

2020 CORPORATE SOCIAL RESPONSIBILITY REPORT


Shaping the Future Sustainably



SEVERT
ARZNEIMITTEL

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A photograph of two men, Mathias Hevert and Marcus Hevert, standing in front of a modern glass building. They are both wearing white long-sleeved shirts with a logo that says "We ♥ Nature www.hevert.com". The building behind them has large glass windows and a blue frame. There are some colorful signs on the building. The scene is outdoors with greenery and a clear sky.

“Socially ecologically sustainable practices are not just a priority at Hevert-Arzneimittel, they are an obligation. As a family business with a tradition of 65 years, sustainability has always been at the heart of our company's philosophy.”

Mathias Hevert (on the right) and his brother Marcus Hevert (on the left) have been jointly managing the company since 2014.

Preface

Dear Reader ¹,

Every day, we enjoy running a company that makes naturopathic preparations. Our goal is to assist people in staying healthy in the long run or to help them get healthy again.

We want customers to be able to prescribe, sell, or use our products with a good conscience: and not just because they are effective. All customers can also be assured that the preparations are made by a family business that is in close touch with nature and well aware of its responsibility to society and the environment. The Hevert Mission Statement defines the underlying principles, which are also the foundation of our values and goals.

In 2020, we made further significant progress with reducing our consumption of resources in many areas while staying true to our underlying values – for our employees, our partners, and our social environment.

Hevert took part in sustainability benchmarking for SMEs for the first time in 2020. The project was headed by the Fraunhofer Institute for Production Systems and Design Technology (IPK) and the German Association for Small and Medium-sized Businesses (BVMW). It involved integrated benchmarking to analyze and assess the three action areas of sustainable business, ecologically compatible business and socially responsible business. According to the benchmarking, Hevert is on a very good path in the areas of sustainable business and social responsibility especially. Further information can be found in the graphic on page 82.

We believe that a company can have lasting success only if its employees are satisfied. We therefore regularly conduct employee satisfaction surveys and, in 2020, took part in the scientific employee and management survey by the zeag Center for Employer Attractiveness and St. Gallen University

Every year, the **best employers among Germany's SMEs** are honored, and we are delighted that Hevert is one of them with 45 other companies. The results serve as an independent benchmark for management style and corporate culture and reaffirm our corporate strategy.



Marcus Hevert (middle) holding the Top Job award in his hand.
Left: Stefanie Schmitz, Director Company Services Right: Thomas Buss, Head of HR.

There's another award that we're proud of: Hevert is one of the most **innovative companies in Germany**. In cooperation with the Statista portal, Capital magazine again named Germany's most innovative companies in 2020. Hevert is one of the winners in the area of chemical/pharmaceutical & biotechnology. The award is partly based on a survey of around 3,200 German managers. The assessment criteria were: Products & Services, Process Innovations and Corporate Culture.

With our annual Corporate Social Responsibility (CSR) Report, we would like to transparently disclose how our company "lives" sustainability, both to you and to all interest groups, particularly our customers and business partners. We want to motivate our partners and other companies to increase their sustainability efforts as well. The aim of our family business is to have a beacon function in regards to environmental protection, sustainable business practices, and acting responsibly with respect to employees and the community. This report is an important step to achieve this goal.

We already have big plans for the future. And we know that we can achieve our goals only by engaging with our stakeholders. That is why you are welcome to approach us with questions and suggestions at any time (info@hevert.de).

Sincerely,



Mathias Hevert
Managing Director
Hevert-Arzneimittel



Marcus Hevert
Managing Director
Hevert-Arzneimittel

1 Gender-neutral language is used throughout this document.



1. COMPANY PORTRAIT



1.1 STRATEGY AND CORPORATE SOCIAL RESPONSIBILITY

As part of extensive strategy work that takes place every five years, the company's vision was again subjected to critical review by Hevert's Executive Committee (see 1.2) in 2020. External market conditions and changes are given as much consideration here as developments within the family business.

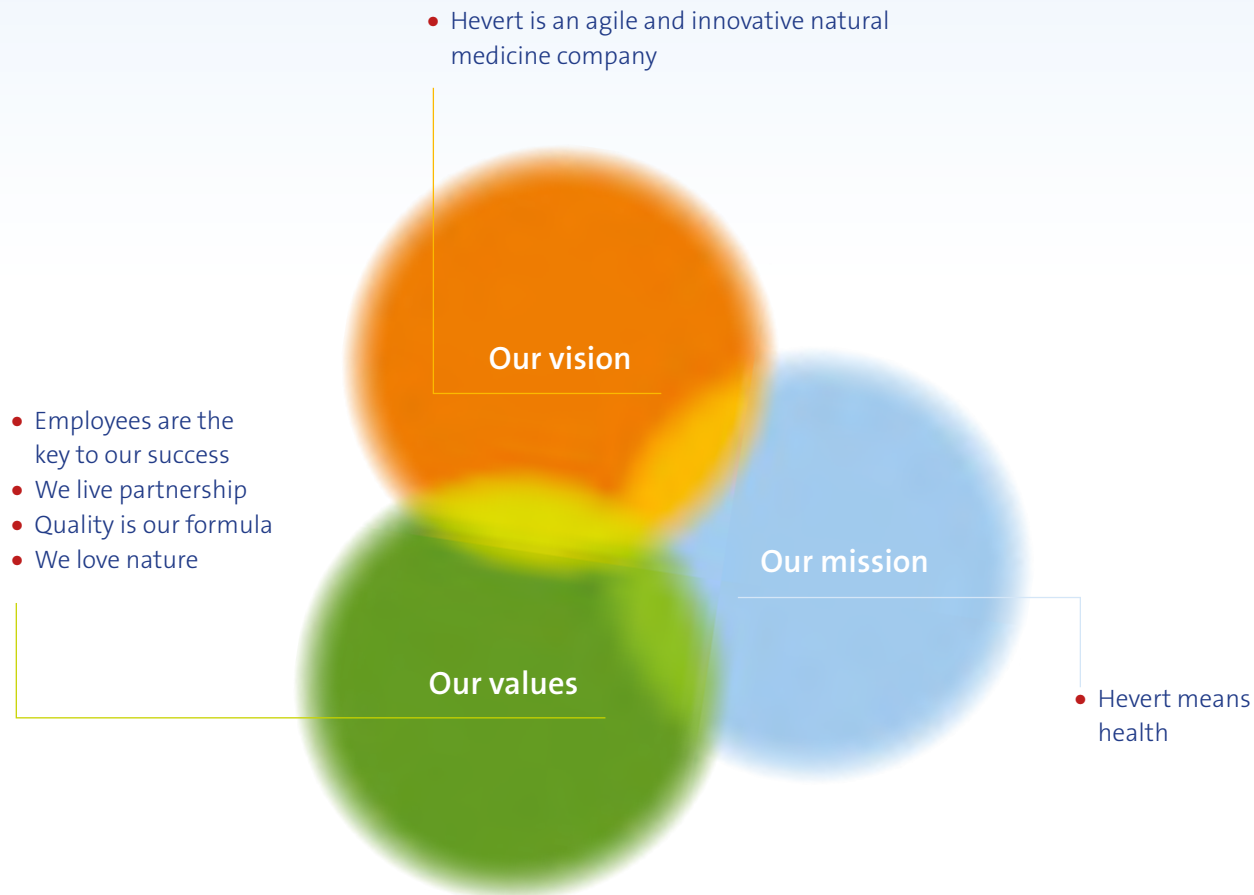
The vision guiding the actions of the family-run company is: Hevert is an agile and innovative natural medicine company. Behind it is our mission: Hevert means health. The greatest wealth is health. That is why we have dedicated ourselves to the development and production of naturopathic preparations. The satisfaction of our customers is central to all we do. We impress them with high-quality preparations, advice and services, as well as further training. We achieve this through healthy growth, taking reasonable risks and getting solid returns on our investment.

As a family business in close touch with nature, we are actively committed to naturopathy, environmental protection, sustainable business practices, and acting responsibly towards our employees, partners and community.

Corporate social responsibility (CSR) plays an important role for Hevert. For the family business Hevert-Arzneimittel, assuming social responsibility and commitment to the environment and to charitable causes have always been a matter of course. This commitment is also described in the company's values:

- Employees are the key to our success
 - We live partnership
 - Quality is our formula
 - We love nature
- (102-16)

Vision, mission and values form the Hevert Mission Statement



1.2 ORGANIZATION AND RESPONSIBILITIES OF CORPORATE SOCIAL RESPONSIBILITY

At Hevert-Arzneimittel, the large organizational units below the managing directors are the divisions, the departments, and the staff departments.

A division is a grouping of several departments overseen by a division director. A department handles a dedicated, clearly delimited set of duties with corresponding responsibility that is also aimed at easing the managerial burden of the division director and devolving responsibility.

Staff departments are directly assigned to the managing directors and are responsible for duties that apply to the whole company (e.g., Controlling).

Hevert has established set structures and responsibilities within the organizational structure that ensure the continuous support of CSR-relevant topics.

The area of corporate social responsibility is looked after by a cross-divisional committee, the CSR team. The team makes sure that there is a balanced relationship between activities in the fields of activity stated in the company values — naturopathy, environmental protection, sustainable business practices and social and regional commitment — with regard to employees and community. Operational implementation of CSR measures is less the responsibility of the CSR team than to monitor them and coordinate the various CSR work groups.

Commissioned directly by the Managing Directors, the team assesses and monitors whether corporate and interpersonal dealings conform to the defined mission statement at all levels. Both should be ensured through interdivisional meetings held throughout the company. Its tasks include the further development of the strategy on corporate social responsibility as well as the coordination of the different CSR work groups. Managing Director Mathias Hevert is a permanent member of the team. Co-Managing Director Marcus Hevert is a member of the CSR working group Nahe Region Concept and Social Commitment. (102-20)

The CSR team meeting is held every four weeks. In addition, team members are available as contacts for resolving issues within the company.

In addition to the core team, toward the end of 2011 work groups were formed to address the implementation and further development of objectives and measures in accordance with the values of the company. As a result, the topic of sustainability could be shouldered by additional persons in the company, freeing the CSR team from numerous operational topics. The doors of the work groups are open to all employees according to individual interest and available time. Existing work groups with CSR-related subjects were integrated into the reporting.



Hevert's Executive Committee

Seven standing work groups are occupied today with the implementation, assessment and monitoring of specific measures in terms of the respective topic and its further development. Implementation of content frequently occurs in collaboration with the responsible divisions/staff departments/departments and falls under the responsibility of the respective division/staff department/department head.

Overview of the seven existing work groups:



Every work group should contribute a member to the CSR team, ensuring close coordination with it. Due to high capacity utilization and capacity bottlenecks in individual departments, this principle of collaboration was fulfilled to only a limited extent in 2020. We need to work on a solution here for 2021 in order to ensure a balanced level of commitment in the stated CSR fields of activity.

Along with these specific work groups and their members, the actual line organization is also committed to tasks regarding corporate social responsibility, from management all the way to the apprentices.

Thus the Management Board of Hevert-Arzneimittel is responsible for observing and further developing the voluntary commitment to sustainability described in the Hevert mission statement. It assigned the implementation to the CSR team.

The Hevert Executive Committee is responsible for the implementation of the CSR measures in the respective divisions: Company Services, Supply Chain Management, Quality Unit, Marketing, National/International Sales and Scientific and Regulatory Affairs. The managing directors and the six division directors have personally committed to acting in accordance with the "Principles of Management and Cooperation". The principles are written from the perspective of the executives. They form the basis for understanding what management is and how it acts as well as for the establishment of a company-wide success culture at Hevert. (102-17)

The department and staff department heads at Hevert provide a bridge between the steering work of the division directors and the operational activities of the employees. Their key role lies in aligning daily work with the measures and objectives for realization of the corporate vision.

Last but not least, however, the implementation of the values of the Hevert mission statement is the personal responsibility of every individual employee. The corporate mission statement sets out a clear direction for day-to-day activities. However, it can only become rooted in our business routine if it is supported by everyone. (102-16)

1.2.1 CSR materiality analysis

A materiality analysis is used to review and reconsider the sustainability strategy. It often leads to changes or realignment of the strategy. By focusing on the key topic areas, we can ensure that the most important ones take center stage for the company's actions. Hevert focuses on social, environmental and economic values, and bases its core business and CSR activities on these values as much as possible. As a specialist for natural medicines, Hevert attaches the utmost importance to nature – the source of life and activity for people, plants and animals. This is why Hevert has chosen the shape of a tree to depict the main sustainability themes. (102-47, 103-1)

1.2.2 Hevert-Foundation

The Hevert-Foundation is an independent institution that helps ensure even greater sustainability of the charitable work that Hevert-Arzneimittel and the Hevert shareholders do. (102-20)

The underlying thought is this: Anyone who wants to truly help and make a difference over the long run needs to take on social responsibility and continuously support their fellow men. Regarding this, the Hevert-Foundation and Hevert-Arzneimittel go hand in hand. As a company, economic interests must take precedence at Hevert-Arzneimittel. As an independent foundation, however, the Hevert-Foundation can commit itself exclusively to charitable causes.

The purpose of the Hevert-Foundation covers a wide spectrum and aims to promote naturopathy, nature conservation, health, education, care for the elderly and the young as well as civic involvement for non-profit and charitable causes. As the main sponsor, Hevert-Arzneimittel GmbH & Co. KG annually donates at least 0.3 % of its annual sales to the Hevert-Foundation and provides the necessary infrastructure to the Foundation. Therefore, donations from external supporters can be used for charitable purposes in their entirety. (413-1)

Via a dedicated website and social media activities on Facebook, the Foundation provides information on its long-term initiatives and one-off commitments, and attempts to interest like-minded people in its own fundraising projects. Selected Facebook posts are aimed at raising awareness of honest, responsible and sustainable practices and environmental issues in general, enabling diversity of opinions, and encouraging dialog. Posts by the Hevert Foundation are also regularly shared by Hevert-Arzneimittel in order to increase their reach. (102-43)

In digital exchange, all regulations concerning data protection also enjoy top priority. There were no substantiated complaints regarding breaches of data privacy or losses of data in the reporting period (418-1).



The Hevert tree of sustainability illustrates the key sustainability themes: The trunk stands for Hevert's brand essence, "sustainable health." The branches show the values and sustainability themes.



In 2020, the Hevert Foundation donated a total of approximately €165,000 to various fundraising campaigns and promoted some of its own initiatives. The Foundation also focuses on the Sustainable Development Goals (SDGs) of the United Nations. These 17 political objectives with 169 subgoals serve to ensure sustainable development on an economic, social, and environmental level. They are part of the 2030 Agenda and officially went into effect on January 1, 2016.

The Hevert Foundation actively pursues the following objectives:

GOAL 1 End poverty in all its forms everywhere

The basic idea behind sustainable development is to help people all around the world escape poverty in all of its forms.

Hevert is especially passionate about the commitment by the architect Diébédo Francis Kéré, whom Hevert has supported since 2006. In 1998, Kéré founded the non-profit association "Schulbausteine für Gando e. V." to finance the construction of an elementary school in Gando, his home village in the West African country Burkina Faso. The association was renamed the "Kéré Foundation e. V." in 2016. Funded solely by donations, today it is dedicated to supporting education, health, and nutrition in the village of Gando in the West African nation of Burkina Faso. Its goal is to break the cycle of poverty and inequality. Architect Kéré's commitment is based on the philosophy of "Helping others help themselves," the use of natural building materials and the participation of the local people.

Since early 2009, the family-run company Hevert has donated a percentage to the association for each package of medicine purchased as part of the "Gemeinsam für Gando" (Together for Gando) campaign. The regular donation is a sign of how reliable its commitment is, and is intended to provide the association with planning security. Kéré has also been supported in his charitable endeavors by the Hevert-Foundation since its establishment. With the support of its customers, Hevert was already able to donate more than €450.000 to the association.

For the 10-year anniversary of the Hevert campaign, Mathias Hevert and the association founder Francis Kéré returned to Gando in spring 2019 to see the project's progress first hand. The exciting impressions from this trip were captured in a video. See for yourself by taking a look at Gando.

Children from the village Gando



GOAL 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

This goal relates to a basic human need – access to nutritious, healthy foods – and how we can cover this need for everyone sustainably.

A friendly, charitable partnership between Hevert and the SOS Children's Villages, which provide a safe home for orphans and abandoned children, has also existed for over 15 years. The SOS Children's Villages help children and youths in the most impoverished nations – locally and in the long term. Financed by sponsorships and donations, the children and their families receive special support, medical care, food, and clothing. Hevert started sponsoring a child from Monrovia in Liberia and one from Dakar in Senegal in 2018/2019. Two other sponsorships in place since 2003 have expired. The two children from Liberia and Guinea left the care of the SOS Children's Villages as they had successfully completed their vocational training, and they can now support themselves financially.



The coronavirus pandemic does not spare charity food banks, and caused a precarious situation for many. The number of those in need is rising all the time, and so the food banks are dependent on additional support. Hevert helped and donated €3,000, 260 liters of hand sanitizer and 40,000 samples of vitamin D3 to food banks in Bad Kreuznach, Kirn, Idar-Oberstein and Birkenfeld, the Rhineland-Palatinate/Saarland Food Bank Association and the Berlin food bank.



Sabine Werth, founder and Chair of the Berlin food bank, and Mathias Hevert, Managing Director of Hevert-Arzneimittel and member of the Board of the Hevert-Foundation, in discussion at the Berlin food bank's new storeroom on the Wholesale Market site.

GOAL 3 Ensure healthy lives and promote well-being for all at all ages

Goal 3 aims to improve reproductive and human health, end contagious diseases, reduce non-contagious diseases and other health risks, secure health care and access to safe, effective, high-quality and affordable medications and immunizations for everyone and help people in need.

Hevert has been supporting the German medical aid organization action medeor for several years. The organization is committed to ensuring that people in need receive access to medication and to securing medical supplies. action medeor has been working to improve human health for over 50 years. Its vision is one of hope: No person in this world should die of treatable diseases. The Hevert Foundation provides financial support for the organization.



GOAL 4 Ensure inclusive and quality education for all and promote lifelong learning

Goal 4 aims to ensure that everyone has access to high-quality education and the opportunity for lifelong learning. It focuses not only on participation in education but also the level of basic skills, the availability of qualified teachers and adequate school resources, as well as disparity of educational results.

Stiftung Lesen (German Reading Foundation) works to ensure that reading is part of every childhood and youth. After all, the joy of reading and literacy skills are essential for personal development and success in life. As a member of the friends' circle, Hevert-Foundation helps to maintain and expand the "read aloud" network programs for the long term.

