



360

SUSTAINABILITY REPORT 2022
DENAVA AG



Board of Directors
Axel Stock - Beate Böhm - Dr. Dietmar Kapl
(from left to right)

Axel Stock

CFO, Authorized Representative

Bank clerk, Diplom-Betriebswirt (FH) and Executive MBA, since 2013 Commercial Manager of the DENAVA Group, Managing Director of GoCaps GmbH since 2014

Beate Böhm

Chairman of the Board

CTA and Business Economist, working at the company for Goerlich Pharma since 1992, Member of the Board of Directors since 2013

Dr. Dietmar Kapl

Board of Directors

Scientific studies and Executive MBA, working at the company for Goerlich Pharma since 2003, Managing Director of Goerlich Pharma GmbH since 2015, Member of the Board of Management since 2009

www.denava.de



Economics and ecology hand in hand

We are pleased to introduce you to our first sustainability report, in which you can familiarize yourself with the progress in all DENAVA AG business areas with its subsidiaries GoCaps GmbH and Goerlich Pharma GmbH.

For us as a family-owned company, the subject of "Sustainability" has of course had a special importance since its founding in 1984. This is because we do not think in short-term maximization cycles, but strive for long-term improvement in all areas for everyone.

This sustainability report offers a welcome addition to our lived values in everyday work. It accompanies all of us in our ongoing quest for the increased sustainability of our work.

In doing so, we assess the economic success of our operations to be at least as important as the ecological adaptation to the growing requirements of all stakeholders, the population and the legislature.

What was understood in the past as two diametric poles is now one. So the 360° circle between economics and ecology closes.

Due to the prevailing entrepreneurial spirit in our companies and the creativity and flexibility of all stakeholders, we are optimistic that we can achieve the medium-term goal of a 100% environmentally friendly economy in the long-term by working together. Namely by involving everyone. Key stakeholders for us are customers, employees, business partners and suppliers, shareholders, associations, neighbors and authorities, legislators, NGOs, educational institutions, press and media. These are related to the interests of our company in a variety of ways and are interconnected with them.

Transparency and open dialog with the different stakeholders are very important to us. We get in touch with them in a variety of ways.

A 360° view.

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The future has many names.

For the weak, it means the **unattainable**,
for the fearful, it means the **unknown**,
for the courageous it means **opportunity**.

Victor Hugo

DENAVA group in a **portrait**

As a family-owned company with a global focus, we export from Edling (in the metropolitan region of Munich) to over 50 countries.

Our value-oriented corporate culture ensures strong cohesion and a trusting relationship with each other as well as with partners and customers in the nutritional and pharmaceutical industries.

This is also confirmed in an impressive way by the state award "Bayerns Best 50," which DENAVA AG received in 2021 again, for the second time after 2018, by the Bavarian State Ministry for Economic Affairs as one of Bavaria's strongest growing medium-sized companies.

One of the best 50 companies of Bavaria

The DENAVA Group has been active in the field of food supplements since 1984.

