and Gifts ... 45
5.2 Data Protection & Digital Responsibility ... 45

1 INTRODUCTION

In this report, we provide insight into our understanding of sustainability and how we implement it at Halfar System GmbH. Over the past few years, we have continuously expanded our sustainability reporting and further developed it by providing more detailed insights into our business activities.

As part of JCK Holding GmbH Textil KG, sustainability reporting is prepared group-wide in accordance with the CSRD.

In addition, Halfar System provides supplementary and independent reporting on sustainability at its own site, outside the scope of the consolidated reporting. Our goal is to present Halfar's sustainability activities in an increasingly transparent and comparable manner.

In this context, we welcome the EU's goal of further strengthening the transparency and comparability of sustainability reporting through the EmpCo Directive. The labels and designations presented in this report reflect the status as of the reporting period and should be understood as a snapshot of our sustainability reporting to date. As we implement the new legal requirements, we will review their continued use and adjust our reporting accordingly.

The report is divided into the three traditional ESG sustainability categories:

1 Environment
2 Social
3 Governance





02 THE COMPANY



2 THE COMPANY

Halfar System GmbH is a medium-sized company headquartered in Bielefeld, East Westphalia, Germany. Its main location is in Bielefeld-Oldentrup, and its external warehouse is in the neighboring district of Altenhagen. The company was founded in 1986 and has operated under its current legal form as a GmbH since 1996. Halfar System is a subsidiary of JCK Holding GmbH Textil KG and is part of a group of companies in the promotional products sector (Choice Group).

Halfar System develops and manufactures bag solutions, strap systems, and textile products for a variety of applications. The product line includes both standardized stock items and custom-designed solutions. The stock items are used primarily in the merchandise and promotional products sector, as well as for customizable products for businesses. In the technical bags division, Halfar develops solutions tailored to specific customer requirements and applications. In addition, we offer various options for product customization, such as adding company logos. The product range is aimed at commercial customers and, in the promotional products sector, is distributed through specialized retailers.

The following are selected key figures that provide context for the company's structure during the reporting period:

Employees:
2024 - 124
2025 - 111
Outlook 2026 - 115

Apprenticeship Programs: **7**

in customer service and administration: **56%**

in production and logistics: **44%**

Percentage of Women in Leadership Positions: **41%**

Locations in Bielefeld: **2**

Product Variety in the stock range:
2024 - 220 styles
2025 - 224 styles









2.1 CERTIFICATIONS

To ensure high standards of quality and sustainability, Halfar System relies on structured processes, binding guidelines, and recognized certifications. With our management system compliant with DIN ISO 9001:2015, we establish clear processes, identify potential risks, and initiate a continuous improvement process. In the area of environmental management, we operate in accordance with DIN ISO 14001:2015. In addition, Halfar System is certified under both GOTS and GRS.

Here you will find our current certificates:

On the following page, you will find an overview of the labels used by Halfar during the reporting period:

LABEL	EXPLANATION
Certified by CU 1047624	**GOTS** The Global Organic Textile Standard (GOTS) is a globally recognized standard for the processing of textiles made from organically produced natural fibers. It defines environmental requirements throughout the entire textile production chain, as well as strict social criteria. Compliance is verified by independent, accredited testing laboratories based on the GOTS monitoring system. Halfar has been certified according to the Global Organic Textile Standard (GOTS) since 2017 (CU1047624).
	FAIRTRADE SEAL The label identifies products that come from fair trade and were produced in accordance with specific social, environmental, and economic criteria. Products bearing the Fairtrade seal provide smallholder cooperatives with more stable prices and long-term trade relationships. Both farmers and plantation workers receive an additional Fairtrade premium for community projects. The standards also include criteria regarding democratic organizational structures, environmental protection, and safe working conditions. The audits are conducted by FLOCERT. *source: www.fairtrade-deutschland.de*

LABEL	EXPLANATION
STANDARD 100	**STANDARD 100 BY OEKO-TEX®** The STANDARD 100 by OEKO-TEX® is a globally standardized, independent testing and certification system for raw, intermediate, and finished textile products at all stages of processing, as well as for the auxiliary materials used. Its primary objective is the development of testing criteria, limit values, and test methods based on scientific principles. The system is based on a comprehensive, rigorous catalog of measures covering several hundred regulated individual substances. Discussions and developments deemed relevant are incorporated into updates to the STANDARD 100 by OEKO-TEX® requirements as soon as possible and as effectively as possible. In many cases, the testing criteria and limit values go well beyond applicable national and international standards. Extensive product inspections and regular company audits further ensure that the industry worldwide is consistently made aware of the need for responsible handling of chemicals. *source: www.oeko-tex.com*
"Halfar is GRS certified. Only the products which are covered by a valid transaction certificate are GRS certified." certified by CU 1047624	**GLOBAL RECYCLED STANDARD (GRS)** The Global Recycled Standard (GRS) was developed in 2008 by Control Union Certifications and has been administered by the Textile Exchange since January 1, 2011. The GRS is an international, voluntary, comprehensive product standard that sets requirements for the independent certification of recycled materials, the supply chain, social and environmental practices, and chemical restrictions. The GRS is designed to meet the needs of companies that wish to verify the recycled content of their (finished and intermediate) products, as well as to ensure that the social, environmental, and chemical requirements defined by the GRS standard are met during production. Like GOTS, the GRS standard covers all stages of the manufacturing and supply chain. Halfar has been certified according to the Global Recycled Standard (GRS) since 2021 (CU1047624).

2.2 BINDING GUIDELINES

In addition to our management systems, company-wide policies form the foundation for responsible and compliant conduct. These include, in particular, the Halfar Code of Conduct, the Whistleblower Policy, the Environmental Policy, the Procurement Policy, and the Ethics Policy. They define binding principles for fair business conduct, respectful interaction with one another, respect for human rights, and the responsible use of the environment and resources.