Children's educational paths in Germany remain closely linked to the homes in which they are raised. For this reason, ArbeiterKind.de encourages schoolchildren from non-academic backgrounds to consider a university education, and helps them complete their degrees and get started with their careers. Getting people to talk about their own education and encourage others is ArbeiterKind.de's recipe for success. Hevert-Foundation supports the efforts of ArbeiterKind.de in Berlin and in Rhineland-Palatinate.

In an interview, Anne Stalfort, Head of Cooperations and Donation Service, talks about the initiative and the Germany-wide commitment of volunteers.

GOAL 6 **6** Ensure access to water and sanitation for all

Goal 6 aims to meet the challenges relating to drinking water, sanitary systems and hygiene and water-related ecosystems. Without high-quality, sustainable water resources and sanitary systems, advancements relating to many other sustainability goals, including health, education, and elimination of poverty are not possible.

Burkina Faso is one of the world's poorest countries. Much of the population, especially in the rural areas, have no access to proper toilets or do not know about the relationship between better hygiene and health. Insufficient hygiene practices are often directly linked to poor health, high rates of child mortality and malnutrition in toddlers due to frequent diarrhea. To counteract these conditions, the Hevert-Foundation supports the Kéré Foundation with the construction of sanitary facilities in the village of Gando and the expansion of the secondary school, which is still running despite coronavirus.



The sanitary facilities in Gando are now completed

GOAL 13 **13** Take urgent action to combat climate change and its impacts

Hevert travels climate-neutral!

Since the start of the coronavirus pandemic, most Hevert employees are barely traveling at all any more. Even before this, the company was aiming to reduce carbon emissions due to travel, especially business travel, to zero as far as possible. Hevert is attempting to offset the CO₂ emissions produced and supports reforestation projects. Every year, all flights by employees and inbound/outbound travel by all Hevert Academy event participants are compensated for.

If business travel by rail is not possible, employees' flights are compensated by atmosfair. At the start of 2020, we donated €985 to certified climate protection projects through atmosfair.

Also, inbound/outbound travel by all Hevert Academy event participants is compensated for through the Plant-for-the-Planet foundation. The Munich-based company's goal is to plant trees around the world to help counteract climate change. This is how the Hevert-Foundation has helped: €2,193 was paid for 2019. Hevert received the Plant-for-the-Planet certificate in return. Travel was largely dispensed with in 2020, and Hevert therefore compensated just 12 tons of CO₂ – worth €228. (413-1)

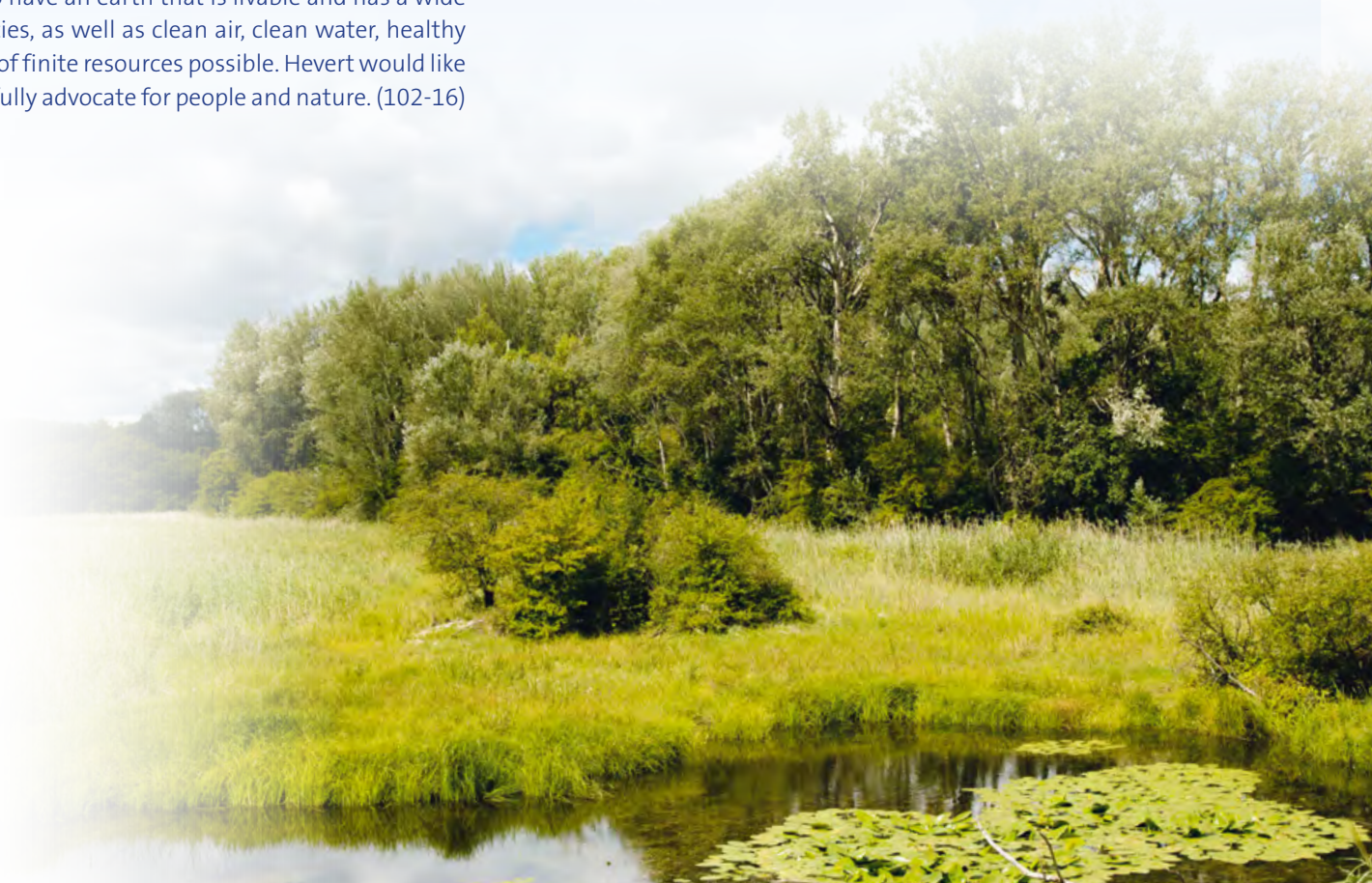


GOAL 15

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Protected and restored ecosystems and their biodiversity can play a role in stopping climate change and increase resistance to growing population pressure and more frequent natural disasters. Healthy ecosystems also offer a wide range of benefits to all communities.

Hevert supports NABU (Nature And Biodiversity Conservation Union), which has been committed to maintaining the diversity of our domestic animals and plants for more than a century. Just like NABU, Hevert also wants future generations to have an earth that is livable and has a wide variety of habitats and species, as well as clean air, clean water, healthy soil and the largest amount of finite resources possible. Hevert would like to help NABU more successfully advocate for people and nature. (102-16)



1.3 HEVERT IN NUMBERS – THE 2020 BALANCE SHEET

Among Hevert's strengths is its independence as a medium-sized, family-run company that pursues a sustainable corporate strategy and plays a special role in regional responsibility. Being an independently run family company allows Hevert to pursue not only yield-based company goals but to also finance measures that do not immediately serve to optimize business indicators. An important example is the Hevert-Foundation, which was founded in 2015 and through which numerous charitable projects and initiatives can be supported (see Sections 1.2.2). (102-15)

Due to the company's legal structure and size, capital market-oriented financing instruments are largely inaccessible to the company. To finance growth measures, classic vehicles such as bank credits are typically available. (102-15)

Assets	2020*	2019	Liabilities	2020*	2019
Fixed assets	8,776	9,188	Equity	12,093	12,021
Short-term assets	11,950	14,684	Accruals	1,677	1,030
Liquid assets	674	64	Liabilities	7,630	10,885
Balance sheet total	21,400	23,936	Balance sheet total	21,400	23,936

Turnover and sales	2020*	2019
Sales revenues	31,919	32,489
Sales volume (finished goods)	3,646,968 units	4,437,206 units

in thousand euro

*2020 based on preliminary figures

1.4 ORGANIZATIONAL PROFILE

Founded in 1956 by Dorothea and Emil Hevert, Hevert-Arzneimittel GmbH & Co. KG (102-1) is an independent family-run company. After being led by Dr. Wolfgang Hevert, the company has been owned in equal shares by the grandchildren of the founders, shareholders Sarah, Marcus, and Mathias Hevert since 2003. The operative management is conducted by the brothers Marcus and Mathias Hevert. (102-5)

The headquarters is located not far from the Rhine-Main region and Mainz in the small town of Nussbaum, near Bad Sobernheim, nestled in an idyllic side valley of the Nahe River. In Bad Sobernheim, Hevert maintains a high-bay warehouse as well as a further production location, both of which include office space.

The company added another location in 2017 with its office in Berlin. Hevert's Berlin office serves as a space for discussion with policy makers, customers, business partners, and opinion leaders and is also an attractive location for employees.

Also since 2017, the premises of Hevert-Arzneimittel in Eckweilerstrasse, Bad Sobernheim, feature a new development laboratory. This investment of around half a million euro is intended to contribute to the continuous optimization and improvement of manufacturing processes and formulations and to accelerate the development of new products. (102-3, 102-4)

With more than 100 preparations, Hevert's extensive portfolio has something for nearly every treatment area relevant to natural medicine. (102-7)

The existing range is categorized in the specialty areas psyche, sleep, colds, micronutrients, and digestion and detoxification. In terms of the current relevance in terms of turnover and sales, the most important products are Calmvalera, Sinusitis Hevert SL, Vitamin D3 Hevert, and Vitamin B Komplex forte Hevert. On the market, these products are actively positioned and advertised to health care practitioners, pharmacies and end users.



1956

“Hesopharm” founded by
Dorothea and Emil Hevert



1957

Emil Hevert dies;
Dorothea Hevert
runs the company alone

1963

Name change from “Hesopharm”
to “Hevert-Arzneimittel”



1972

Dr. Wolfgang Hevert joins the
company

1975

Opening of
company building,
Bad Sobernheim





1986

High-bay warehouse
on Haystraße,
Bad Sobernheim



1990

Dr. Wolfgang Hevert becomes
managing director –
sole management

1996

Opening of state-of-the-art pharmaceutical
production building, Nussbaum

2003

Dr. Wolfgang Hevert dies and
Mathias Hevert takes over
company management



2008

First export by Hevert to Belarus
with Hevert Pulmo,
Hevert Sinusitis SL and
Hevert Pankreaticum



2011



Company foundation in the USA:
Hevert Pharmaceuticals Ltd.



2012

Addition to Nussbaum

2014

Marcus Hevert joins
company management

Opening of the Hevert Daycare Center

Modernization and
expansion of the production



2015

Launch of the Hevert-
Foundation (HEF)





2016

60 year anniversary of Hevert
Release of the
Hevert Brand Song – By My Side
You can download the album
for free via the QR code.

2017

Opening of the
Development Laboratory

Opening of the capital
city office in Berlin



2018

Rhineland-Palatinate
Attractive Employer
award

Fair Family certificate of quality

2019

Winner of the “Großer Preis
des Mittelstandes”



The Hevert shareholders
together with musician
Charlie Grant



The core value of the umbrella brand Hevert is "sustainable health." The brand enjoys the trust of many German health care professionals, that is, physicians, pharmacists, and natural practitioners, and allows the authentic and distinctive positioning of the company and its preparations with new customers domestically and abroad. The satisfaction of our customers is central to all we do: Hevert strives to impress them with high-quality preparations and services, such as therapeutic concepts, further training, and health-related advice.

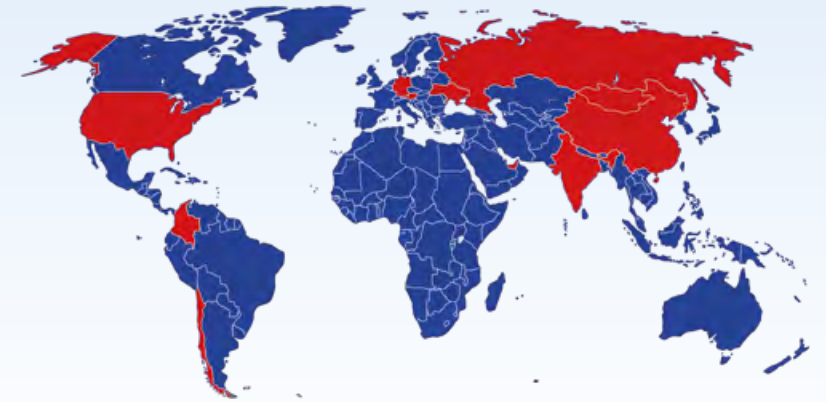


The success of many of our homeopathic remedies such as Calmvalera and Sinusitis Hevert SL is based on the Hevertoplex range developed by doctors and natural practitioners. Unlike homeopathic single remedies, complex remedies contain several homeopathically prepared active ingredients and are easy to use because they have a broad spectrum of action and are clearly tailored to individual indications. A large number of the formulas upon which Hevert medicines are based were created in collaboration with students of the famous Pastor Emanuel Felke, one of the pioneers of naturopathy and the co-founder of complex homeopathy. Felke practiced for many years in Bad Sobernheim, not far from Hevert's current headquarters.

The founders' son, doctor and pharmacist Dr. med. Wolfgang Hevert, expanded the company's repertoire with several new product developments and holistic treatment concepts based on his treatment experience as a doctor. To this day, his naturopathic knowledge is imparted to doctors, natural practitioners, and pharmacists in publications and specialist lectures.

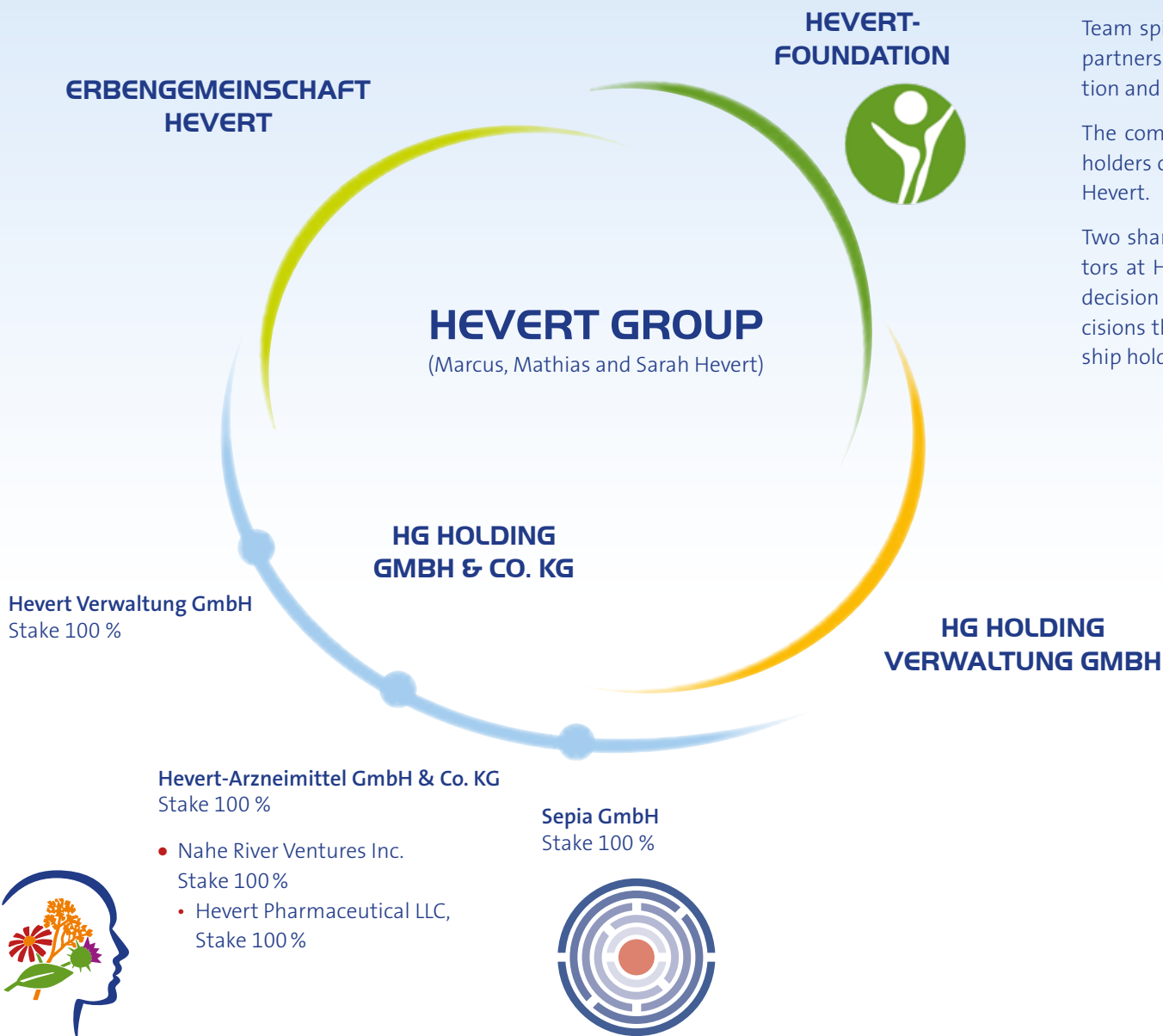
In addition to oral pharmaceutical forms, Hevert offers doctors and natural practitioners a wide range of solutions for injection, including high-dose B vitamins (e.g., Vitamin B12 Hevert plus Folsäure Hevert (folic acid)) and homeopathic complex and single remedies (e.g., Lymphaden Hevert injekt). (102-2)

Some 10 % of Hevert preparations are exported. Primarily to Ukraine, Mongolia, the United Arab Emirates, China, India, and Austria. The world map below provides an overview of all the countries in which Hevert is active (red = on the market). (102-6)



Hevert export world map

Hevert exports its products to various countries in Europe, North and South America, and Asia. The company ships to sales partners who in turn supply wholesalers and pharmacies. Customers are end consumers who use the Hevert products in self-medication, and doctors' offices that treat patients with the products. (102-6)



1.4.1 Company management

Team spirit, reliability and trust are the building blocks of a successful partnership at Hevert. Sound leadership is a vital prerequisite for motivation and successful teamwork.

The company management is conducted in equal parts by the shareholders of the HG Holding GmbH & Co. KG, Sarah, Marcus, and Mathias Hevert.