**BAYERN'S
BEST 50**

Winners in 2018 and 2021



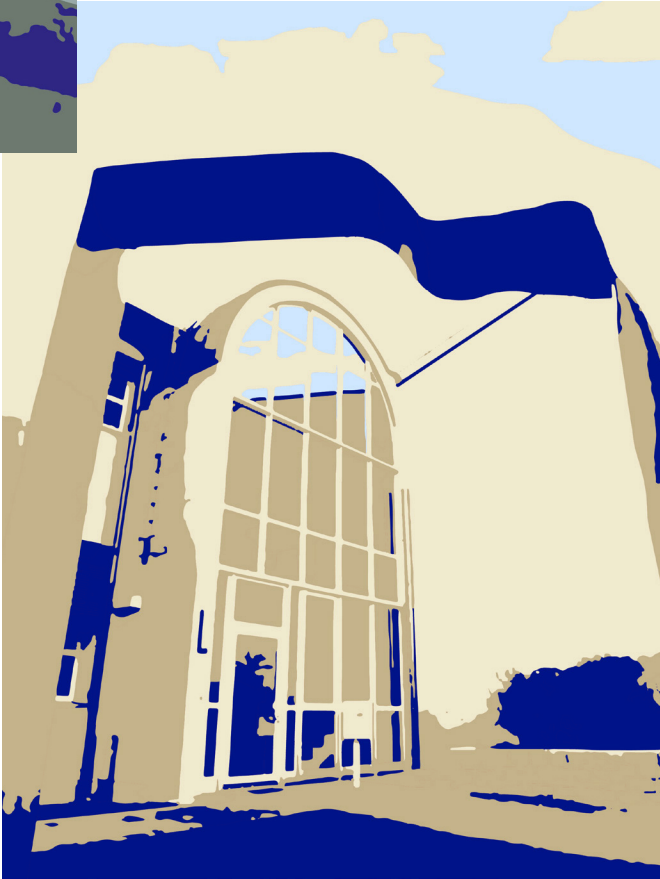
Flat hierarchies, employee participation in the company and continuous growth are the success of Denava AG in Edling.

Contract manufacturing, development and wholesale under the umbrella of DENAVA AG.

Our affiliates




Whether hard gelatin capsules or vegetarian capsules, which are also suitable for BIO-certifiable products, our subsidiary GoCaps is your reliable supplier for empty hard capsules.



Our subsidiary, Goerlich Pharma GmbH, based in Germany, specializes in contract manufacturing and the development of food supplements, food for special medical purposes and feed supplements.

Leadership and responsibility



100%
independent

**Family-owned
company**

**with lived values and
international success**

Stop climate change

We are at a turning point:

Climate change is one of the key challenges of mankind.

We are all obligated to help stop global warming.
DENA is accepting responsibility and moving forward.

In order to protect the environment, we consistently focus on climate neutrality in all areas.

We are and remain an independent family company.

Our successful growth is based on increasing customer benefits and our quality leadership.

We strengthen ourselves for the future by making sustainable investments and conserving natural resources.

We are holding ourselves responsible for achieving our set goals.

Strengthening the entrepreneurial spirit through capital participation of employees.

We maintain a respectful and appreciative treatment of all people in the company, regardless of hierarchy and ethnic origin, gender, religion or belief, disability, age or sexual identity.



OUR GOAL
CO₂ neutral

We are working on this with zeal.

Because no aim can be more important than leaving our world to future generations the way we would want to.

Paperless office

**New ERP for fully
integrated
solutions**

Teams

Home office opportunities

IT infrastructure expansion

Digitization

Digital instead of analog - the paperless office

In some business areas such as financial accounting and the HR department, it is already everyday life. We're talking about the paperless office.

The gradual and thought-out switch to a paperless office not only has environmental advantages, but also economic advantages. In addition to paper reduction, a reduction in resource consumption for e.g. ink, printer devices and corresponding accessories, as well as their transport and disposal can be achieved through digitization within a company. There are benefits such as location independence and simplified communication, saving costs, and clear and space-saving storage.

All other areas of our companies will also become paperless, but this is requiring additional steps. A first major step in this direction has already been taken:

Our new fully integrated ERP system introduced in 2022



GreenIT

**GreenIT makes it possible
to reduce this rapidly
increasing energy
consumption again.**

Sustainable GreenIT has now become a must for manufacturing companies as a result of the spread of digitization. And we are also making our best possible contribution to environmentally friendly daily work.

The increasing streaming of data (including image/video information) as well as performing analytical functions on the data collected and the data distribution requirements for many users require more and more computing and data transfer capacity. All this is only possible with electricity and thus significantly increases the demand for electricity.

The volumes of data to be processed must be processed with better utilization of computer capacities on less hardware with less energy consumption. Virtualization and CPU management are appropriate measures. Reducing idle times is the main objective - both from an economic and ecological point of view, of course, supplemented by all relevant structural measures and climate control, which must be intelligently regulated.

