



**WE ACT TODAY WITH
THE FUTURE GENERATIONS IN MIND.**



"I am an idealist, I have a social conscience and had seen it as my job to make a difference using my personal skills.

I faced a lot of difficulties as I built a company that one can be proud of. I pledge to do my utmost possible in a social sense."

Eugen Habermaass
(1901–1955)



Dear readers,

At the HABA FAMILYGROUP responsibility and sustainable action has been a common thread throughout the company's history. And for us, sustainability takes on many forms. Firstly, an intergenerational mindset is firmly anchored in our values - which means that we use resources deliberately and carefully with future generations in mind. Secondly, as a company family we take entrepreneurial responsibility for everyone we are in contact with. Our employees are already doing all this today, because they know that they are doing the right thing. Overall, for us this means:

- Ecologically sound action when it comes to building technology, recycling and nature conservation.

- An economically sound approach to supplier relationships, material procurement as well as all our products and services.
- And social responsibility, so that we can grow and develop as a company family.

There is one thing that is particularly important to us at the HABA FAMILYGROUP: Authentic sustainability that is genuinely put into practice. In the future, we will therefore pool our efforts as an integral part of our corporate strategy, continuously develop them and make our progress transparent. Here and now we will tell you all about what we have achieved so far – as a way to initiate so many more things we want to and will accomplish.

Children and families are the best target group in the world. Our products form the basis for comprehensive and child-friendly development, and we do our utmost to meet the highest standards:

- HABA games and toys are made from high-quality natural raw materials, and they promote and encourage children in an age-appropriate way. The concepts and materials we use are so sustainable that you can pass our products on to your children and grandchildren.
- Our Wehrfritz and Project brands develop room concepts, furniture systems, teaching and learning aids as well as toys that not only meet well thought-out educational standards, they will also be long-lasting companions to the children.
- JAKO-O clothes are made from high-quality fabrics – recycled whenever possible, such as the Jako-o fall/winter 2021 collection. We are constantly working on making our materials durable and hard-wearing and even more environmentally friendly at the same time.
- In the HABA Digital Workshop, children between the ages of six and twelve can discover the digital world through play and acquire new digital technology skills. We believe in the reciprocity of the analog and the digital, and we believe that only together can they be effective and sustainable.

In order to draw on the full potential of our strong brands, we have realigned our group of companies in recent months without losing sight of our roots and our origins. We were, are and will remain a family business: genuine and perfectly imperfect. Placing greater focus on sustainability is an integral part of this realignment. We want to be transparent with our customers, be they private individuals, trade partners or customers in the education and commercial sector, about the environmental, economic and social responsibility we take. And we approach this with authenticity and longevity in mind: High-quality

products you pass on to the next generation, the careful handling of tomorrow's resources, and long-term personnel planning are essential for us to be able to continue our 80-year company history. We are very proud to be able to create something unique every day together with our brands and with all our employees around the world.

Thank you for accompanying us on this journey



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The history of the HABA FAMILYGROUP started in 1938 –

as a small **FAMILY BUSINESS**

with a residential building and the neighboring factory building.



Company history

Over the course of its 80-year history the HABA FAMILYGROUP has long outgrown the former “Fabrik für feinpolierte Holzwaren” - the factory for finely polished wooden goods. But one thing has stayed the same – the commitment: “Children and their families are our world and our passion. It is for them that we are who we are. And it is for them that we do what we do.”

1938

The company’s history began more than eighty years ago. In April 1938 Eugen Habermaass, together with Anton Engel and Karl Wehrfritz, signed the founding contracts of the two companies that are now known as HABA and Wehrfritz and have since become part of one big family: The HABA company family.

1940

It was a risky move to settle in the small Upper Franconian town of Rodach in uncertain times and with little means. And indeed, the initial partnership of the founders did not last long. From 1940, Eugen Habermaass managed the two companies on his own. However, as the son of an old Swabian merchant family, the entrepreneurial spirit was in his blood. With the right woman at his side and a strong team behind him, Eugen Habermaass led the two companies through the difficult war years himself: HABA established itself as a producer of children’s furniture, games and wooden toys, and Wehrfritz as an outfitter for social institutions, especially kindergartens.

1955

In 1955, Eugen Habermaass died suddenly. He left behind his wife Luise and four children. Luise Habermaas was 48 years old at the time and she

suddenly found herself as a single mother with no commercial or technical training. But she did not hesitate and took a bold step: She took over the management of the company. The story continues with her. Over the coming decades, Luise Habermaass, with the active support of loyal employees, achieved a minor economic miracle.

1961

In 1961, her son Klaus Habermaass joined the company after an apprenticeship in carpentry and a degree from the School of Engineering in Rosenheim. The 24-year-old initially held the position of operations assistant, and gradually took over the technology, finance and development departments. He later became managing partner. His three children Sabine, Heike and Volker Habermaass grow up with and in the company.

1979

The HABA company family grows every year. Even though the company is still headquartered in Bad Rodach today, in 1979 the company took the leap across the pond and has been represented in the US ever since. Branches in France, Poland, Hong Kong and China followed.

1987

New “family members” are gradually added: Since 1987, JAKO-O has been making everyday life with children easier with well thought-out fashion and clever products.

2004

From 2004, fashion collections for teenagers (the FIT-Z brand) and for women (Qiéro!) are added.

2009

A new addition in 2009: project Schul- und Objekteinrichtungen GmbH in Eisleben was added to the HABA company family. The company is an innovative outfitter of educational establishments.

2015

Since 2015, men have also been getting their turn: The Heldbergs online shop sells “richtig gutes Zeug” (great stuff). In the same year, the HABA company family professionalized its children’s app division and joined forces with Fox & Sheep, a start-up company in Berlin. Soon the **HABA Digital Workshop** emerged from this investment. Here, children learn how to program and discover the digital world through play.

2016

The HABA company family joined the **“Society for Digital Education” (Gesellschaft für digitale Bildung)**, which gave it a foothold in the area of digital equipment for schools.

2018

The HABA company family celebrated its 80th anniversary and performs 80 good deeds to mark the occasion.

2020

Today, the HABA company family is a family-run business managed by the third generation of the owner family - supported by managing director Tim Steffens. It is no longer the “factory for finely polished wooden goods” it was when it was founded. It offers a wide range of products for children and families that include toys, furniture,

fashion and educational products. The company’s focus on its core competencies brought about a separation from Fox & Sheep and from the Society for Digital Education. However, the two companies still maintain an excellent working relationship.

2021

Since its 83rd anniversary, the group of companies has been trading under the name of HABA FAMILYGROUP. Several corporate brands and more than 2,000 employees are a strong foundation and a guarantee for the company’s future development.

In the hands of the family

Yesterday-Today-Tomorrow: The HABA FAMILYGROUP is and remains a family business that thinks in terms of generations.



Eugen Habermaass and Luise Habermaass

The story of the HABA FAMILYGROUP starts with Eugen and Luise Habermaass. Following the early death of her husband, Luise Habermaass continued what he had created. In 1988, she became an honorary citizen of the town for her special services. Luise Habermaass died in 2003 at the age of 97. The nursery which was founded a year later for the children of employees was named after her.

Klaus Habermaass

Klaus Habermaass was with the company for 58 years – longer than anyone else. He has now passed the company on to the next generation. He knows that they will continue the company philosophy. Safe in this knowledge, he can fully devote himself to his garden, his heritage fruit trees, his bees and Fritz, his wire-haired dachshund.



The third generation

Today, it is the grandchildren of the founding couple, Sabine, Heike and Volker Habermaass, who continue the the company in the same spirit and with a clear commitment: The HABA FAMILYGROUP remains a family business.



There are currently over

2000 EMPLOYEES in the HABA FAMILYGROUP.

Today, the company headquarters in Bad Rodach is divided across four sites, which includes the

BRAUHOF OFFICE BUILDING.



The HABA FAMILYGROUP - an overview

The HABA FAMILYGROUP has its headquarters in Bad Rodach in Upper Franconia. However, family business is represented with its own branches around the world.