Two shareholders, Marcus and Mathias Hevert, act as managing directors at Hevert-Arzneimittel. The shareholders are independent in their decision making. Limitations are in place only regarding all economic decisions that were agreed with participation certificate or silent partnership holders and external investors. (102-18, 102-22)



Managing Directors Marcus (right) and Mathias Hevert with their sister and fellow shareholder, Sarah Hevert

The general meeting is the highest corporate control organ and defines the company's values and strategy. It is responsible for attaining economic, ecological, and societal goals. The general meeting also orders the generation of the sustainability report. (102-26, 102-32)

Any consultation typically takes place directly between the highest control organ and the corresponding stakeholders. In some cases, the internal specialist area Corporate Communications takes over this task. Communications to stakeholders are released by a managing partner in some cases (e.g., press releases). Other consultation procedures, such as information on the company's financial situation, are handled by suitable individuals. (102-33)

The performance of the general meeting is not measured or assessed. (102-28) The profit share of the HG Holding GmbH & Co. KG, which is equally shared among the three shareholders, is distinct from the compensation for management duties received by the two managing directors, Marcus and Mathias Hevert. They receive a fixed monthly salary in line with the industry average as well as an annual, profit-related bonus. (102-35)

Since 2003, the general meeting has been supported by a strong advisory board. The Advisory Board comprises its chairman and founding member, Dr. Axel Sander, Frank D. Kube and Franz-Josef Hans. Together, they support the family-run company particularly in the areas of law, marketing/sales, and finance: (102-23)

2. EMPLOYEES ARE THE KEY TO OUR SUCCESS



2.1 LIVING AND CREATING DIVERSITY

Hevert would not be the successful company it is today without its dedicated employees. Competence, motivation and friendliness come first for the Hevert team. The friendly and collegial collaboration is the core of Hevert corporate culture and is highly appreciated by visitors and business partners.

As of December 2020, Hevert-Arzneimittel employed a total of 91 men and 135 women in its four company locations. (102-7)



Of the 226 employees (including apprentices and student trainees), 177 worked full time and 49 part time, and 80 were active in the industrial and 146 in the administrative sector. In total, 73% of employees came from the region (of which 42% were male and 58% were female). There were 197 permanent employees and 29 employees on fixed-term contracts, including 6 apprentices and 4 interns/student trainees.

Male employees: Of the 81 male employees on indefinite contracts, 76 were full-time and five part-time. Eight full-time male employee and no part-time male employees were on fixed-term contracts.

Female employees: Of the 116 female employees on indefinite contracts, 74 were full-time and 42 part-time. Of the 21 female employees on indefinite contracts, 16 were full-time and five part-time.

The company largely uses its own in-house employees, with officially recognized freelance employees being the exception.

The above HR figures were calculated on the basis of the wage and salary program and the time management program for determining working hours. (102-8)



Hevert employees

Reconciliation of work and family is a priority at Hevert. This is reflected by the number of women in positions of leadership: As before, 15 women held leadership positions as division directors, heads of department, or regional managers (the latter specifically for the field service) in 2020. Individualized working time arrangements permit great flexibility, for instance when planning care times and parental leave. In general, all employees return to their jobs after parental leave or even continue to work reduced hours for the family-run company Hevert during their parental leave. Typically, women request 2 years of parental leave and men about 1–2 months. In 2020, eight female employees and two male employees went on parental leave. Two female employees returned from parental leave, with one of them starting work while parental leave was still in effect. Two male employees also returned from parental leave, with one of them starting work while parental leave was still in effect. In 2020 the rate of return to the job is 100 %. (401-3)

Hevert focuses on diversity in the company and leverages the strengths of individuals for the company's success. Inclusion and equality are actively practiced priorities at Hevert. In 2020, six employees with disabilities were registered for the "levy payable under legislation on severely handicapped persons."

Of the 36 new employees hired in the year under review, 78% were from the vicinity of the company headquarters in the Nahe Valley.

Hevert also awarded permanent positions to two apprentices who passed their final exam in 2020. These employees are also from the area.



Virtual retirement party

One male employee retired and is still working for Hevert at a very low level. (401-1)

Hevert does not differentiate between indefinite and fixed-term employment contracts and/or part-time employees. According to the company value "Employees are key to our success", every employee is treated equally. The only exception is the employee benefits program, which allows participation only after the probation period and also excludes apprentices. The company thereby hopes to create an incentive for the time following the apprenticeship or probation period. There are no further differences.

The following overview shows in detail the benefits that Hevert offers employees, regardless of whether they work full time or part time:

- Capital-forming benefits
- Christmas and holiday bonus
- Company bonus
- Company pension (direct insurance)
- Group accident insurance
- Hevert employee benefits program for optimized pay
- Company education and further training
- In-house English courses
- Hevert program for high-potentials to promote young talent at the company
- Free drinks
- Free organic fruit and vegetables
- Workplace health management
- Delivery and subsidization of lunches once a week
- Contribution to fitness studio membership
- Work clothes
- Company-owned parking at the Nussbaum and Bad Sobernheim sites
- Travel allowance for public transportation at the Berlin site
- Mentoring concept (new employee induction)
- “Mobile Work”
- Flexible work hours (e.g. 4 day work week)
- Free childcare (from 1 year to school age) at the Hevert Daycare Center
- Vacation program for children of employees (age 6–12 years) during the summer and fall vacations
- Company bike (also for private use)
- Allowance for work screen eyewear
- Ideas management with bonus system



Organic cotton workwear



Having fun at the annual apprentice event: Group canoe trip on the Glan.

Additional benefits for apprentices

- Allowance for travel to the vocational school
 - Reimbursement of school book costs
 - Coverage of cooperation costs for apprentices becoming laboratory chemists, pharmaceutical production technicians, and machine and plant operators
 - Coverage of the cost of external exam preparation
 - Coverage of additional expenses for school and apprenticeship projects
 - Annual apprentice event (e.g. group canoe trip)
 - Internal apprentice workshops
- (401-2)

Hevert is located in a region that is considered structurally weak. With its wide range of secure jobs, the family-run company plays an important role as an employer in this region. However, the decision to maintain the regional location often means that vacant positions for highly qualified applicants are difficult to fill. (102-15)

When competing for highly qualified employees, the family-run company does not always have an easy time to convince applicants to move to the idyllic Nahe Valley or the surrounding area or to commute. With the additional office building in Berlin, the Rhineland-Palatinate-based family business has also been providing employees with a workplace in one of the most popular metropolises in Germany since 2017. This allowed Hevert to recruit additional employees from Berlin in 2020. At the end of the year, eight employees were based in Berlin. (102-15)

Since enacting the new Remote Working Policy in 2020, we have promised to reach out to further qualified personnel throughout the country moving ahead. Remote working allows greater flexibility, especially in terms of where work is done.

2.1.1 Training, internship, High Potential program

For many years, Hevert has been considered a role model for training sites in the region. This makes the family-run company very proud, and we intend to maintain and improve this level.

The following six vocational programs and a dual-study course with training are available:

- Pharmaceutical production technician (m/f/o)
- Laboratory chemist (m/f/o)
- Office management assistant (m/f/o)
- Industrial management assistant (m/f/o)
- IT specialist – systems integration (m/f/o)
- Warehouse logistics specialist (m/f/o)
- Dual-study business administration course/Mainz University of Applied Sciences (m/f/d)

To ensure Hevert can offer high-quality training despite a high workload of the divisions, the pharmaceutical company does not offer all of these vocational programs every year. For the pharmaceutical production technician and laboratory chemist the company works with partners who can offer the training content that Hevert cannot. There are a total of five to seven apprentices at the company. One to four new apprenticeships are advertised each year.

After the apprenticeship has ended, all apprentices automatically receive an offer for a temporary employment contract of six months, or a permanent position. This is supposed to give apprentices the opportunity to prepare for the exams with plenty of time so that they do not have to apply for a position until afterward. Of course, our apprentices are also assisted with their final exams and the costs of external exam preparation courses are covered. In general, provided the performance is good, most apprentices are offered employment.



Hevert is particularly keen for all of the content of our training programs to be taught. For this reason, the apprentices are introduced to all of the necessary departments and are assisted not only by their actual instructor, but also a contact person in the relevant departments. In addition, the company makes sure that the apprentices are usefully deployed directly in day-to-day business and can get involved. They should not learn only the theoretical side. At all times, communication between the instructors and apprentices is important and they hold regular meetings.

The company's instructors meet four times a year to discuss training topics. Of course, our apprentice representative attended these meetings in 2020 to communicate any concerns from the apprentice side. The representative is elected by the apprentices.



Apprentice event

This year's apprentice event took place in August 2020 in Daxweiler in the Bad Kreuznach district of Rhineland-Palatinate. All apprentices attempted the course in the climbing park. After successfully completing the individual stations, they met up at the cabin for a barbecue. There was geocaching in the afternoon to boost team spirit among apprentices. Reaching goals and solving tasks together promoted team spirit. The participant feedback was consistently positive and the event became the first highlight for Hevert's new apprentices.

Training fairs and networks

The family-run company participates in a number of training fairs to present Hevert as a training site in the region and elsewhere. These in-persons events were canceled in 2020 on account of the pandemic. Under normal circumstances, the company presents at a total of four training fairs in the region. "Berufswelt live" is a particularly interesting event during which students can get an up-close and personal look at vocations for which training is offered and take part in short, practical exercises. In the past, Hevert presented the pharmaceutical production technician course with the help of its apprentices.

To stay in touch with other training sites and students, the company is active in the regional school/industry working group for the state of Rhineland-Palatinate (Landesarbeitsgemeinschaft Schule/Wirtschaft Rheinland-Pfalz) and attends its regular meetings. Hevert is also involved in the STEM-Plus project. This saw apprentices lending a hand at regional schools to get the kids passionate about science, technology, engineering and mathematics (STEM).

Internships at Hevert

- **Internships for students**

On a regular basis, Hevert offers internships in a number of areas. Students can choose from a one or two-week internship or a one-day introduction. These offers are very popular, but for capacity reasons it is often not possible to fulfill everyone's requests. It was not possible to assign internships as planned during the pandemic.

- **Vocational internships**

Alongside internships for students, Hevert is offering a growing number of vocational internships. In the context of a partnership with the Kaiserslautern University of Applied Sciences, Hevert offers its students internships in applied pharmacy and other areas. One intern worked in HR as part of her studies in 2020.

High Potential Program

Hevert launched the Hevert High Potential Program as a pilot scheme in 2019, which will continue in 2020 and beyond. The objectives and provisional term of the program were set out in an additional agreement. Through this program, Hevert hopes to foster and develop those employees who are particularly ambitious or who have high potential. The participants in the High Potential Program receive additional benefits such as an extended training budget, a loyalty bonus and benefits such as a rail card or a tablet. Two further applicants were added to the High Potential Program in 2021.

2.2 CHANGE MANAGEMENT – SHAPING CHANGE SUCCESSFULLY

The desire to instigate a change management project to keep on equipping the company for the future with the essential core skills of managers and employees originates from the company project “Mastering Growth” back in 2017. Targeted training measures at all levels are aimed at enhancing expertise. In particular, key positions and high-potential candidates (cf. 2.1 Living and creating diversity, added benefits for Hevert employees) within the company must be taken into account here. The essential requirements for the company have been set out in a requirements document along with the management team's objectives, which the changes at the company are intended to achieve. Establishing a culture of success is one of the underlying goals pursued here.

In 2018, a corresponding change management project was set up with our partner Sprachkultur (a private institute for organizational and personnel development) and a workshop on organizational topics was held at a large-group kick-off event with around 50 participants. The team highlighted the primary action areas for the company and devised specific action recommendations.

In 2019, interrelated managerial programs on the subject of leadership were developed for middle management, the heads of department, in conjunction with an external partner. The first two managerial training sessions were entitled “Communication” and “Agreeing Goals”. In addition, the project team identified issues in all areas that hold the organization back and cost resources at a company-wide event called “Kill Day”. Suggestions on how to avoid unnecessary negative impacts or processes in the future were recorded and initial “resource-killers” were detailed in a list of measures.

Under new leadership, the group that had emerged from the change management project in 2020 was again incorporated more closely into the company's change management. This group ensures the networking between information from various projects and employees. As “ambassadors for change”, its members speak at departmental or team meetings, reporting on the status of project work and listening to their co-workers' suggestions, notices and concerns. Monthly meetings are held to discuss, for example, members' experiences of the communication of the Remote Working Policy.



Together with its employees, Hevert successfully managed the sudden switch to working digitally due to coronavirus. It wasn't just team meetings that had to be held entirely virtually – external and staff meetings also needed a new format in 2020. This change was made easier by remote working experience and the widespread use of laptops and a virtual phone system even before the pandemic, which is why it was possible for most office employees to do all their work on the road or at home almost immediately. The great flexibility on the part of employees and the rapid sourcing of the necessary tools not only kept operations running, but even prevented any disruptions whatsoever. In the coming year of 2021, these coronavirus protection measures will be continued and, at the same time, a “new work” concept will be developed and implemented on the basis of the new reality of work, so that remote working will remain a standard option at Hevert.

2.2.1 Formation of the Organizational & HR Development department

The Organizational & HR Development department was established in September 2020. The department's remit includes the development and optimization of organizational development structures and processes for the company and designing, implementing and refining HR development programs and instruments. It is responsible for various activities, such as guaranteeing sustainable HR development with timely and forward-looking employee training. Sustainable HR development should advance in line with the requirements of corporate strategy, so as to safeguard staff employability now and in the future in addition to enhancing employee loyalty. Activities in this area include a high potential and high performer program to identify the development potential of individual employees and to provide them with customized training possibilities.

On the one hand, Organizational Development also guides employees through the changes of digitization. This supports the transformation process and enables employees. Changes and digital transformation can succeed only with dedicated employees who actively help to shape change processes and who are willing to adapt to change. On the other, there is a focus on activities that have a positive influence on the work climate and corporate culture in a constantly changing and volatile environment. In 2020, the Organizational & HR Development department helped to introduce remote working with a comprehensive communication concept in addition to assisting with the implementation of communications measures and enabling employees and management.

To boost solidarity and team spirit among employees despite the lockdown and days spent working from home, measures were piloted to create the “social glue” within the company. These included activities such as virtual coffee meet-ups, daily stand-up meetings and virtual after-work get-togethers.



2.3 WORK-LIFE BALANCE AND HEALTH PROMOTION

2.3.1 Flextime

A well-balanced work-life style is the basis for a healthy way of living. With flexible working hour models, the company supports the staff in arranging their work around their private needs as far as possible. This is, for example, very important for working parents with small children. Hevert aims to offer its employees the opportunity to optimally combine their private and professional life. The Hevert flextime is a working time model where, by increasing their daily work hours to up to 10 hours, employees can generate one work-free flex day per week.

2.3.2 Work arrangements in the coronavirus pandemic

Among other things, the coronavirus pandemic led to the closure of schools and daycare, which meant that some parents had to look after their children at home. The option of remote working, and the “new work” concept currently being implemented at Hevert, improve our employees’ work-life balance as they allow for greater flexibility of hours and the place of work. In conjunction with the coronavirus pandemic, standard working hours were suspended for working parents who had to look after their children in 2020. The new flexible work arrangement is intended to help with home schooling and the supervision of small children, especially during the coronavirus pandemic.

2.3.3 The Hevert Daycare Center

The family business takes particular pride in the Hevert Daycare Center, which was opened in the fall of 2014. With its own nursery school teacher and child minder, the company is able to offer regular daycare and children’s programs throughout the year.

The Daycare Center is regularly approved for up to five children. Children and grandchildren of Hevert employees aged between one and six can be supervised by nannies at the daycare center all day. However, for special days and events, the number of children may be exceeded. However, for most employees the Daycare Center is a safety net for when other options have been exhausted.

Children cared for per day and hours of childcare provided:

- 2017 – 2.2 children/day, 1,493 hours
- 2018 – 2.4 children/day, 1,303 hours
- 2019 – 2.7 children/day, 1,526 hours
- 2020 – 2.9 children/day, 1,843 hours



The Hevert Daycare Center: A children’s paradise of fun.

2020 highlights at the Hevert Daycare Center



Also in 2020 a wide-ranging program of children's activities was arranged with the support and organization of "Nahe der Natur", a museum for nature conservation run by the Altmooos family in Staudernheim. The motto for 2020 was "woodland and meadow recreation". Eight children aged from four to twelve took part.

The Hevert Daycare Center remained open throughout the entire pandemic and lockdown period, allowing lab and production employees especially to work as usual.

In order to maintain work capability during the pandemic, an emergency supervision concept for school children was developed in cooperation with the youth welfare office.

In addition to the vacation program, many fun events were held at the Daycare Center:

- Shrove Tuesday party with face-painting
- Fun and exciting Easter egg activities
- Trip to the barefoot park in Bad Sobernheim
- Plant day at the Daycare Center: Planting, tending and harvesting vegetable patches
- Visiting the playground in Nussbaum
- Designing a fall table
- Making Christmas decorations
- Baking Christmas cookies



Hevert Daycare Center Events



Exercise

- Peteca
- Functional fitness
- Corporate run (canceled)
- Running course (canceled)
- Physio consultation session

Diet

- Fasting course (canceled)
- Cooking class (canceled)
- Recipe notifications

Relaxation

- Yoga class
- Resilience class

2.3.4 Workplace health management (BGM)

Workplace health management again offered employees well-being courses in 2020. Standard courses were further established here, and new courses were included in the range and tried out. Through regular feedback, we succeeded in continuing to ensure the planning, management and monitoring of sustainability and the effectiveness of the available health measures.

2020 Measures

For 2020, a specific BGM calendar was created in which every course is highlighted in a different color, providing a helpful overview of the year's activities.

The workplace health management measures were broken down into the categories of exercise, diet, and relaxation. There were courses scheduled for all subject areas. The courses were announced early on, allowing everyone to coordinate the classes with their work and private commitments.

• Peteca

Peteca has been a fixture of the workplace health management program for several years. This fast-paced game develops strength, stamina, coordination, reaction times, and general agility. Regular advertising of the program has helped to keep attendance at a constant level. Sessions were resumed in the period allowed after the first lockdown, which made it possible for training to continue in line with social distancing rules.



The Hevert peteca team

• Functional fitness

The functional fitness course with Joel WORX was offered as intensive training for body stabilization. It especially trains the torso, core muscles and the shoulders.

After the first lockdown, there was a brief period during which employees were able to continue this intensive training with Joel – while maintaining the proper social distancing rules.



Having fun with functional fitness

• Physio consultation session

Following many requests from employees, the workplace health management team willingly agreed to put on a block of physio consultation sessions in collaboration with Mr. Michael Nikodemus in 2020 as well. The subsequent survey in 2019 showed a 100% recommendation rate, and many staff asked for the sessions to be continued. The physio consultation sessions were very well received across all divisions, and were booked up in just a few hours also in 2020. The course was also affected by the coronavirus pandemic in March and all further sessions had to be canceled.

They were held every 2 weeks. Employees paid a contribution of €8 per 30 minutes.



