

Voluntary Sustainability Report 2025

according to VSME standard



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List of abbreviations

CSRD	Corporate Sustainability Reporting Directive
GE	Germany
ESG	Environment Social Governance
ESRS	European Sustainability Reporting Standards
EUR	Euro
FTE	Full-time employee (Vollzeit-Beschäftigte)
ha	Hectare
IRO	Impact, Risk, Opportunity (Auswirkung, Risiko, Chance)
l	Liter
MWh	Megawatt hours
NACE	Statistical classification of economic activities in the European Community (nomenclature statistique des activités économiques dans la communauté européenne)
SDG	Sustainable Development Goals
tCO₂e	Tons CO ₂ equivalents
TEUR	Thousand Euro
UN	United Nations
MA	Employees

Foreword by the management

Dear readers,

We are delighted to present our sustainability report for 2025. In it, we transparently outline how we take responsibility for the environment, society, and economic progress, and actively shape these areas. For us, sustainability is not a trend, but a central guiding principle of our actions. That is why our corporate strategy is based on three pillars: environmental protection, social responsibility, and economic efficiency and innovation.

Climate and environmental protection are essential. That is why we have a certified environmental management system, are continuously reducing our carbon footprint, and are investing in energy efficiency and resource-saving technologies. We aim to be net-zero by 2045. We also make an active contribution to preserving our natural resources and promoting biodiversity through reforestation projects.

At the same time, our employees and partners are at the heart of everything we do. We promote diversity, equal opportunities, health, and safety in the workplace and foster an open, appreciative corporate culture. Compliance with ethical principles and international human rights is a matter of course for us — both within our company and throughout the entire supply chain.

At Hofmann, economic success and innovation go hand in hand with sustainable thinking. We develop forward-looking solutions that help our customers make their processes more efficient, safer, and more environmentally friendly. In this way, we contribute to mastering the challenges of tomorrow's industry.

Our goal is to create sustainable added value together with our employees, customers, and partners. After all, sustainable action forms the basis for long-term corporate success and the future viability of our industry.

We would like to thank everyone who accompanies us on this journey and invite you to join us in shaping the future responsibly.

Daniel Kircher
CEO Hofmann

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Sustainability indicators at a glance

General company information (VSME B1)

VSME	Description	
24a	Selection of the report module (basic/comprehensive)	comprehensive
24b	Topics excluded after materiality analysis (according to ESRS)	E2, E3, E4, S2, S3, S4
24c	Reporting according to VSME	individual
24e (i)	Legal form	GmbH & Co. KG
24e (ii)	Industry classification according to NACE	28.29
24e (vi)	Country of primary business activity	Germany
26c	Key sustainability aspects (according to ESRS)	E1, E5, S1, G1

General company information II – Financial indicators (VSME B1)

VSME	Description	2024	2025	Unit
24e (iii)	Balance Sheet total	18.169.145	18.522.504	EUR
24e (iv)	Sales	21.189.401	23.293.743	EUR
24e (v)	Number of Employees	152	152	Members

Geolocations of the companies under review and their locations (VSME B1)

VSME	Company	Short	Location	Width	Length
24e (vii)	Hofmann Mess- und Auswuchttechnik GmbH & Co. KG GmbH & Co. KG	HMA	Pfungstadt	49.8186804184	8.6187844109

Sustainability-related Certifications & Labels (VSME B1)

VSME	Description	2024	2025
25	EcoVadis ESG Rating	42	46
	Quality Management accord. ISO 9001	Yes	Yes
	Environmental Management accord. ISO 14001	Yes	Yes
	Occupational Safety Management System accord. NLF/ILO-OSH 2001	Yes	Yes
	Laboratory Accreditation accord. DIN EN ISO/IEC 17025:2018	Yes	Yes

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Energy and GHG (greenhouse gas emission) (VSME B3 | SDG 13)

VSME	Description	2024	2025	Unit
29	Energy consumption (total) ¹	559	611	MWh
	Of which: Fossil fuel energy consumption	317	0	MWh
	Of which: Renewable energy consumption	138	611	MWh
	Total electricity consumption	242	205	MWh
	Of which: Fossil electricity	104	0	MWh
	Of which: Renewable electricity	138	205	MWh
	Total consumption fuels (coal, oil, gas)	317	406	MWh
	Of which: Fossil fuels	317	0	MWh
	Of which: Renewable fuels	0	406	MWh
30	GHG Scope 1 + 2	185.75	20	tCO ₂ e
30a	GHG Scope 1	80.4	20	tCO ₂ e
30b	GHG Scope 2	105.35	0	tCO ₂ e
31	GHG intensity (per Euro sales)	0.00031	0.00002	tCO ₂ e/EUR
	GHG intensity (per FTE)	4.51	3.82	tCO ₂ e/FTE
50	GHG Scope 3	499.2	515,9 ⁰³	tCO ₂ e

GHG reduction targets, climate transition plan (VSME C3 | SDG 13)

VSME	Description	
54a	Target year and value of the target year	Net Zero GHG until 2045
54b	Base year and value of base year	2023 at 709,6 tCO ₂ e
54c	Unit for the targets	tCO ₂ e
54d	Share of Scope 1 of total reduction in %	-82.6%
54d	Share of Scope 2 of total reduction in %	-100%
54d	Share of Scope 3 of total reduction in %	+1.47% ⁰³

Water Management (VSME B6 | SDG 6)

VSME	Description	2024	2025	Unit
35	Total water withdrawal	1.192	1.170	m ³
	Water withdrawal in water-stressed areas ² (accord. WRI)	< 10 (low)	< 10 (low)	%

¹ Without technical gases

² according World Resources Institute (2025, <http://www.wri.org>)

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Waste Management (VSME B7 | SDG 12)

VSME	Description	2024	2025	Unit
38a	Total value of waste	29.27	34.65	t
38b	Share of recycled waste	6.02	12.39	t
38a	Share of Anteil dangerous waste	0,70	0,77	t

Workforce (VSME B8, B10, C5, C9 | SDG 4, 5, 8)

VSME	Description	2024	2025	Unit
39	Number of employees	152	152	Members
39b	Share of females	27	26	%
	Share of males	125	126	%
	Share of diverse	0	0	%
39a	Permanent employment contracts	100	100	%
	Fixed-term employment contracts	0	0	%
39c	Country of employment contract	GE	GE	
40	Turnover rate	6.0	8.16	%
42a	Compliance with minimum wage	Yes	Yes	
42b	Gender pay gap	0	0	%
42c	Share of employees with collective bargaining contract	n/r	n/r	%
42d	Number of continuing education hours	1.597	2.265	Number
	Share of females	317	174	Number
	Share of males	1.280	2.091	Number
	Continuing education hours per employee	10.5	14.9	h
	Training costs per employee	677	604	€
59	Share of female executives (team leader)	13	21	%
65	Members of management	2	2	Number
	Share of female	0	0	%
60	Self-employed persons & temporary workers	1	1	Number

Health & Safety (VSME B9 | SDG 3)

VSME	Description	2024	2025	Unit
41a	Number of reportable workplace accidents	1	1	Number
	Rate of workplace accidents (1000 man quote)	7.3	7.4	%
41b	Number of deaths resulting from occupational accidents and diseases	0	0	Number

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Additional information of own workforce (VSME C6 | SDG 3, 8, 10)

VSME	Description	Unit
61a	Code of Conduct or Human Rights Policy	Yes
61b(i)	Child labor	Yes
61b(ii)	Human trafficking	Yes
61b(iii)	Discrimination	Yes
61b(iv)	Accident prevention	Yes
61c	Complaint management in place	Yes

Serious cases of human rights violations (VSME C7 | SDG 3, 8, 10)

VSME	Description	2024	2025	Unit
62a	Human rights violations among your own staff in relation to:	0	0	Number
62a (i)	Child labor	0	0	Number
62a (ii)	Forced labor	0	0	Number
62a (iii)	Human trafficking	0	0	Number
62a (iv)	Discrimination	0	0	Number
62a (v)	Others (if yes, please specify)	n/a	n/a	Number
62c	Security incidents throughout the entire value chain	0	0	Number

Corporate governance (VSME B11 | SDG 16)

VSME	Description	2024	2025	Unit
43	Confirmed incidents of bribery and corruption	0	0	Number
43	Amount of fines	0	0	EUR
	Whistleblower reports received	0	0	Number
	Reportable information security incidents	0	0	Number

Revenue from specific economic sectors (VSME C8 | SDG 12, 16)

VSME	Description	2024	2025	Unit
63a	Controversial weapons (landmines, cluster munitions, biological and chemical weapons)	0	0	EUR
63b	Tobacco cultivation and production	0	0	EUR
63c	Extraction, production, processing, refining, and distribution of fossil fuels	0	0	EUR
63d	Manufacture of chemicals	0	0	EUR

1 About the company

1.1 Design and structure of Hofmann

Hofmann is an internationally positioned company specializing in measurement and balancing technology, vibration analysis, and high-speed requirements. The company serves customers worldwide with its products and services.