The policies apply to all employees and also serve as an important framework for collaboration with business partners throughout the value chain.

About the guidelines:

2.3 EXTERNAL EVALUATION

In addition, in 2025 we received the EcoVadis certification for the fifth time. **EcoVadis** is an internationally recognized assessment platform for sustainability in global supply chains. The assessment covers environmental performance, labor and human rights, ethics, and sustainable procurement. By participating in the EcoVadis certification process, we subject ourselves to an external audit and demonstrate our commitment to responsible corporate governance throughout the entire value chain. Our ongoing commitment is also reflected in our rising scores. However, since EcoVadis adjusts the awarding of medals annually based on the performance of participating companies within a group*, a higher score does not necessarily lead to a higher medal category.

	2019	2021	2022	2024	2025
SCORE (OUT OF 100)	48	59	69	69	76
PERCENTILE RANK	59	84	94	92	94
MEDAL	silver	silver	gold	silver**	silver

** Group: Manufacture of travel goods, handbags, leather goods, and harnesses*

*** Revised EcoVadis Evaluation Process*

+ 28 Points

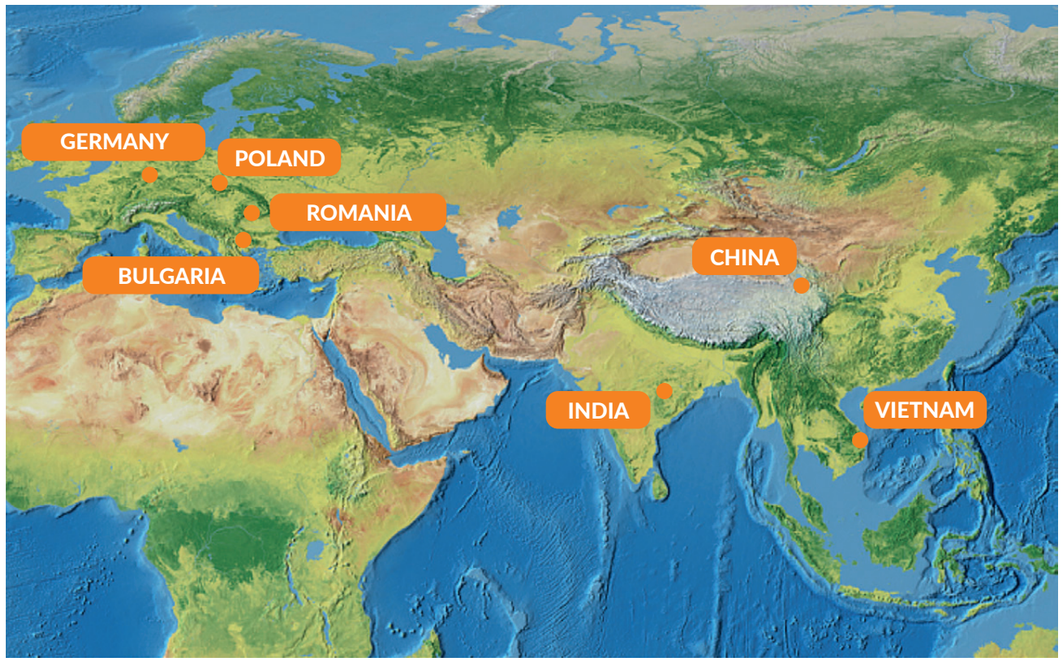
in the 2019–2025 EcoVadis assessment



2.4 PRODUCTION SITES

For our bag production, we collaborate with partners around the world, many of whom have been with us for many years. We are able to offer our customers bags that are “made in Europe” as well as those produced by partners in Asia. Production is carried out in accordance with our corporate, procurement, and environmental policies, as well as the Halfar & amfori BSCI Code of Conduct.

Manufacturing in other European and Asian countries takes place in the following countries:



For more information on Halfar System's supply chain policy, see Chapter 4.

2.5 SUSTAINABLE DEVELOPMENT GOALS

In addition to our internal company guidelines, we align our actions with the United Nations’ Sustainable Development Goals (SDGs)—an international framework for sustainable development. Halfar System is committed to the responsible use of resources. We use energy and raw materials conscientiously and implement targeted projects that have both environmental and social impacts. These include, among other things, measures for climate protection, the promotion of sustainable mobility, preventive health care for employees, and the continuous development of our product portfolio with a focus on sustainability.

2.5 SUSTAINABLE DEVELOPMENT GOALS

As a responsible company, we consider it our duty to respect human rights and protect health. Within our company, we actively promote equal opportunity and diversity—regardless of ethnic origin, religion, nationality, sexual orientation, gender, marital status, age, or disability.

Through our activities, we make a direct contribution to several SDGs, in particular:

SDG 7:
Affordable and Clean Energy
SDG 8:
Decent Work and Economic Growth
SDG 12:
Responsible Consumption and Production
SDG 13:
Climate Action



SDG 17:
Partnerships for the Goals
SDG 10:
Reduced Inequalities
SDG 5:
Gender Equality
SDG 4:
Quality Education



This alignment with these SDGs is intended to provide guidance on the content and does not represent a complete coverage of all Halfar measures and goals.