- **Yoga class**

The yoga class in collaboration with Christina Ewald and Sonja Wendl from the “FREIRAUM” institute for yoga, meditation & balance continued to be very popular among the employees. As a result, Hevert now provides courses all year round (except during holiday periods). Attendance by employees is consistently high.

The number of participants remained stable during the coronavirus situation. In September 2020, workplace health management introduced Zoom yoga with Ms. Ewald and Ms. Wendl to allow immediate online training. This course was also enjoyed by Hevert employees from Berlin and sales representatives, with the result that 12 participants in total are firmly established in the yoga course.

Back, stomach, and shoulder muscles were strengthened and stretched with targeted exercises from the Kundalini and Hatha schools of yoga. Meditation and relaxation units help to regenerate the nervous system.

- **Resilience training**

In 2020, some employees again took part in a resilience workshop. We were able to recruit Madlena Sutor, a psychologist and workshop leader for stress management and relaxation. Following a kick-off presentation in January, where Ms. Sutor introduced her concept, eight people took part in the workshops. As Hevert had to take preventive measures in March and all in-person classes had to be canceled until further notice, the final session ended in fine fashion as a Skype meeting between the participants and Ms. Sutor.

- **Fitness studio**

All employees who exercise at their local fitness studio can benefit from a Hevert contribution to fitness studio visits of up to €20 per month. This also offers an opportunity to integrate field service staff and the Berlin employees in the concept of workplace health management.

- **Company bike**

In the context of workplace health management, in conjunction with its partner Bikeleasing, the family-run company Hevert has been giving employees the opportunity to lease bicycles since September 2019. These bicycles can also be used outside of work, of course. The use of tax and social security benefits also make this environmentally-friendly and healthy form of mobility particularly attractive for the employees.

- **Workplace Health Management@home**

Hevert’s internal workplace health management marketing was further expanded with a marketing campaign. The goal was to motivate more employees to take part and to achieve lasting improvements in health and well-being. Employees enjoyed “yoga posters” and staircases showing the number of calories burned per step. This campaign was disrupted by the lockdown in March and replaced with Workplace Health Management@home in early May.

Whether it was hiking destinations, cycling routes, recipes or coordination training while working from home – employees produced plans, pictures, videos and texts to share their experiences and tips with their co-workers. Our employees showed how to stay fit and healthy while working from home. All their ideas were accepted, collected and published on the company’s intranet.

Berlin office

In 2019, a survey on BGM was conducted at the company's Berlin site, with the majority of respondents showing an interest in back training. Accordingly, a trial training session for colleagues was held in the Berlin office. However, as only three colleagues signed up, no long-term program has yet been established for the German capital.

A survey of requirements was due to take place in 2020 but has been temporarily postponed because of coronavirus.

Outlook for the year 2021

Regular communication keeps BGM firmly established at the company.

Workplace health management will be further expanded with the external partner CoMotion for 2021. Among other things, a workplace health management app will provide details on all the activities and allow users to book courses. The components are nutrition, movement and relaxation. Both online and in-person events are being offered. A Health Day is also intended at Hevert as soon as the outside conditions allow this.



Employees staying fit while working from home

2.4 SAFETY IS PRIORITY NUMBER ONE – OCCUPATIONAL SAFETY AND HEALTH PROMOTION

At Hevert, the Employer-Employee Industrial Safety Committee (ASA, Arbeitgeber-Arbeitnehmer-Arbeitsschutzausschuss) for safety and health at work is active on the employee level. As the name suggests, the committee works on current topics and incidents at the company that are related to health and safety. Particularly the development of future preventive measures and special offers relating to mental health aims to meet the company's responsibility toward employees.

For instance, preventive action regarding the means of transport used on the business premises is intended to prevent occupational disorders of the human muscular and skeletal system. This committee includes 5 % of employees.

Extensive courses were held in 2020: Two people completed safety officer training in January. In February, six people took part in first aid training designed for specific, hazardous work activities.

A further 10 people received training on hazardous materials in February. As well as regular refresher courses, there were initial training courses for employees taking on the role of first aider or fire safety assistant for the first time.

Hevert has been avoiding events held in person since March 2020 owing to coronavirus, hence training had to be restructured in cooperation with organizers. (403-1)

The ASA conducts four annual meetings including a site inspection with the occupational health physician as well as the occupational safety specialist (internal/external). The individual workspaces are examined in great detail (ergonomic workplace design, identification of potential risks of injury, etc.). When generating so-called risk assessments for individual areas, each room and each machine are inspected. It is documented where a hazard may exist, and, if necessary, corrective action is initiated. All employees are regularly trained in the operation of machines and plants.



A look into the laboratory: Only authorized employees have access.

In addition, every occupational accident is discussed with the occupational safety specialist and the occupational health physician in these ASA meetings. It is clarified whether the accident could have been prevented by changes in procedures, machine safety, etc., and how such measures could be taken to prevent similar accidents in the future.

As part of hazard assessments and GxP² specifications, Hevert also defines the necessary examinations by the occupational health physician for the individual areas and offers some additional examinations that are not required by law.

It should be noted that in 2020, no cases of occupational illnesses were recorded, and due to the above measures, employees are not exposed to high morbidity or hazards. (403-3)

In 2020, there were also no accidents of employees of external companies, temporary workers, or leased staff. In case of occupational accidents, Hevert is required to send an accident report with information about the sequence of events and type of injury to BG RCI (Professional Association Raw Materials and Chemical Industry). The association then classifies them on this basis. (403-2)

Hevert strives to minimize the risk of accidents and prevent accidents. This is achieved by regular training on fire prevention and occupational safety, which is offered in cooperation with Dekra. Training contents include the following:

- Employee occupational safety and health promotion
- First aid
- Office workplaces
- Fire prevention
- Order and cleanliness = discipline
- Take a break, but do it right!

A list of workplace accidents in 2020 can be found in the annex.

²GxP denotes, in summary form, all “good practice” guidelines which have special significance in medicine, pharmacy and pharmaceutical chemistry. The “G” stands for “Good” and the “P” for “Practice.” The “x” in the middle is replaced by the respective abbreviation for the specific application area—for example, Good Manufacturing Practice (GMP).

2.5 EMPLOYEE SATISFACTION

2.5.1 Employee representative body

The employees of Hevert-Arzneimittel have had their own elected representative body since 2009. Ever since, the employee representatives have represented employees' interests in respect of the Managing Directors and the Division Directors.

In 2017, the current employee representative body (MIV) was elected with six members. In the spirit of Hevert's motto "Together naturally successful", employee representatives (MIV) and the Managing Directors work together on a basis of trust. The MIV currently has four members.

As the most important link between employees, company management, and the Human Resources department, the employee representative body has brought up and discussed numerous personnel-related and organizational matters and contributed to finding solutions. The workforce representation is completed by a youth and apprentices spokesperson, who is elected for two years and specifically represents the interests of apprentices and younger employees. The goal is to create a solid foundation for the communication between employees at all three sites and the executives up to company management. (403-1, 102-18)

2.5.2 Employee satisfaction survey in connection with TOP JOB participation

The employee satisfaction survey was also conducted in 2020. However, in 2020 this was done with the zeag Center for Employer Attractiveness under the TOP JOB 2021 employer certificate scheme. In addition to the actual survey of six categories, there was also the option to qualify for the employer certificate in February 2021 – depending on the results of the TOP JOB survey.

The survey was initiated and carried out by the HR department with its partner zeag GmbH and St. Gallen University in May 2020. As before, the survey covered employee satisfaction aspects in addition to other issues. Taking part in the survey allowed benchmarking with other companies of a similar size (101 to 250 employees). The results of the survey were presented by zeag GmbH in August 2020 and at Hevert itself at the last company gathering in 2020. The following six areas were covered by the TOP JOB survey with a gratifying participation rate of 81% with 192 registered participants:

1. Management & Vision

- Vision
- Inspiring management
- Results-oriented management

2. Motivation & Dynamics

- Organizational energy
- Exhaustion

3. Culture and Communication

- Trust
- Cooperation
- Commitment
- Identity
- Communication

4. Employee Development & Prospects

- Employee satisfaction
- Continuing professional development
- Development opportunities

5. Family Orientation & Demographics

- Family friendliness
- Age discrimination

6. Internal Entrepreneurship

- Intrapreneurship
- Formalization
- Centralization

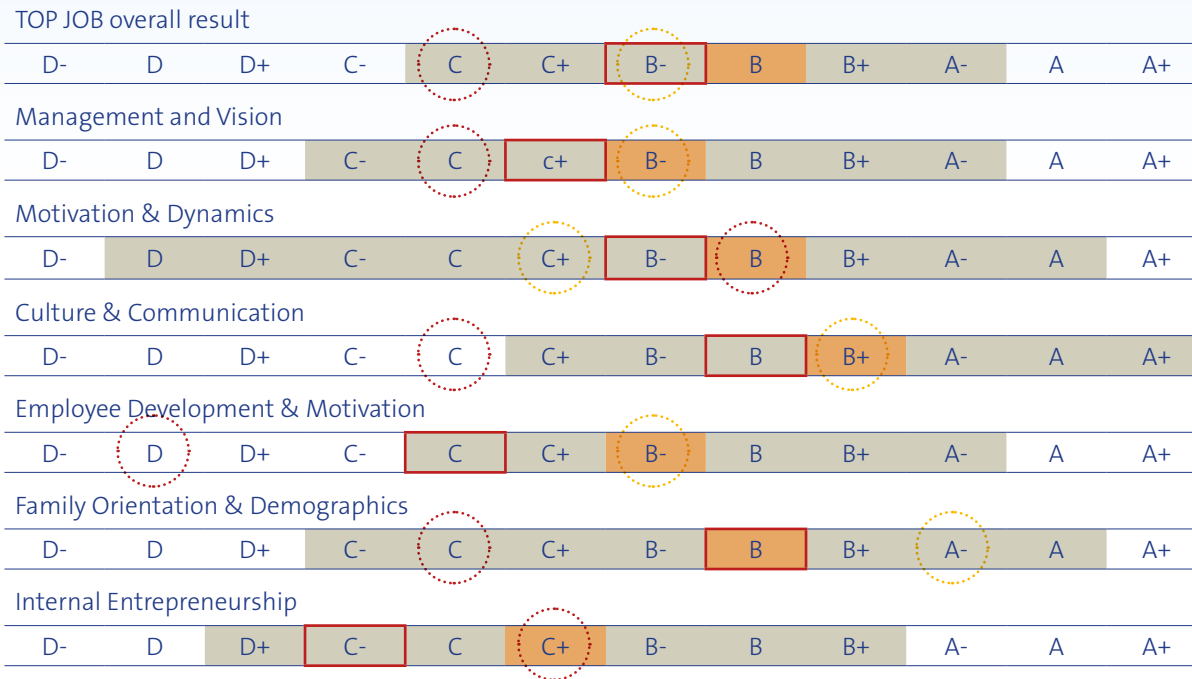
As in past employee satisfaction surveys in previous years, the surveys were conducted and analyzed by area in addition to being combined to produce an overall result for the company. This time, the company's management and their six direct reports joined the previously six divisions of Company Services, Marketing, National & International Sales, Scientific & Regulatory Affairs, Supply Chain Management and Quality Unit.

The overall result of the survey came 2/3 from the employees who took part in the survey and 1/3 from questions asked of the HR manager. The results break down as follows:

The survey's evaluation was rounded off by an analysis of strengths/weaknesses and the significance and characteristics within the company, resulting in an accurate description of action areas for the company.

In the TOP JOB overall rankings, Hevert-Arzneimittel was placed in the TOP JOB employer range and received the TOP JOB 2021 employer's certificate in February 2021.

(102-44)



- Spectrum of TOP JOB companies
- Average of TOP JOB companies
- Hevert-Arzneimittel
- Results of the Hevert employee survey
- Results of the Hevert HR survey

Source: Benchmarking Report – St. Gallen University, zeag GmbH St. Gallen, July 2020

2.6 EDUCATION AND FURTHER TRAINING

2.6.1 The Hevert Employee Academy

All Hevert employees are able to take part in numerous internal and external further training courses. Further training includes courses for further professional and personal development. It is meant not only for employee qualification but also motivation.

The Hevert Employee Academy presents a number of internal training courses by subject area, mandatory and optional training and online (self-study) and classroom courses (with a trainer). Classroom training had to be held online in 2020 because of coronavirus.

In 2020, 633 courses were offered. All training courses on the subject of GxP and quality management are mandatory for employees.

This number includes first-time participants and those taking a refresher course. Employees must repeat some of these courses at certain intervals. (404-1)

Independent thinking allowed - an open corporate culture encourages the active involvement of employees.



2.7 IDEA MANAGEMENT

At Hevert, independent thinking is not only allowed but explicitly encouraged. Hevert idea management enables employees, through the submission of ideas and suggestions for improvement, to contribute their skills, knowledge and experience beyond what their actual jobs require, for the further development of the company.

In 2020, the ideas and suggestions for improvement were submitted through a so-called ticket system. It allows employees to enter their ideas, describe the current situation, define the desired situation, and explain how to reach it. The ideas were further processed by the Idea Management Working Group. This looked at the ideas and referred them to a competent employee or department. The idea was then assessed by the responsible individuals and implemented if cost and workload permitted. The idea was subsequently funded through the Idea Management Working Group. Throughout the process, the working group was in contact with the employees involved in the idea and could provide consultation and support at all times.



“An idea is born...”

3. QUALITY IS OUR FORMULA



Quality is the reason for Hevert's success. The Hevert preparations work naturally, are of high quality and have very few side effects.

The regulatory framework requires that all pharmaceutical companies in Germany meet high quality standards to ensure efficacy and safety for patients. Hevert also applies these high standards to food supplements.

To Hevert, the product quality also depends on ongoing research and development. Research and development, whether it is conducted in-house or with external partners, should contribute to the safety and optimal effectiveness of pharmaceuticals to benefit patients worldwide.

From the plant in the field to the finished preparation in the hands of the user, our goal is always to meet the strictest quality standards.



3.1 CUSTOMER HEALTH AND SAFETY

The safety of Hevert medicinal products is initially examined by the Federal Institute for Drugs and Medical Devices (BfArM) as part of the marketing authorization procedure. After the marketing authorization is granted, the company's pharmacovigilance³ system ensures continued drug safety. All incoming side effect reports are entered in a database and assessed by experts. In addition, the scientific literature is regularly reviewed for risks associated with the active ingredients used by Hevert. This information is then used to generate the current risk-benefit assessment for each individual medicinal product, which may also lead to changes in the product information, such as directions for use or the inclusion of potential side effects. The number of side effect reports is low in consideration of the number of sold packs (less than 100 reports per year), and very few of them are serious side effects, such as allergic reactions.

The labeling of medicinal products is governed by the German Medicines Act (AMG), Specifically by § 10 AMG. For example, it includes regulations on the designation, composition, expiry date, and classification for supply (e.g., “pharmacy-only” for medicinal products that are only permitted to be sold in pharmacies). The statement that medicinal products are to be kept out of the reach of children is also mandatory. Any special precautions for disposing of unused medicinal products or other special precautions to prevent risks to the environment must be listed in accordance with the AMG. However, due to the low concentrations of substances, such notes are not required for homeopathic medicinal products. (417-1)

Hevert also increasingly sells dietary supplements that must be labeled in accordance with the applicable regulations in order to protect consumers. The legal basis for this labeling is EU Regulation No. 1169/2011, known in Germany as the “Lebensmittelinformationsverordnung” (Food Information Regulation). It contains an obligation for manufacturers to provide information such as details of ingredients, coverage of daily nutritional requirements, ingredients with an allergy risk, and the best before date. This means that the same stipulations for the labeling of dietary supplements have been in place throughout the EU since 2014. (417-1)

Availability of the Hevert range on the market was very good in 2020. The only exception was Hewedorol Procain 2% injection solution⁴, a neural therapeutic agent that was unavailable until July due to the loss of the previous manufacturer of the active pharmaceutical ingredient. Sales were resumed after a new manufacturer of the active pharmaceutical ingredient completed the qualification process. Happily, there were no batch recalls in 2020.

At Hevert, the Quality Management department is a service provider for all departments and offers assistance with the structuring of workflows and their monitoring. Preparing and supporting authority and customer audits as well as eliminating defects identified therein are very important annual activities. For instance, every two years an inspection by the local supervisory authority determines whether processes, requirements, and guidelines meet the required standards. In addition to the German authorities, the US Food and Drug Administration (FDA) and the State Institute of Drugs and Good Practices (SID-GP) of the Russian Federation have played a key role with their inspections since 2017. Along with the internal audits regularly performed by the quality management team (self-inspections) and audits by customers, this forms a tight-knit network that guarantees product safety and process compliance with statutory requirements. (416-2)

³ An umbrella term for all activities associated with monitoring the safety of medicinal products.

⁴ Required information see 7.2

3.2 PRODUCT IMPROVEMENTS AND LAUNCHES FOR OUR CUSTOMERS⁵

Continuous product improvement in the form of innovative pharmaceutical forms or new active ingredient compositions is intended to promote long-term customer retention and attract new customers to the quality of Hevert preparations. These developments are carried out in the in-house Research and Development department in collaboration with external service providers.

Since 2019, the Research and Development department has been working on optimization of formulations and processing of excipient mixtures for the entire range of tablets, among other things. The aim of the project is to find more robust formulations and to identify optimization potential within the manufacturing processes. The active ingredient, shape and size of the tablets are not to be changed if possible.

Constant difficulties with the compressibility of pressed mixtures were a key factor in this large-scale company project. What is more, wet granulation, a highly complex, fault-prone, and time-sensitive manufacturing process, is still used for tablets. In addition, post-hardening of tablets over the timescale presents a challenge with individual preparations. Although unrestricted solubility of the tablets is ensured, Hevert is keen to optimize the mouthfeel for patients when taking the tablets, and to keep it consistent.

Use of a pharmaceutical excipient mixture new to Hevert has yielded good initial results. The excipient mixture consists of lactose pregranulated with 15% corn starch. Pregelatinized starches provide innovative solutions as well as being easy to process and highly efficient. They improve flow properties and compressibility, and can be used as binders in tableting and granulation. In many development batches, Hevert has already demonstrated a more resource-efficient and less time-intensive manufacturing method that results in tablets with outstanding dissolution behavior and shows no post-hardening in a stability study.

The change notice for **Ginkgo biloba Hevert tablets** was submitted to the German Federal Institute for Drugs and Medical Devices in 2020. The optimized formula has been available since November 2020. A change notice for **Sinusitis Hevert SL tablets** will be submitted in 2021 as well. As **Calmvalera tablets** are not a re-registration preparation, work is currently underway on a variation application for the formula optimization. This is due to be filed in 2021. There are optimization proposals for other preparations.