Hofmann is based on two main production sites:

1. Hofmann Mess- und Auswuchttechnik GmbH & Co. KG, Werner-von-Siemens-Str. 21, 64319 Pfungstadt, Germany: This is the headquarters and center of business activities. Among other things, research and development are located here.
2. American Hofmann Corp., 3700 Cohen Place, Lynchburg, Virginia 24501, USA: This location essentially manages business activities in the NAFTA market and the aviation industry.

Both locations have their own units for sales, customer service, design, assembly, and final testing. Each has its own focus in product development and markets.

The two production facilities are complemented by a network of sales and service offices in key markets. These include branches in the United Kingdom, Spain, France, Brazil, and Mexico. Hofmann works with partners in other markets. This network enables Hofmann to respond flexibly and quickly to customer requirements and ensure optimal local support.

The sales teams consist of experts who understand the specific requirements of customers and can offer tailor-made solutions. The same applies to customer service at every production site and in every branch.

The group benefits from the combination of knowledge, experience, innovative strength, and tradition to shape the market and develop forward-looking concepts.

1.2 Company vision

Hofmann meets the needs of its customers through the innovative use of technology, engineering, and services, enabling them to manufacture their products economically and to the highest quality standards.

1.3 Business model and strategy (VSME C1)

Hofmann's business strategy is based on innovative, high-quality, and reliable products that increase its customers' success. A central pillar is sustainable corporate management that integrates environmental, social, and economic aspects. This includes minimizing environmental impact, using renewable energies, reducing CO2 emissions, and using resources responsibly.

In the social sphere, Hofmann attaches great importance to employee development, health and safety, an open communication culture, and fair treatment. Cooperation with qualified and sustainable suppliers is also an important component in ensuring competitiveness and compliance with ethical standards throughout the entire supply chain. The goal is to secure the long-term future of the company through economic success that is in harmony with ecological and social principles.

1.3.1 Product portfolio

Hofmann's core business is the development and manufacture of balancing machines and measuring systems for rotating components. The company offers a wide range of products differentiated by rotor type (e.g., automotive transmissions, brake discs, turbines, electric motors, pumps, fans, generators, aircraft engines) and by industry (automotive, energy, aviation, mechanical engineering, process industry). The range includes rotors from 1 gram to over 100 tons. The most important product groups are:

- **Universal balancing machines:** horizontal, vertical, unbalance measuring systems
- **Automated, integrated balancing solutions:** active systems for measuring and correction of the unbalance during operation
- **Manual measuring equipment and sensors:** vibration measuring, operational balancing, machine diagnostic

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- **Special balancing machines:** for specific industries and applications
- **Spinning Solutions:** machines and service for spinning and balancing of rotors

1.3.2 Services

In addition to its product business, Hofmann offers a wide range of services that complement its business model and create customer loyalty:

- **Service and maintenance for balancing machines**
- **Contract balance service:** balancing in our own balancing centre or at the customer's site
- **Certificated testing equipment and 3D coordinate measurements**
- **Seminars and trainings for balancing and vibration technology**
- **Consulting and expert support for complex balancing tasks**

1.3.3 Innovation and quality

Hofmann positions itself as an innovation leader through continuous research and development. The company focuses on future-oriented solutions and is accredited according to DIN EN ISO/IEC 17025:2018, which enables measurement and certification services at the highest level.

1.3.4 International sales and industry diversity

With production sites in Germany and the USA, a global sales and service network in the UK, Spain, France, Brazil, and Mexico, and partners in various countries, Hofmann serves customers worldwide. Its solutions can be used across all industries, making the company independent of individual market cycles.

The sales channels include direct sales through its own sales and service companies, as well as cooperation with local partners to ensure customized solutions and comprehensive customer service.

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The most important customer groups include companies from the automotive industry, aviation, electrical engineering, turbomachinery manufacturing, energy production, machine tool industry, and medical technology.

1.3.5 Customer focus

The business model is strongly focused on individual customer requirements. Hofmann offers both standardized and customized solutions and supports customers from consulting and implementation to after-sales service.

1.4 Sustainable corporate management (VSME C1)

Hofmann's principles of sustainable corporate management are comprehensive and clearly structured. They are based on the three pillars of sustainability, social responsibility, and economic efficiency, and are described in detail in the internal policy document on sustainable corporate management (see Table 1).

Areas of sustainable corporate management		
Environmental protection	Social	Economic efficiency
Compliance with legal norms and standards	Code of ethics	Innovation
Minimizing environmental impact and continuously improving environmental protection	Responsibility towards employees	Productivity and efficiency
Implementing innovative ideas and technical progress	Health and safety of the employees	Quality management and policy
Environmental management and policy	Trust and appreciation	Supplier management

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	Communication	
	Occupational safety management and policy	

Table 1: Previous areas of sustainable corporate management (as of 2024)

The company management is aware of its environmental, social, and economic responsibilities and actively fulfills them. The principles are binding for all areas of the company and are regularly reviewed and further developed. The next update of these principles is planned for 2026 based on the results of the materiality analysis conducted in 2025 (see roadmap).

1.4.1 Sustainability and environmental protection

Hofmann is committed to complying with all relevant environmental laws and standards. The aim is to avoid and continuously reduce environmental pollution. This includes measures such as increasing energy efficiency, converting the vehicle fleet to electric and hybrid vehicles, promoting recycling and waste avoidance, and responsible use of water and chemicals. The company operates a certified environmental management system in accordance with ISO 14001 and is committed to biodiversity, for example through reforestation projects.

1.4.2 Social responsibility and ethics

The focus is on people: Hofmann respects and upholds internationally recognized human rights, strictly rejects child labor and forced labor, and does not tolerate discrimination. The company sees the individual development of its employees as a prerequisite for quality and innovation. In addition, employee-oriented health management and comprehensive social benefits are central components of its human resources policy. Health and safety in the workplace are ensured by an occupational safety management system in accordance with NLF/ILO-OSH 2001. Mutual trust, appreciation, and open communication characterize the corporate culture.

1.4.3 Economic efficiency and innovation

Daily activities are geared towards economic efficiency and the best possible use of resources. Innovation, productivity, and efficiency are promoted through continuous improvement of processes and products. A comprehensive quality management system in accordance with ISO 9001 ensures the highest standards and reliability. Cooperation with qualified suppliers and sustainable supplier management are further important principles.

1.5 Company key figures (VSME B1)

1.5.1 Industry affiliation according to NACE

The classification of economic activities according to NACE is a uniform European system for the statistical classification of economic activities of companies, businesses, and organizations. It serves to ensure the comparability of economic statistics. According to the NACE classification, Hofmann can be assigned **to 28.29 Manufacture of other non-specific machinery.**

1.5.2 Total assets, revenue, and number of employees (B1)

Hofmann's total assets and revenue for the 2025 fiscal year are as follows:

- Total assets: €18.5 million
- Revenue: €23.3 million
- Number of employees: 152

2 About the report (VSME B1)

2.1 The VSME standard

The Voluntary Sustainability Reporting Standard for Small and Medium-Sized Enterprises (VSME) was developed as a pragmatic alternative to the more comprehensive reporting requirements of the Corporate Sustainability Reporting Directive (CSRD). It is specifically tailored to the needs of small and medium-sized enterprises (SMEs). The aim is to enable medium-sized companies to take a practical first step into sustainability reporting.

The VSME standard takes into account the resources and structures of small and medium-sized enterprises and focuses on key sustainability issues such as environmental responsibility, social aspects, and corporate governance (see Figure 1).