Europe

Belgium | Denmark | Germany | Finland
 France | Greece | United Kingdom | Ireland
 Italy | Croatia | Luxembourg | Netherlands
 Norway | Austria | Poland | Portugal | Romania
 Russia | Sweden | Switzerland | Slovakia
 Slovenia | Spain | Czech Republic | Hungary



Worldwide turnover

€322,883,000

Company locations

Europe:

- **Bad Rodach** – HABA Group B.V. & Co. KG, HABA Sales GmbH & Co. KG, HABA Supply Chain GmbH & Co. KG
- **Eisleben** – Möbelfertigung project
- **Germany-wide** – HABA Digital Workshop locations
- **France: Egly** – Purchasing and sales branch
- **Poland: Wroclaw** – Wehrfritz purchasing and sales branch

USA:

- **Skaneateles** – HABA sales branch

Asia:

- **Hong Kong** – purchasing and sales branch for toys and merchandise as well as clothing
- **China** – HABA production facility and fabric warehouse

Every year around pass through the entrance to the Brauhof office building

**3,000 VISITORS, SUPPLIERS
AND SERVICE PROVIDERS.**



All under one roof

For more than 80 years HABA FAMILYGROUP has been providing families and institutions with high-grade products with a focus on family life, - play, education, exercise, clothing and furniture. Under its roof it unites the well-known brands HABA, JAKO-O and Wehrfritz.

HABA



HABA develops high quality and durable products which promote children's development from the very beginning in an age-appropriate way while also being fun to play with.

JAKO-O



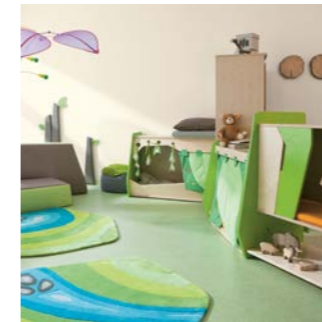
JAKO-O offers a selected range of high-quality clothing, practical everyday helpers and much more for families with children between 0 and 12.

FIT-Z



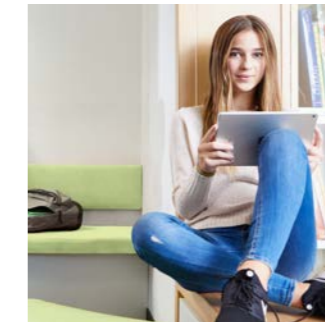
FIT-Z is the cheeky and trendy follow-on brand of JAKO-O – offering clothes from size 128 and school, sports and leisure products that kids find cool!

Wehrfritz



Wehrfritz is an experienced educational partner for nurseries, children's daycare centers, primary schools and after-school clubs. Together with experts from science and practice, Wehrfritz develops educationally sound, high-quality solutions: Furniture and room concepts as well as toys for learning and growing.

project



As an innovative school supplier, project offers furniture and room concepts for integrated learning environments that support students and teachers alike.

Values

Eyes on the future and on the world: The HABA FAMILYGROUP has been steadfast in its convictions for over 80 years. The company's basic values, which serve as a guide for all employees, are constantly reevaluated to ensure their integrity.

Up-to-date:

Growing with people.

The HABA FAMILYGROUP places children, families and all those people who accompany children as they grow up at the center of its activities. It is for them that the family business develops unique solutions and products all about education, play, fashion, family life and health.

Our values

"It is an ongoing task of any responsible business management to convey values, put them into practice itself, maintain them and pass them on" - that is the motto of the shareholders.

This is what we're all about

■ Being genuine

We are perfectly imperfect and know what our roots are.

■ Team spirit

We enjoy creating unique things together every single day..

■ Enthusiasm

We work for the most beautiful target group in the world and we put our heart and soul into it.

■ With future generations in mind

We use resources responsibly and look to the future with curiosity.

Sustainable company governance

The HABA FAMILYGROUP strives to balance the needs of the people and operational performance with responsibility, efficiency and sustainability in mind.

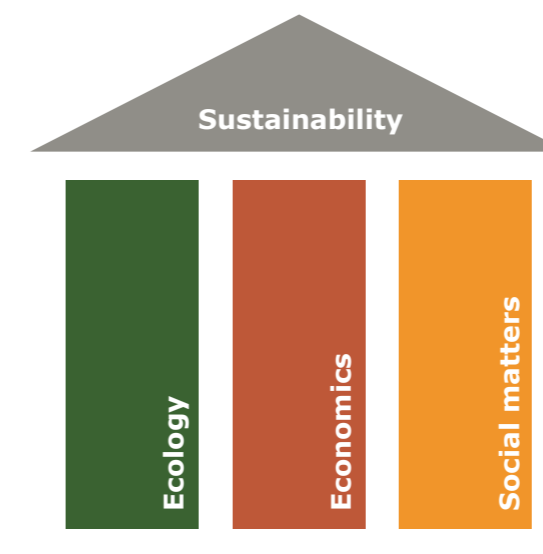
Sustainability is firmly anchored in the corporate values of the HABA FAMILYGROUP, and it is based on a fundamental conviction of the owner family: "Success", says Klaus Habermaass, "is to make a contribution to society and do good with the means available to you."

Sustainability calls for foresight and a sense of responsibility, so that we can ensure that the generations after us can enjoy a livable future. We start small by using wood scraps for heating, using rain water to wash the dishes and drinking fair-trade coffee. This same approach continues with the high standards of quality we have for our products and with the careful use of resources.

The principle of sustainability: Thinking about tomorrow today!

The long-term strategy of the company has also been formulated with the principle of sustainability in mind. Our understanding of sustainability is based on three pillars: Economic, ecological and social factors.

All the activities of the HABA FAMILYGROUP are aimed at long-term commercial success and economic independence. For the HABA FAMILYGROUP, the basis for a successful corporate development in the long term is to always run the business profitably and to finance growth from our own resources. "And we always do this while facing up to our responsibility to our customers, our employees, our partners and the environment", says CEO Tim Steffens. "The efficient use of resources preserves nature and the environment for future generations. This is how we want to help shape a sustainable and livable society."



Durable toys

HABA games and toys promote children's development in an age-appropriate way from the very beginning and bring joy for a long time. They are often passed on to younger siblings or even passed down through several generations.

The designers at HABA create toys for babies and toddlers in clear colors and minimalist shapes to leave room for interpretation and imagination. It allows children to give their toy a new interpretation every time they use it. HABA toys offer children various haptic, optical, acoustic and other surprising effects and they never get boring.

The HABA toys are constructed and designed with durability and stability in mind. Together with their colleagues from quality assurance and design engineering, the HABA designers are always looking for intelligent design solutions for their products.

Even when we brainstorm and design we keep in mind that we want the majority of our products to be made in Bad Rodach.

Only solvent-free varnishes and water-based

stains are used for our colored wooden toys, which means it is no problem if babies put the HABA gripping toys and pacifier chains in their mouths. The wooden toys undergo in-house quality assurance and are also tested externally. Mechanical safety tests are very important, which include impact and drop tests, saliva and perspiration resistance tests, and a soaking test to check the strength of all

parts. This is followed by a tensile test, whereby each part is pulled with a 10-kilogram tool for 10 seconds. After that, no small parts that can be swallowed must have come loose.

Product and material diversity

To meet the various needs of the market, it is of course not possible to only make wooden toys. Nevertheless, it is important for HABA to make sensible use of materials. Fasal is used where wood reaches its limits in terms of form, function, production or safety, such as for some parts of the gripping toys.

The gripping toy range was finally expanded to include plastic toys. However, the plastics used are free of banned plasticizers that are harmful to health and they meet the REACH requirements, among other things.

Interesting sound elements also call for different materials, such as plastic or metal. Cardboard is very often used for puzzles and other games. The cardboard is also tested to ensure it complies with all regulations. The HABA designers also create a wide range of fabrics and use a variety of different materials for them: smooth, easy-care polyester fabrics, mixed fabrics with cotton, soft velor and velor fabrics, corduroy, velvet, felt and net fabrics. It is the different look and feel of the fabrics that makes a baby toy so interesting. HABA's fabric toys are sourced from abroad from carefully selected suppliers whose production processes are regularly checked on site. All fabric toys are tested for harmful and hazardous substances.

The durability of the materials

Sand and bath toys are only any good for squishing, shaping and splashing about with if they are made of plastic. The polypropylene (PP) and acrylonitrile butadiene styrene (ABS) plastics used in HABA sand and bath toys come with a five-year guarantee.

The focus when it comes to our plastic products is on high stability, quality and construction, which is what allows you to pass on our products to the next generation, rather than just being fun for one season. For this purpose, plastic with a thickness of between 2 and 3 mm is used wherever it is necessary to create a toy that can withstand all the challenges of children's lives. Generally speaking, the different materials are only used where it makes sense and according to their strengths. Textile elements, for example, are suitable for soft, cuddly toys or to create a particular touch and feel. Plastics, especially for hygiene & application purposes, allow the creations of shapes, effects and constructions that cannot be realized using wood. Like HABA's wooden products, the plastic items also stand for durability and top quality.