Vitamin D3 K2 Hevert plus Calcium and Magnesium⁵ was introduced in May 2020. This is a dietary supplement that combines the essential micronutrients for bone metabolism and muscle function, vitamin D3 and K2, plus calcium and magnesium in a single capsule. Given the ideal composition of the four synergistic compounds, Vitamin D3 K2 Hevert plus Calcium and Magnesium can be taken on a long-term basis for preventive reasons.

This was followed in July 2020 by the launch of **Curcumin Hevert Protect⁵**. Curcumin Hevert Protect is a dietary supplement that for the first time combines the active ingredients turmeric extract, ginger extract, broccoli extract, ascorbic acid and coenzyme Q10 in a single capsule to provide antioxidative protection against free radicals and to boost the immune system.

Internationally, the focus was on expanding business with existing preparations. The main growth drivers were China, the United Arab Emirates, and Ukraine.

⁵ Required information see 7.2



3.3 DEDICATED TO NATUROPATHY

Not only for its own company, but for the whole naturopathic medicine market, Hevert campaigns for the preservation of the largest possible therapeutic diversity and quality of products and active ingredients. As part of this, the company works for naturopathy-friendly regulatory conditions as well as the recognition and acceptance of naturopathic medicines.

3.3.1 Research at Hevert-Arzneimittel

In the Research and Development department, the post of Research Manager has been vacant since the beginning of 2019. The Director of the Scientific & Regulatory Affairs division provides organizational support for ongoing projects. In the area of basic research as well, Hevert plays an essential role in obtaining new findings while providing a solid scientific foundation for homeopathy and naturopathy by financing external research institutes.

Basic research

Commitment to basic research was continued in 2020 despite limited staff resources.

- **Review project: Status of physical basic research in homeopathy**

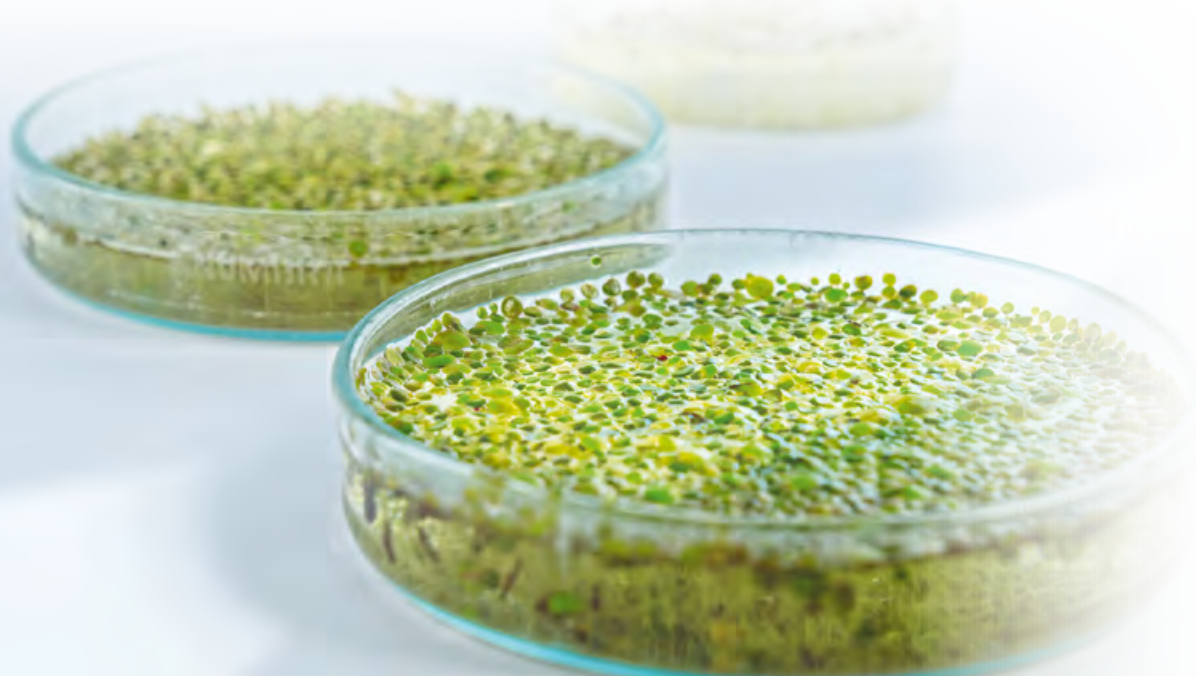
Parts I and II of the work identified relevant publications on physicochemical research into homeopathic preparations. The data from individual experiments were analyzed in search of the most promising techniques.

Part III was published in December 2020. This analyzed the results of the experiments to gather information on the possible mechanisms of action of homeopathic preparations.

- **Project: Duckweed research**

The duckweed research project is a contract research project with Dr. Tim Jäger and assistant professor Dr. Stephan Baumgartner, both at the Witten/Herdecke University and the Institute of Complementary and Integrative Medicine (IKIM) at the University of Bern.

Dr. Jäger unfortunately passed away unexpectedly in March 2019. Stefan Baumgartner had declared his intent to complete and publish the second publication. This was supposed to happen in the fall of 2020. However, it is now not expected until 2021 because of coronavirus.



- **Project on combination homeopathic remedy**

The basic research project aims to determine how each ingredient works in combination homeopathic remedies. The project is researching the medicinal ingredients of the medicinal product **Sinusitis Hevert SL**.

The second publication was published on the online platform “The Faculty of Homeopathy” in January 2020.

Another follow-up publication has already been accepted, and is likely to be published in 2021.

Research funding

Innovation starts in the mind and requires commitment, will and courage to implement it. However, new approaches and ideas often lack recognition. Since 2006, the Dr. Wolfgang Hevert Prize has therefore been awarded for new paths in naturopathy. It is currently endowed with a grant of 10,000 euros.

On November 7, the Dr. Wolfgang Hevert Prize was awarded for the seventh time under the motto "New paths in naturopathy". The psychologist Nina Bauer, doctoral candidate at the Clinic for Integrative Medicine and Naturopathy of the University of Bamberg, was awarded the prize, which is endowed with 10,000 euros. With her planned study project, she wants to prove that patients with Crohn's disease can be empowered to promote their recovery through a stress and lifestyle therapy and to achieve a high quality of life despite their illness. (102-43)



Nina Bauer, doctoral candidate at the Clinic for Integrative Medicine and Naturopathy of the University of Bamberg, was awarded the Dr. Wolfgang Hevert Prize 2020

3.3.2 External cooperation and funding partners

Financial assistance, funding, and active collaboration in a wide range of committees characterize the commitment of Hevert-Arzneimittel:

Wissenschaftliche Gesellschaft für Homöopathie e. V. (WissHom, Scientific Society for Homeopathy)

The Hevert-Foundation has been an institutional member of WissHom since 2016. There is also a regular exchange of information. (102-12, 102-13)

Australian Homeopathic Association Inc.

Hevert-Foundation is a sponsor of the AHA.

Karl and Veronica Carstens Foundation

Hevert-Arzneimittel has been supporting the Karl and Veronica Carstens Foundation and the associated Fördergemeinschaft Natur und Medizin e.V. (Association for the Promotion of Nature and Medicine) for many years. The Carstens Foundation promotes the scientific research of naturopathy and homeopathy. The objectives of the Foundation are primarily implemented by the funding of naturopathy and homeopathy research and its publication as well as the training and continued education of physicians and other health care practitioners. (102-12)

Cooperation with the Internationale Gesellschaft für Natur- und Kulturheilkunde (IGNK, International Society for Naturopathy and Cultural Medicine)

The society is a merger between the Internationale Gesellschaft für Homöopathie und Homotoxikologie (IGHH, International Society for Homeopathy and Homotoxicology) and the Internationale Gesellschaft für Biologische Medizin (International Society for Biological Medicine). The IGNUK is a nonprofit umbrella organization for physicians, veterinarians, dentists, pharmacists, and therapists with an academic background. The goals of the organization are to foster research and training in the field of naturopathic and cultural medicine and related treatment methods. (102-12, 102-13)

Cooperation with the Akademie für menschliche Medizin GmbH (Academy of human medicine) founded by Prof. Jörg Spitz

Hevert-Arzneimittel supports the Akademie für menschliche Medizin, which was founded by Prof. Jörg Spitz. Prof. Spitz particularly focuses his work on disease prevention. He is known for his work on Vitamin D and has been closely collaborating with Hevert for years. (102-12)



3.3.3 Support of basic research initiatives (102-12)

Hevert-Arzneimittel supports multiple initiatives and institutions in homeopathic basic research. The goal is to firmly establish homeopathy as a treatment approach and to further expand the company's expertise. For example, Hevert supports the Homeopathy Research Institute (HRI) in London and Witten/Herdecke University (see 3.3.1).

The HRI

The Homeopathic Research Institute (HRI) is an innovative, international foundation. Its goal is to promote high-quality scientific research in the field of homeopathy. The founder is the physicist Dr. Alexander Tournier, who previously worked as an independent researcher for Cancer Research UK. How does homeopathy work? Which illnesses can be treated with homeopathy? Together with the HRI and using the methods available, scientists, doctors and homeopaths searched for answers to these key questions. Hevert donated €17,000 to the HRI in 2020.

3.3.4 Active participation in complementary medicine associations (102-13)

Hufeland Society e.V.

Hevert-Arzneimittel is regularly represented in the medicinal product commission, the company forum and the general meeting of Hufeland Society e.V. Hufeland Society is the umbrella organization of the medical associations for naturopathy and complementary medicine in Germany and represents the interests of more than 60,000 physicians. Its objective is to achieve the comprehensive integration of complementary medicine in the health care system. Organized by the Hufeland Society, a selection of representatives from member associations and supporting members have been meeting since mid-2018 in order to improve the public perception of naturopathy. Hevert is a founder member of this working group.

International Academy of Science in Homeopathy and Integrative Medicine e.V.

Scientists, physicians, and healthcare practitioners from various countries work together at the International Academy of Science in Homeopathy and Integrative Medicine e.V. The academy is run on a non-profit basis. It is committed to the furtherance of knowledge and fair scientific cooperation. The academy promotes integrative homeopathy research and public information.

It supports:

- Basic research relating to the question: What mechanism of action are homeopathic remedies based on?
- Clinical Research: What are the best methods for examining the effects of an individualized medicine from a homeopathic perspective?
- Empirical observation: What systematic findings can be obtained from empirical individual observations in practice?
- Informing the public of important results.

In 2019, the Hevert-Foundation helped the academy to prepare a top paper that refutes the theory that there are no studies on homeopathy and draws conclusions on efficacy.

ECHAMP

Managing Director Mathias Hevert is member of the Board of Management of ECHAMP, the European Coalition on Homeopathic & Anthroposophic Medicinal Products, which advocates for the marketability of homeopathic and anthroposophic medicinal products at the EU level. Since 2018, the Board of Management has dealt with defenses against unfair subjective attacks on homeopathy by skeptics in various EU countries such as Germany, Spain, and Italy as well as improved links between the organization and other pro-homeopathy interest groups.

Other focal points were the Toxicological Safety Project and the campaign by the Australian homeopathy lobby against the defamatory homeopathy study of the Australian NHMRC. ECHAMP is continuing its work with the IDMP Task Force of the European Medicines Agency for substance, product, organization and referential (IDMP/SPOR) master data to prepare a second version of the EU implementation guideline for product management services (PMS).

Homeopathic Pharmacopoeia Convention of the United States (HPCUS)

An scientific employee of Hevert-Arzneimittel is a member of the HPCUS. This non-governmental organization is responsible for publishing and regularly updating the Homeopathic Pharmacopoeia of the US (HPUS). The working groups "Council on Pharmacy" and "Standards & Controls", in which Hevert collaborates, intensively focus on issues of the analysis of homeopathic active ingredients, the review of pharmacopoeia monographs, and pharmaceutical and scientific questions about the manufacture and sales of homeopathic medicinal products in the US. The working groups are international. Their members include several scientists from Europe who contribute their years of experience with homeopathic medicinal products and work toward harmonization of the standards. Hevert's goal is the best possible compatibility of the HPUS and the European Pharmacopoeia. Work in 2020 focused on creating standard operating procedures (SOPs) that transparently describe how the bodies of the HPCUS work and make their decisions.

4. WE LOVE NATURE



A love of nature is one of four corporate values embedded in the Hevert mission statement. Hevert-Arzneimittel regards environmentally sustainable business practices as a key part of its corporate culture, not just a pithy phrase.

Hevert Environmental Policy

Hevert's environmental policy was published in November 2019. This framework document sets out the environmental criteria followed by the company. (103-1)

Hevert-Arzneimittel does not yet operate an environmental management system, but it is the company's aim to gradually build up an environmental management organization so that it can deal with environment-related tasks even more effectively. To this effect, a company project to devise and introduce an environmental management system was started in 2019. (103-2)

The project team focused on the subject of "hazardous materials" in 2020. With the support of Arqum GmbH, there was training and an internal audit with a focus on "hazardous materials management". In accordance with the auditor's recommendations, a register of hazardous materials was created for Facility Management. The storage of hazardous materials was set up in line with the law. (103-3)

Hevert attaches great importance to the internal and external communication of environmental issues. To raise awareness of environmentally friendly behavior, environmental tips are published on the company intranet every month. These announcements are also incorporated into the company's social media storytelling. The posts are aimed at raising awareness of responsible practices and environmental issues in general and encouraging dialog.

All employees can participate in environment-related decision-making processes via the CSR and Idea Management work groups. Inquiries, suggestions and criticisms from Hevert customers and employees concerning environmental matters are passed on to the responsible departments of the company. These departments work on a solution and communicate their results. (103-2)

Hevert employees have been surfing sustainably with the search engine Ecosia since 2019. Ecosia invests 80% of its profits in worldwide reforestation programs. On average, 45 searches fund one tree. The search engine is pre-installed as the standard search engine on all Hevert computers, making it another small part of the family-run company's sustainability concept. With around 41,500 search queries, 2,283 trees were planted in 2020. Every employee is able to see his individual contribution on the personal counter. (304-2)

As in previous years, there have been no environmental fines or criminal proceedings against the company in 2020. (307-1)

4.1 MATERIALS

Hevert-Arzneimittel uses a large number of raw materials, supplies and packaging materials for its preparations. Approximately 25 grams of raw materials are used in each piece of packaging produced. Hevert continuously optimizes its business processes in order to reduce its resource consumption. It is currently focusing on the use of organic raw materials. (301-1)



For example, Hevert strives to use bioethanol for manufacturing its preparations wherever manufacturing instructions permit. Ethanol is one of the most frequently used excipients (in terms of quantity) for the production of Hevert preparations. For more than three years, over 95% of the ethanol used at Hevert is bioethanol. Many products could be switched to 96% bioethanol since few products require 100% ethanol for batch preparation, which is not available in the form of bioethanol. Other raw materials of organic and pharmaceutical quality are not available on the market at the same time. (301-1)

In 2017, Hevert initiated an organic certification process for its own medicinal plant field and for vineyard cultivation at its headquarters in Nussbaum.

Hevert-Arzneimittel is looking for solutions to avoid palm oil in the manufacture of its preparations. Since the second quarter of 2020, Hevert-Arzneimittel has used only sunflower oil-based magnesium stearate in its own production at its Nußbaum site. Other Hevert preparations that are produced by contract manufacturers will also be gradually switched to palm oil-free magnesium stearate. (301-1)

Hevert takes responsibility for its retail and transport packaging, which typically ends up in private households with the products sold where it is thrown away. Hevert implements the regulations of packaging law and therefore helps to reduce the environmental impact of its packaging. The use of retail packaging per pack has been declining over the past three years. (301-1)

Hevert's primary goal is to reduce plastic packaging. To this end, it is looking for an innovative alternative solution. (301-3) From 2019 to 2020,

Hevert examined the possibility of switching its packaging to biodegradable plastics. Research shows that bioplastics are not currently considered more sustainable than conventional plastics. Firstly, bioplastics have a worse life cycle assessment than conventional plastics. Secondly, the modern waste disposal infrastructure is not suitable for the recycling and disposal of bioplastics as, under the same conditions, biologically based plastics take significantly longer to biodegrade than other biological waste. For this reason, it is not permitted to dispose of bioplastics with other biological waste. Bioplastics often disrupt the recycling process of packaging disposed of as recyclable and are subsequently removed for incineration. Moreover, the availability of bioplastics for the pharma industry is still too low and the production costs are significantly higher than for conventional plastics. Hevert has decided not to switch to bioplastics as they are not considered an environmentally friendly alternative at this time. The use of recycled plastic for some packaging is currently being looked into. (301-2)

Transport packaging for pharmacy deliveries

All of the paper used for the outer boxes and packaging inserts of medicinal products is FSC®-certified. FSC stands for "Forest Steward Council®" is an international certification system for sustainable forestry. (304-2)

Returned products are not recycled. (301-3)

4.2 ENERGY

Through specific energy efficiency measures and the use of renewable energies, Hevert wants to make a mark in environmental protection.

In addition to using 100% green power, Hevert has invested in solar energy. A photovoltaic plant on the roof of the Nussbaum company headquarters feeds some 100 GJ of green power into the public power grid. (302-1).

In 2019, a new photovoltaic system was installed on the roof of the Hevert Daycare Center. As a result, Hevert-Arzneimittel hopes to be able to produce an extra 55 GJ of electricity for its own consumption each year. (302-1)

In 2020, around 10,800 GJ of power and heat were consumed – 3.8% less than in the previous year. Power consumption in 2020 (6,006 GJ), relative to 2019 (6,247 GJ) was down by 3.9%. Both the number of produced packages and the number of employees were used as references to visualize the annual development of power use. Power consumption per packing unit produced increased as significantly fewer units were produced in 2020 than in 2019. The electricity consumption rate in relation to the number of employees was down by 12%. (302-1)

To heat the business premises and prepare warm water, Hevert uses gas, 30% of which is biogas.

To permit an annual data comparison, the rate of gas consumption is calculated with reference to the number of produced packages, the number of employees, and the total area in square meters. Gas consumption rose by 2% in 2020 relative to 2019. This increase contributed towards higher gas consumption rates in relation to packaging units produced and total area. Gas consumption per employee declined by 6.5%. (302-1)

To reduce energy consumption and save resources, Hevert has successively switched all lighting systems to LED since 2014. This switchover currently saves some 144 GJ of power per year. (302-4)



New photovoltaic installation at the Hevert Daycare Center

4.3 WATER

Alongside the special water treatment required for manufacturing medicinal products, a conscious approach to handling water resources and proper disposal of medicinal product remnants and chemicals plays an important role in Hevert. Drug substances and chemicals are separated into designated containers and properly destroyed by a special disposal service.