You can learn more about our initiatives and how they contribute to the SDGs here:



03 THE ENVIRONMENT



3 ENVIRONMENT

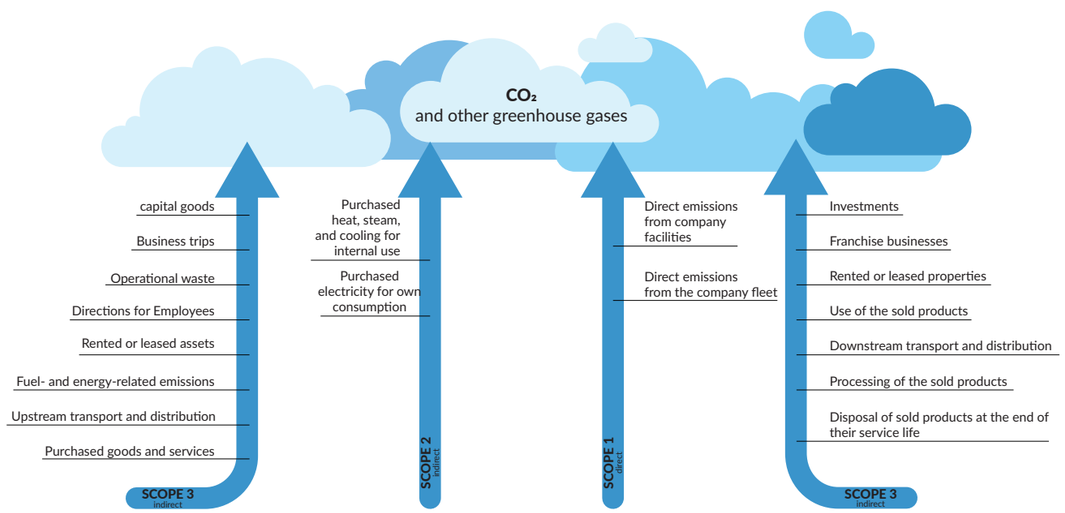
At Halfar System, we consider environmental factors to be an integral part of our business decisions. Our environmental policy provides the framework for responsible action and the systematic incorporation of environmental criteria into relevant decision-making processes. In particular, we focus on the following issues:

1. Energy Consumption
2. Greenhouse Gas Emissions
3. Water Use
4. Chemical Management
5. Biodiversity
6. Resource Use
7. Waste Management
8. Wastewater Management
9. Prevention and Response to Serious Incidents

Since 2018, we have been operating in accordance with the international standard DIN ISO 14001:2015, which defines the requirements for an environmental management system.
Our goal is not only to comply with legal and other obligations, but also to identify, assess, and gradually improve the environmental impacts of our business activities.



3.1 ENERGY AND GREENHOUSE GAS EMISSIONS



To track greenhouse gas emissions, Halfar System has been calculating its Corporate Carbon Footprint (CCF) since 2020. In 2024, we began further expanding the tracking and calculation of both corporate and product emissions. This lays the foundation for additional effective climate protection strategies. The calculation is performed in collaboration with our long-standing partner, ClimatePartner, in accordance with the internationally recognized GHG Protocol standard (Greenhouse Gas Protocol Corporate Accounting and Reporting Standard). In addition to direct, internal company emissions, we also account for emissions from purchased energy as well as a significant portion of the emissions along the upstream and downstream value chain. For the reporting period from January 1 through December 31, 2024, this resulted in a total of 14,429.37 metric tons of CO_2 equivalents, and for the period from January 1 through December 31, 2025, a total of 13,776.26 metric tons of CO_2 equivalents.
The vast majority—approximately 90%—of emissions are generated directly by the production of our products. Emissions from Halfar System's stock items are calculated using the so-called "cradle-to-customer plus end-of-life" approach and provide an average product footprint for the year 2024. In recent years, company-and product-specific emissions were recorded separately, although calculating a complete Product Carbon Footprint (PCF) for each individual product was only possible to a limited extent. In some cases, therefore, we relied on well-founded estimates and projections. Through in-depth data collection along the value chain, we were able to gradually expand the data set. On this basis, since 2024 it has been possible to account for emissions data for the standard product range in a more differentiated manner and to include product-related emissions in the overall result of the corporate carbon footprint.
However, because product-related emissions are included in the overall corporate emissions balance, this balance is significantly dependent on the economic situation, the structure of customer orders, and our customers' fashion preferences. These factors influence which products are in demand and to what extent, and consequently which products are produced; they therefore also affect the level of reported emissions. The emissions balance excluding product-related emissions therefore remains an important metric, as does the emissions intensity per revenue. This amounted to 0.00036 t CO_2e/EUR for the 2024 fiscal year and to 0.00038 t CO_2e/EUR for 2025.
If – as in previous years – the newly added product-related categories are excluded, the total for 2024 comes to 336.7 tons of greenhouse gas emissions instead of 14,429.37 tons, which is an increase of 13% compared to the previous year. For 2025, this value remains at a similar level with 336.3 tons of greenhouse gas emissions. One reason for the increase in emissions is the ongoing development of our data collection. Through the continuous expansion of our methodology, emission drivers are now also being considered that could not be captured, or not fully captured, in previous years.

When conducting an assessment using the "cradle-to-customer plus end-of-life" approach, the following life cycle phases are taken into account:

- the extraction of raw materials and packaging
- the associated logistics processes
- the manufacture of the product
- the associated disposal emissions from the product and packaging at the end of their life cycle

Emissions have also risen, particularly in the area of business travel. This trend is linked to our commitment to long-term, partnership-based relationships with our suppliers—especially in other European and Asian countries—and also reflects a certain catch-up effect following the pandemic-related restrictions of previous years. In-person visits are a central component of sustainable collaboration for Halfar System. They enable us to better understand not only the environmental but also the social aspects of supply chains, identify specific challenges, and provide targeted support. In this way, in-person exchanges on-site help ensure that environmental, economic, and social aspects of sustainability are considered holistically.