Sustainable game development

The HABA Product Development Games department develops new trends and ideas. Every year we receive over 1000 submissions of game and puzzle ideas. We select the most promising ones and test them extensively. During the selection process, i.e. work processes and materials, our employees always bear in mind the aspect of resource conservation.

An important goal when developing games is to inspire families and make children's eyes light up. Many HABA products also make children aware of the beauty of nature and the world of plants at an early age in a playful and fun way. For example, one game for toddlers promotes an understanding of bees and how they produce honey.

Resource-saving workflows

Sustainability is a topic that is firmly anchored in the everyday working routine of the HABA Redaktion PD Games department. A few years ago, for example, we got rid of the document archive and moved towards a paperless office. Since then, the documentation of the game production steps, their archiving as well as internal and external communication have been almost exclusively digital.

Wherever possible: Wood instead of plastic

There are very few HABA games that do not have at least some wood in it. This valuable natural raw material is just right for games and is preferred over non-renewable raw materials such as plastic whenever possible. We only make an exception when a wood solution is not possible for economic or technical reasons (for example if a particularly sophisticated aspect of a game calls for a different material).

Individual products clearly illustrate how the process towards sustainable product development is being driven forward: The HABA Advent calendar for children aged two and over, for example, used to have a plastic insert to separate the individual

compartments containing wooden figures. At Christmas 2019, the plastic parts in all Advent calendars were replaced with an insert made of papier-mâché mix. This switchover had a high priority and soon turned this good development into a standard: Since then, none of the games have been designed using the old plastic material.

Ambitious plans for the future

The Redaktion PD Games department has many more suggestions for how to improve things for the benefit of the environment. One idea is to set up monthly virtual author meetings to further reduce the shipping of unsuitable game ideas by making the pre-selection process more structured. Other long-term goals include saving air volume with small packaging, finding even more sustainable alternatives for plastic parts and doing without components from the Far East.



Unique proprietary products and sophisticated learning concepts

For more than 80 years, Wehrfritz has been a competent partner to educational establishments and educational professionals, helping them to create a stimulating environment for children and to promote them in the best possible way. Wehrfritz develops integrated learning concepts and products that challenge, encourage and are fun, including spatial concepts, furniture systems, teaching and learning aids, and toys.

Proprietary products – unique in terms of educational benefit, design & quality

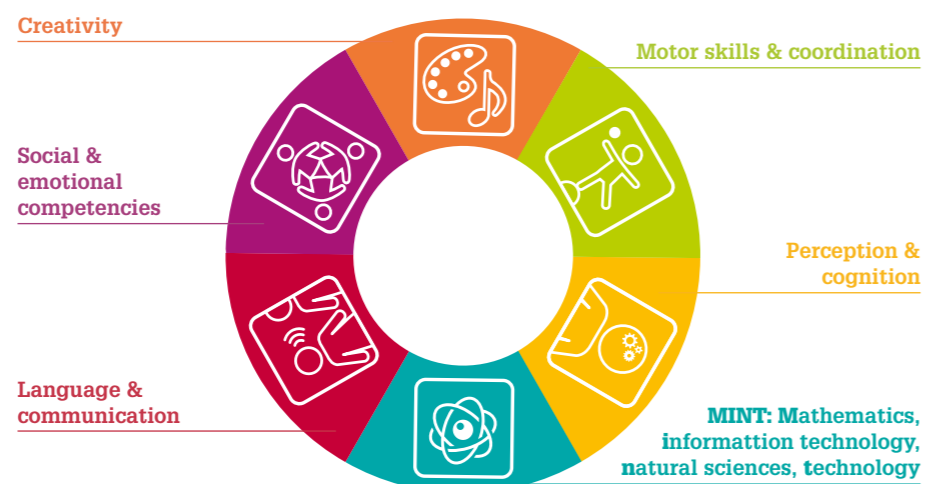
Wehrfritz always focuses on the wishes and needs of its customers. For this reason, the company attaches great importance to people who come up with new ideas and to input from practice in the development and design of its educational toys. The aim is to develop products together with professionals and experts from education and therapy that help customers master the challenges of their everyday working life. The Wehrfritz proprietary products thus offer unique educational benefits and, thanks to their age-appropriate design, encourage children to learn, experience, and explore. This is also how holistic educational game series such as Felix & Fay and

Digital Starter are created; they specifically encourage and support children and prepare them for their future.

Long-term support for children

One of the most important educational goals is to support children holistically and to give them the space to develop their personality. With this goal in mind, Wehrfritz aims to create an environment for such an all-encompassing learning environment and to support children's development in the best possible way with new ideas and products.

Wehrfritz offers products for the following educational fields:



Regulating the educational plans of the federal states, in which early intervention should take place in the daycare centers and kindergartens. While the differences between the individual areas regarding the specifics and how they are weighted are minor, they all have one aim in common: To provide children with comprehensive support in all aspects of child development.

Preparing children for the (digital) future

Children today grow up in a mechanized, automated and digitized world. In order to be able to confidently deal with these new challenges they need skills such as creative thinking, self-regulation and personal responsibility, as well as the ability to effectively communicate and cooperate. This creates a basis for children to become strong personalities, team players and networkers who are able to play a part in shaping the modern world of life and work. Integrated learning concepts like Felix & Fay, Digital Starter, Fröbel and Willys Zahlenwelt put this approach into practice, support children, encourage them and prepare them for their future.

Promoting executive skills with Felix & Fay

The educational game series Felix & Fay helps educators give space to children's feelings, respond to them and address their different emotions individually as well as within the group, and give everyone the skills they need for competent social interactions!

Entering the digital world through the analog with the educational game series Digital Starter

Pixels you can touch! This innovative game concept is based on the world of children and uses analog materials to introduce them to the world of computers. With Digital Starter, kids learn to decipher codes, understand algorithms, and write programs - without a screen!

Playing and learning freely with Fröbel

With simple yet sophisticated toys that make children fit for the future: Friedrich Fröbel, the founder of the kindergarten, laid the foundation for this approach. Fröbel-Spielgaben impress with their clear shapes and flexible creative techniques. They encourage children to explore and shape the world through play. The children set the pace and choose the topic themselves and are accompanied based on the principle of follow-up education.

Willys Zahlenwelt encourages math skills

Willys Zahlenwelt is an integral learning concept that has been popular around the world for many years. The game approaches mathematics from the point of view of a child. Willys Zahlenwelt thus promotes basic math skills through play.

Our own products and educational game series carry these symbols:



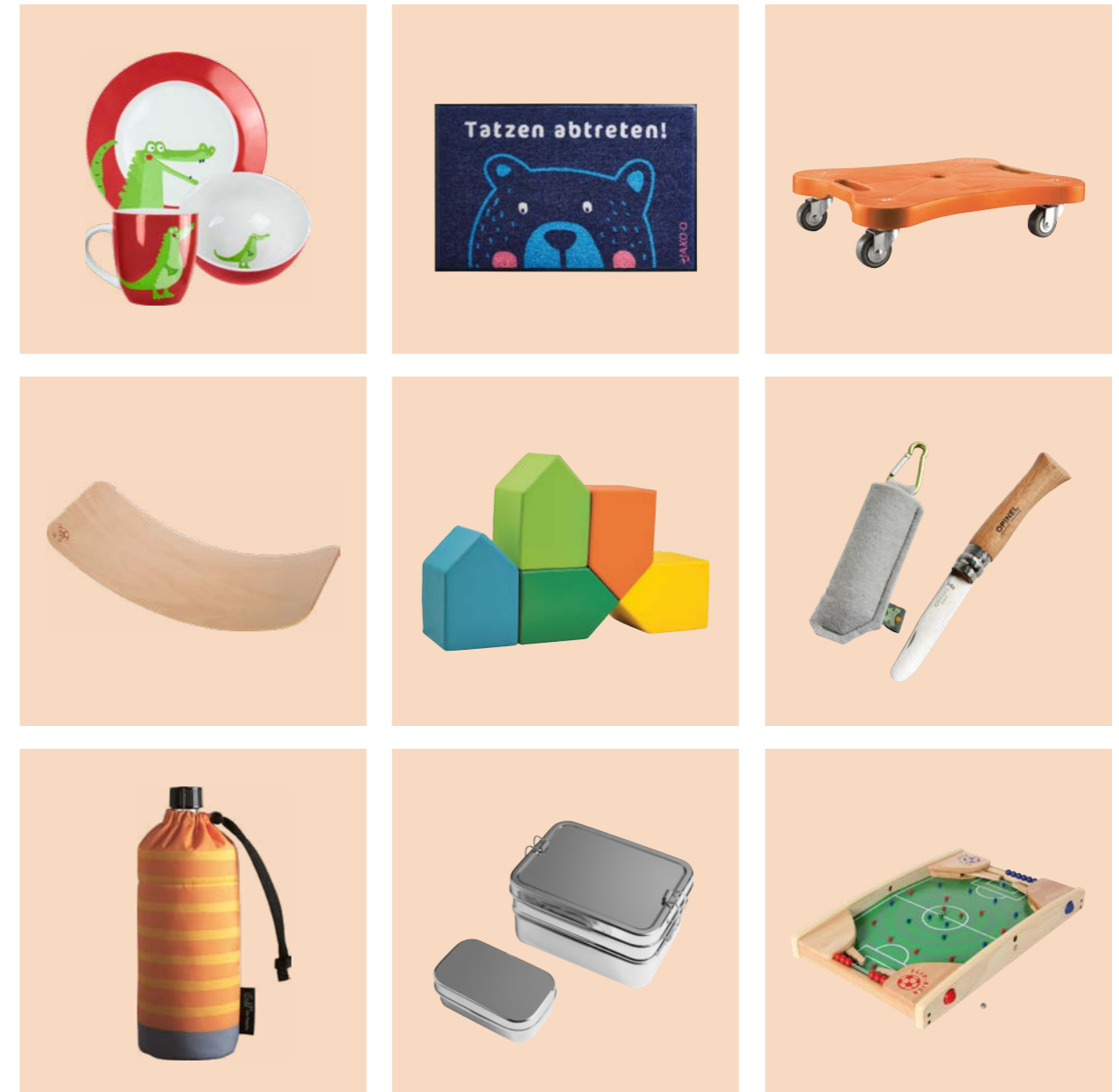
High-grade bought-in articles

JAKO-O attaches much importance to quality, durability, functionality and shape not only when it comes to its own products, but also to its bought-in articles, which include practical everyday family helpers and favorite toys. In line with the motto of “Best for kids – simply being a kid”.

Be it at home or on the go, while shopping or traveling - it's always a great idea for families to have thought-out everyday helpers with them that allow them stay on top of things. Based on their experience with their own children, the staff at JAKO-O have developed products for everyday stressful situations such as school, children's birthdays or car journeys. And they know that only products that actually work are used – everything else ends up in the trash.

The JAKO-O fabric and plastic products articles are manufactured by a small number of selected suppliers. The suppliers are regularly visited and the raw materials are inspected and monitored on site in Germany. Unfortunately, while some products are manufactured in Germany, many cannot for cost reasons.

Our aim is to make the everyday life of the modern family a little easier with our well thought-out products. A single product can sometimes do the job of 2 or 3 less clever ones, a “less is more” approach that is also good for the environment. And good workmanship does the rest – it is important to us that our products accompany the children for a long time and are not just a flash in the pan.



Resource-saving furniture development

Growing with the children, that's the basic approach in the development of JAKO-O furniture. They accompany children from their playroom to their first apartment. And Wehrfritz furniture is also very durable.

When it comes to the development of Wehrfritz furniture, sustainability is a key element of the process chain. A well-thought-out use of materials conserves resources. The furniture is produced using sustainably and certified raw materials, which means lower energy consumption and emission levels. Wood is generally considered a sustainable material and it has many different uses. Nevertheless, the designers and product developers mostly only use solid wooden parts where it really makes sense.

What is more, material composites that make recycling difficult are avoided, and so are ingredients that create problematic decay products when incinerated once the recycling cycles have been exhausted.

Sustainable material selection

The "Linus" cabinet series by Wehrfritz is a so-called post-and-panel system. This means that its high-quality solid wooden parts act as robust connecting elements and ensure a long service life. It makes more sense for parts like doors, side panels, rear walls and bases to be made from high-grade board materials because it saves resources. Such boards also virtually never warp. The wood that cannot be used for the solid wood studs can be further utilized.

This construction method also means that the furniture is easy to partially dismantle. This makes it easy to transport, gives it more uses and, last but not least, allows it to be separated by material and therefore recycled properly.

10-year warranty on JAKO-O furniture

It is often assumed that high-quality children's bedroom furniture has to be expensive. Especially if the quality of the items deteriorates after a while or no longer meets the taste of the child. Then you need new furniture and you generate even more waste.

JAKO-O wants to prevent this and sets high standards for its furniture: Timelessly beautiful and durable.

Ideally, the child bedroom furniture, including a bed that grows with the child, a height-adjustable desk and an expandable bookshelf, can even be taken into the young person's first apartment.



The Linus cabinet series by Wehrfritz is extremely stable, has a timeless design, makes sensible use of materials and comes in modern colors.



"Paul" is the name of the shelf cubes from JAKO-O which are available in different colors and sizes. They can be used to create shelf racks for children's and young people's bedrooms, hallways, offices and living rooms.

Well thought-out furniture and room concepts: project

In close cooperation with us the staff at project develop and produce sophisticated room concepts and innovative furniture for schools and educational establishments. Our common goal is to create an environment that genuinely meets people's needs.

project addresses the challenges schools face with well thought-out learning environments: they make teaching more flexible, support self-directed learning, turn teachers into facilitators of learning, and integrate digital devices into the classroom, among other things.

Integrated room concepts support modern forms of learning and meet the demands of the digital age. Project's design philosophy includes the deliberate use of colors, ergonomic furniture and fire safety and sound insulation solutions.

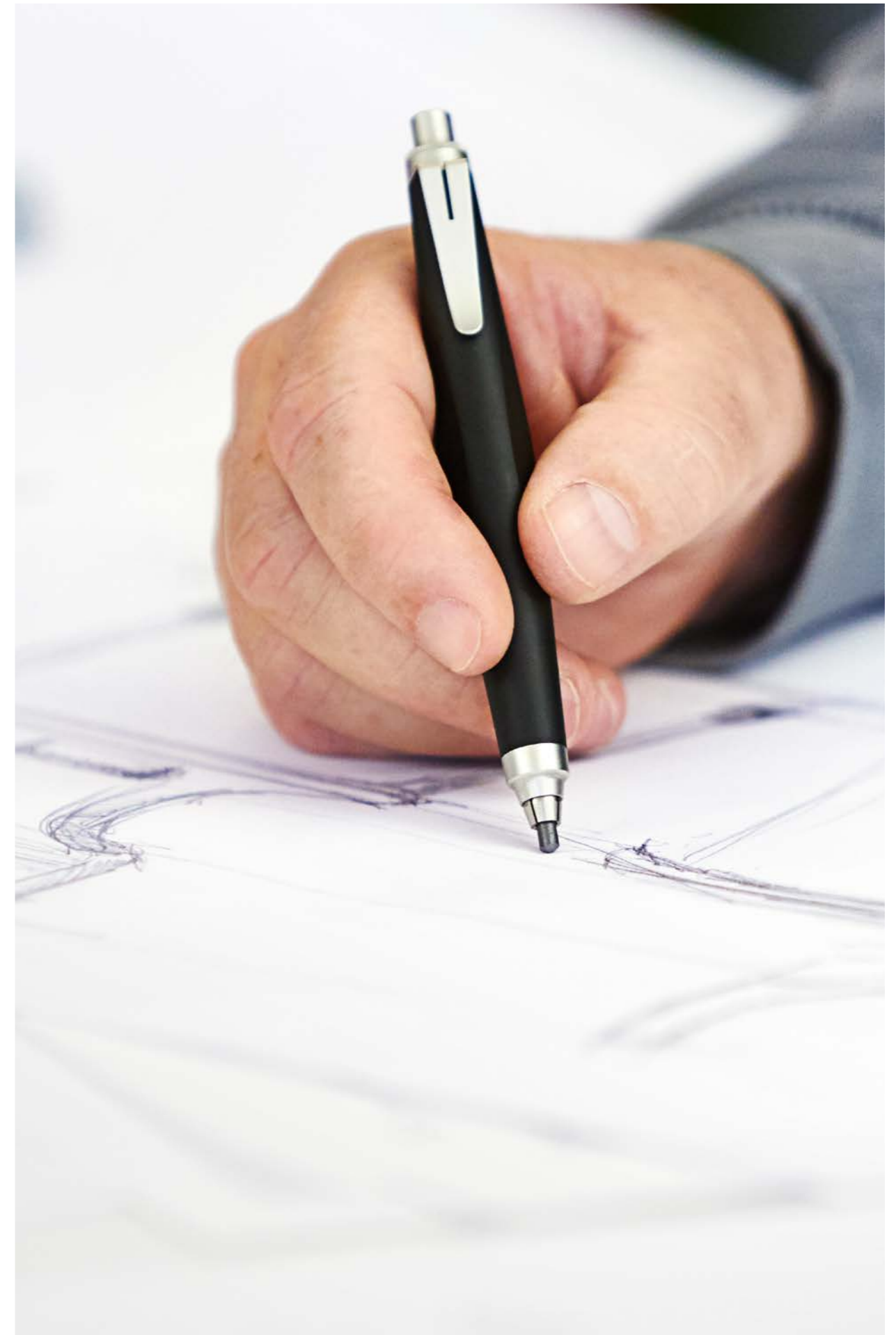
High-quality and sustainable furniture production - made in Eisleben