The water consumption at Hevert-Arzneimittel does not adversely affect water sources (running water, groundwater, lakes, or similar). In addition to saving water in the bathrooms (by using sinks with flow reducers, water-saving toilet handles, etc.), Hevert would like to increase employee awareness of this vital resource. For instance, the use of virtual water is taken into account as well. Virtual water is defined as water used in the production and manufacture of our everyday goods (the so-called water footprint of goods). Through the implementation of the following measures, Hevert is making a mark in terms of "reducing the consumption of virtual water":

- In 2016, new pants made of organic materials were introduced for the employees in addition to the white We Love Nature tops made of organic cotton. In 2017, this workwear concept was completed by shoes and blouses/dress shirts made of organic materials. Various types of shoes sustainably manufactured by Veja have also been available to all employees since 2019. Due to the reduced use of substances and chemicals that have to be washed out after each production stage, the production of organic cotton requires less water.
- Organic fruit provided to employees is purchased seasonally and regionally if possible.
- Homegrown organic vegetables have been regularly available to employees since summer 2019.
- Cell phone collection campaign: Hevert offers employees at all sites the option of properly disposing of defective cell phones, smartphones, and/or tablets. The old devices are recycled, which means that particularly rare earths from the devices are reused. The mining of rare earths requires enormous amounts of water and also minimizes the limited resources of these earths.

In 2020, the water withdrawn from the municipal power supply fell by 28.4% compared with 2019. (303-1) Production as well as the administration area of all three company locations in Rhineland-Palatinate were included in the data. The significant decline in water consumption is due to the cancellation of multiple events and to office workers working from home on account of the COVID-19 pandemic.



Small vegetable plants for organic cultivation are grown in the greenhouse alongside medicinal plants

4.4 BIODIVERSITY

Biodiversity is actively promoted. With its big park, vineyard, and blooming field of medicinal plants, the Hevert premises are perfect for accommodating all sorts of insects.

In 2016, insect hotels were set up at the three company locations in Rhineland-Palatinate as well as in the medicinal plant gardens of the Bad Sobernheim outdoor museum and museum of local history, which are also maintained by Hevert. The insect hotels offer native insects the protection that they have lost due to restrictions of their natural habitats through road construction, agriculture, etc.

In the immediate vicinity of the well-visited insect hotel, two beehives were placed on the extensive Hevert park premises in Nussbaum, and Hevert harvested its own honey for the first time in 2017.

Insect hotels and beehives are actively presented to visitors in order to raise their awareness of insects dying out. Information on the issue is also disseminated via brochures and online channels.

Beekeeping and insect hotels are great additions to the environmental plan to stabilize the small ecosystem surrounding company headquarters. Most importantly, the insect hotel and beehives are supposed to raise awareness among the many groups of visitors for the sensitivity of ecosystems. In addition, bees moved into their new home at our location in Berlin in summer 2018. The worker bees will cover a radius of two kilometers, gathering pollen and nectar in Kreuzberg, Neukölln, Tempelhof, and Schöneberg. As there is hardly any agriculture in cities, the honey of “urban bees” is not affected by pesticides.



The Nahe Valley is a habitat for a large number of plants and animals. The importance of regional conservation areas must be noted. All company locations based in the area are located within the Soonwald-Nahe Nature Park. Some Hevert plots are part of protected habitats. A fauna and flora habitat (FFH) area, “6212-303 Nahe Valley between Simmertal and Bad Kreuznach”, is situated near Hevert’s headquarters in Nussbaum. (304-1)

Beehive at the Nussbaum location



4.5 EMISSIONS

At Hevert, only indirect energy-related greenhouse gas emissions are produced. Other emission sources are currently irrelevant at Hevert. According to the electricity provider, no CO₂ is generated in the production of 100% green power (Germany-wide average: 435 g/kWh). (305-2)

Hevert uses a gas mixture containing 30% biogas for heating purposes. Biogas also releases CO₂ during combustion, but only exactly the same quantity that its starting materials extracted from the atmosphere beforehand. Consequently, the CO₂ cycle is closed and the climate footprint remains neutral. Only 70% of the consumed resource (3,342 GJ or 929,215 kWh) is included in the emissions calculation. According to the online portal "Klimaneutral handeln", 0.22 kg CO₂ per consumed kilowatt hour is emitted. Therefore, CO₂ emissions totaled approx. 204.4 t in 2020. (305-2)



In addition to reducing the greenhouse gas CO₂ by using a high percentage of renewable energies, Hevert can reduce its emissions by switching lighting to LEDs and by offering two electric cars and e-bikes to be used by employees for traveling between the company sites in the Nahe valley. Hevert relies on electric mobility for its outdoor work in its large park, too. An E-Gator has been in use here since December 2019. Also, four vehicles in the existing Hevert fleet were replaced with electric vehicles. The plan is to gradually bring all company vehicles of the Hevert Executive Committee into line with this new standard. This will enable longer journeys for business and personal purposes. (305-5)

As a rule, Hevert employees try to travel to business meetings by train or other public transport or to avoid unnecessary travel and conduct video or telephone conferences with partners. With the train trips alone, Hevert saves about 20 tons of CO₂. If it is not possible to use trains or similar means of transport, employees rely on the Hevert company car fleet, which consists of very fuel-efficient car models as well as electric cars. In order to minimize emissions while driving, the company organizes and finances eco-driving courses for its field service team and for other

employees as required. The driving technique of the eco-driving method has many benefits. It can reduce long-term fuel consumption by 15–20% and cut accidents in half through anticipatory driving. If flights must be booked, an emission calculator is used to determine how many climate gasses the trip causes and a corresponding financial contribution for a recognized climate protection project is made. (305-5)

Hevert-Arzneimittel has been using a heavy goods vehicle powered by natural gas for transportation between the sites in Bad Sobernheim and Nussbaum since winter 2018. Natural gas is clearly superior to conventional fuels in terms of environmental performance, and is used as an environmentally friendly alternative to petrol and diesel. (305-5)



The new natural gas-powered truck is a big hit with logistics employees Klaus Philippi (left) and Managing Director Marcus Hevert (right) from Hevert-Arzneimittel.

4.6 WASTE WATER AND WASTE

Wastewater is fed into the communal sewerage system. The reduced water consumption led to a lower wastewater volume and lower rates in relation to packaging units produced and the number of employees. (306-1)

Waste is disposed of by a regional disposal service provider. Since 2020, Hevert's waste quantity accounting has become much more precise as the waste components are now weighed on site before every collection. Previously, some waste was calculated in cubic meters and converted into kilograms for reporting purposes, which caused inaccuracies in data. For this reason, the total waste volume was down significantly in 2020 compared to previous years. Accordingly, the waste rates were down per packaging unit produced and per employee. The company waste can largely be sent for reuse or recycling. Biodegradable wastes are generally used for biogas generation. Only medicinal product and solvent waste as well as waste with hazardous components are destroyed. (306-2)



4.7 SUSTAINABLE BUSINESS PRACTICES

The targeted purchasing of sustainably produced goods protects nature and the environment – everyone will share in this through an improved quality of life in the long term. However, the purchase costs of these sustainably manufactured products are higher than those of conventional goods and therefore increase the manufacturing costs of the Hevert products. The family business consciously accepts this competitive disadvantage. (102-15)

Since the beginning, Hevert has worked with a broad network of selected partners with whom we have, for the most part, maintained long-term relationships. Whenever possible, Hevert relies on regional partners. Hevert seeks out partners based not only on their professional expertise, but also on their environmental and social standards and for existing partners encourages their orientation towards sustainability. Examples include promoting certification such as that of the Forest Stewardship Council® (FSC®) and supporting the “Wind Energy Maharashtra India” climate protection project. Another aspect is the requirement to supply controlled, organically farmed products (see also 4.1 Replacing palm oil). The partner's ethical standards, such as avoidance of biopiracy or child labor, even in precursor products, are monitored by Hevert Purchasing by means of audits and questionnaires sent beforehand. This way the company positively influences the purchasing behavior of its partners, supports them in their efforts to practice sustainability and paves the way for other environmentally conscious companies.

Effects of a pandemic on procurement

The COVID-19 pandemic caused procurement channels and situations to change completely. Before the pandemic, for example, face masks were a readily available C article, but it became clear very quickly that there was not an unlimited supply, which caused prices to multiply. The dependence on cheap manufacturing countries became mercilessly apparent. Hevert has systematically ensured that the procurement of masks also satisfies standards where possible. The FFP2 masks that it uses, for example, are exclusively manufactured in Europe (France). (102-43)

5. WE LIVE PARTNERSHIP

Our dealings with our customers and partners are characterized by honesty, loyalty, friendliness and responsible behavior. Together with its partners, Hevert aims to live up to its promise of sustainability.



5.1 COMPLIANCE & INTEGRITY

Actions speak louder than words. The impression made by a company is more intensive and sustainable than the effect communicative measures.

At Hevert, the term corporate compliance refers to the entirety of all measures that are the basis for the rule-compliant behavior of a company, its organizational members, and its employees regarding all legal requirements and prohibitions. Furthermore, entrepreneurial behavior should meet all social guidelines and values, morals, and ethics.

Hevert-Arzneimittel strives to successfully compete on the basis of expertise, quality, and reliability. In this process, company-specific and legal regulations must be met. However, where other companies have to explicitly set down new rules, Hevert has been practicing them already:

- Awareness of and compliance with applicable laws and regulations
- Respectful and inclusive dealings with colleagues and customers
- Practiced commitment to environmental preservation and the sustainable use of resources

Hevert-Arzneimittel invites all employees to use the necessary sources of information and offers consultation to prevent violations of laws and regulations. There were no cases of non-compliance with laws and/or regulations in the social and commercial area in the reporting period. (419-1)

5.1.1 Transparency is the top priority in the pharmaceutical industry

Hevert stands for transparency, trustworthiness, and reliability in the collaboration with health care practitioners, pharmacists, patients, and other partners in health care. The pharmaceutical industry is often publicly criticized of unduly influencing physicians and others in the health care industry. Such practices do not stand a chance at Hevert because integrity and the focus on purely professional exchange with various cooperating partners have always defined the collaboration with external stakeholders and are a decisive factor for company success. (102-40, 102-42)

In this context, Hevert initiates and supports numerous events to promote the continuing education of physicians and other cooperating partners and to facilitate the exchange of scientific information. The company focuses on professional discussion; leisure activities are never the focus of events, but at most appropriately complement them.

The principles of collaboration with our business partners have been set down in the Mission Statement and can be viewed on the Hevert website by anyone.

"Small presents keep a friendship alive" – everyone likes to get presents, and individuals are often deserving of presents as well because they completed a task by going above and beyond the call of duty. Such presents will remain possible at Hevert – provided they are reasonable. If employees want to give a present, for example to a supplier's employee whose personal effort made it possible to receive an important delivery earlier, the present must be agreed with the appropriate division director. This procedure is set down by an internal policy. When receiving a present, employees are also asked to inform their supervisor and division director about it and to decline it if the situation requires.

Central stakeholder groups of Hevert-Arzneimittel

"Celebrate the parties as they come" – in terms of events, similar guidelines apply. An invitation to lunch or dinner is generally no problem. However, invitations to luxury restaurants and hotels should always be considered as to whether they are appropriate. If in return, the employee feels obliged to provide the inviting party with services or information that they would not have otherwise received, the invitation should be declined. Again, in case of doubt, the supervisor should be consulted. Hevert hosts its guests in an appropriate setting. Luxury is avoided entirely. (102-17)



5.2 PROVIDERS/SUPPLIERS

5.2.1 Supply Chain

The availability of raw materials and goods in line with specifications and the performance of defined services are significant to the quality of Hevert's own performance, and therefore centrally important to customer safety. For this reason, Hevert places great emphasis on a comprehensive supplier management system that focuses on quality aspects. In so doing, Hevert must comply with the legal framework under Section 11 AMWHV (Ordinance on / Decree for the Manufacture of Medicinal Products and Active Pharmaceutical Ingredients).

5.2.2 Our vendor management system

Hevert aims to purchase products or services for the manufacture, inspection or storage/distribution of its preparations only from qualified vendors, and therefore has a holistic, company-wide system for vendor qualification. As a basis for decisions on future cooperation with a potential GxP vendor, we evaluate regulatory (GxP) compliance, as well as criteria related to environmental management and corporate responsibility.

In the case of established GxP vendors, the quality of goods supplied, products manufactured or services provided must also be taken into account in the evaluation .

The GxP vendor assessment is intended to serve as a basis for talks with the vendor with the aim of achieving improvements in performance and ensuring a long-term working relationship with the best vendors.

5.2.3 Number of rated vendors

	2020	2019	2018
Number of GxP vendors	223	211	200
Number of rated vendors	100%	100%	100%

Vendors are approved for a set period. They undergo requalification with the Quality Management department before this period ends. The above-mentioned criteria are again requested here, and the new assessment takes account of the changes vs. the prior qualification period and the fulfillment of the requirements per se.

In the 2021 financial year, the activities for re-qualification of vendors will also be continued with the assistance of external providers. (102-9, 308-1, 414-1)

5.3 CUSTOMER SATISFACTION AND REPUTATION

In customer communications, Hevert roughly differentiates three different target audiences. The largest group are end users, followed by pharmacies (pharmacists and pharmaceutical-technical assistants) and health care practitioners (physicians and natural practitioners).



Part of the Hevert consulting team

Within the company, the support of these target groups is provided by different departments, which plan and conduct measures tailored individually to each target group. In this way Hevert hopes to achieve a long-term increase in customer satisfaction. As part of customer care, services, regional and supraregional events, and financial commitment at various levels, the company creates regular touch points for exchange, communication, and relationship management. (102-42, 102-43)

The reporting of customer satisfaction and creation of tools to determine customer satisfaction is part of the CSR process as well.

Instead of issuing Christmas greetings, Hevert decided in 2008 to use Thanksgiving as an opportunity to thank customers and business partners for being such a pleasure to work with over the years. This is done in the form of an autumn greeting. As well as greetings cards, small tokens of appreciation are also sent. Naturally, the current situation is also taken into account when selecting and shaping the theme for the fall greeting. 2020 was dominated by the coronavirus pandemic, and so Hevert incorporated this situation that has been so challenging for everyone, especially hospital and healthcare personnel, into its message. No giveaways were sent out, and instead a number of non-cash donations were made, e.g. sanitizer for food banks and public institutions such as elderly care homes, welfare centers and health authorities.(102-42, 102-43)

5.3.1 Exchange with professionals

The dialog with physicians, natural practitioners, pharmacists, and pharmaceutical-technical assistants is particularly important to Hevert. Among other things, the Hevert field service team with 30 staff members maintains this dialog and is, in turn, in close contact with office sales staff and can rapidly query additional information or clarify questions. All contacts and topics of conversation, whether personal or on the phone, are recorded in a so-called customer relationship management (CRM) system. CRM systems are software specially tailored to customer relations management. Through continuous entries, topics that were of interest to the specific customer, that could be expanded upon, or mentioned unfulfilled wishes can be traced back. All regulations relevant to data protection take top priority. There were no substantiated complaints regarding breaches of data privacy or losses of customer data in the reporting period. (418-1)

In addition, a free hotline provides a competent consulting team of physicians, pharmacists and natural practitioners to answer questions about Hevert medicinal products, therapeutic areas, and the use of medicinal products every day and to provide support through the collective expertise gained from years of experience. (102-43)

With comprehensive service, information and continued education offers, Hevert supports physicians, natural practitioners, and pharmacies in meeting the growing demand of patients for natural medicinal products with few side effects. To strengthen expertise in therapy and consultation, the Hevert website offers a central point of contact. (102-43)

Hevert Academy for Naturopathy

In cooperation with the Hevert Foundation, Hevert-Arzneimittel has been offering scientific continued education courses under the “Hevert Academy for Naturopathy” name since 2016.

Hevert makes every effort to offer its customers continued education that is up-to-date and tailored to their needs. The software designed specifically for the Hevert Academy, the Academy learning portal, offers many advantages: It provides a structured overview of the topics of interest to customers, external speakers and relevant continued education courses. Online seminars and classroom-based events can be booked and accompanying documents such as lecture notes can be retrieved with just a few clicks. Downloadable handouts, and tests in some cases, provide opportunities for further study and success monitoring. High-quality, constantly available online self-learning units are also being constantly added to the portal. These enable interested parties to keep constantly up to speed with naturopathy issues and gain continuing education points. Another key instrument for Hevert to uphold and improve the standing of naturopathy in practice.

The range of scientific training on offer will mainly be extended online in 2021, as in-person events are hard to plan on account of the coronavirus.

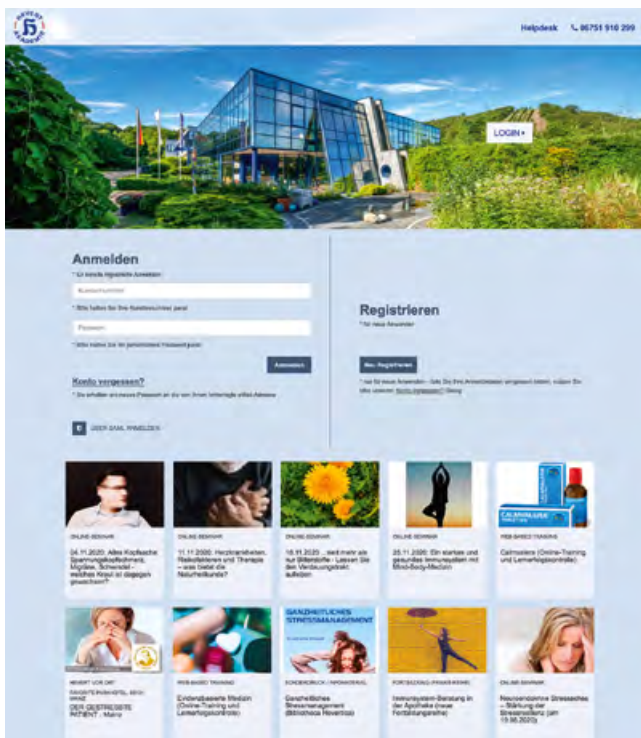
Course offering and use by professional customers

Through the central learning portal referred to above, the Hevert Academy (www.hevert-akademie.de) offers a central starting point for using and managing high-quality learning options.

In 2020, the user base was increased again by 35% to currently 2,350 users. As a result of the significant growth in the range of online classes available to 44 specialist presentations, the number of courses completed rose by more than 200% to 3,788.

It is worth noting that the completion rate rose faster than the growth in registrations, which is due to a high level of satisfaction (low churn rate).