Step 1: Emissions Calculation



Step 2: Reduction Targets



Step 3: Mitigation Measures



Step 4: Climate Protection Projects



Step 5: Transparency

EMISSIONS TRENDS BY SCOPE IN METRIC TONS OF CO_2e

	2021	2022	2023	2024	2025
Scope 1	60,30	78,23	60,39	50,31	46,09
Scope 2	31,06	22,13	30,82	27,58	38,57
Scope 3	304,18	300,49	206,30	14.351,48	13.691,61
Total result	**395,54**	**400,85**	**297,51**	**14.429,37*** **336,7****	**13.776,26*** **336,3****

**Due to changes in the data source, comparisons with previous years are limited.*

***Value excluding product-related emissions, for comparison with previous years*

ENERGY

With regard to Scope 1 and Scope 2 emissions, Halfar System focuses on measures to reduce energy-related greenhouse gas emissions. The electricity needs of the main and logistics sites in Bielefeld are fully covered by electricity from renewable energy sources.
In addition, photovoltaic systems with battery storage support the company's self-generation of electricity and help reduce electricity consumption from the public grid.

Furthermore, measures to increase energy efficiency are continuously being implemented. In 2024, another section of the building was converted to LED lighting, resulting in an annual savings potential of several thousand kilowatt-hours of electricity. A heat pump and a pellet heating system are used to provide heat for the main site. As part of an energy optimization initiative, the roof of a section of the building was also extensively renovated in 2024 and fitted with improved insulation. This reduces heat loss in the winter and minimizes heat gain in the summer.



ENERGY CONSUMPTION 2024/2025*

	RENEWABLE	NON-RENEWABLE
Purchased Electricity	218 / 208	-
Self-generated electricity PV system (for personal use) Pellet heating system	359 / 344 63 / 64 296 / 280	-
Fuel (for the gas heating system)	-	136 / 183
Total Energy Consumption	**684 / 735**	**-**

**Figures in MWh*

As part of our ClimatePartner certification, we have set additional reduction targets for the company's direct emissions. By 2026, we plan to gradually replace more vehicles in the Halfar fleet with electric vehicles in order to achieve an additional 2% reduction in emissions compared to the base year of 2023.

SUPPORT FOR CLIMATE PROTECTION PROJECTS

Our business operations generate greenhouse gas emissions that cannot be completely avoided, despite the optimization measures we have implemented. Halfar System therefore supports certified climate protection projects. This support complements our own efforts to reduce emissions. In addition to providing financial support for international climate protection projects in the field of sustainable energy generation, we also invested in a regional nature conservation project in Germany in 2025. In the Osnabrück district, in the immediate vicinity of our location in Bielefeld, a section of the Hunte River is being ecologically restored. The goal of the project is to restore agricultural land with low biodiversity to near-natural habitats.

HALFAR SYSTEM IS A CLIMATE PARTNER-CERTIFIED COMPANY

ClimatePartner certified company
climate-id.com/G765H1

This means: we have calculated our greenhouse gas emissions, defined reduction targets, are continuously implementing reductions, and are funding climate protection projects. With the ClimatePartner certification and the associated Climate ID website, we communicate transparently about these steps.*

The core measure is the restoration of a roughly 600-meter-long section of the river that had previously been straightened. To achieve this, the river's course will be extended, former river branches will be reconnected to the Hunte, and elements that improve the river's structure, such as deadwood and gravel, will be introduced.

For more information on the climate protection projects we support, please visit ClimatePartner:



Label as of the reporting period; adjustments may be made in accordance with the EmpCo guidelines.

3.2 BIODIVERSITY

Biodiversity forms the foundation of healthy, resilient ecosystems—and is therefore also a key component of sustainable business practices. It safeguards natural resources, reduces ecological and economic risks, and strengthens companies' resilience in the face of global challenges. Against this backdrop, the conservation of biodiversity plays a vital role in sustainable and forward-looking business practices.

Halfar System does not operate any business sites in ecologically sensitive or biodiversity-vulnerable areas. Nevertheless, we want to make an active contribution to the conservation of biodiversity—especially on our own properties at our two locations in Bielefeld. To this end, various sections of the company grounds have been converted into near-natural biotopes that specifically create habitats for regional species.

In total, approximately 19% of the company's land is planted in various ways. As early as 2022, the first flowering areas were certified by InsectRespect. The goal was to evaluate the ecological impact of our measures and to further develop them in collaboration with InsectRespect.

BIODIVERSITY–LAND USE

Company Premises	27.732 m²
Planted Area (green spaces and green roofs)	~ 5.150 m² = 18,6 %
Landscaped area outside the company premises	0 m²
Total Sealed Area	**~23.230 m²**

In 2024, the specialized firm Artenglück conducted a comprehensive analysis of the flowering areas. The study examined the extent to which the areas had developed ecologically and the contribution they make to promoting biodiversity. Soil samples were collected for the study and analyzed in specialized laboratories. The analysis confirms the areas' conservation value: a high diversity of insects, including two endangered bumblebee species*, as well as spiders, was documented. These results highlight the ecological benefits of the established biotopes. Based on this positive assessment, the areas were successfully recertified in 2024. As a result of its commitment to biodiversity, Halfar was nominated for the DQS and DGQ Sustainability Heroes Award in 2024. This places the company among the top 20% of applicants in this category.



"Natural areas develop slowly, but they reward us with a stable and species-rich ecosystem." —Armin Halfar, Managing Director



** The bumblebee species Bombus muscorum has been confirmed to be native to the Halfar site.*

3.3 RESOURCE USE AND CIRCULAR ECONOMY

When developing our HALFAR® products, we take resource conservation into account. This includes selecting suitable materials, reducing the variety of materials used, ensuring recyclability, and implementing measures to extend the products' life cycle. In addition, we offer a repair service for many of our products.