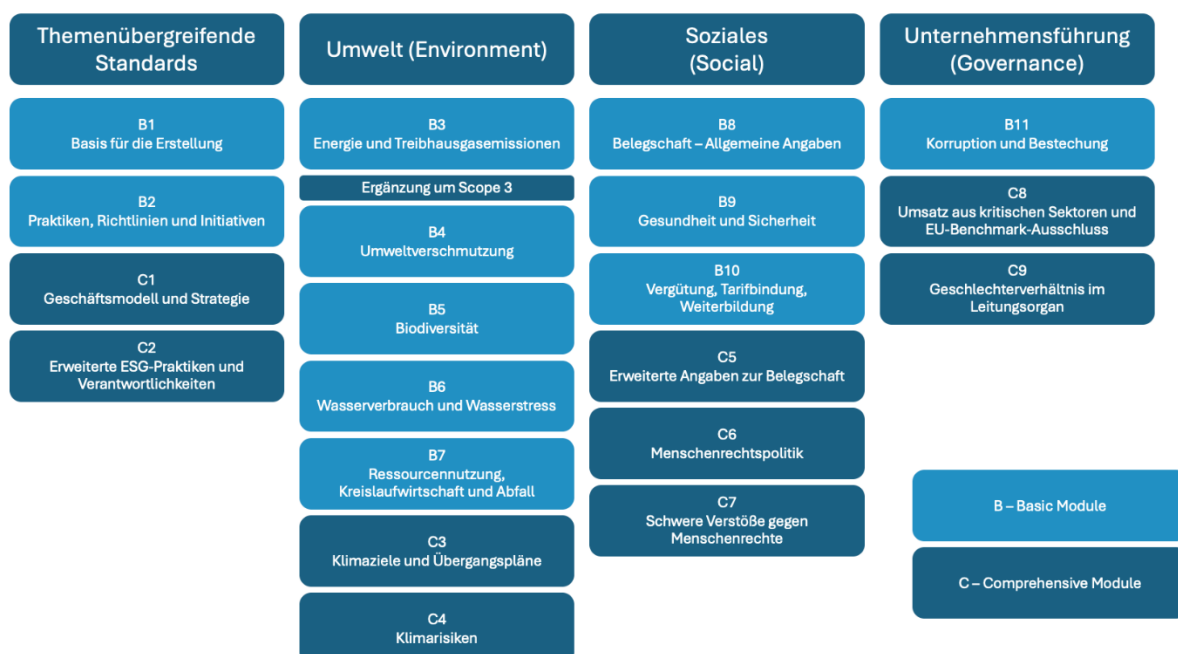


Figure 1: Overview of the VSME report contents (basic and comprehensive)

Hofmann uses the standard to transparently present its responsibilities, better manage sustainability risks, and remain competitive in the long term—especially in dialogue with key stakeholders.

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2.2 Scope of the report

This report is an individual report by Hofmann Mess- und Auswuchttechnik GmbH & Co. KG, based in Pfungstadt. Other locations are not covered in this first voluntary sustainability report. These will be added gradually in the future.

Due to the fact that a materiality analysis was carried out, Hofmann has opted for the VSME Comprehensive Format. This report focuses on those sustainability issues that are of particular relevance to Hofmann based on the double materiality analysis.

3 Sustainability practices and principles (VSME B2)

Sustainability is a central component of Hofmann's corporate strategy. The company pursues a holistic and systematic approach. This integrates ecological, social, and economic aspects and is anchored in all areas of the company. In doing so, the company goes beyond the minimum legal requirements. By integrating environmental, social, and governance aspects into its corporate management, the company actively contributes to protecting the environment and society while securing its own future viability.

For Hofmann, sustainability is also a driver of innovation: the company is continuously developing new, resource-saving, and energy-efficient solutions for balancing technology. The company sees itself as a pioneer in the development of technologies that contribute to decarbonization and improve air quality, particularly in the field of electromobility. At the same time, corporate profits increase the capital base and enable forward-looking developments to secure the company's long-term future.

3.1 Strategic anchoring and management systems (VSME B1, C2)

Hofmann has established sustainability as a guiding principle in its corporate policy. The company is certified according to ISO 14001 (environmental management) and ISO 9001 (quality management) and undergoes regular audits to ensure compliance with and further development of the standards.

The management is expressly committed to sustainable corporate governance, which encompasses both economic success and responsibility towards the environment and society. The management is responsible for sustainability and implements it through its quality management system.

Hofmann already regularly informs its employees about its sustainability goals, measures, and successes—and now also externally with this report. The relevant documents and

programs will continue to be available to employees on the intranet and, in excerpts, to interested parties on the company's website.

3.2 Sustainable Development Goals as orientation framework

Hofmann has so far aligned its sustainability commitment with the Sustainable Development Goals (SDGs). This initiative was launched by the United Nations. The SDGs are a comprehensive agenda that includes 17 global goals for sustainable development by 2030. They provide a framework for companies to identify and measure their contributions to a variety of social, environmental, and economic challenges. Hofmann uses the SDGs as a strategic compass to prioritize and focus its sustainability efforts, particularly in those areas where they can have the greatest positive impact.



Figure 2: The 17 Sustainable Development Goals of the UN

By aligning itself with the SDGs, Hofmann ensures that its business activities are based on sound ethical principles while also making a concrete contribution to achieving global sustainability goals. The relevance of the SDGs for Hofmann is outlined below, along with measures that the company has already taken.

Hofmann makes a significant contribution, particularly in the areas of sustainable production (SDG 12), climate action (SDG 13), innovation (SDG 9), decent work (SDG 8), and education (SDG 4). The greatest leverage lies in the design of sustainable value chains, the reduction of emissions, and the promotion of innovation. In other areas, the influence is limited,

but can be strengthened through targeted measures in the supply chain and in social engagement.

Hofmann, as an industrial company, cannot exert any direct influence on the SDGs “Zero Hunger” (SDG 2), “Clean Water” (SDG 6), “Sustainable Cities” (SDG 11) and “Life Below Water” (SDG 14). Contributions are made more indirectly, e.g., through sustainable procurement and efficient environmental management.

A detailed analysis of Hofmann's potential influence on the SDGs was carried out in the run-up to the double materiality analysis (DMA). The results were incorporated into the DMA and can be viewed in detail in the appendix to this document.

3.3 Double materiality analysis

As sustainability continues to gain importance at Hofmann, a double materiality analysis was conducted from July to August 2025 to deepen understanding and prepare for VSME reporting. The materiality analysis is a key tool for identifying the sustainability issues that are most relevant to a company and its stakeholders. It creates transparency about where the greatest impacts, opportunities, and risks lie—both along the value chain and in terms of external requirements.

The analysis helps to set priorities, allocate resources in a targeted manner, and effectively align the sustainability strategy. It thus forms the basis for credible and targeted sustainability reporting.

3.3.1 Analysis of the value chain

The analysis of the value chain makes it possible to systematically record social, environmental, and economic impacts across all stages of the process. This analysis reflects the inside-out perspective within the framework of the double materiality analysis. It describes the positive and negative impacts that Hofmann has in the course of its business activities—the impact of the company.

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As part of the analysis of Hofmann's value chain, all stages of the value chain were systematically examined (see Figure 3). The upstream processes include the production of raw materials and the transport and manufacture of semi-finished products, which serve as the basis for further processing. Internally, the focus is on research and development, documentation and administration, as well as the actual production, assembly, and commissioning. Downstream, the value chain concludes with the transport, installation, and handover of the products to customers. In addition, the customer's usage phase and the associated service and maintenance activities are taken into account. Finally, the disposal of products at the end of their life cycle is also included in the analysis.



Figure 3: Value chain of Hofmann

In a next step, all stages of the value chain were examined with regard to ESRS issues. This made environmental, social, and governance aspects transparent along the entire value chain and identified starting points for sustainable improvements (see Figure 4).

			Schritte der Wertschöpfungskette						
ESRS Thema			Rohstoffherzeugung & Halbzeugtransport und -erstellung	F+E, Dokumentation & Administration	Produktion, Montage & Inbetriebnahme	Transport, Installation & Produktionsübergabe	Nutzung beim Kunden	Service & Wartung	Entsorgung
Unterthema									
W E R T S C H Ö P F U N G S K E T T E	1	Allgemeine Anforderungen Allgemeine Angaben	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Umweltinformationen								
	E1	Klimawandel	relevant	relevant	relevant	relevant	relevant	relevant	nicht relevant
	E2	Umweltverschmutzung	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	E3	Wasser- und Meeresressourcen	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	E4	Biologische Vielfalt und Ökosysteme	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	E5	Ressourcennutzung und Kreislaufwirtschaft	relevant	nicht relevant	relevant	nicht relevant	nicht relevant	nicht relevant	relevant
	Soziale Informationen								
	S1	Arbeitskräfte des Unternehmens	nicht relevant	relevant	relevant	relevant	nicht relevant	relevant	nicht relevant
	S2	Arbeitskräfte in der Wertschöpfungskette	relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	S3	Betroffene Gemeinschaften	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	S4	Verbraucher und Endnutzer	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant	nicht relevant
	Governance - Informationen								
	G1	Unternehmensführung	relevant	relevant	relevant	relevant	relevant	relevant	relevant

Figure 4: Relevant ESRS topics along the value chain of Hofmann

In order to perform the dual materiality analysis, in addition to the impact of a company's business activities (inside-out perspective), the opportunities and risks arising for the company from a changing environment and society (outside-in perspective) must also be analyzed.

3.3.2 Description of business-related ESG aspects (IROs)

As part of Hofmann's materiality analysis, the IROs (impacts, risks, opportunities) were formulated on the basis of ESG aspects identified through a comprehensive analysis of the value chain. This was supplemented by risk inventories from relevant organizations such as the World Economic Forum or reinsurance companies and their studies on climate risks, for example. The results of expert surveys were also incorporated into the process. A distinction was always made between the inside-out and outside-in perspectives.

The identified topics were specified in more detail based on feedback from experts. The IROs were then grouped into clusters, prioritized, and formulated in close consultation with the project team and external consultants. These IROs are evaluated with the involvement of key stakeholders.