In addition, our devices are regularly replaced by new resource-saving and more efficient devices.

Home Office and Remote Working

On the one hand, the home office reduces the need for commuting from one's own home to the workplace. This alone saves a lot of CO2.

On the other hand, the stress on pulp and paper materials decreases thanks to the trend towards working at home and the savings of fossil fuels and electricity conserves resources. Employees also benefit from the reduced stress level.

In addition, we reinforce the use of video conferences as an important part of our communication to significantly reduce on-site meetings and travel.

Greater use of cloud services such as Office 365, Business Central, or WAVE enables easy use via clients, even when working from home.

Conclusion

Innovations in the field of home office and remote working have introduced a turning point and ensure that the economy can significantly reduce its environmental footprint.





Customer satisfaction

Our slogan "Partners for success" hits the nail on the head:

We live partnerships and attach particular importance to long-term, sustainable customer relationships. We focus on the satisfied customer. The basis for this is also the long-term partnership with our suppliers and service providers.

We use a survey to determine customer satisfaction annually. This annual feedback is very important to us in continuously developing our products and services. We are pleased to receive any feedback - positive as well as critical comments on continuous improvement - because we see feedback as an opportunity to improve our products and service. Our high level of performance is regularly confirmed by the reviews of our long-term customers.

A good partnership and long-term cooperation at eye level with our customers is of paramount importance for us. Our pleasant working atmosphere guarantees our customers long-term continuity with their contact persons and gives them time and free space - because consulting means continuous support.



Quality management

DENAVA AG, including Goerlich Pharma GmbH and GoCaps GmbH have installed quality management, which ensures customer satisfaction. The companies are ISO 9001 and ISO 22000 certified, the basis for safe and high quality products that meet the expectations of customers.



Goerlich Pharma is certified for relevant products at the Marine Stewardship Council (MSC) and Friend of the Sea (FOS), which ensures that sustainable fish oil-based products are offered across supply chains. In addition, these certifiers also check the fair working conditions of the employees.

Furthermore, Goerlich Pharma is organic certified and meets the strict requirements of the EU Eco-Regulation EU (VO) 2018/848 for organic products of its customers.

Conformity

Good conscience

Attitude towards life

COMPLIANCE

Legal compliance

Structure



Customers and companies



Supply Chains and Logistics Solutions

The DENAVA Group understands sustainable procurement as the basis for integrated corporate governance. This applies to the responsible use of critical materials as well as for human rights or environmental and social standards.

Supplier management requirements no longer only need to meet a global networked world. Rather, wherever possible, we try to avoid sourcing globally, forgoing unnecessary distances and working as regionally as possible. However, food supplements often require raw materials that only occur in certain regions and climate zones of the world. If not avoidable, transports are bundled at least to ensure efficient transport.

In addition, we pay close attention to the selection of partners, which in turn can prove a sustainable and high-quality way of working.

As an example, here is the Omega-3 specialist Epax Norway AS, which has installed its own very extensive EcoVision sustainability program.

Or the partner company of GoCaps GmbH, Farmacapsulas S.A., whose hard capsules are FairTSA certified. The FairTSA™ social standard is based on the applicable International Laboratory Organization Conventions and guarantees compliance. The FairTSA™'s certification for the production of GoCaps® capsules includes that these conventions are followed during processing and this has been verified by an ISO 17065-accredited certification agent.



Partner of the Bavarian Environmental and Climate Pact



DENAVA is a **successful driving force** in the field of sustainability.

With the aim of sustainable development, the DENAVA Group successfully participates in the Bavarian Environmental and Climate Pact.

The focus here is on preventing future environmental impacts and not repairing them.

The overarching aim is to improve the ecological, economic and social foundations of today's and future generations.



Greenhouse balance

For us, sustainability means creating a future where the well-being of our employees, as well as environmental and climate protection, go hand in hand with positive business development. We have set ourselves ambitious goals that we are advancing.