In 2025, we introduced the MONO shopper, our first product developed entirely in accordance with the principles of Design for Recycling. The product is made entirely of polyester; even the handles and seams are crafted from this material. Avoiding the use of composite materials makes recycling easier at the end of the product's life cycle.the product's life cycle is made easier. With the MONO shopping bag, Halfar is implementing a circular product concept in its product line for the first time. This innovative approach was honored with the 2025 PSI Academy Award in the Product category. The development of additional single-material products is planned for 2026. This also includes initial concepts for organic cotton products to expand circularity to additional material groups.

PSI Academy AWARDS WINNER





3.3.1 DURABILITY AND REPAIRABILITY

Functionality and durability are at the heart of all our products. After all, the longer an item is used, the more positive its environmental impact. When products are also designed to be repairable, this further extends their potential lifespan and reduces their environmental impact.

With the Halfar Repair Service, we therefore offer an in-house solution to further extend the lifecycle of our products.

REPAIR SERVICE by HALFAR

Here you can find more information about our repair service:

3.3.2 USE OF RENEWABLE RAW MATERIALS

For certain applications, we use renewable raw materials such as cotton, organic cotton, and jute. These materials are also resources that we manage responsibly. When selecting materials, we therefore pay particular attention to whether a material is suitable for the intended purpose and meets the requirements for functionality and durability. In 2024, 16% of our in-stock items contained materials made from renewable raw materials.

3.3.3 USE OF RECYCLED MATERIALS

The use of recycled materials is an important part of our efforts to design products that conserve resources. By processing fabrics made entirely or partially from recycled plastics, we utilize secondary raw materials and reduce the need for virgin plastics. In the area of recycled synthetic fiber fabrics, we consistently adhere to the Global Recycled Standard (GRS; see page 13). The standard sets requirements for the traceability and verification of recycled materials throughout the supply and production chain. Halfar System has been certified according to the GRS standard since 2021.

KEY FIGURES FOR THE STOCK RANGE

PRODUCT LINE	2018	2019	2020	2021	2022	2023	2024	2025
Percentage of PVC-free bags	45 %	54 %	62 %	66 %	67 %	71 %	74 %	74 %
Percentage of bags made with or from renewable raw materials	n.a.	9 %	15 %	19 %	17 %	16 %	16 %	14 %
Percentage of bags made with or from recycled materials	n.a.	n.a.	4 %	11 %	15 %	19 %	21 %	28 %

3.3.4 UPCYCLING

Another approach to reusing materials is the upcycling of customer materials. In this process, we transform suitable materials provided by our customers into new bag products.

In this way, existing materials can be repurposed for a new use instead of using new materials. This extends the useful life of the materials beyond their original intended purpose.





Further information on the HALFAR® product strategy can be found here:

3.4 WATER CONSUMPTION

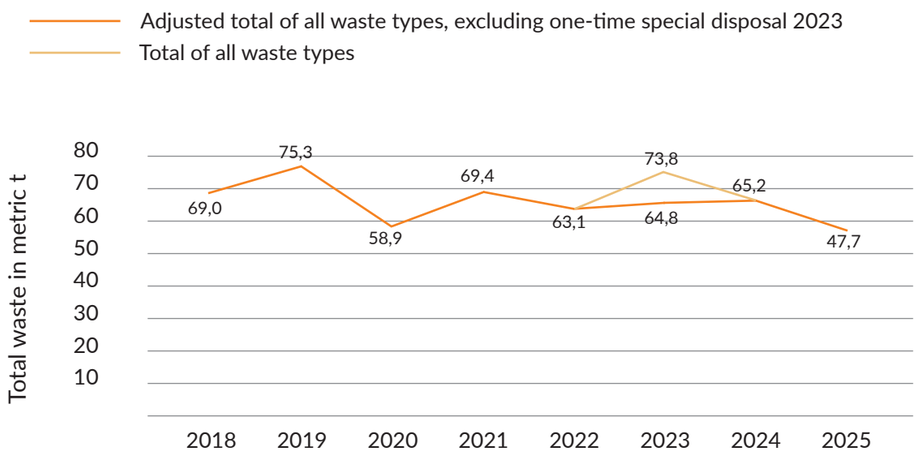
Both Halfar System's main and logistics sites are located in Bielefeld (Oldentrup and Altenhagen), an area that is not subject to high water stress. At both sites, Halfar uses water only for household-like applications. Furthermore, there are no production processes that require increased water consumption. Household-like uses include, among other things, drinking water and water for our restroom facilities. Therefore, no harmful substances are released during use.

	2023	2024	2025
Total Water Consumption	664 m^3	670 m^3	734 m^3
Water consumption at sites in areas with high water stress	0 m^3	0 m^3	0 m^3

3.5 WASTE

	2024	2025
Total amount of non-hazardous waste in metric t	65,2	47,7
Total amount of hazardous waste in metric t	0	0
Total waste volume in metric t	**65,2**	**47,7**

DEVELOPMENT OF TOTAL WASTE VOLUMES IN T



We are responsible for managing the waste generated in the course of our business operations. This includes measures to prevent waste as well as the proper disposal of unavoidable waste. A key focus is on the resource-efficient use of packaging materials. We avoid using additional decorative packaging. Shipping packaging is selected to ensure that products are reliably protected during transit while using only the packaging materials necessary for this purpose. Unavoidable waste is sorted in accordance with a defined disposal plan and directed to the appropriate disposal or recycling channels. The individual waste volumes were determined by our contracted waste management company. In 2024, the total waste volume amounted to 65.2 metric tons; in 2025, it was 47.7 metric tons. This consisted primarily of packaging materials made of paper, cardboard, and plastic. Other waste categories include biodegradable materials, wood, and residual waste.
Overall, our facility generates exclusively non-hazardous waste, the majority of which is recyclable. The decrease can be attributed, among other things, to the fact that Halfar has optimized and reduced its transport packaging over the years.