3.3.3 Selection and involvement of stakeholders

The perspective of stakeholders helps companies to identify the sustainability issues that are most important to them and their environment. It creates trust, promotes innovation, and supports effective risk management. It also meets key requirements for transparency and verification in sustainability reporting.

The relevant stakeholders were identified and evaluated in line with ISO 9001 ("interested parties"). Shareholders, employees, and customers are classified as particularly influential. They were therefore included in the selection. These groups shape both the strategic direction and operational value creation. Suppliers were assessed as having a medium influence and were added to the list because they contribute significantly to the quality and sustainability of the products.

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These four stakeholder groups were involved internally by Hofmann's project team. This involved a change of perspective: the team deliberately put itself in the shoes of the respective stakeholders, reflected on their perspectives, and used this to derive its assessment of the IROs. This enabled the key interests to be systematically recorded and evaluated without the need for direct questioning.

3.3.4 Results: Key sustainability aspects

The result of the assessment is a materiality matrix (see Figure 5), which serves as the basis for Hofmann's sustainability reporting and strategic orientation. At the end of the materiality analysis, the following ESRS sustainability topics were identified as material for Hofmann:

- Climate change (ESRS E1),
- Resource use/circular economy (ESRS E5),
- Own workforce (ESRS S1),
- Corporate governance (ESRS G1).

These topics reflect both the most important environmental and social challenges and the requirements for responsible corporate governance.

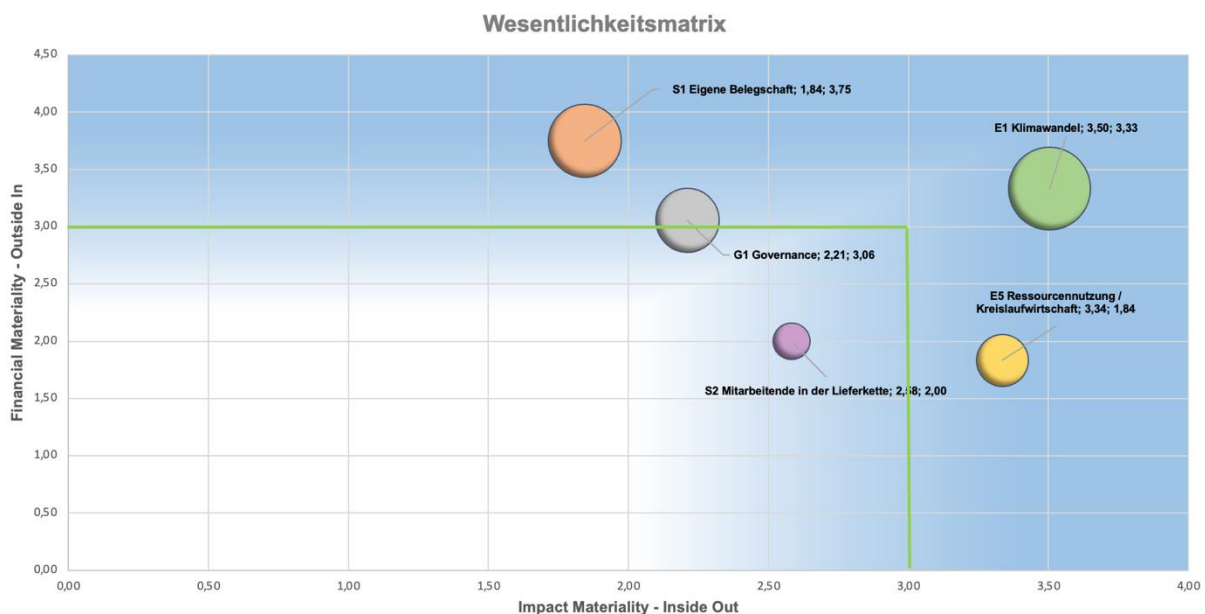


Figure 5: Materiality matrix for Hofmann (2025)

The key figures provided in the following chapters refer to the sustainability topics identified as material.

4 Climate protection



Hofmann's materiality analysis identified climate change (E1) and circular economy (E5) as material and therefore particularly relevant topics in the area of the environment. Accordingly, Hofmann has set strategic goals for these two topics and is implementing measures to achieve them.

4.1 Energy and greenhouse gas accounting (VSME B3, C3)

4.1.1 Energy audit according to DIN EN 16247-1

In 2025, Hofmann conducted an energy audit in accordance with DIN EN 16247-1, designed for non-residential buildings (production halls, workshops, administration). All relevant energy flows were analyzed, including electricity and heat consumption as well as cross-sectional technologies (e.g., compressed air, lighting, ventilation, cooling supply). The audit identified specific efficiency measures, such as replacing outdated technology, optimizing operating and standby times, and potential for the use of renewable energies. The expected effects include a noticeable reduction in energy costs and a reduction in CO₂ emissions.

Even before this project, Hofmann had continuously invested in improving the energy efficiency of its products and facilities. Extensive investments in building technology have reduced energy consumption. As part of this, the production and assembly halls were also converted to LED lighting in 2021. The machines and systems are also designed to consume as little energy as possible. In addition, employees are encouraged to save energy.

4.1.2 Energy consumption

The main driver of greenhouse gas emissions is the consumption of fossil fuels. The following key figures were collected for Hofmann for the years 2024 and 2025:

Category	2024	2025	Unit
Total energy consumption³	559	611	MWh

Table 2: Total energy consumption

³ Without technical gases.

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Category	2024	2025	Unit
Total power consumption	242	205	MWh
Of which: electricity from renewable sources	138	205	MWh
Of which: electricity from non-renewable sources	104	0	MWh

Table 3: Key figures power consumption and electricity mix

Category	2024	2025	Unit
Total fuel consumption	317	406	MWh
Of which: renewable fuels	0	0	MWh
Of which: non-renewable fuels	317	406	MWh

Table 4: Key figures fuels and fuel mix

4.1.3 Calculation of greenhouse gas emissions

Hofmann calculates its greenhouse gas emissions using the Greenhouse Gas Protocol (GHG Protocol) method. This method distinguishes between three areas: Scope 1 (direct), Scope 2 (indirect), and Scope 3 (indirect upstream and downstream), each of which is assigned different emission sources.

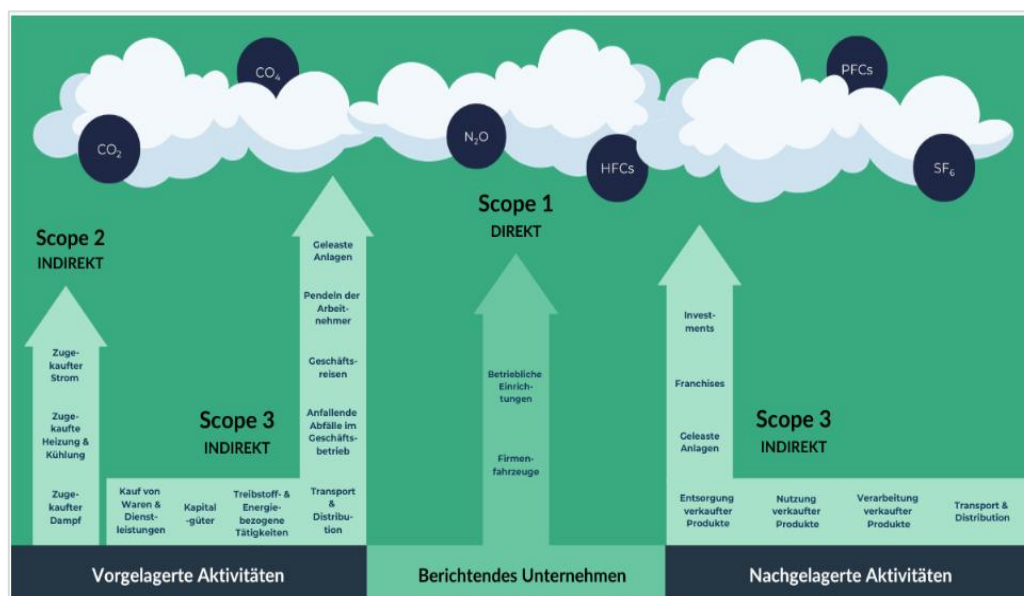


Figure 6: Scope 1-3 according GHG-Protocol

The energy consumption figures obtained were converted into standard tons of CO₂ equivalents (tCO₂e) using specific emission factors, thereby standardizing them.

Voluntary Sustainability according to VSME standard

Category	Definition	2024	2025	Unit
Scope 1 + 2	Sum of Scope 1 & 2	185.75	20	tCO ₂ e
Scope 1	All emissions generated at own sites, e.g., through combustion processes from stationary sources (heating systems) and from mobile sources such as vehicles used for business travel or company transport.	80.4	20	tCO ₂ e
Scope 2	All emissions generated from purchased energy, e.g., electricity purchased	105.35	0	tCO ₂ e

Table 5: Greenhouse gas emissions Scope 1 and 2

A greenhouse gas balance sheet is only complete when Scope 3 emissions from a company's upstream and downstream value chain are taken into account. As a rule, the majority of total emissions are found in this area. At the same time, emissions are very heterogeneous and comparatively difficult to record in their 15 subcategories (see Figure 6). Due to the difficulty of recording Scope 3 emissions, Hofmann limits himself to the categories most relevant to the company (see Table 6).