The DENAVA Group is currently focusing on corporate structures and processes that can be directly influenced. In both production and administrative areas, we want to leverage further potential in environmental protection and above all in sustainable management. One example is the field of energy efficiency. However, the supply chains and sales routes will also be taken into account even more in the future.

**Always with the goal clear in mind:
Achieving CO₂-neutral business**



"Only he who knows his destination finds the way." *Lao Tzu*

Protecting the environment

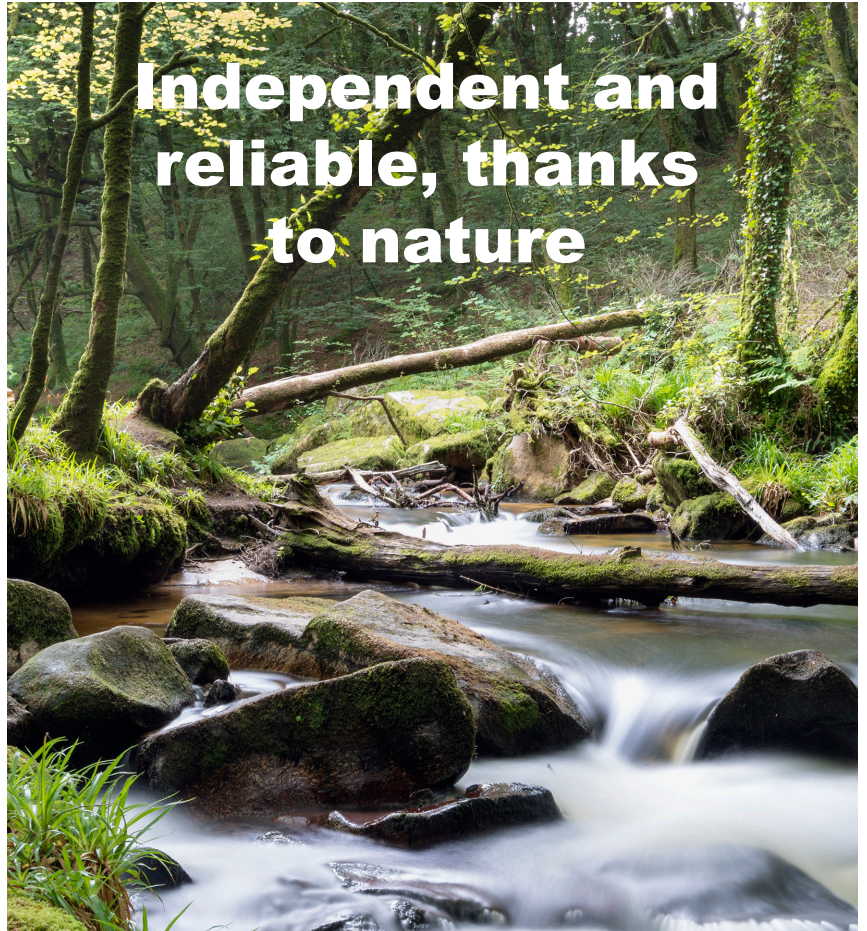
Sustainable energy

With regard to the use of sustainable **photovoltaic** energy, we have been a pioneer in the industry since 2010.

We produce this electricity ourselves and can cover all of the production requirements on sunny days.

Groundwater energy is the perfect complement for this. We heat and cool our production almost climate-neutral.

In addition, we use **100% sustainable electricity** from **hydroelectric power plants** for production.



Our machinery has **state-of-the-art** technologies, which is very important for efficient energy consumption.

Intelligent procurement and production planning also bundles orders, thus further reducing energy consumption and reducing resource-consuming cleaning times.

Also worth mentioning is, that we are continuously changing our lighting to **LEDs** in new buildings and renovations.



Large companies have joined forces to form an "energy efficiency network" under the "Wasserburg 2050" energy dialog, an initiative of the City of Wasserburg. The goal: to conserve CO₂ together. We were already a **founding member and drive of this association in 2017** and continue to advance this in Wasserburg am Inn.