3.6 CLIMATE RISKS

As part of our business operations, we face both physical and transition risks associated with climate change. Physical climate risks, such as extreme weather events or long-term climatic changes, currently affect Halfar System primarily in an indirect manner. Our own facilities in Bielefeld are not currently exposed to any known significant climate-related risks. However, potential impacts may arise in the global supply chain, for example due to weather-related production or transportation delays in individual sourcing regions. Transitional risks arise in particular from regulatory developments, increasing requirements for climate protection and sustainability, as well as changing expectations from customers and business partners. These developments can influence product requirements, procurement processes, and reporting obligations. Halfar System continuously monitors these risks and takes them into account within the framework of existing management systems and business decision-making processes. The goal is to identify potential impacts at an early stage and mitigate them through appropriate organizational, product-related, and procurement-related measures.



3.7 CLIMATE-RELATED MEASURES AND DEVELOPMENT STEPS



Halfar System is gradually incorporating climate-related considerations into its business operations. The focus is on tracking and assessing greenhouse gas emissions, as well as identifying appropriate measures to reduce emissions.

These include, in particular, improving data quality along the value chain, implementing efficiency measures at the company's own locations, and further developing resource-efficient product concepts. In addition, Halfar System supports certified climate protection projects.

Implementation takes place within the framework of existing management systems and organizational structures. Climate-related aspects are incorporated into relevant business decisions and objectives.

In the 2024/2025 reporting year, no climate-related risks were identified that, based on current assessments, are expected to have a material impact on business operations or the company's development. The assessment is continuously updated as part of the regular review of sustainability-related issues.

04 SOCIAL

4 SOCIAL

Halfar System GmbH considers social aspects to be an integral part of its business operations, both at its Bielefeld location and throughout its global supply chain. This approach is based on company-wide guidelines and recognized standards that support responsible and compliant conduct.

The focus is particularly on employees' working conditions and development opportunities, as well as on compliance with social and human rights requirements throughout the supply chain. The following chapter provides an overview of these two areas of impact.

4.1 SCOPE OF APPLICATION: WORKPLACE

Employee development is a key component of human resources at Halfar. The goal is to foster individual skills and support longterm employability. The foundation of collaboration within the company is the Halfar Code of Conduct and the Ethics Policy, which define binding standards for a fair and equitable work environment. Halfar System is committed to non-discrimination and equal opportunity. Measures to improve working conditions and reduce barriers are implemented as needed. For example, in 2024, a stairlift was installed to ensure barrier-free access to the upper floor.









4.1.1 EMPLOYEE BENEFITS

Halfar System offers its employees a variety of benefits that support their day-to-day work and promote a healthy work-life balance.

Individual Onboarding

Family-friendly work environment

Employer-Sponsored Pension Plan

Joint Activities





In addition, as part of its efforts to reduce CO_2 emissions and promote flexibility, the company offers its employees a variety of mobility options:

Discounted ticket for Bus and Train

JobRad and JobAuto

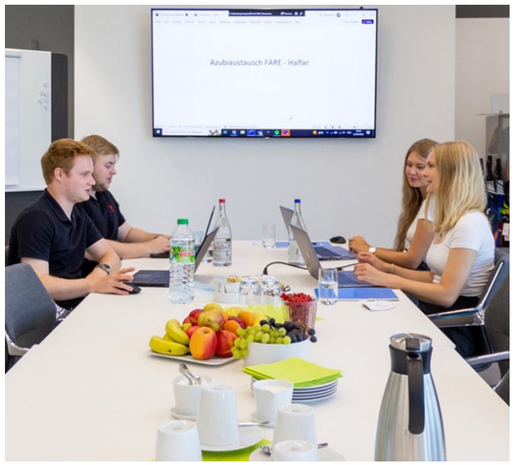
Charging Station for Electric Cars

Good access to Public Transportation

More information about Halfar employee benefits, can be found here:

4.1.2 CAREER ENTRY

Halfar System offers young professionals various paths into the workforce, such as through traditional apprenticeships, entry-level training programs, or dual degree programs. As of August 1, 2024, we had 12 apprentices on staff, including, for the first time, an apprentice in the field of marketing communications. In 2025, two apprentices successfully passed their exams, and six new apprentices began their training. To support the start of their training, we invite future trainees and their families to a “Background Day” well in advance of the training start date. This orientation day is designed to alleviate any uncertainties and allow participants to get to know the company in person. Dedicated students have the opportunity to work at Halfar System as working students or to gain their first professional experience through internships.





4.1.3 HUMAN RESOURCES DEVELOPMENT

As part of our employee development program, we offer a wide range of training and professional development opportunities. For example, we have introduced a job rotation program that gives employees the opportunity to gain experience in a different area of the business. This not only promotes the acquisition of new expertise but also facilitates cross-departmental processes and strengthens mutual understanding. In addition, we support participation in external training courses, seminars, or workshops on a case-by-case and task-specific basis to specifically promote the individual professional development of our employees.