Scope 3-Category	2024	2025	Unit
Waste generation in the company (solid waste and wastewater)	76.93	80.3	tCO ₂ e
Business travel by car, train, plane	200.41	306	tCO ₂ e
Commuting employees	207.32	108	tCO ₂ e
Downstream transport	14.52	21,6 ⁰³	tCO ₂ e

Table 6: Main sources of greenhouse emissions Scope 3

* The CO₂ figures for solid waste were provided by the waste management company. For waste water, a figure of 0.59 kg CO₂/m³ was used. * Truck transport only; no air freight due to a lack of data.

4.2 Climate targets (VSME C3)

Hofmann has set itself the goal of becoming net zero by 2045. The values in Table 4 are considered interim targets:

- Reduction of greenhouse gas emissions by at least 65 percent by 2030 and
- by at least 85 percent by 2040 –
- in each case compared to the base year 2023.

	Greenhouse gas emissions reduction targets
Long-term target 2045	Net-Zero
Long-term target 2040	- 85%
Middle-term target 2030	- 65 %

Table 7: Middle- and long-term greenhouse gas emissions reduction targets

To achieve these goals, the company is currently planning an average annual reduction in emissions of around 15 percent compared to the previous year. This reduction path is to be reviewed as part of the 2027 transition plan and adjusted to the long-term goals (see roadmap). The transition will continue along a science-based reduction path.

The company is thus already positioning itself as a responsible player in the industry that will make an active contribution to achieving the Paris climate targets.

Hiermit positioniert sich das Unternehmen bereits heute als verantwortungsbewusster Akteur in der Branche, der einen aktiven Beitrag zur Erreichung der Pariser Klimaziele leisten

4.3 Climate Transition Plan (VSME C3)

A climate transition plan is a strategic roadmap that a medium-sized company uses to describe in concrete terms how it intends to systematically reduce its greenhouse gas emissions and achieve a climate-neutral business model – in line with the 1.5°C target of the Paris Agreement.

Hofmann plans to develop a comprehensive climate transition plan by the end of 2027. The climate transition plan will be based on detailed surveys of CO₂ emissions and energy

consumption from previous years. The climate transition plan will contain clear goals, measures, time frames, responsibilities, and key performance indicators. Technological, economic, and regulatory developments will be taken into account as far as possible. It will serve as a central instrument for managing risks, exploiting opportunities, and positioning the company for the future.

The measures described in the climate transition plan will be implemented step by step with the aim of achieving the long-term climate goal of net zero by 2045. Structured project management with clearly defined milestones and regular performance reviews will ensure its effectiveness.

4.4 Measures to protect the climate

The company has been recording and analyzing its carbon footprint annually since 2020. The largest sources of emissions are business travel by car and plane, heating, electricity consumption, and employees' commutes. Hofmann is implementing targeted measures to reduce these emissions, such as converting its vehicle fleet to electric and hybrid vehicles—the first fully electric vehicle was purchased in 2022. In addition, the company promotes bicycle use with the help of a bicycle leasing program for employees and optimizes energy consumption in buildings and processes. Environmentally friendly alternatives must be considered for business travel. The company plans to become net-zero by 2045.

Beeinflussbare und kaum bis nichtbeeinflussbare Größen zur Berechnung des CO₂-Fußabdrucks für Hofmann Mess- u. Auswuchttechnik GmbH & Co. KG

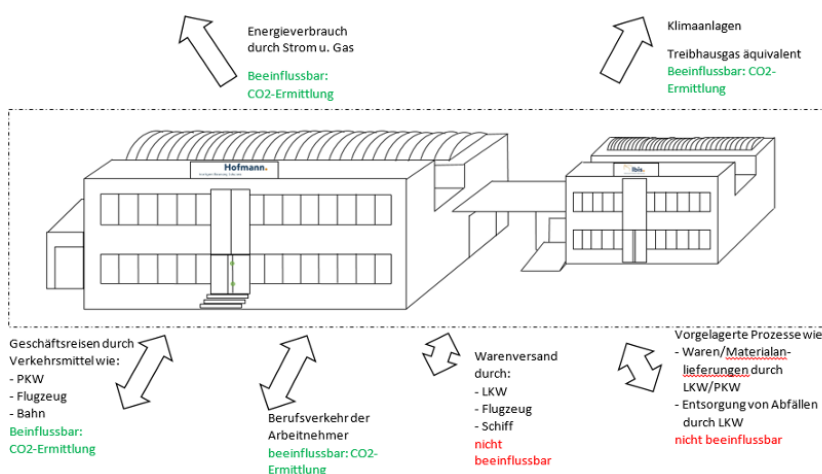


Figure 7: Sources of the CO₂ footprint

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Hofmann initiated a structured sustainability program in 2025. The aim is to identify energy saving potential, reduce costs, and at the same time lay the foundation for a sustainable corporate strategy for the future. The project includes the implementation of an energy audit in accordance with DIN EN 16247-1.

In addition, since January 1, 2025, the company has been sourcing 100% green electricity and green gas from certified renewable energy sources. Two PV systems were also installed on the production building and went into operation in July 2025.

The company also makes an important contribution in its core business – it has been growing in the electromobility industry for years by offering innovative spinning and balancing systems. In this way, too, it contributes to improving air quality. Through more efficient drive systems and mechanical system optimization, it also makes a major contribution to avoiding greenhouse gas emissions.

4.5 Impact analysis of climate risks (VSME C4)

4.5.1 Target

A climate risk impact analysis assesses the extent to which a company is affected by the consequences of climate change. It considers the entire value chain – from suppliers to the company's own business operations to customers – and covers both direct physical risks such as extreme weather events and indirect, so-called transitional risks resulting, for example, from new legal requirements or market changes.

The aim of this analysis is to make the company's vulnerability transparent, to derive appropriate risk management measures and, at the same time, to exploit opportunities to ensure the company's long-term resilience and sustainability.

The impact analysis carried out here only considered the Pfungstadt site, but not the upstream and downstream value chain. This is to be rectified in the medium term (see roadmap).

4.5.2 Results for the Pfungstadt site

The heat stress at the Pfungstadt site is moderate to very severe. The industrial area where Hofmann is based is identified as a hotspot with temperatures that are sometimes 15°C higher than the average surface temperature of the municipality. The severe heat stress in the area can pose health risks to employees. The need for cooling is increasing, and with it energy consumption and the associated costs.

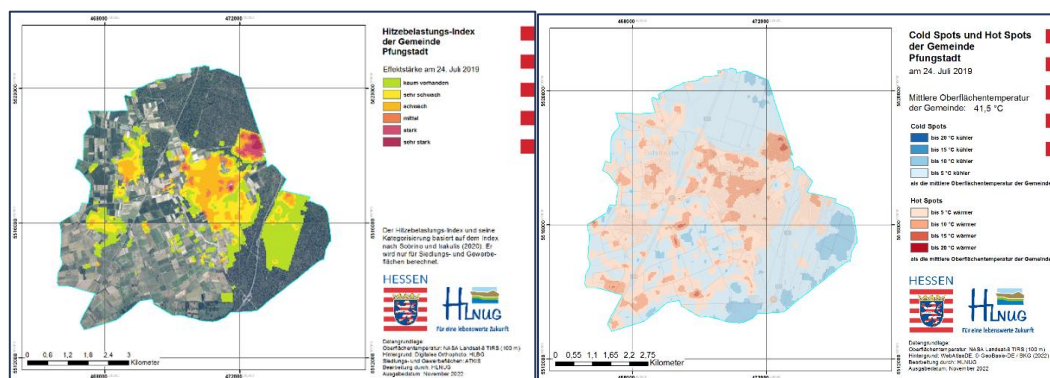


Figure 8: Pfungstadt in the heat viewer Hessia 2025

In addition to heat stress, the following physical climate risks were considered. The assessment was carried out using the WWF's Risk Filter Suite.