Wasserburg
Energy Dialog
2050

Transport capacity



Logistics are necessary to bring our goods to the B2B customer and from there to the consumer.

DACHSER is our strongest cooperation partner. This service provider specializes in intelligent logistics and strives to plan the transport as efficiently as possible.

This systematic approach enables DACHSER to optimize the use of their fleet and reduce traffic flows, thus significantly reducing the impact on the environment. The bi-level loading and the use of swap body trailers contribute to an even more compact loading. In addition, DACHSER will examine in a pilot project in the Benelux countries how the company can further contribute to sustainability. In the past year, various projects were started and completed.

The logistics service provider intends to expand its concept of local emission-free delivery to European metropolitan regions and thus further drive CO₂ reduction in our supply chains. Source: DACHSER



Focus of our daily actions

RETHINK

Do I really need this product? Are there sustainable alternatives?

REFUSE

Consciously reject rather than accept.

REPAIR

Many items can be repaired.

REDUCE

Smartly reduce.

Buy products that are fair and healthy for people that the environment that require little energy.

REUSE

Use for a long time. Don't just throw away. Give things a long life.

RECYCLE

Use again. Give products a new life.

Material Usage

We recommend and offer our customers sustainable packaging solutions and certified raw materials. We are striving to increasingly make more packaging solutions from sustainable materials completely recyclable for our customers in the future.



RECYCLE
 WASTE

Recycling concept

Both in production and in administration, the waste is separated by type. The basis for this is a waste concept with certified waste disposal providers.

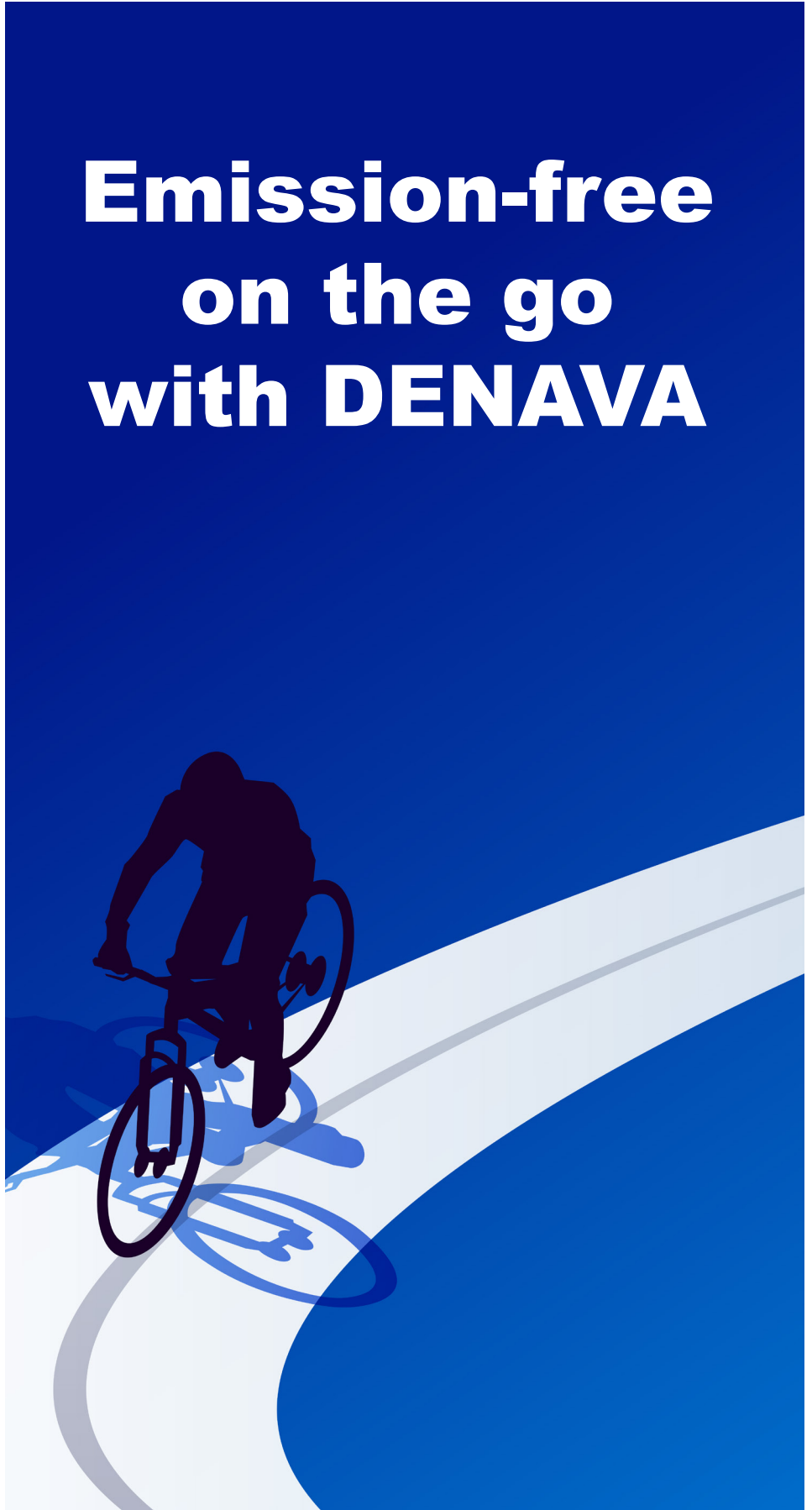
Our plant-specific waste concept recycles, among other things, approx. 500 kg aluminum per year. Aluminum can be recycled over and over again. In fact, 75% of the aluminum ever produced since 1880 is still being used productively. This also applies to the aluminum foil of the blisters, which are used at Goerlich Pharma. The recycling of aluminum requires only 5 percent of the energy of primary use.