	2024
Average Number of Continuing Education Hours – Men	18
Average Number of Continuing Education Hours – Women	14
Average Number of Continuing Education Hours – Total	15

4.1.4 EMPLOYEE STRUCTURE

Halfar System’s workforce brings together a diverse range of skills, personalities, and nationalities. As of the end of 2024, 124 employees were working at the two Bielefeld locations. The proportion of female managers rose from 41% in 2024 to 47% in August 2025, while the proportion of male managers correspondingly fell from 59% to 53%. At the same time, the average length of seniority increased from 8.2 years to 9 years in August 2025. Taking a personalized approach to employees—taking their individual life circumstances into account—enables flexible, mutually beneficial work models that allow for a balance between family and career. This approach fosters individual career paths that align with employees’ strengths. For this flexibility, the City of Bielefeld honored Halfar System as “exceptionally family-friendly" in 2016 and 2023 .
Overall, the HR metrics demonstrate the strong commitment of our employees to the company, despite the challenging economic conditions.

OUR EMPLOYEE STATISTICS

The following table provides a detailed overview of the workforce structure at Halfar System:

	2024	2025
Number of employees as of December 31 *of which 100% are in Germany	124	111
Percentage of Men	37 %	38 %
Percentage of Woman	63 %	62 %
Turnover Rate	n/a	19,49 %
Average Age	41,7	43,2
Percentage of Employees in Administrative vs. Skilled Trades Roles	56 % / 44 %	58 % / 42 %
Percentage of Full-Time vs. Part-Time Employees	79 % / 21 %	68 % / 32 %
Number of Men and Women in Leadership Positions	10 / 7	10 / 9
Proportion of Men and Women on the Executive Board	67 % / 33 %	67 % / 33 %
Percentage of employees who receive compensation that meets or exceeds the applicable minimum wage	100 %	100 %
Percentage of Employees Covered by a Collective Bargaining Agreement	0	0
Gender pay gap	The gender pay gap was last surveyed in 2022	

4.1.5 HEALTH IN THE WORKPLACE

For Halfar System, the health and well-being of its employees are key components of corporate responsibility. The goal is to ensure a work environment that is as free of hazards as possible and to support the maintenance of our employees' health. To this end, measures related to occupational safety and health protection are systematically planned and implemented. These include, among other things, regular training sessions and briefings that promote the safe use of work equipment and raise employees' awareness of potential risks in their daily work.

Other measures to promote employee health include:

- Height-adjustable desks, ergonomically designed chairs, and regular support from a physical therapist make it easier to work at office workstations and help prevent back problems
- In areas where work is mainly carried out whilst standing, soft PU mats laid on the floor help to relieve strain on the musculoskeletal system
- The weekly fruit and vegetable basket provides a healthy alternative to the usual office chocolate
- The Sportnavi program, subsidized by Halfar System, and the "WorkLifePortal" health app enable employees to take advantage of affordable and flexible sports and relaxation programs - even outside the workplace
- The use of exoskeletons relieves physical strain on employees in the logistics department when carrying unavoidable, heavy loads and specifically protects the musculoskeletal system
- The annual opportunity to receive a flu shot protects employees' health





KEY METRICS ON HEALTH AND SAFETY

	2023	2024	2025
Number of reportable workplace accidents	0	1	0
Total number of hours worked by all employees	n/a	n/a	~ 160.437
Number of deaths resulting from workplace accidents and work-related illnesses	0	0	0

4.2 SCOPE: SUPPLY CHAIN

Depending on the task, objectives, and scope, our products are manufactured at various locations. We primarily work with manufacturing facilities in Europe and Asia. You can find an overview of the countries where we manufacture our products on page 15.

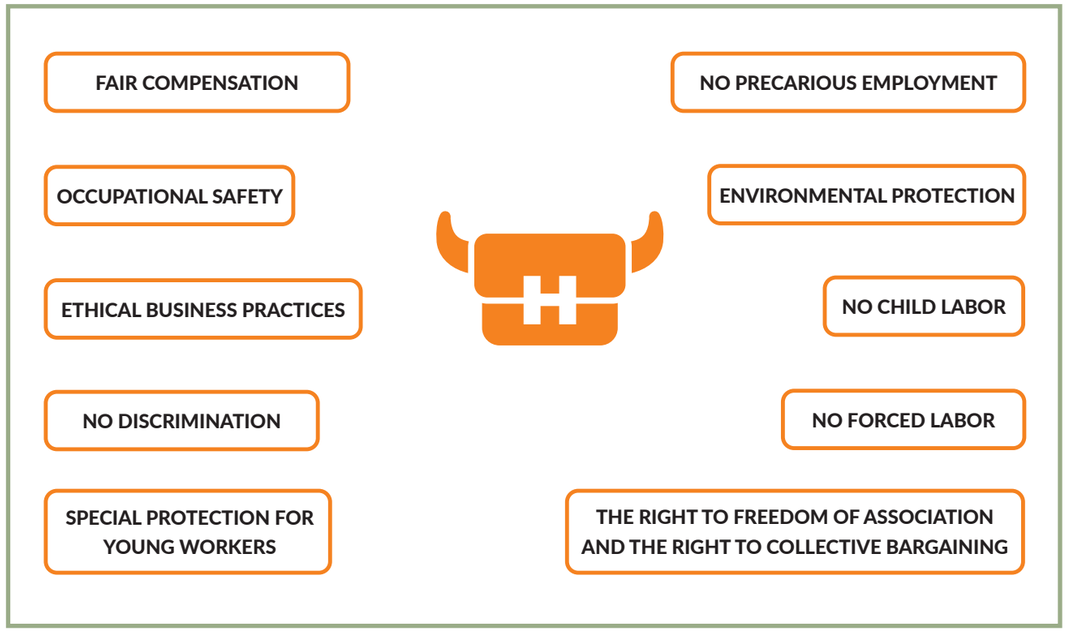
In accordance with legal requirements, particularly the German Supply Chain Due Diligence Act (LkSG), we aim to incorporate and continuously improve human rights and environmental standards in our global business relationships. To this end, we conduct risk analyses in collaboration with our parent company to identify relevant risks in individual countries and among specific suppliers. In addition, as part of our DIN ISO 9001:2015 management system, we assess risks that could impact our business operations. This approach enables us to identify risks early on, take appropriate measures, and respond to potential challenges.