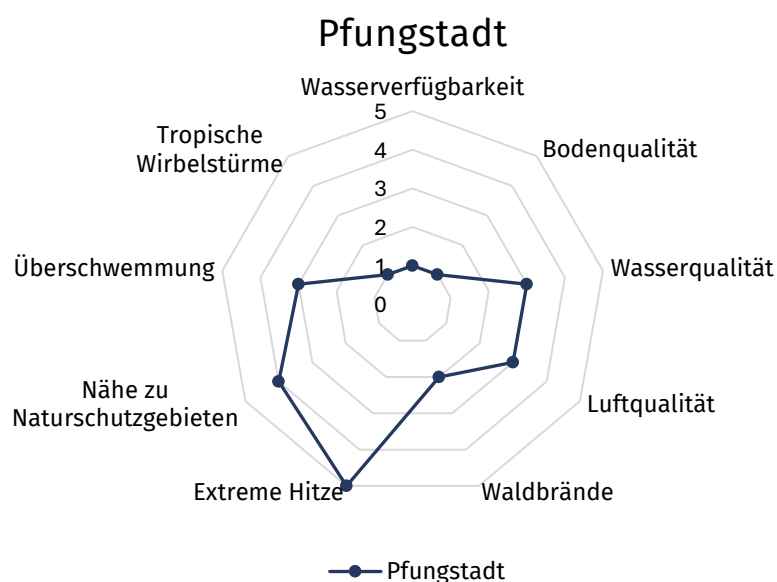


Figure 9: Environmental risks for the Pfungstadt site

5 Environmental protection

Hofmann has set itself the task of avoiding and continuously reducing environmental pollution in everyday life and in the value chain during product manufacturing—as far as technically possible and within the bounds of proportionality—and of reducing waste and recycling it in an environmentally friendly manner. To this end, the company systematically records environmentally relevant processes and continuously implements measures to reduce them. In order to raise employee awareness of environmental protection and promote environmentally friendly, responsible behavior, employees are systematically informed and trained.

Hofmann has initiated various environmental protection projects, including reforestation projects in the vicinity of the Pfungstadt site.

5.1 Environmental Management System

Hofmann operates a comprehensive environmental management system that aims to continuously improve its environmental performance. This includes complying with all relevant environmental laws, systematically recording and evaluating environmentally relevant processes, and implementing measures to reduce environmental impact. Where no legal regulations exist, the company sets its own standards. The DIN EN ISO 14001 environmental management system is continuously audited to ensure that the company's environmental policy is appropriate and up to date.

5.2 Pollution of air, water, and soil (VSME B4)

Direct pollution of air, water, and soil was classified as insignificant for Hofmann's business activities in the materiality analysis that was carried out. Nevertheless, the company is aware of its responsibility and wants to minimize negative environmental impacts. Through its environmental management system, compliance with strict environmental standards, and continuous optimization of processes, Hofmann ensures that emissions and wastewater are well below legal limits. The company relies on resource-saving processes and professional disposal of waste materials in order to keep environmental impact as low as possible and ensure the sustainable use of finite resources.



5.3 Biodiversity (VSME B5)



According to the materiality analysis, the topic of biodiversity was also not considered material by stakeholders. Nevertheless, Hofmann is committed to preserving and promoting biodiversity in the region around Pfungstadt. By planting and maintaining 3.71 hectares of orchard meadows and reforesting a 3.2-hectare urban forest area with 1,500 trees, the company is making a measurable contribution to ecological diversity. In addition, numerous fruit trees have been planted on three larger areas as part of compensatory planting measures. These measures strengthen regional biodiversity, improve the microclimate, promote the pollination of crops and wild plants, and create valuable habitats for numerous animal and plant species. At the same time, they raise environmental awareness among employees and promote a sense of connection to the region.

5.4 Dealing with water (VSME B6)



Water consumption and water extraction have been classified as insignificant for Hofmann due to the nature of its business activities. Nevertheless, the responsible use of water resources is an integral part of environmental management. The company relies on efficient processes and modern technologies to continuously minimize water consumption in its operations. Through regular reviews and compliance with relevant environmental regulations, it ensures that water extraction is sustainable and does not have a negative impact on local water resources. Hofmann pays particular attention to areas with water shortages. At the same time, employees are made aware of the importance of conscious water consumption.

Water withdrawals	2024	2025	Unit
Total water withdrawal	1.192	1.170	qm
Water withdrawal in water-stressed areas ⁴ (accord. WRI)	< 10 (low)	< 10 (low)	%

Table 8: Water withdrawal

⁴ Specification according to the World Resources Institute (2025, <https://www.wri.org/applications/aqueduct/water-risk-atlas/>)

5.5 Resource use and circular economy (VSME B7)



5.5.1 Principles and measures

Hofmann is committed to innovative and **sustainable packaging solutions**. One example is the switch to pea starch filling material. This material replaces conventional options such as paper or plastic and helps reduce the ecological footprint by minimizing waste and enabling environmentally friendly disposal. Cardboard boxes and other packaging materials are consistently collected, recycled, and reused for new shipments. This multiple use conserves resources, reduces waste, and establishes a sustainable material cycle within the company.

When using **hazardous substances**, care is taken to minimize their use and ensure safe handling, supported by regular, mandatory training. Targeted hazardous substance management limits the storage of hazardous substances to the necessary minimum.

In addition, further measures are being implemented in a targeted manner: Paper and toner consumption is being significantly reduced through the **digitization** of various administrative processes, such as payroll accounting, vacation and flexitime requests, and the introduction of electronic signatures, and is being converted to paperless documents.

These measures underscore Hofmann's commitment to resource-saving practices along the entire value chain. At the same time, the company is sending a clear signal for responsible, future-oriented business practices.

5.6 Waste management (VSME B7)



5.6.1 Principles and measures

The company follows the principle of “avoidance before recycling before disposal” when dealing with **waste**. Internal regulations ensure compliance with legal requirements for transport and disposal. Waste reduction, proper separate disposal, and the promotion of recycling are firmly anchored in the company's operating procedures. Waste separation and avoidance are an integral part of daily business.

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5.6.2 Key figures

Description	2024	2025	Unit
Total waste amount	29.27	34.65	t
Share of recycled waste	6.02	12.39	t
Share of dangerous waste	0.70	0.77	t

Table 9: Amount of waste

6 Social responsibility (VSME B2, C2)

Hofmann's materiality analysis identified its own workforce (ESRS S1) as material, i.e., particularly relevant. Accordingly, Hofmann has set strategic goals for this topic area and its subtopics and has derived measures to achieve them.

6.1 Information on the workforce (VSME B8, C5, C6)



6.1.1 Principles and measures

The company attaches great importance to the individual and continuous development of its employees. The same applies to their health and safety. Discrimination on the basis of age, gender, religion, origin, sexual identity, or political opinion is not tolerated. There is an open, appreciative communication culture. In this spirit, employees' ideas and suggestions are incorporated into the design of daily work processes. In addition, work-life balance, fair pay, and comprehensive social benefits are central components of the company's human resources policy.

6.1.2 Key figures

	2024 (heads)	2025 (heads)
Number of employees	152	152

Table 10: Number of employees

Gender of employees	2024		2025	
	Number	%	Number	%
Female	27	18	25	16
Male	125	82	127	84
Diverse	0	0	0	0

Table 11: Gender of employees

Voluntary Sustainability according to VSME standard

	2024 in %	2025 in %
Employees with permanent employment contracts	100	100
Employees with fixed-term employment contracts	0	0
Other (e.g., temporary workers, freelancers, etc.)	1	1
Turnover rate	6.0	8.1
Code of conduct in place	Yes	Yes
Human rights policy in place	Yes	Yes
Complaints management system in place	Yes	Yes

Table 12: Social key figures

6.2 Working conditions

6.2.1 Principles and measures



Hofmann implements comprehensive concepts and measures to ensure high-quality working conditions. The employment contracts contain transparent and fair provisions on working hours, remuneration, and vacation that comply with the high legal standards in Germany. Employees work on the basis of permanent employment contracts. Internal documents prove compliance with labor law standards and the avoidance of discrimination and child labor. Internal company guidelines also stipulate the application of applicable working time laws.

Hofmann provides supplementary social benefits that exceed the minimum legal standards. These include a company pension scheme, health promotion measures, and mobility support in the form of bicycle leasing.

All employees have health insurance, which is required by law in Germany and makes an important contribution to social security.

6.3 Diversity, equality and inclusion



6.3.1 Principles and measures

Hofmann is expressly committed to the principles of diversity, equality, and inclusion. Discrimination of any kind—whether based on gender, origin, religion, age, sexual orientation, or physical disability—is strictly prohibited. The corporate culture is characterized by mutual respect, equal opportunities, and fair contract and remuneration structures. This is enshrined in internal guidelines.

Measures such as transparent recruitment and promotion processes and internal training on equal treatment and compliance help to create an inclusive working environment. In this way, Hofmann promotes a climate of diversity and ensures that all employees can develop their potential.

6.3.2 Key figures

Description	2024	2025
Percentage of women employed in the entire company	18%	16%
Proportion of women in management positions (from team leader level upwards)	13%	13%

Table 13: Distribution proportion of women

6.4 Health and safety (VSME B9)



6.4.1 Principles and measures

The health and safety of employees is a top priority for Hofmann. The company ensures a safe working environment by consistently complying with all legal requirements and integrating occupational safety measures into its certified quality and environmental management system (ISO 9001/14001).