Products from project are developed based on years of experience and intelligently combine industrial production and manual work. This means that the resilience and durability of the products can be ensured during the manufacturing process. project stands for solid, standard-compliant and eco-friendly workmanship down to the last detail. The chairs, tables and cabinets for schools and educational establishments are all produced at the company's headquarters in Lutherstadt Eisleben in Saxony-Anhalt.

Precise planning and individual advice

project always takes a holistic view of buildings and spaces and works with consumers, professionals and decision-makers to develop the right solution for the various requirements. A personal discussion about goals and concepts precedes

the development of a tailor-made room plan or the selection of the appropriate furniture. There are sales representatives throughout Germany and Austria who provide on-site advice and put customer wishes into practice in cooperation with the planning department. Finally, the fitters implement the individual solutions in the schools. This allows us to meet the needs of the students, teachers and school administrators as much as possible.





Integrated room concepts: Grow.upp

Wehrfritz room concepts combine educational aspects, aesthetics and flexibility - a perfect balance between comfort and security and exciting challenge.

Wehrfritz's room concepts are created with children's motor and sensory needs in mind, encouraging curious exploration of the environment. Using organic shapes and coordinated colors, grow.upp is guided by the natural environment. This creates a quiet zone where children can devote themselves entirely to play.

Grow.upp is based on the latest scientific findings on early childhood development. The room elements and furniture are designed to help with daily routine and support the work of educators.

Feel-good rooms – modeled on nature

A room's color scheme is very important because it can make a big difference to a room's atmosphere. Wehrfritz therefore uses a holistic color scheme in the planning and furnishing of rooms. Materials, colors and light sources are chosen with the specific room and its function in mind. The grow.upp furniture comes in natural shades such as gentle and delicate shades of green, brown and blue. The natural look, with just a few carefully selected and sparing accents, reflects the local countryside and evokes positive associations.

Modernization or redesign

The grow.upp concept can be used for a variety of different rooms: for group and educational rooms, for quiet rooms, exercise rooms or for rooms in nurseries and also for rooms for older children.

The grow.upp furniture is designed in such a way that individual pieces of furniture can be added to

existing ones or to plan a completely new room concept. Even small changes can create a new sense of space.

Sustainable clothing for children and young people

JAKO-O sells clothes made of high-quality and durable fabrics that make children and parents happy. Their high wearing comfort will soon turn them into favorites, which can also be passed on to siblings.

JAKO-O clothing is not just made of high-quality fabrics, a lot of thought has gone into them, too: Which fabrics can withstand many washing cycles? What are the best cuts for children to play in and also allow children to dress themselves? This is how we create smart products you won't find anywhere else: well thought-out, made with passion and taking into account parents' ideas and customer tips.

Long-standing partnerships with suppliers

JAKO-O always seeks a balance between durability, functionality and fair price and takes responsibility for the health of children and the environment. This is mainly achieved through the long-standing partnerships with our suppliers:

Over 70% of the textiles are produced in Europe or Turkey. Through

regular external inspections at the production sites, JAKO-O makes sure that the supplier requirements, compliance with environmental standards and country-specific work guidelines are being implemented. JAKO-O also does not use child labor.

Strict in-house quality assurance

Even though JAKO-O only works with selected, trustworthy suppliers, each item of clothing is checked by the company's strict in-house quality assurance department before it reaches the consumer. The entire process, from the design of a new item of clothing to the production-ready sample is inspected by the quality assurance department. They obtain certificates and define processing guidelines. Once we receive the supplier's sample, it is carefully examined: Measurements are checked and all items are washed and dried several times to be able to assign the proper care symbols and washing tips to them. It takes a good six months from the design to the finished collection.

And what is ...

... Öko-Tex Standard 100

The Öko-Tex Standard 100 labels guarantees that the product that bears the label does not contain any substances in quantities that are harmful to your health. It governs which harmful substances may not be used and defines limit values for others. It also defines test criteria for 100 individual substances or components of risky substances. Only if all the materials used in a product (fabric, buttons, thread etc.) comply with the limit values is it certified and awarded the Oeko-Tex label. JAKO-O clothing that carries the Öko-Tex Standard 100 label complies with the class 1 or 2 limit values. These are the two highest classes with the strictest limits.



FIT-Z – High-quality clothes for young people

Since 2004, the success of FIT-Z has been based on fairness, good quality and responsibility. 70% of the collection complies with the Öko Tex guidelines - and new eco-friendly methods are added all the time.

The procurement criteria and quality standards of FIT-Z, the clothing brand for children and young people, are similar to those of JAKO-O.

70% of the products comply with the Öko-Tex guidelines. The basic range complies with class 2 of the Öko-Tex Standard 100, and the nightware with class 1.

The company also cooperates with the GOTS and bluesign certifications. FIT-Z is also always in search of new eco-friendly materials and techniques.

In addition, quality standards and transport criteria are continuously checked and adjusted. Order pooling also has a positive impact on the environment. Overall, efforts are being made to reduce the number of orders shipped by air.





Experiencing the digital world

In the HABA Digital Workshop, children between the ages of six and twelve can discover the digital world through play and acquire new digital technology skills.

- Age-appropriately.
- Playfully.
- Regularly.
- Sustainably.

The HABA Digital Workshop teaches children about the future. They become aware that they can play an active part in shaping society and acquire skills to better understand how our global, digital world works. And the focus is always on general media literacy and responsible media use. When experimenting with electricity, for example, the staff talk to the children about where electricity comes from, what it is used for, and we can use less electricity in everyday life. For example, when they build a thermometer from a circuit board, they discuss the topics of global warming and climate protection.

Working with saving resources and climate protection in mind

The staff at the HABA Digital Workshop as well as children, parents and teachers who attend the courses and workshops there are encouraged to work in a resource-saving way: The tinkering projects of the Digital Workshop Box are designed in such a way that the packaging of the box itself is used as material for tinkering. Furthermore, the HABA Digital Workshop is virtually paperless and the 3D printers use biodegradable materials. Virtual meetings instead of business trips, and digital solutions instead of landline telephones, for example, are standard.

Sustainable supplier relationships

For the HABA FAMILYGROUP sustainable procurement means buying materials and bought-in parts taking into account ecological, economic and social aspects. The aim is to develop long-term and cooperative partnerships with suppliers that are based on trust through honest and open communication.

This aim is implemented through various supplier requirements. These include compliance with the company's philosophy, "first-class services for the benefit and enjoyment of children", and the strict adherence to social standards.

Other principles the partnerships between the HABA FAMILYGROUP and its suppliers are based on are specific purchasing conditions, purchasing principles, quality guidelines and packaging regulations.

Procurement in Europe and Asia

The HABA FAMILYGROUP has relationships with more than 5,000 suppliers, more than 4,000 of which are based in Germany. The aim is always to buy regionally as much as possible.

A purchasing office for the Asian market was set up in Hong Kong many years ago. Being able to be close to our suppliers has many advantages. For example, it makes it easier to influence the social standards of the suppliers.

We work with our suppliers directly, not via intermediaries. This gives us the opportunity to get to know many suppliers personally, which allows us to implement the sustainability requirements along the supply chain together.