Collaboration with reliable partners is an essential part of our supply chain strategy. Regardless of formal certification, our suppliers commit to adhering to the principles of the amfori BSCI*

Code of Conduct. This code encompasses both social and environmental requirements and serves as a binding framework for all stakeholders along our supply chain.

amfori Trade with purpose

Member of amfori, the leading global business association for open and sustainable trade.
For more information visit www.amfori.org



** amfori BSCI (Business Social Compliance Initiative) is an international business and monitoring program aimed at improving social labor standards in global supply chains. It helps companies promote decent working conditions and ethical business practices.*

Compliance with the requirements is verified through visits and audits conducted by Halfar System or contracted service providers. This allows us to determine whether quality assurance measures and social standards are being implemented in accordance with the guidelines.

Another measure is the provision of a publicly accessible and low-threshold complaint mechanism. This mechanism is open to all stakeholders and allows them to report potential violations of legal requirements or internal guidelines anonymously and without fear of disadvantage, discrimination, or retaliation. It is accessible via our website, and we have also actively communicated its availability to our suppliers and their employees.

In the reporting years 2024 and 2025, no incidents related to potential human rights violations or compliance breaches were reported. This applies to both the company's internal workforce and the stakeholders along the upstream and downstream value chain.



4.2.1 CUSTOMERS

Our customers' needs and expectations are at the heart of everything we do. Our goal is to create sustainable value and foster long-term customer relationships through safe, high-quality, and reliable products. Our customers' satisfaction is a key measure of our company's success.

4.2.2 PRODUCT SAFETY AND QUALITY ASSURANCE

In addition to risk analysis, a key element in ensuring marketability and product safety is a testing system that regularly examines items for potential contamination with hazardous substances. This means, for example, that we contractually require our suppliers to ensure that the goods and products they supply—including their packaging materials—do not contain any substances of very high concern (SVHCs) in concentrations exceeding 0.1 percent by weight, as defined by the regulation in effect at the time of production and the Candidate List, in accordance with Article 33 of the REACH Regulation. We collaborate with accredited laboratories to define and verify these requirements. Based on this system, compliance with individual product- or industry-specific requirements can also be verified upon customer request. In addition to chemical testing, we inspect the quality and workmanship of our products according to the AQL (Acceptable Quality Level) standard. To do this, we rely on both our internal testing infrastructure and externally contracted quality inspectors.



4.2.3 INTELLECTUAL PROPERTY RIGHTS

As a company, we protect our products and respect the intellectual property rights of third parties, including design patents, utility models, and patents, and take care to ensure that our own intellectual property rights are not infringed.



4.2.4 PROSIGNO

Diversity, equality, and inclusion are important priorities for Halfar System GmbH. Since 2013, we have maintained a special partnership with prosigno, an inclusive screen-printing company. Prosigno is an inclusive enterprise operating under the umbrella of Lebenshilfe Bielefeld and employs people with and without disabilities. We work together with prosigno under one roof at our main location in Bielefeld. The pathways between the companies are short and accessible. Sharing the same premises also eliminates the need for transportation and the associated emissions.







05 GOVERNANCE



5 GOVERNANCE



Halfar is a family-run company based in Bielefeld. This close link between ownership and responsibility fosters sustainable corporate development and a strong sense of social and environmental responsibility. The management team consists of three people: one woman and two men (gender diversity ratio of 0.5).

As part of JCK Holding GmbH Textil KG, Halfar System is subject to overarching sustainability management. The parent company is responsible for the group-wide implementation of legal requirements—particularly with regard to the Supply Chain Due Diligence Act (LkSG) and the Corporate Sustainability Reporting Directive (CSRD). Within Halfar System GmbH, sustainability is coordinated by the "Product Management & Sustainability" department, which works with the parent company to meet its requirements. In addition, a member of the executive board has been appointed as the environmental management officer. Although Halfar is not currently subject to any legal obligation to report on sustainability, we voluntarily and regularly report on our sustainability strategy, measures, and progress. In doing so, we create transparency for our stakeholders and demonstrate that responsible corporate governance is an integral part of our day-to-day business operations.

5.1 CORRUPTION, CONFLICTS OF INTEREST & GIFTS

For us, a responsible and transparent approach to business decisions is a central component of sustainable corporate governance. To avoid conflicts of interest, we have established guidelines designed to ensure that our employees' personal and business interests remain separate at all times.
This includes, among other things, the mindful handling of gifts and invitations: gifts that exceed what is socially appropriate may not be accepted or given. Our employees are expressly encouraged to address potential conflicts of interest, ambiguities, or misconduct at an early stage—anonymously, if desired, through our whistleblower system (see page 14). External parties may also use this channel to report potential misconduct. Our guidelines are regularly reviewed and the staff is trained to reinforce awareness of ethical conduct in day-to-day business operations.

5.2 DATA PROTECTION & DIGITAL RESPONSIBILITY

A high-performance and secure digital infrastructure forms the foundation for efficient collaboration and the responsible handling of sensitive data. To ensure the highest standards in data protection, we work with a specialized law firm. A designated data protection officer and established processes for secure data processing and deletion are an integral part of our corporate practices. Confidentiality, diligence, and compliance with legal requirements are firmly anchored in our Halfar Code of Conduct. We conduct regular training sessions to raise employee awareness regarding data protection and IT security. The goal is to heighten awareness of potential risks, such as cyberattacks or data breaches, and to effectively implement preventive measures.







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