Regular risk assessments, safety training, and technical and organizational preventive measures help to minimize risks and avoid accidents at work. Hofmann actively promotes the health of its workforce through workplace ergonomics programs, stress prevention

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measures, flu vaccinations, and workplace health promotion initiatives. In addition, health days are held annually in cooperation with a health insurance company – this offer includes spinal screening and occupational safety measures, among other things. Employees are involved in the ongoing development of safety and health standards.

An occupational safety management system in accordance with NLF/ILO-OSH 2001 has been established to ensure the health and safety of employees. Consistent compliance with all relevant safety factors at production sites, branches, and construction sites protects the health of employees and third parties and reduces the risk of accidents to a minimum. To this end, the company instructs its employees and other persons working on the company premises to behave in a safety-conscious manner – always with the aim of preventing accidents at work. At the same time, Hofmann aims to continuously improve its occupational safety management system.

6.4.2 Key figures

Category	2024	2025
Number of hours worked	271.712	270.307
Number of reportable accidents at work	1	1
Number of fatalities (work-related)	0	0

Table 14: Accident statistics

6.5 Wages and Education (VSME B10)

6.5.1 Principles and measures

Hofmann stands for fair and transparent wage structures that are guided by collective agreement regulations and legal frameworks. Pay equality and equal opportunities are central principles of personnel policy.



Another focus is the training and development of skilled professionals. Hofmann offers young people apprenticeships in various fields and simultaneously promotes the continuous further education of all employees. Through targeted qualification measures, internal training sessions, and programs for vocational continuing education, the company ensures

that employees are prepared for current and future requirements. In doing so, Hofmann makes an important contribution to the long-term retention, motivation, and development of the workforce.

6.5.2 Key figures

Category	Unit
Employees who are paid the minimum wage	100 %
Gender-Pay-Gap (wage gap)	0 %

Table 15: Wage key figures (2024)

6.6 Career management and training (VSME B10)

6.6.1 Principles and measures

Hofmann actively supports its employees in their personal and professional development. Through career management, individual development opportunities are made transparent and coordinated together with managers. The goal is to retain skilled and managerial staff in the company for the long term and to offer them attractive prospects.



A key component is a wide range of training and further education measures. In addition to job-specific qualifications, this also includes training in occupational safety, sustainability, compliance, and social skills. This ensures that all employees can acquire and continuously expand the skills they need for current and future tasks.

With this approach, Hofmann not only promotes the individual development of his employees but also the innovation and competitiveness of the entire company.

6.6.2 Key figures

Category	2024	2025
Continuing education hours per employee	10.5 h	14.9 h
Training cost per employee	677 €	604 €

Table 165: Training key figures (2025)

7 Corporate management

Hofmann combines a consistent environmental strategy with social responsibility and a values-based governance structure. This ensures that sustainability is firmly embedded in all business processes in the long term

– from internal operations to the supply chain, and in its responsibility toward society and the environment. Details on sustainable corporate management can be found in Chapters 1.3 as well as 3.1 and 3.2.



7.1 Human Rights and Sustainable Supply Chain

Hofmann places great importance on the observance of human rights in the supply chain and has already established corresponding principles and measures. Hofmann ensures compliance with human rights throughout the entire supply chain and preferably works with certified and sustainable suppliers. Child labor and forced labor are strictly rejected. Comprehensive supplier management promotes sustainable practices throughout the entire supply chain. The company takes targeted measures to ensure that no raw materials are used in its products whose extraction or trade directly or indirectly finances groups that violate human rights.

Hofmann also requires its suppliers to comply with applicable laws and regulations. The company obtains written confirmation from its 30 largest suppliers regarding the implementation of its "Sustainability Guidelines for Suppliers" (see 7.1.1).

As part of the Supply Chain Due Diligence Act, Hofmann has further developed its internal processes and risk management along the supply chain. Suppliers are systematically assessed based on defined sustainability criteria and are regularly reviewed.

In principle, Hofmann relies on qualified suppliers and service providers, as they play a significant role in continuously enhancing Hofmann's competitiveness in terms of expertise and quality. The foundation of the partnership-based collaboration is the early involvement of suppliers, an open and comprehensive exchange of information, and the shared commitment to continuously improve and become even better together.

7.1.1 Sustainability Guidelines for Suppliers

The sustainability guideline for suppliers of Hofmann Mess- und Auswuchttechnik GmbH & Co. KG sets comprehensive expectations for its business partners. It includes the following key points:

- **Ethics and Compliance:** Suppliers must implement management systems to comply with laws and regulations and promote ethical decision-making. The policy also includes a strict prohibition of bribery and corruption, the avoidance of conflicts of interest, the fight against money laundering, and compliance with export controls and economic sanctions.
- **Working conditions and human rights:** The directive requires compliance with labor protection laws, payment of minimum wages and social benefits, observance of working hours, and the right to freedom of association and collective bargaining. In addition, harassment and discrimination are strictly rejected, protection against retaliation for whistleblowing is ensured, and modern slavery as well as child labor are prohibited. Diversity, equality, and inclusion, as well as ethical recruitment, are also key aspects.
- **Rights of vulnerable groups:** The protection of the rights of minorities, indigenous peoples, as well as land, forest, and water rights is emphasized.
- **Environmental Protection and Sustainability:** Suppliers are encouraged to comply with environmental protection laws and prioritize renewable energy. Further focal points include decarbonization, responsible management of water resources, improving air quality, and reducing greenhouse gas emissions. Compliance with regulations regarding soil quality, energy efficiency, waste prevention (reuse, recycling), sustainable resource management, and responsible chemical management is also required.
- **Biodiversity and Animal Welfare:** The guideline emphasizes consideration of species diversity, sustainable land use and deforestation, as well as adherence to animal welfare principles and the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- **Noise Emissions:** Suppliers' products must meet legal standards for noise emissions.

Overall, Hofmann expects its suppliers to adhere to the same high standards regarding sustainability, working conditions, and human rights that the company itself upholds.

In the case of identified risks, preventive and remedial measures are developed together with the suppliers and their implementation is monitored. Additionally, new suppliers are already evaluated for their sustainability performance during the selection process. Hofmann maintains close communication with its business partners and informs customers transparently about the measures taken and progress made to ensure a high level of trust and responsibility throughout the entire value chain.

7.1.2 Supplier structure

Hofmann sources purchased parts from around 3,600 suppliers. The majority of the suppliers come from Germany (83%), followed by partners from the European Union (11%) and third countries (6%).

The purchasing volume also shows a strong focus on the German market with 93%, while 4% is from the EU and 3% from third countries. Purchases from third countries mainly involve a company affiliated with Hofmann in the USA.

	Germany	EU	Third Countries
Headquarters of the Suppliers (%)	83	11	6
Distribution of Purchasing Volume (%)	93	4	3

Table 176: Analysis suppliers by country (2025)

7.1.3 Conflict minerals in the supply chain

Hofmann is aware of the risks associated with the use of conflict minerals such as tin, tantalum, tungsten, gold, mica, and cobalt in electronic components and other components.

To avoid human rights violations, child labor, and corruption in conflict and high-risk areas, the company specifically identifies components that may contain conflict minerals. Developers and designers are required to check for the presence of conflict minerals already during material selection. The purchasing department obtains the corresponding declarations from suppliers for affected items and documents them. The effectiveness of these measures is regularly reviewed as part of internal ISO audits. Currently, Hofmann sources conflict minerals from five named suppliers, each of whom has provided a current declaration on handling conflict minerals.

7.1.4 Policy on Sustainable Procurement

In the internal guideline for sustainable procurement applicable to Hofmann's purchasing department, the company's expectations and commitments regarding sustainability in the supply chain are outlined. The guideline was revised in 2025 and aims to combine high quality, reasonable prices, and short delivery times with adherence to sustainable procurement practices.

The sustainability objectives include optimizing consumption, conserving resources and the environment, and considering social and ethical aspects. This includes, for example, the use of environmentally friendly or reusable packaging and the use of renewable energy sources in production to reduce CO2 emissions. The necessary information for this is collected by the purchasing department and evaluated by the quality management officer as part of a supplier assessment.

7.2 Gender diversity in leadership (VSME C9)



7.2.1 Principles and measures

Mechanical engineering is an industry with a below-average proportion of women – this is also reflected at the management level of Hofmann. Currently, there are no specific regulations or targets for gender diversity at the leadership level. However, fundamental principles of equal treatment and equal opportunities are part of sustainable corporate governance.

7.2.2 Key figures

	f	m	m %
Management	0	2	100
Division Management	0	3	100
Department Management	0	7	100
Team leadership	4	14	78

Table 18: Diversity at the management level (2025)

7.3 Revenues from controversial industries (VSME C8)



With regard to Hofmann's core business, revenues from the economic sectors listed in Table 19 are not relevant for the company. Hofmann is not active in these areas, either directly or indirectly, and does not generate any sales from these economic sectors. The business activities focus exclusively on providing solutions to improve the quality and efficiency of rotating components in various industries that are not related to the aforementioned sensitive sectors.