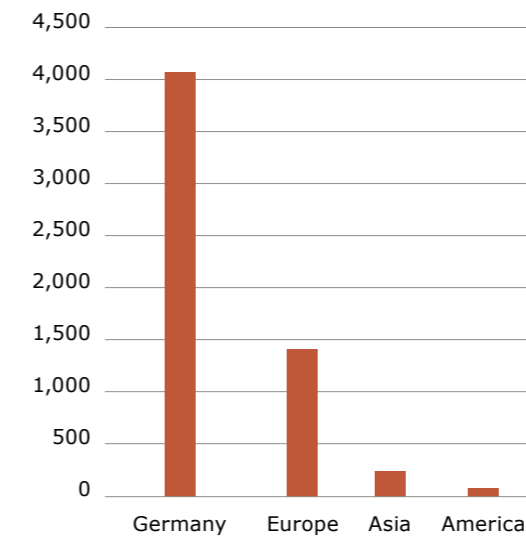
The purchasing office in Hong Kong has many other advantages:

- The pooling of individual purchase orders means that fewer break bulk shipments are made. Shipping goods from different Asian

suppliers to Bad Rodach at the same time means container capacities are better utilized.

- All sample consignments can be tested together on site. A pre-shipment inspections is carried out to prevent unusable samples from being shipped. By efficiently combining ship freight volumes and avoiding air freight in particular, transport routes are reduced, which in turn protects the environment.
- Furthermore, most of the goods are first inspected by the supplier's quality inspectors on site. This means that it is possible to determine there and then whether the quality of the goods meets the strict requirements of the HABA FAMILYGROUP.
- Because we have our own fabric warehouse where all raw materials are stored, suppliers do not have to produce and store small quantities of fabrics themselves. This means that when designs are rejected only a small amount of fabric has to be disposed of.
- Initial checklists for suppliers are used to check in advance whether the supplier meets the requirements. The supplier is also informed about the applicable conditions of purchase.

Number of suppliers worldwide



Solid wood procurement

Almost every day, a truck load of beech wood arrives at the HABA FAMILYGROUP's toy production facility – that is equivalent to approximately 5,000 m³ per year. Given these large quantities, it is very important for the delivery routes to be as short as possible. It is also very important for the HABA FAMILYGROUP that a product is sustainable from the beginning of its life cycle.

Regional procurement management with regard to solid wood specifically means that the suppliers are located within a 100-kilometer radius around Bad Rodach, or are located in regions such as Rhön or Steigerwald. This not only ensures in long-term relationships based on trust, but also short and therefore eco-friendly delivery routes. This is important because on average around 5,000 m³ of beech wood is procured each year - an amount equivalent to around 150 truck loads.

PEFC – wood from sustainable forestry

In our cooperation with suppliers we attach particular importance to wood from sustainable forestry. The PEFC certificate, which currently certifies 322 million hectares of forest worldwide, ensures this.

And what is ...

... PEFC

The Programme for the Endorsement of Forest Certification Schemes is an international certification system. This ensures that we are able to continuously contribute to sustainable forest management taking into account ecological, social and economic standards - it is the equivalent of an MOT for forest management. If a wooden product carries the PEFC seal, then the entire manufacturing process - from the raw material to the finished product - is certified and inspected by independent experts.

Canada tops the list with 134.3 million hectares, and Germany ranks eighth with 7.8 million hectares (as of November 2020). While this figure may seem low compared to Canada, 70% of the forest area in Germany is in fact sustainably managed in accordance with the strict PEFC standards.

For a product to carry the PEFC label, the entire chain of custody (CoC) is certified, which means consumers know that their products really do come from sustainably managed forests. The CoC refers to the entire product chain, from the saw-mill to all subsequent processors. In Germany, some 2,665 companies are PEFC-certified from the first processing stage onwards.

HABA FAMILYGROUP has been PEFC-certified since 2010

The certification means that all incoming timber deliveries are recorded on the material balance sheet and then inspected, which proves that the goods fully comply with the CoC principles. We are proud of the fact that 100% of the beech wood we purchase complies with PEFC guidelines. Any businesses which cannot provide the HABA FAMILYGROUP with an official PEFC certificate must submit a declaration of commitment that stipulates that they nonetheless comply with the PEFC guidelines when it comes to procuring raw materials for HABA. Random audits are carried out to make sure that suppliers comply with these guidelines. The quantity of PEFC-relevant parts in the HABA end products are also recorded. More than 90% of the materials we use are certified. This is important because the quantity of certified material we procure, minus the off-cuts, must be greater than the certified quantity actually sold. HABA purchases eleven times as much as it sells under the seal. Trained external auditor carry out checks once a year.



■ ■ Solid wood processing

Wooden toys are a key part of the HABA FAMILYGROUP's product range. The use of the natural raw materials from sustainable forestry contributes to climate protection.

When a truck load of solid wood reaches the HABA FAMILYGROUP, it is temporarily stored in the timber yard. Before it can be further processed, the wood has to be dried in drying kilns until its moisture content has dropped from around 25% to 8%. The hot water for the drying chambers is produced in-house in boilers fired with production waste, such as chips and waste wood. We recover the energy from the waste heat of the drying chambers. This means that the drying process does not require the use of gas and oil burners.

The solid wood is first processed in the cutting and planing room, after which the wooden parts are distributed to the various machines and systems. The wood is then further processed in Plant 1 and 3, the toy and furniture production facilities.

Passive climate protection through energy saving

The production of wood products used as construction materials only requires a fraction of the energy. This means that significantly less CO₂ is released than is the case with steel, aluminum, concrete or plastics. This means that wood as a "passive protector of the climate", which "actively" stores CO₂, is ecologically far superior to those materials.

Active climate protection through CO₂ storage

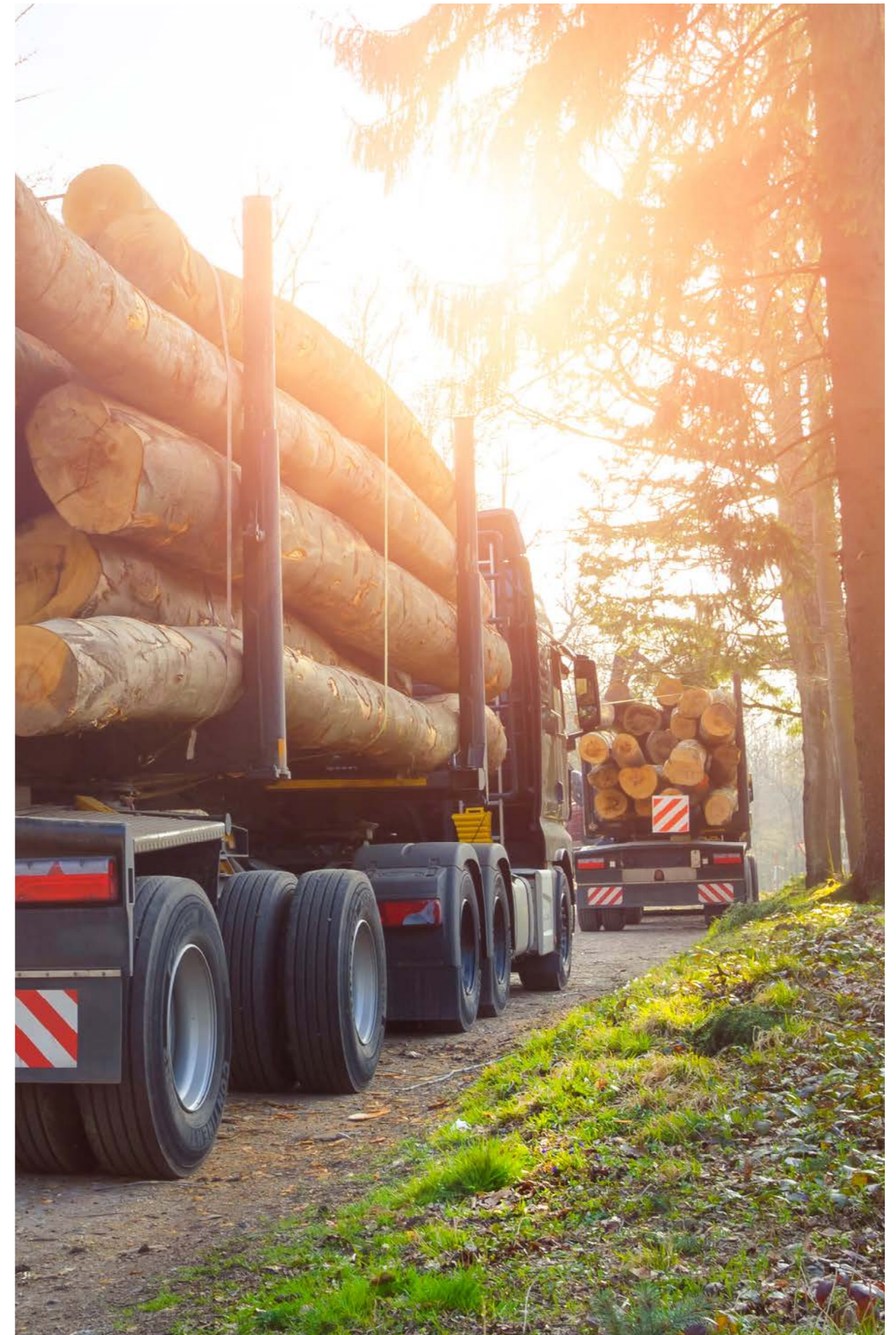
In addition to sunlight and the nutrients dissolved in the water in the soil, trees primarily require carbon dioxide. Carbon dioxide is a greenhouse gas, which plays a major part in climate change.