Emission-free on the go with DENAVA

Job bike

For our environment, there is no better means of moving around. Anyone switching from the car to the bike immediately lowers their emissions.

Whether on the way to work, for sport or in their leisure time: our employees go everywhere with a job bike. Cycling in fresh air clears your head and makes you happy.



DENAVA counts on

Sustainable mobility

There are many ways to minimize emissions when driving. In our company vehicles, we rely on innovative technologies such as electric and hybrid drives. Free charging facilities in the company parking lot are also provided for private electric vehicles. This benefit from DENAVAAG is creating additional incentives to switch to sustainable vehicles.

Necessary employee travel is planned intelligently and, wherever possible, car pools are formed.





Responsibilities to protect and support employees

Flexible time models
depending on the life situation

Attractive pay packages

Various social benefits

Appreciative working atmosphere

Comprehensive company retirement benefits

Family-friendly
e.g. individual part-time models
and day nursery grants

Modern machinery

Healthy & safe workplaces

Functional-esthetic office equipment

Home office opportunities

A workplace with a well-being factor



Development, education and equal treatment

The well-founded specialized knowledge and long-term professional experience contribute significantly to the success of Denava AG with its subsidiary GoCaps GmbH and Goerlich Pharma GmbH.

At the same time, numerous trainees in various apprenticeships and advanced training accompanying the job in cooperation with the Agency for Work, the CCI specializations and universities form the foundation for the future in order to always have the best trained professionals on site. In addition, DENAVA AG is at the heart of an individual Leadership Excellence Program.

Equal treatment of genders is important here. The proportion of women in the company is 55% for the DENAVA group in 2022. The rate of women in executive positions is very high at about 40%

Across the EU, women in leadership positions continue to be underrepresented. Around 29% of women worked in German executive positions in 2021. In the EU-wide ranking of the 27 member states, that ranked 20th. In the EU-wide average, the proportion of women was around 35% in 2021. Source: Federal Statistical Office

Protecting and promoting employees

Dialog and exchange

The foundation for success is and remains the commitment of employees to work together. Well-being and inner satisfaction with the here and now are inevitably the basis for this. And we want to "keep getting better" continuously. To this end, the opinion and assessment of all employees is regularly collected and evaluated in a large survey and evaluated profitably with the help of external cooperations. The DENAVA Group is particularly happy and proud because 91.1% of all participants feel very comfortable in the group of companies and are very satisfied.