Revenue from controversial sectors	EUR
Controversial weapons (mines, cluster munitions, biological and chemical weapons)	0
Tobacco cultivation and production	0
Extraction, production, processing, refining, and distribution of fossil fuels	0
Manufacture of chemicals	0

Table 79: Revenues from controversial economic sectors (2024)

7.4 Compliance (VSME, B11)

7.4.1 Principles and measures



Hofmann strives to comply with all relevant laws, regulations, and ethical standards in order to minimize risks and ensure integrity in all areas of business. This is reflected in a variety of internal policies, including on topics such as supply chain transparency, ethical sourcing, and responsible corporate management.

Hofmann pursues a zero-tolerance policy towards corruption and bribery. The company operates exclusively in the B2B sector, with all financial transactions conducted solely through banks. Internally, the principle of dual control is consistently applied to ensure transparent and traceable decision-making and process management. In addition, Hofmann's supplier relationships and sales markets are largely focused on Germany and the European Union, regions with high compliance standards and low corruption risk. These measures significantly contribute to effectively minimizing the risk of corruption and bribery and

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safeguarding the company's integrity. As a result, there has not been a single case of corruption or bribery at Hofmann in the past 30 years.

In order to further strengthen the compliance structure, the company will, in the long term, initiate the implementation of specific anti-corruption and bribery policies and develop regular training for employees.

7.4.2 Key figures

	Corruption	Bribery	Total
Number of Whistle Blower reports	0	0	0
Number of confirmed cases	0	0	0
Fines (in Euro)	0	0	0

Table 20: Compliance key figures (2025)

8 ESG-Roadmap

No.	Topic	Measure (VSME indicator)	Date
1	Climate	Climate targets for 2026 and 2027 to be verified by company management (C3)	continuous
2	Climate	Preparation of a Climate Balance 2026	Q2/27
3	Climate	Design of Product Carbon Footprint for Selected Machines	Q3/26
4	Employees	Principles of HR strategy with employment metrics (B8, C5)	continuous
5	Employees	Improve working conditions for staff in light of climate change (heat) (B9)	Q2/2026
6	Governance	Principles of Anti-Corruption and Anti-Bribery (B11)	continuous
7	Governance	Revision of the Principles of Sustainable Corporate Management	continuous
8	Governance	ABC analysis of customers, comparison with Transparency International Index	Q3/26
9	Supply chain	Support human rights principles in the supply chain (C7)	continuous
10	Transparency	Reporting (annually)	Q2/26
11	Transparency	Roll-out USA	Q1/27

Table 21: ESG-Roadmap

Enclosure 1: Results of the SDG mapping

SDG	Measures of the company	In-fluence
1 No poverty	Hofmann has little direct influence on poverty reduction. However, by ensuring fair wages and social standards within its supply chain, the company can make an indirect contribution by improving the living conditions of people in the countries where its products are manufactured. The company pays its own employees above the national minimum wage.	me- dium
2 No hunger	As Hofmann is not active in the agricultural sector, its direct influence on combating hunger is limited. However, it can make an indirect contribution through responsible procurement practices and compliance with ethical standards throughout the supply chain in order to support people's livelihoods.	low
3 Health and well-being	Hofmann contributes significantly to health and well-being by ensuring comprehensive occupational safety, active health management, and safe working conditions for all employees. These standards are also required of suppliers in order to promote well-being throughout the entire value chain.	me- dium
4 High-quality education	Hofmann is actively committed to promoting education and lifelong learning. The company regularly offers internal and external training courses for employees, for example on environmental protection, occupational safety, and quality management. Expanding the skills of its employees is important to the company. The principle is: recognize potential, promote it, qualify it, and provide ongoing training. Training young talent is also an integral part of the HR strategy. Co-operation with regional educational institutions and universities makes it possible to attract skilled workers and promote knowledge transfer. Through these measures, Hofmann contributes to the qualification of its workforce and the strengthening of its location.	high
5 Gender equality	Hofmann is committed to gender equality by promoting equal treatment, diversity, and equal opportunities throughout the company. This includes measures to create an inclusive work environment in which all employees can reach their full potential.	me- dium
6 Clean water and sanitary facilities	Although Hofmann's direct impact on clean water and sanitation is limited, the company indirectly contributes through resource-efficient production processes and responsible water management in the supply chain to minimize water consumption and protect water quality. In addition, the company ensures that water is not contaminated with pollutants. A key component is the consistent prevention of discharging used cleaning liquids into the public sewer system. These measures help protect water quality and contribute to the availability of clean water.	low

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7 Affordable and clean energy Annual reporting	Hofmann focuses on energy efficiency measures, the switch to renewable energy, and the reduction of overall energy consumption. Renewable electricity is generated directly on-site through its own photovoltaic system. Additionally, the purchased electricity comes entirely from renewable sources. Sustainability is also a priority in heating energy: the company uses green gas, the provider of which offsets CO2 emissions through compensation measures, thus delivering climate-neutral gas. This is documented through regular analysis of the CO2 footprint and the implementation of the environmental program.	medium
8 Decent work and economic growth	Ensuring decent working conditions and sustainable growth is at the heart of the company's strategy. Hofmann implements the requirements of the Supply Chain Due Diligence Act and regularly monitors compliance with social and environmental standards among its suppliers. Within its own operations, fair wages, occupational safety, and equal opportunities are guaranteed. The company creates secure jobs in the region and promotes diversity as well as the compatibility of family and career.	high
9 Industry, Innovation and Infrastructure	Innovation and sustainable development are core values at Hofmann. The company continuously invests in modern, resource-efficient production technologies and digital processes. Certifications according to ISO 9001 (quality management) and ISO 14001 (environmental management) demonstrate the commitment to continuous improvement. By introducing energy-efficient machines and digitizing workflows, competitiveness is strengthened and a contribution to sustainable industry is made. In addition, the company makes an important contribution to implementing sustainable industry and infrastructure through the development of innovative technical solutions, particularly in the areas of energy supply and mobility.	high
10 Less inequality	The company indirectly contributes to reducing inequalities by promoting diversity and inclusion within its own operations and ensuring fair conditions in its supply chains. This helps to reduce social and economic inequalities. The leadership team is regularly trained to treat all employees fairly and equally.	medium
11 Sustainable cities and communities	Hofmann's direct influence on sustainable cities and communities is limited. Nevertheless, the company can make an indirect contribution through sustainable site development and the promotion of environmentally friendly mobility concepts for its employees. The company sees itself as an important part of community life: for this reason, local clubs are supported and environmental projects are implemented to make a social and sustainable contribution locally.	low
12 Sustainable consumption and production	Hofmann focuses on resource-efficient production, waste avoidance, and sustainable procurement. The manufactured goods have an average service life of around 20 years. The environmental program sets specific goals for reducing energy and material consumption, for waste separation, and for the use of environmentally friendly materials. Suppliers are selected according to sustainability criteria and are	high

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	regularly evaluated. Promoting the circular economy, for example through packaging recycling, is another important component.	
13 Measures for climate protection	Climate protection is a central area of action for Hofmann. The company annually reports its CO2 footprint and sets ambitious goals for emissions reduction. By 2045, it plans to become net-zero at the latest. Initial measures include switching to green electricity and eco-gas, converting to LED lighting, installing two photovoltaic systems, optimizing heating systems, promoting climate-friendly mobility (e.g., bicycle incentives, e-mobility), as well as compensation projects such as the company's own forest project and the introduction of bee colonies. These activities contribute to reducing the ecological footprint and strengthen environmental awareness within the company.	high
14 Life under water	Hofmann's direct impact on life underwater is minimal. However, the company indirectly contributes to reducing the burden on aquatic ecosystems by avoiding pollutants in its production processes and adhering to strict environmental standards.	low
15 Life on land	Hofmann contributes to the protection of life on land through biodiversity projects such as the introduction of bees and reforestation. In addition, measures are taken for sustainable land use and to prevent environmental pollution.	medium
16 Peace, justice, and strong institutions	The company contributes indirectly to this SDG by ensuring compliance, transparency, and the fight against corruption in all areas of business. Adherence to human rights, particularly within the framework of the Supply Chain Act and the guidelines on conflict minerals, also strengthens the integrity of the supply chain.	medium
17 Partnerships to achieve the goals	Hofmann recognizes the importance of partnerships and actively works with suppliers, customers, authorities, technical universities, NGOs, and other stakeholders. These collaborations are crucial for achieving common goals and advancing sustainable development across the industry.	medium

Table 82: SDGs and Hofmann's ways to influence

Legal notice

Hofmann Mess- und Auswuchttechnik GmbH & Co. KG
Werner-von-Siemens-Straße 21
64319 Pfungstadt
Germany

Represented by the CEO:
Daniel Kircher