As trees grow, they extract large amounts of CO₂ from the atmosphere and store it as carbon in the wood. At the same time, they produce oxygen, which humans and animals need to live.

When wood is used from sustainable forestry, as is mandatory in Germany under the Federal Forest Act (Bundeswaldgesetz), the greenhouse gas carbon dioxide is bound in wood products, while new trees can grow on the same area of forest. This is an important contribution to active climate protection.

Wood does not have a recycling problem

Even the best product has a finite service life. But wood products are particularly eco-friendly. While the disposal of other raw materials is ecologically problematic, wood can be used as a fuel in a way that is almost CO₂-neutral.



Environmentally friendly furniture production

Every year, thousands of items of furniture and outdoor play equipment are manufactured in Plant 3. Here, the focus is not just on quality and stability, but also on the conservation of natural resources.

Furniture production is divided into pre-production and final production. Pre-production includes goods coming in, the cutting of the wood panels, the processing of the materials in the machine room and on CNC machines, and surface processing.

In the final production department, the Gemino playhouses, the outdoor play equipment as well as chairs, cupboards and tables are assembled. This production department also includes special carpentry and trade fair construction.

All areas make of the ISO management systems to continuously improve energy efficiency and to ensure environmental protection and occupational safety. This also includes the training workshop, where attention is paid to the correct handling of wood as a resource. Panel cut-offs from production, for example, are not generally reused to generate heat, but are used for furniture and in teaching material.

Veneers – naturally good quality

PEFC-certified veneer made from real wood is used for many pieces of furniture in the Wehrfritz range.

The manufacturing of the furniture requires much less energy and it is fully recyclable. Chips and other waste wood are pressed into chipboard or used for CO₂-neutral energy generation within the HABA FAMILYGROUP.

Environmentally friendly surface sealing

Finally, the high-quality furniture veneers are sealed using carefully selected water-based varnishes only. These varnishes have a whole range of benefits because they are:

- Solvent-free
- Environmentally friendly
- Saliva-resistant and lightproof
- Comply with fire protection class B1 (flame retardant)
- Also comply with the EN 71-3 standard for children's toys: This means that the surfaces were brought into contact with various substances such as water, butter and disinfectants and did not change after a specific exposure time.

Children's furniture production

Area	2017	2018	2019	2020
Chairs	50,000	57,000	82,000	74,000
Tables	66,000	76,000	37,000	36,000
Wardrobe elements	35,000	38,000	37,000	36,000
Cabinets	35,000	38,000	57,000	56,000
Outdoor play equipment	12,000	13,000	9,000	12,000





Toy production made in Germany

The toy production facility at the company's Bad Rodach site turns simple wooden boards into colorful HABA toys: This requires many different steps.

After the design, development stage and processing in the solid wood production facility, the HABA toys are manufactured in Plant 1. The main part of that takes place in the pre-production facility, where the wooden parts are cut, turned and drilled. A good example of this is the production of the apples and pears from the well-known HABA "Obstgarten" (orchard) game.

Use of environmentally friendly dyes

Once the beech wood parts have been sanded, they are treated in the paint shop with water-soluble varnishes and stains in various shades using special equipment. The unvarnished wooden parts are immersed into a dip tank and then treated with a solvent-free clear varnish for approx. 6 to 8 hours. All dyes comply with the strict requirements of the DIN EN 71-3 toy standard and the coating process is continuously monitored.

Once the apples and pears have been painted, they leave the facility. Each work step is checked by trained employees to ensure the required quality. The parts are then moved along the production process and the wooden cubes, for example, are given their very various colored patterns using a special embossing process.

The HABA FAMILYGROUP has been sourcing its first-class stains, varnishes and printing dyes from German partners for decades.

Avoiding packaging in the packaging process

Finally, the products are assembled in the final production department. In the packing department the various parts of the orchard game such as the apples, pears are packaged up. In the

packaging process in particular we used to look for ways to avoid plastic packaging as much as possible.

To avoid damage during transport or from other environmental influences, the apples and pears are placed in a cardboard bag. The brown folding bag is made of eco-friendly paper and is fully recyclable. An automated insertion belt has been installed, which will reduce the number of polybags used by 1.3 million (down from 1.9 million).

As part of the continuous improvement process, another sustainability milestone was introduced to the production process. Streaks of dye in the wood, for example, are not regarded as a flaw, but rather deliberately accepted for lacquered and stained goods. This minimizes waste and rejects, less wood is used, and energy is saved in the manufacturing process itself.

Quality and safety – the top priority

The HABA FAMILYGROUP ensures that its toys are of the highest quality and safety through stringent in-house quality assurance, independent testing institutes, the careful selection and monitoring of material suppliers and the fulfillment of all standards and guidelines.

Compliance with strict standards and guidelines

Quality and safety have the highest priority at the HABA FAMILYGROUP, whether the products are made in-house or bought in.

All products thus comply with all European and national regulations for the safety of toys in terms of materials and workmanship. All US standards are also met, specifically the ASTM Standard Consumer Safety Specification for Toy Safety (F 963).

Furthermore, the products comply with the EU Directive on General Product Safety (2001/95/EC), the EU Standard for the Safety of Toys (EN 71) and the European Toys Directive (2009/48/EC).

HABA toys - quality assurance

All HABA toddler toys - whether they are made of wood, plastic, fabric or other materials - undergo strict in-house quality assurance as well as external testing by independent testing institutes. There, they are tested both mechanically and chemically - using tests that go beyond what is legally required.

Test procedures

These are the most important tests carried out on the products of the HABA FAMILYGROUP:

- Test template testing
- Impact testing
- Soak testing
- Tensile testing
- Saliva and perspiration resistance testing

This ensures that small children cannot swallow parts and choke on them. There must also be no danger of strangulation, products breaking apart or parts coming off.

All products manufactured in-house undergo safety assessment tests to identify and eliminate any hazards. Only then will the products be ready for sale.



Test template testing



Soak testing



Impact testing



Tensile testing



Outstanding quality management

The quality management of the HABA FAMILY-GROUP is certified according to the nationally and internationally recognized DIN EN ISO 9001:2015 quality standard. The ISO management systems aim to continuously improve quality-, environment- and energy-relevant processes. This allows us to continuously improve the quality of our products and services for the benefit of our customers. ISO 9001 defines the minimum requirements for a quality management system. The system looks at processes and compares target with actual values. If discrepancies are identified, measures are defined and planned with the aim of improving and adapting the processes. In addition, a quality policy has been drawn up which is regularly reviewed and, if necessary, adapted. The effectiveness of the management systems of the HABA FAMILYGROUP is tested by TÜV Rheinland.

Monitoring the safety of bought-in products

In addition to its many own products, the HABA FAMILYGROUP also sells bought-in items. These also have to undergo a safety check.

When a bought-in product is added to the range, the necessary verification documents are requested. These are checked to ensure they are correct and up-to-date by the quality assurance department. These documents can be accessed at any time in the event of customer inquiries.

Own testing laboratory

To ensure that all the tests can be carried out in the best possible way, the HABA FAMILYGROUP has had its own in-house testing laboratory for many years. The tests are regularly carried out by trained staff during the product development stage as well as during a product's marketing phase. A furniture test bench is used for the furniture. The test bench simulates everyday situations in accordance with the legal standard

requirements. One example would be a chair wobbling under load. After several days of testing, nothing must come loose, move and certainly not break.

Logistical (master) services

Every day, the logistics department of the HABA FAMILYGROUP deals with enormous flows of goods.

Logistics at the HABA FAMILYGROUP is divided into the areas intralogistics, distribution logistics and transport logistics. These areas are responsible for the procurement and storage of the various materials and purchased parts. The goods are stored in Bad Rodach and in the surrounding towns, which means delivery routes are short, and which in turn protects the environment. The logistics department is also responsible for customer returns and customer order processing. The latter deals with delivering and assembling the goods ordered by the customers on time.