The strong growth, both in registrations and courses completed by pharmacy employee and doctor customer groups, is highly gratifying.



In-person events

When the coronavirus pandemic began and long before contact restrictions came into effect, the Hevert Academy had decided to limit or cancel its in-person events. Rather than the 16 planned events, only four were held. These all received a very good participant rating and a recommendation rate for all events of 100%.

Events were adjusted for 2021 and will be going ahead from the end of the second quarter of 2021 – here are the details:

- **Naturopathy Conferences**

The Hevert Naturopathy Conferences have been established for many years and are tailored to an audience of health care providers. The fact that participants again include pharmacy personnel is good news and confirms an interesting range of topics.

The amendment of the basic regulation from 01/2020 – since then, pharmaceutical manufacturers are not allowed to be event organizers – prompted a revamping of the conference format at the end of 2019. A new format with a high level of audience interaction (opportunity for testing preparations as well as specialist information and application) was introduced in October 2019 and was very well received by the attending professionals.

The new format is to be rolled out across Germany at two planned conferences in 2021 based on a current topic (stress as a global challenge). (102-43)

- **Symposia for pharmacists and pharmaceutical-technical assistants**

Only one pharmacy symposium was held in 2020 on account of the coronavirus pandemic. In all, Hevert-Arzneimittel welcomed 31 participants to the two-day event. The goal is to not only provide customers with further knowledge about naturopathy but to also strengthen the company's reputation, increase customer loyalty to Hevert, and ultimately increase sales. Invitations to the event were passed out by the field service staff to provide opportunities for contact and topics for discussion during subsequent visits following the event as well. The symposium was again certified by the Rhineland-Palatinate Regional Chamber of Pharmacists this year.

Also, there were six regional PTA training courses this year – two held in-person as evening events and four events that were held online at short notice due to coronavirus.

One pharmacy symposium and one PTA symposium are planned for 2021. (102-43) In addition, four regional pharmaceutical technical assistant continued education courses will be held throughout Germany in 2021.





- **Online seminars**

Alongside on-site conferences, Hevert-Arzneimittel offers live online seminars and recorded online seminars on various naturopathy topics.

For the first time, the Hevert Academy implemented a curriculum-based training format with its practical series in 2020. July saw the launch of the practical series for practitioners developed in cooperation with the Association for Complex Homeopathy (fakom), which ended with “FA-KOM immune system specialist” certification. In an interactive format, experienced practitioners taught participants with a focus on application and practice. They gave participants an introduction to the subject matter, discussed a number of cases in more detail and encouraged professional discussion. The format included several units and different interrelated elements.

After the series for practitioners was brought to a highly successful conclusion, it was followed in October 2020 by a second series on “immune system consulting at the pharmacy” for pharmacy employees.

- **High-quality self-study content available for first time**

Prompted by the rising acceptance of and demand for digital self-study content, the Hevert Academy prepared such classes early on and has been actively promoting them since the first quarter of 2020. Students can work on the learning units on various subjects anywhere and at any time on any Internet-enabled device (PC, laptop, tablet, smartphone) – and they can do it at their own learning pace. Afterwards, learning performance monitoring gives them the chance to test what they have learned. These courses are being expanded on an ongoing basis.

In addition, its own learning app currently in development, with which participants can access learning content on their phones in a fun way and as needed anywhere and at any time – the Hevert Academy app will be available to interested professionals from the end of the first quarter of 2021.

5.3.2 Exchange with end users

Digital Media

The online Hevert “We Love Nature Magazine” about health, and naturopathy as well as various product guide pages for end users combines information from a wide range of areas, such as holistic well-being, natural healing methods, news from research, herbal pharmacy, living environments, and natural indulgences. Through these channels as well as social media, particularly Facebook, Hevert strives to inform about natural health, enable diversity of opinion, and to invite a dialog. All visitors are invited to enrich the conversation with their ideas, suggestions, and criticisms. In addition, in 2019, Hevert devised concepts for editorial content for its specific employer branding presences on the portals LinkedIn, XING, and StepStone, and carried out several revamps. The drug manufacturer hopes that this will attract potential applicants to job adverts and also shed light on the corporate culture. (102-43)

All regulations concerning data protection also enjoy top priority in digital exchanges with end consumers. There were no substantiated complaints regarding breaches of data privacy or losses of customer data in the reporting period (418-1).

Regional events for end users

- **Hevert Organic & Regional Christmas Market**

Over the year, the annual Christmas Market that was first held in 2015 has become a successful event and a fixture of the Nahe Valley calendar. An important goal of the event is to contribute to the attractiveness of the Nahe region as a place to live and do business. By billing the event as the Organic & Regional Christmas Market for the first time in 2019, the company emphasized greater sustainability and organic products as well as its connection with the region.

Owing to the coronavirus pandemic, it was sadly not possible to hold the Hevert Organic & Regional Christmas Market in 2020.

(see also 5.4) (102-43)

5.3.3 Company tours for all interested parties

Hevert company tours

There were no company tours in 2020 because of the coronavirus pandemic.

The aim of the company tours is to allow participants to get to know Hevert-Arzneimittel as a company and its Nussbaum production site a little better. Depending on the visitor group, specialist presentations on healthcare and naturopathy are also incorporated into the events. The company tours are open to professionals (pharmacists, pharmaceutical technical assistants, natural practitioners, doctors and associations) and consumers alike. Hevert hopes that it will be able to start the tours again soon. (102-43)



5.4 LOCAL COMMUNITIES AND SOCIAL COMMITMENT

Hevert would like to help those who are less fortunate to share in the success of the company, so it takes responsibility by supporting charitable causes.

Since the family-run company has always considered itself a strong partner in the Nahe region, Hevert has decided to distinguish between requests for donations and sponsoring from the immediate vicinity of Hevert headquarters in Nussbaum (radius of less than 50 km) and those from elsewhere. The decision to support a request is not arbitrary, but is based on established criteria, both for regional requests and those from beyond.

Owing to the coronavirus pandemic, the family business received significantly fewer requests for donations or sponsorship in 2020 compared to previous years in general. Benefit events had to be canceled or postponed indefinitely, and it was not possible to hold daycare, school or club parties.

5.4.1 Supraregional involvement

In 2020, the family-run company received 29 requests for donations or sponsoring from associations and organizations from all over Germany and abroad. The support of such supraregional requests was considered on the basis of the following criteria: support of the socially disadvantaged, increase in national recognition, reference to the sector and conformity with the Hevert mission statement.

In pledging to provide financial support for a measure or to make donations in kind for an event, any resulting promotional benefit plays no role. The amount of requests that have to do with the assessment criterion "support of the socially disadvantaged" is rather low. Only about half of all requests deal with the support of socially disadvantaged groups of people in a wider sense. The figures are even lower for requests "relating to the pharmaceutical sector." Less than one third of requests related to health.

To complement donation requests addressed to Hevert, the family-run company actively approaches social institutions and associations, particularly through the Hevert-Foundation, which was established for this purpose. In the relatively short time since its establishment, the Foundation has been able to select steady partners who will receive long-term support. In the selection of partners, the established assessment criteria are also taken into account, and they are regularly fully met.

In addition to the more general requests, the family-run company intensively supported the following project in 2020:

- **Naturheilpraxis ohne Grenzen**

"Naturheilpraxis ohne Grenzen" enables holistic and naturopathy-based medical aid and psychological consulting for people affected by poverty and social marginalization. Hevert made a donation of preparations to Frankfurt's new practice, "Naturheilpraxis ohne Grenzen".

- **Commitment to children with cancer**

For three years now, Hevert-Arzneimittel has been supporting the Sophia Kallinowsky Foundation with the annual Hevert Christmas market, thus linking its regional and national commitments. Little Sophia, nicknamed "Mulle", died of a brain tumor at just three years old in May of 2016. The following year, on her birthday, her father Karsten Kallinowsky established the Sophia Kallinowsky Foundation. Today, the foundation aims to help achieve better support for children diagnosed with cancer in the future, and to provide moments of happiness for children with the disease. Research projects of the children's cancer ward at the university hospital of Johannes Gutenberg University in Mainz are also supported by the foundation.



Sophia Kallinowsky

Sadly it was not possible to hold the Hevert Christmas market in 2020 on account of the coronavirus pandemic, but Hevert still wanted to make a donation to the Sophia Kallinowsky Foundation. Hevert also wanted to raise general public awareness of the Foundation by appealing for donations through the Hevert-Foundation and on social media. Hevert made the Sophia Kallinowsky Foundation a donation of €1,800. There were also smaller donations from people inspired by Hevert's appeal.

5.4.2 Regional involvement

Regionally, Hevert aims to increase the attractiveness of the Nahe region as a place to live and work as well as enhance the regional recognition of Hevert-Arzneimittel and preserve the heritage of Emanuel Felke.

In 2020, the company received 17 donation or sponsoring requests from the region. As described, the decision to support a request is not arbitrary, but is based on established criteria: Close proximity to the company headquarters (less than 50 km distance to the Nussbaum headquarters), increase of regional recognition, preservation of the Felke heritage, cost assessment (amount of internal staff and financial resources required to implement), and conformity with the mission statement.

The majority of all inquiries (eight) come from the immediate vicinity of the company headquarters. The headquarters or location of respective institutions, associations and clubs or other applicants are no further than ten kilometers away from Hevert. In pledging to provide financial support for a measure or to make donations in kind for an event, any resulting promotional benefit plays a subordinate role. Unfortunately, the percentage of inquiries that refer to the evaluation criterion "Preservation of the Felke heritage" is extremely low. Still today, a large number of the formulas upon which Hevert medicines are based were created in collaboration with students of the famous Pastor Emanuel Felke, one of the pioneers of naturopathy and the co-founder of complex homeopathy. Felke practiced for many years in Bad Sobernheim, not far from Hevert's current headquarters. Thus caring for this personal heritage is important to Hevert and plays a role in the assessment of requests.

In addition to the more general requests, the family-run company intensively supported the following projects and organizations in 2020:

- **Contribution in the coronavirus crisis – Manufacturing sanitizer according to WHO formula**

At the end of March 2020, Hevert switched some of its production to medical hand sanitizer based on the WHO formula. The high demand for hand sanitizer, especially in the first half of 2020, meant that many people were unable to access any. The coronavirus crisis led to shortages in the supply of urgently needed materials everywhere – and this is precisely where the family business wanted to help as much as possible.

Sanitizer is not part of Hevert's product portfolio. A task force of employees from a wide range of areas assembled at short notice created the necessary organizational and production requirements in record time. Hevert was proud of and grateful for the dedication of its employees, which made this special achievement possible.

Hevert's hand sanitizer was initially produced to supply regional institutions only. Hevert maintained close contact with the authorities in charge in Rhineland-Palatinate (the Regional Authority for Social Affairs, Youth and Care in Rhineland-Palatinate and the Bad Kreuznach health authority), to ensure that real help was given where it was most needed.

The family business donated approximately 1,900 liters over the course of the year. Recipients of the donations were mainly nursing homes, welfare centers, care services, and further public institutions such as health authorities, district administrations, and fire departments in the region. In addition, to minimize transport risks, Hevert decided to deliver larger order volumes itself wherever possible in the Nahe region.



In addition to State Commissioner Bettina Dickes, (left to right) Dr. Ernst-Dieter Lichtenberg, Head of the Health Authority, and Werner Hofmann, District Fire Marshall, gratefully received the first delivery of 500 liters of hand sanitizer from Hevert employee Andreas Nees.

- **Laptops donated to school**

Following the first school closures due to coronavirus at the end of March, students suddenly had to have all their lessons digitally. But how, if the technical resources in their parents' homes are insufficient?

Home schooling is an enormous challenge for the entire family, which Managing Directors Marcus and Mathias Hevert both learned with two children of their own each at home during lockdown. Classes were held in the children's room, the study or on the kitchen table, usually with mom or dad as a motivator, coach and mentor close by.

Access to the digital world is essential for children's learning success, especially with things as they are now. However, one cannot simply assume that every parent's home is technologically well equipped, or can afford to simply buy more laptops or tablets.

As Hevert itself had just updated the company's tech at its head office in Nussbaum in the spring of 2020, it had various fully functional laptops that were no longer being used. Managing Director Marcus Hevert spontaneously contacted the Bad Kreuznach district administration and offered a donation of 18 laptops. Gökhan Demirdag's team Department 61 Building Management and Schools – Schul-IT gratefully received the donation. The laptops were distributed among needy families and children in consultation with schools and administrations in the region.

- **Hevert Cup video challenge**

Hevert's biennial soccer tournament, the Hevert Cup, was due to celebrate its 10th anniversary in June 2020 and to raise money, for the sixth time, for a good cause. However, owing to the coronavirus crisis and the ban on events, the sports field in Nußbaum sadly remained empty on Corpus Christi. Instead of soccer for a good cause, the plan in 2020 was to "donate money for sausage". A large number of people responded to the appeal for donations, including several companies from around the region. Patron and local politician Ron Budschat and the Soonwaldkicker team also did not pass up the opportunity to make videos advertising the challenge on Facebook. Sarah Hevert and Marcus Hevert handed over the total donation of €10,000 to the Lützelsohn booster club and the Germann family in person.

Cooperation with Monzingen elementary school – adventure day for fourth graders

For the eighth consecutive year, the fourth graders of the elementary school took a break from their classrooms on two June days in 2019 to attend a workshop with the cooperating partner Hevert-Arzneimittel. The pupils visited the Hevert company headquarters in Nussbaum in order to experience the family business and homeopathy up close. Owing to the coronavirus pandemic, it was sadly not possible to have this day of fun in 2020. There are plans to continue the cooperation with Monzingen elementary school in 2021.



Budding young lab assistants

6. GENERAL INFORMATION ON THE REPORT AND OUTLOOK FOR 2021



The sustainability report is generated annually and reviews the 2020 business year (1 January – 31 December 2020). When generating the report, Hevert applied the revised GRI guidelines of the Global Reporting Initiative, particularly for the selection and definition of performance indicators. In addition, Hevert already attempted to optimally implement the GRI reporting principles. In the process, weaknesses were identified that are to be eliminated in the 2021 and subsequent reports. (102-50, 102-52, 102-54)

In addition, the following measures are planned for 2021:

Donation project

- **Support for the Gando school project in Burkina Faso through the Hevert-Foundation**

The Hevert-Foundation will make a major donation to the Kéré Foundation to help complete a high school in Gando. This is the next key project following the Hevert-Foundation's financial support in building an elementary school and a library. The architect Diébédo Francis Kéré, himself from Gando, founded the Kéré Foundation in support of his home village in 1998.

Environmental management

- **Preparations for switch to climate neutrality from early 2022**

Hevert is endeavoring to become a climate-neutral company and its preparations are underway in 2021. The path to climate neutrality consists of various phases, such as preparing a carbon footprint report for the company, reducing greenhouse gas emissions by implementing energy efficiency measures and offsetting the remaining emissions by buying climate certificates. In 2021, Hevert will prepare a carbon footprint report together with the climate protection agency natureOffice. Based on this carbon footprint report, an operational climate protection plan will be devised for implementation in 2022.

Naturopathy and Social Commitment

- **Medicinal Plant Day 2021**

In the summer of 2020, Hevert had been planning to take part in an initiative by the Society for Phytotherapy (GPT) – Medicinal Plant Day. Specifically, for June 2020, the CSR team had been planning fun and informative activities about growing medicinal plants for children in the 4th grade at Monzingen elementary school, Hevert-Arzneimittel's long-term partner. This was not possible because of the coronavirus pandemic and has been postponed until 2021.

- **CSR campaigns by Hevert employees**

Hevert employees have been demonstrating personal social commitment for many years, and not only at charitable events. Often, ideas also come directly to the CSR team from the workforce. For instance, for 2021, the CSR Employees work group is looking at various suggestions for how employees can get actively involved in the Nahe region. In a first step at the end of 2019, contact was initiated with the municipality of Kirn-Land, which organizes an annual "Christmas presents campaign" for a partner community in Romania, in particular for a children's home based there. The presents are handed over by volunteers in person, and assistance is provided. Discussions regarding how much support it is logistically feasible for Hevert employees to provide are in progress with the municipality.

No external audit of the sustainability report has been conducted. (102-56)

6.1 CONTACTS



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7. ATTACHMENT



7.1 GLOSSARY (alphabetical)

GxP: GxP denotes, in summary form, all “good practice” guidelines which have special significance in medicine, pharmacy and pharmaceutical chemistry. The “G” stands for “Good” and the “P” for “Practice.” The “x” in the middle is replaced by the respective abbreviation for the specific application area—for example, Good Manufacturing Practice (GMP).

Complementary medicine: Complementary medicine involves diagnostic or treatment procedures that are outside the mainstream of conventional medicine but, as the name suggests, aim to complement conventional medicine. Complementary medicine differs from alternative medicine in that it does not aim to replace conventional medical procedures. Unlike alternative medicine, complementary medicine strives to achieve synergistic effects through the combination with conventional medicine.

Micronutrients: Micronutrients include some 45 vitamins, minerals, and trace elements as well as several thousand substances of plant origin (secondary phytochemicals).

Neural therapeutics: Neural therapeutics (“nerve block agents”) are substances used for local anesthesia such as procaine. They are injected into or close to nerves to block the transmission of pain signals. Sometimes this can achieve long-term pain relief.

Peer review: A peer review is a method used in science to assess scientific works, and scientific publications in particular. Independent experts (peers, i.e. people of equal standing, or referees) from the same specialist field as the authors are used to assess the quality.

Pharmacovigilance: An umbrella term for all activities associated with monitoring the safety of medicinal products or detecting and reducing drug risks in the clinical trials phase and after the marketing authorization is granted.

Power from renewable energies: Unlike fossil fuels such as oil, coal, and gas, renewable energies are forms of energy that do not use exhaustible resources. The increased use of renewable energies is an essential part of enhancing sustainability. Using solar, wind energy, water energy, bioenergy, or geothermal energy can reduce CO₂ emissions and simultaneously the dependence on fossil fuels. In Germany, laws are regularly adopted to promote the use of renewable energies and increase energy efficiency (e.g., Renewable Energies Act (EEG, Erneuerbare-Energien-Gesetz), Renewable Energy Heating Act (EEWäremeG), Energy Saving Act (EnEV)).

Sustainable Development Goals: The Sustainable Development Goals (SDGs), or Objectifs de développement durable in French, are political objectives by the United Nations meant to ensure sustainable development on an economic, social and environmental level. The goals were defined on the basis of the development process for the millennium development goals (MDGs) and took effect on January 1, 2016, for a term of 15 years (until 2030).

7.2 REQUIRED INFORMATION

Hewedor Procain 2% Indications: To be used in the context of neural therapeutic application principles.