In addition, regular employee discussions and reviews take place so that it stays this way.

Many staff highlights such as internal employee newspapers from employees for employees, family days, after work events, company celebrations, HR consultation hours, lived meeting cultures such as annual kick-off events and an informal culture at eye level make the workplace an environment where you want to be and stay.



DENAVA

Employee Survey

Top 2022 Company

kununu ²³

An appreciative environment and enjoyment of one's own activities are important prerequisites for long-term successful cooperation.

We are very proud that we were honored by kununu 2022!

Occupational Health and Safety

All employees are regularly trained in the field of food safety (incl. HACCP), hygiene and occupational safety. They therefore have the knowledge that is necessary to produce safe and high-quality products.

In addition, occupational health care and the implementation of all preventive examinations (mandatory and offered examinations) is standard in the company.

Ergonomic work thanks to many lifting aids in the warehouse and production as well as annual external training in production for the design of the workplace, monthly safety committee meetings, formal determinations of staff's mental strain at regular intervals as a preventive measure for mental health (every 3-4 years) round off the responsibility towards employees here.

In addition, in the event of a prolonged absence, consultations after returns from illness are conducted closely on the employer's behalf.

There are regular health days and relevant course offerings. Height-adjustable desks ensure a gentle posture at the office workstation. Free drinks and fruit are available. And much more.



RESPONSIBILITY FOR SOCIETY





Social Responsibility

The Görlich family is and has always been concerned with taking social responsibility. In 2009, they founded the non-profit association CURARI (www.curari.de)

The education and training of children and young people in South America, especially in Colombia and the Dominican Republic, forms the heart of our commitment. The individual projects are supported both financially and with personnel.

DENAVA AG actively contributes to this social project with long-term financial support.

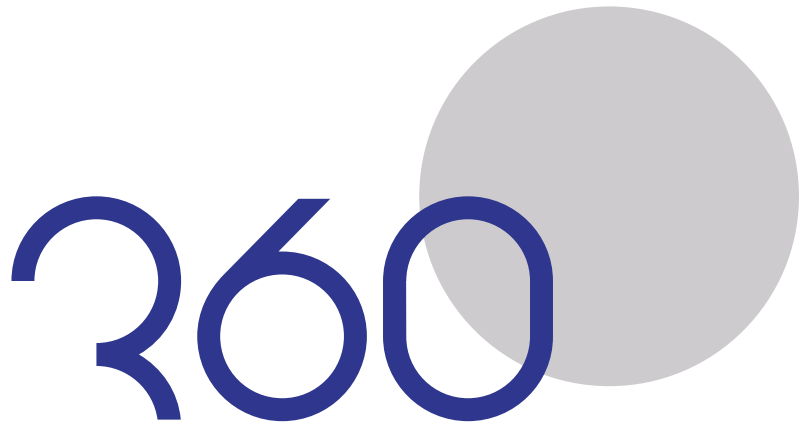


Equal Opportunity

Diversity
180
Employees
20
Nations
1
Team



Protecting and supporting employees



**This closes our 360° circle
between economics and ecology.**

Between success and happiness.

Between employees and the company.

Between production and the environment.

Between individuals, teams and nations.

Everything goes hand in hand.

For a better world.

For we have no second world up our sleeve.

Glossary

CSR

Corporate Social Responsibility

CPU

Central Processing Units

HACCP

Hazard Analysis Critical Control Point

If you have any questions about our sustainability report, we look forward to hearing from you.
info@denava.de



When we are dreaming alone it is only a dream.

**When we are dreaming with others,
it is the beginning of reality.**

Minister Hélder Câmara

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