Ginkgo biloba Hevert Tabletten Registered homeopathic medicine, therefore no therapeutic indication is stated. Please talk to your health-care provider in case of persistent complaints during the treatment with the medicinal product.

Vitamin D3 K2 Hevert plus Calcium and Magnesium – dietary supplement. Do not exceed the recommended daily intake. Dietary supplements are not a substitute for a balanced, varied diet and a healthy lifestyle. If taking anti-coagulants, you should first consult a doctor before using this product. Ingredients: Calcium carbonate, hydroxypropyl methylcellulose, bulking agent: microcrystalline cellulose, magnesium oxide, anti-caking agent: magnesium salts from fatty acids, cholecalciferol (vitamin D), menaquinone (vitamin K2).

Curcumin Hevert Protect – dietary supplement. Not recommended for children and adolescents under 18 years of age. Do not take during pregnancy and breast-feeding and in the case of function disorders in the liver and gallbladder or gallstones. Ask your doctor whether you can take this supplement while taking anti-coagulants and in the case of thyroid dysfunction. Ingredients: Broccoli sprout extract, hydroxypropyl methylcellulose, turmeric extract, L-ascorbic acid, ginger extract, coenzyme Q10, anti-caking agents silicon dioxide and magnesium salts from fatty acids.

Sinusitis Hevert SL The indications are derived from the homeopathic remedy profiles. These include: Inflammation of the nasopharynx (nose and throat) and the sinuses (sinusitis).

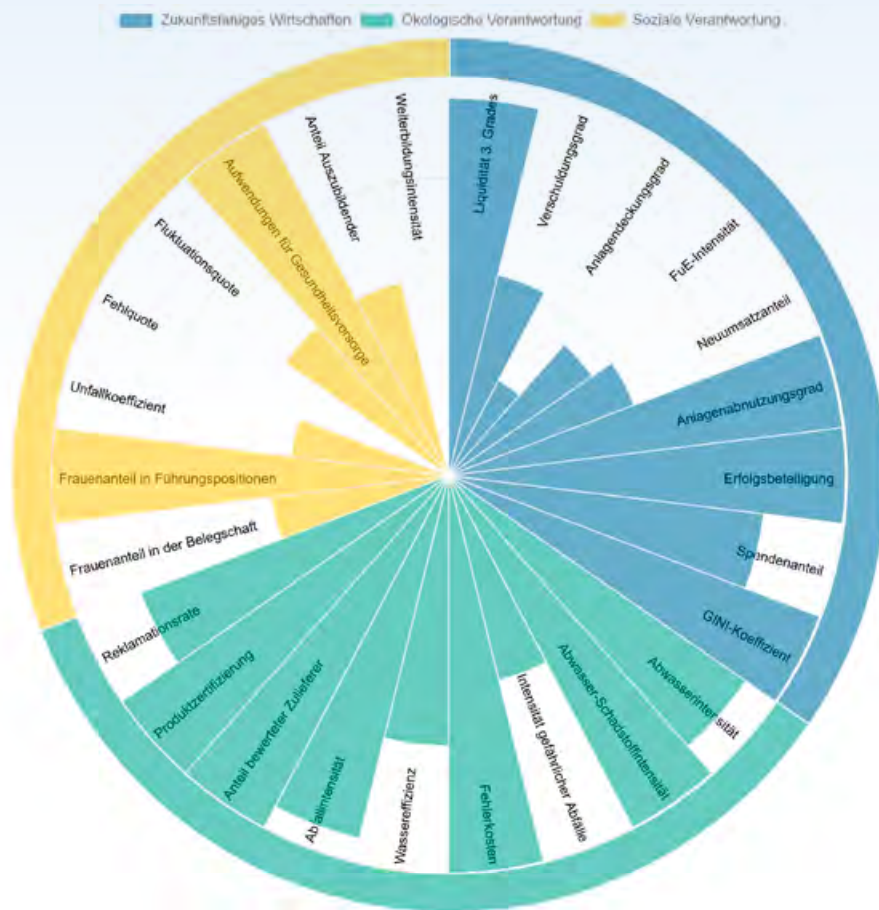
Calmvalera Tabletten The indications are derived from the homeopathic remedy profiles. These include: restlessness and sleep disorders due to nerves.

For risks and side effects read the package leaflet and ask your doctor or pharmacist. Important note: All information is based on the marketing authorization of the medicinal product in Germany.

7.3 TABLES AND GRAPHICS

Fig. 1 (preface): Sustainability benchmarking diagram

The polar area diagram provides an overview of Hevert's results. Its performance is shown by sectors extending a certain distance from the center. A smaller area indicates a poor relative performance and a larger area a good relative performance.



Source: Project "Sustainability benchmarking for SMEs by the Fraunhofer IPK and BVMW".

Hevert-Arzneimittel analysis report for 2019. Peer group composition: We were placed in a peer group with 17 companies of category C 21.20 – Manufacture of pharmaceutical preparations. More than 60 companies throughout Germany have already taken part in total.

Fig.2 (chapter 2): Headcount development

	2018	2019	2020
Employees	207	207	226
Of which apprentices	6	5	6
Of which interns/ student trainees	5	4	4

Fig.3 (chapter 2.): New hires in 2020 by age

	Male	Female
Under 20 years of age	1	3
20–29 years of age	1	8
30–39 years of age	2	8
40–49 years of age	2	3
50–64 years of age	4	4
Total	10	26

Fig. 4 (chapter 2): The following employees left Hevert, categorized by age groups:

	Male ♂	Female ♀
Under 20 years of age	1	1
20–29 years of age	1	7
30–39 years of age	1	1
40–49 years of age	0	1
50–64 years of age	1	1
Over 65 years of age	0	0
Total	4	11

Fig.5 (chapter 2): The following work accidents occurred in 2020:

	Type of injury	Absence
♀	Cut on right thumb caused by broken cup	0 days
♂	Open wound on right thumb incurred when closing a clamping ring	0 days
♂	Bruise on palm incurred when closing a clamping ring	0 days
♀	Cut on glass moving a box . Cut on right index finger	0 days
♂	Thumb bent backwards and sprained while securing a fastening arm on a piece of equipment	29 days
♂	Cut on head caused by banging head on a piece of machinery	0 days
♂	Little toe got stuck on a changing room bench; toenail torn off	0 days
♂	Metal splinters in hand from breaking off the handle on a filling can	0 days
♂	Caught a stirring attachment from a piece of machinery after the safety came loose. Back pain caused by making the wrong movement	2 days

♀	Cut finger while copying	0 days
♂	Head injury from banging head on defibrillator	0 days
♂	Left index finger injured when a screwdriver slipped	0 days
♀	Cut on right middle finger while putting documents in a stapler	0 days
♂	Bruised little finger of right hand cleaning a machine drum	0 days
♂	Left thumb injured by tool	0 days
♀	Papercut on right ring finger	0 days
♂	Papercut on right index finger	0 days
♂	Cut on right index finger caused by cardboard	0 days
♀	Fell over a production trolley, bruising on shins, hands and back	0 days
♀	Tripped on a cable, bruised both knees	0 days
♂	Cut on right hand caused by cardboard	0 days
♀	Heel hurt by plate falling on it	0 days
♂	Left thumb bruised by forklift	½ day

(403-2)

Fig. 6 (chapter 2): Number of training sessions and participants in 2020

Subject area	Training	Participants
GxP and Quality Management	256	1807
IT	179	669
Mission Statement, Strategy, Organization	48	828
Marketing and Sales	39	391
Market Environment	6	24
Personnel	27	166
Products and Therapy	18	137
Scientific and Regulatory Affairs	35	120
Safety	25	265
Total	633	4407

Fig. 7 (chapter 2): The following areas submitted ideas to Hevert's ideas management scheme

Division	2018	2019	2020
Company Services	5	4	5
National and International Sales	8	8	2
Marketing	4	4	0
Scientific and Regulatory Affairs	3	0	0
Supply Chain Management	11	20	8
Quality Unit	12	0	3
Managing Director(s)	1	2	3
Controlling	0	0	0
Process and project management	3	1	0

Ideas by topic:

Division	2018	2019	2020
Safety, cleanliness, health	4	3	2
Work simplification, working conditions	3	5	2
Product/process quality, product ideas	8	4	2
Environmental protection	8	8	2
Energy, electricity, gas, compressed air, steam, fuels, process water	1	2	1
Employee satisfaction, motivation, social benefits, work atmosphere	2	1	5
Information, communication, customer satisfaction	5	3	1
Savings in raw, auxiliary, or working materials	0	0	0
Savings in production processes	1	0	0
Savings in machines, plants, tools, systems	0	0	0
Logistics	1	0	1
Organization, administration	2	0	3

Breakdown by idea status:

Status	2018	2019	2020
Ideas received	44	39	21
Ideas awarded	8	1	15
Ideas not awarded	24	8	21
Ideas saved	2	0	8
Being implemented	0	0	0
Opinions pending	13	30	3

Fig. 8 (chapter 4): Use of the raw material ethanol

	2018	2019	2020
Total ethanol use [kg]	33423.30	41917.97	22793.91
Ethanol 96%	31930.15	40138.57	22232.93
Ethanol 100%	1493.15	1581.40	560.98
Total bioethanol (301-1)	95.53%	96.21%	97.54%

Fig. 9 (chapter 4): Use of retail packaging per pack

	2018	2019	2020
Glass [kg]	73649.31	73173.08	66980.21
Paper and cardboard packaging [kg]	60809.59	65291.62	60431.21
Plastic [kg]	6059.58	7903.99	8918.71
Other compounds [kg]	29719.95	30984.48	31343.89
Total [kg]	170238.43	177353.17	167674.02
Packages sold [units]*	3641144	4522515	4642219
Rate [kg/unit]	0.046	0.039	0.036

*This figure is the quantity sold as all weights of packing fractions are calculated in the table for packs sold

(301-1)

Fig. 10 (chapter 4): Energy consumption per site

	2018	2019	2020
Electric power consumption [GJ]	6093	6247	6006
Gas consumption [GJ]	4277	4962	4775
Total consumption [GJ]	10370	11209	10781

*Conversion factor: 1 GJ ≈ 278 kWh (302-1)

Fig. 11 (chapter 4): Annual power consumption per produced package

	2018	2019	2020
Electric power consumption [GJ]	6093	6247	6006
Packages produced [units]	3712669	4301345	3077379
Rate [GJ/unit] (302-3)	0.0016	0.0014	0.0019

Fig. 12 (chapter 4): Annual power consumption per employee

	2018	2019	2020
Electric power consumption [GJ]	6093	6247	6006
Employees	197	207	226
Rate [GJ/employee] (302-3)	30.93	30.2	26.57

Fig. 13 (chapter 4): Annual gas consumption per produced package

	2018	2019	2020
Gas consumption [GJ]	4340	4683	4775
Packages produced [units]	3712669	4301345	3077379
Rate [GJ/unit] (302-3)	0.0012	0.001	0.0015

Fig. 14 (chapter 4): Annual gas consumption per employee

	2018	2019	2020
Gas consumption [GJ]	4340	4683	4775
Employees	197	207	226
Rate [GJ/employee]	22.03	22.62	21.13

(302-3)

Fig. 15 (chapter 4): Annual gas consumption per square meter

	2018	2019	2020
Gas consumption [GJ]	4340	4683	4775
Area [m ²]	6900	6900	6900
Rate [GJ/m ²]	0.629	0.6786	0.692

(302-3)

Fig. 16 (chapter 4): Water consumption per site in megaliter

	2018	2019	2020
Nussbaum [MI]	7.058	7.122	6.307
Bad Sobernheim Eckweiler Str. [MI]	3.034	2.051	0.32
Bad Sobernheim Haystraße [MI]	1.635	0.856	0.554
Total volume [MI]	11.727	10.029	7.181

(303-1)

Fig. 17 (chapter 4): Wastewater in megaliter

	2018	2019	2020
Nussbaum [MI]	4.303	4.705	4.15
Bad Sobernheim Eckweiler Str. [MI]	2.731	1.846	0.288
Bad Sobernheim Haystraße [MI]	1.471	0.77	0.499
Total volume [MI]	8.505	7.321	4.937

(306-1)

Fig. 18 (chapter 4): Annual wastewater per produced package

	2018	2019	2020
Wastewater [MI]	8.505	7.321	4.937
Packages produced [units]	3712669	4301345	3077379
Rate [l/unit]	2.37	1.7	1.6

(306-1)

Fig. 19 (chapter 4): Annual wastewater per employee

	2018	2019	2020
Wastewater [MI]	8.505	7.321	4.937
Employees	197	207	226
Rate [MI/employee]	0.043	0.035	0.022

(306-1)

Fig. 20 (chapter 4): Key to waste types

Key to waste types	Waste classification according to the European List of Wastes	2018[t]	2019[t]	2020[t]
150106	Mixed packaging	25.34	24.37	18.75
180109	Medicinal products, except those falling under 180108*	13.84	12.3	7.62
200101	Paper and cardboard	9.77	9.41	3.10
200201	Compostable waste	76.32	38.6	22.77
150107	Glass packaging	7.54	6.09	1.00
150102	Plastic packaging	6.4	4.41	2.17
150101	Paper and cardboard packaging	129.16	16.7	12.8
140603*	Other solvents and solvent mixtures	5.36	7.86	0.25
060106	Other acids	0.03	0.05	0.00
160506	Laboratory chemicals consisting of or containing hazardous substances	0.07	0.10	0.00
170107	Mixtures of concrete, bricks, tiles, etc.	0.00	0.00	1.00
170201	Wood	2.04	5.87	1.60
170204*	Glass, plastic and wood containing or contaminated with hazardous substances	4.30	0.00	11.65
170904	Mixed construction and demolition wastes	0.66	0.00	0.00
170202	Construction and demolition wastes Glass	0.00	0.00	2.00
130205*	Waste oil	0.00	0.00	0.08
160601*	Lead-acid batteries	0.00	0.00	0.07
160604	Alkaline batteries	0.00	0.00	0.08
Total	All waste types	280.83	125.76	84.94

*Wastes from human or veterinary medical care or research (306-2)

Fig. 21 (chapter 4): Annual quantity of waste per produced package

	2018	2019	2020
Waste quantity [t]	280.83	125.76	-----
Packages produced [units]	3712669	4301345	3077379
Rate [g/unit]	75.64	29.24	27.6

Fig. 22 (chapter 4): Annual quantity of waste per employee

	2018	2019	2020
Waste quantity [t]	280.83	125.76	84.94
Employees	197	207	226
Rate [kg/employee]	1425.53	612.37	375.84

(306-2)

Fig. 23 (chapter 5): Overview of events and professional development for professionals in 2020

Topic	Number of
Hevert specialist conferences for naturopathy	1
Hevert pharmacy symposium	1
Pharmaceutical technical assistant symposia	0
Scientific presentations	19
Online seminars	44

(306-2)

Fig. 24 (chapter 5): Overview of inquiries regarding national, social commitment

	Total number of requests	Pledge	Denial
Financial support	10	0	10
Donations in kind	19	15	4

Fig. 25 (chapter 5): Overview of inquiries regarding regional, social commitment

	Total number of requests	Pledge	Denial
Financial support	12	4	8
Donations in kind	5	4	1

7.4 GRI INDEX (102-55)

	GRI Standards	Indicator	Reference					
GRI 102								
Organizational profile	102-1	Name of the organization	17	Company management	102-18	Leadership structure	23 40	
	102-2	Activities, brand, products and services	22		102-20	Executive-level responsibility for economic, environmental, and social topics	8 10	
	102-3	Headquarters of the organization	17		102-22	Composition of the control organ and its bodies	23	
	102-4	Location of operations	17		102-23	Chair of the highest control organ	24	
	102-5	Ownership and legal form	17		102-26	Role of the highest control organ in setting purpose, values, and strategy	24	
	102-6	Markets served	22		102-28	Evaluating the highest control organ's performance	24	
	102-7	Size of the organization	17 26		102-32	Highest governance body's role in sustainability reporting	24	
	102-8	Information on employees and other workers	26		102-33	Communicating critical concerns	24	
	102-9	Supply chain	66		102-35	Remuneration policies	24	
	102-12	External initiatives	51 52		Involvement of stakeholders	102-40	List of stakeholder groups	64
	102-13	Memberships in associations and interest groups	51 52			102-42	Determination and selection of stakeholders	64 67
	Strategy	102-14	Statement from senior decision-maker		5	102-43	Involvement of stakeholders	10 50 62 67 68 69 70 71
		102-15	Important effects, risks, and opportunities		16 29 62	102-44	Key topics and concerns raised	41
Ethics and integrity	102-16	Values, principles, standards, and codes of conduct	7 9 15					
	102-17	Mechanisms for advice and concerns about ethics	9 65					

Reporting practice	102-47	List of material topics	10
	102-50	Reporting period	77
	102-52	Reporting cycle	77
	102-53	Contact point for questions regarding the report	78
	102-54	Claims of reporting in accordance with the GRI Standards	77
	102-56	External auditing	77

GRI 103

Management approach	103-1	Explanation of the material topic and its boundary	10 55
	103-2	The management approach and its components	55
	103-3	Assessment of the management approach	55

GRI 204

Procurement practices	204-1	Percentage of expenses spent on local suppliers	----
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GRI 301

Materials	103-2	Recycled input materials used	55
	301-3	Reclaimed products and their packaging materials	56

GRI 302

Energy	302-1	Energy consumption within the organization	57 85
	302-3	Energy intensity	85 86
	302-4	Reduction of energy use	57

GRI 303

Water	301-3	Water withdrawal	56
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GRI 304

Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	59
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GRI 305

Emissions	305-2	Indirect energy-related THG emissions (scope 2)	60
	305-5	Reduction of THG emissions	60

GRI 306

Waste Water and Waste	306-1	Water discharge by quality	61 86
	306-2	Waste by type of disposal method	61 87 88

GRI 307

Environmental compliance	307-1	Non-compliance with environmental laws and regulations	55
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GRI 308

Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	66
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GRI 401

Employment	401-1	New employee hires and employee turnover	27
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	28
	401-3	Parental leave	27

GRI 403			
Occupational safety and health promotion	403-1	Workers representation in formal joint management–worker health and safety committees	38 40
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	39 83
	403-3	Workers with high incidence or high risk of diseases related to their occupation	39
GRI 404			
Education and further training	404-1	Average hours of training per year per employee	42
GRI 413			
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	10 14
GRI 414			
Supplier social assessment	414-1	New suppliers that were screened using social criteria	66
GRI 416			
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	91
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	46

GRI 417			
Marketing and labeling	417-1	Requirements for product and service information and labeling	46
GRI 418			
Customer privacy	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	10 67 70
GRI 419			
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	64



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