Flexible reaction to customer requirements

As a result of the ever greater variety of available products and changing ordering behavior in the areas of B2C (e-commerce), B2B (retail) and B2G (business to government), the annual number of returns has increased.

The annual figure in the last few years is around 2.5 million returns. The expense associated with these returns places an additional burden on transportation, materials and labor.

The company's reaction to these market changes was, among other things, the installment of an automated sorting and storage system: a pocket sorter with integrated dynamic buffer function. This not only reduces logistics employees' physical workload, it also means that these members of staff can be deployed elsewhere.

The problem: excessive packaging waste of small shipments

In the past, shipments that contained only one product, or single-item orders, were shipped in envelopes or boxes. The large number of such

orders meant higher resource costs, which not only affected the employees, but also freight and transport processes.

The problem: Filling material had to be used for each order to ship the product safely. What is more, too much air was transported when shipping products individually. For this reason, freight spaces and transport trucks were not efficiently utilized when shipping single-item orders.

The solution: An innovative bag packaging machine

A bag packaging machine was purchased in 2017 in order to optimize the packaging of single-item shipments; the machine is used to efficiently package in a plastic bag the items from the JA-KO-O range in particular. Several tests carried out in-house showed that the cargo space was now utilized more efficiently by a factor of four, thus saving on diesel fuel.

80% of the plastic packaging material that is currently used is made from recycled material. However, the HABA FAMILYGROUP is looking for a packaging material made from renewable raw materials in order to achieve a recycling rate of 100%.



The bag packaging machine uses optical components to detect the size of a product, cuts the required film, welds it to size and prints out the label.



The distribution logistics department ships all toy and clothing orders for the entire HABA FAMILYGROUP. At peak times, such as just before Christmas, they handle up to 25,000 parcels per day.

Customer satisfaction

The HABA FAMILYGROUP does everything with customer satisfaction in mind, which is a top priority at the company. We want to advise rather than just sell.

The HABA FAMILYGROUP's customer service center, which employs around 160 staff (over 90% of which are women), is all about service - such as the opening hours: The service centers of HABA and Wehrfritz are open from Monday to Friday between 8 a.m. and 6 p.m., and the service centers of JAKO-O and FIT-Z from Monday to Saturday from 8 a.m. to 10 p.m. During these times all calls are answered in person, dealing with a wide range of customer inquiries such as questions or complaints, even after an order has been placed. In addition, the customer service center also offers a spare parts and repair service, which is either handled by the company itself, in the case of its own products, or by the suppliers in the case of bought-in products.

Good availability

The customers of the HABA FAMILYGROUP can reach the customer service center through a variety of channels: Customers can get in touch with the service center by phone, email, live chat, Facebook or Instagram, resulting in an impressive number of some 800,000 calls and 400,000 emails answered.

Loyal to the region

Another special feature of the HABA FAMILYGROUP customer service center is that it is in-house and has been located at the company site in Bad Rodach since its foundation in 1994 and will continue to be so in the future. This guarantees fair wages and long-term job security.

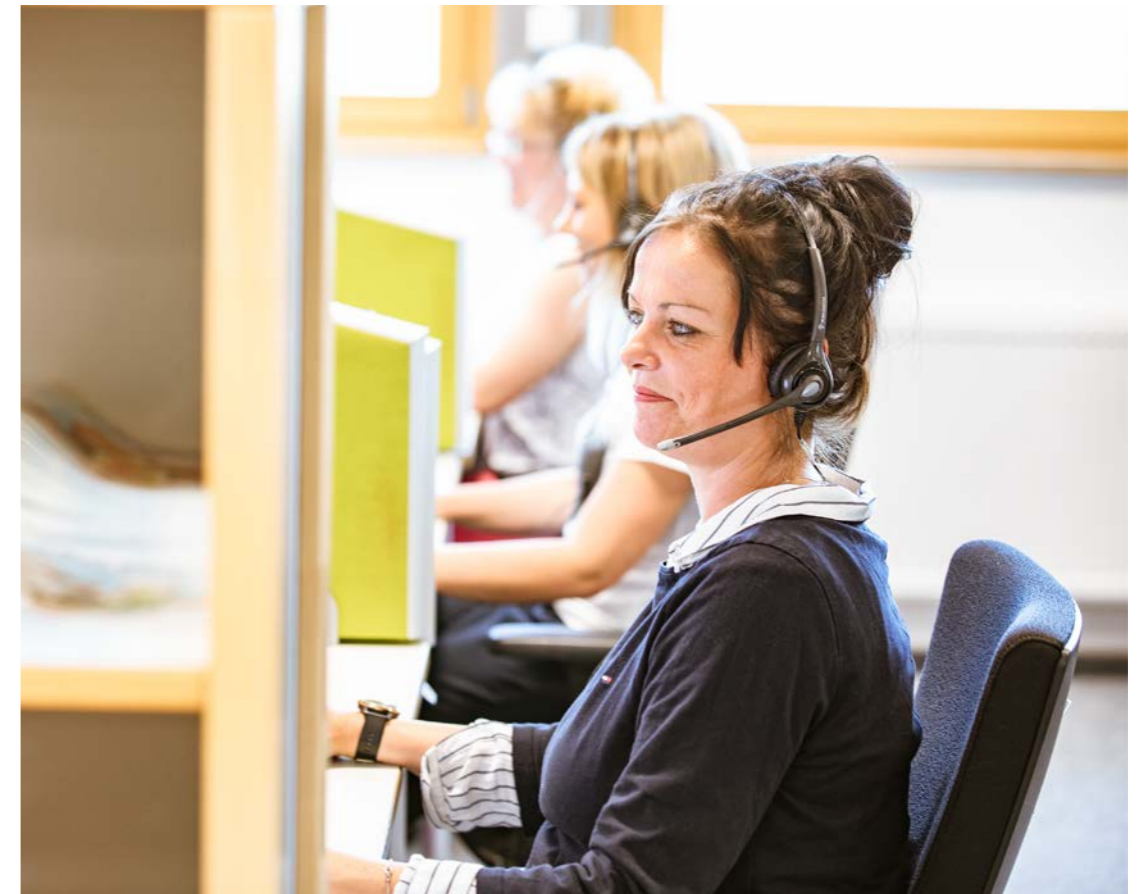
Training, who we are, and additional services

The staff at the customer service center are deployed according to demand to avoid waiting times for customers. At peak times, when a high volume of orders are placed, such as Easter, Christmas or at the end of discount periods, there are additional staff at the centers. In addition, staff undergo extensive product training for all brands when a product range changes, which gives employees the necessary product knowledge to provide customers with the right advice. And that is central to who we are, because our employees do not see themselves as salespeople, but rather as advisers. Customer complaints are seen as an opportunity and motivation to improve, and efforts are always made to find unbureaucratic solutions to problems to restore customer satisfaction as quickly as possible. What is more, most of them are parents and know what families need, and quite often they have tested the products themselves.

Employee-friendly working conditions

In addition to a high level of customer satisfaction, the HABA FAMILYGROUP also strives for its employees to be satisfied and takes various measures to achieve this. This includes the so-called "mom shifts" for employees returning from parental leave who wish to work only the early shift for one year or more. Shift rotas are set at least four weeks in advance, which makes it easier to make plans. Sunday is considered a family day and is a day off for all employees. The "shift exchange scheme" gives employees the chance to attend unforeseen private appointments.

The new working-from-home policy, which was kick-started by the corona regulations, is a new and pleasant way of working for many employees.



The customer service center of the HABA FAMILYGROUP deals with some 800,000 phone calls and 400,000 emails per year.

Sustainable management in the company canteen

The HABA FAMILYGROUP canteen serves 210 people on average per day – currently, because of the corona regulations, it serves about 35 employees a day. The fresh regional food served in the canteen is certified organic and the canteen works in an eco-friendly way.

The food served in the canteen in the Brauhof building as well as in the snack bar in Plant 3 is seasonal and regional.

The food is mainly sourced from Germany, usually from Bavaria or Franconia. It is bought via "Fey und Pfaff", who have also concluded framework agreements with other production sites.

Organic certification

On January 28, 2021, Fey und Pfaff was awarded the eco-guarantee seal by Kiwa. The eco seal applies to company catering, the catering service, the items on the menu and set meals, food and drinks as well as the coffee. For some time, only fair trade and organic coffee beans have been used in the coffee machine in the canteen.

Successful changes and goals for the future

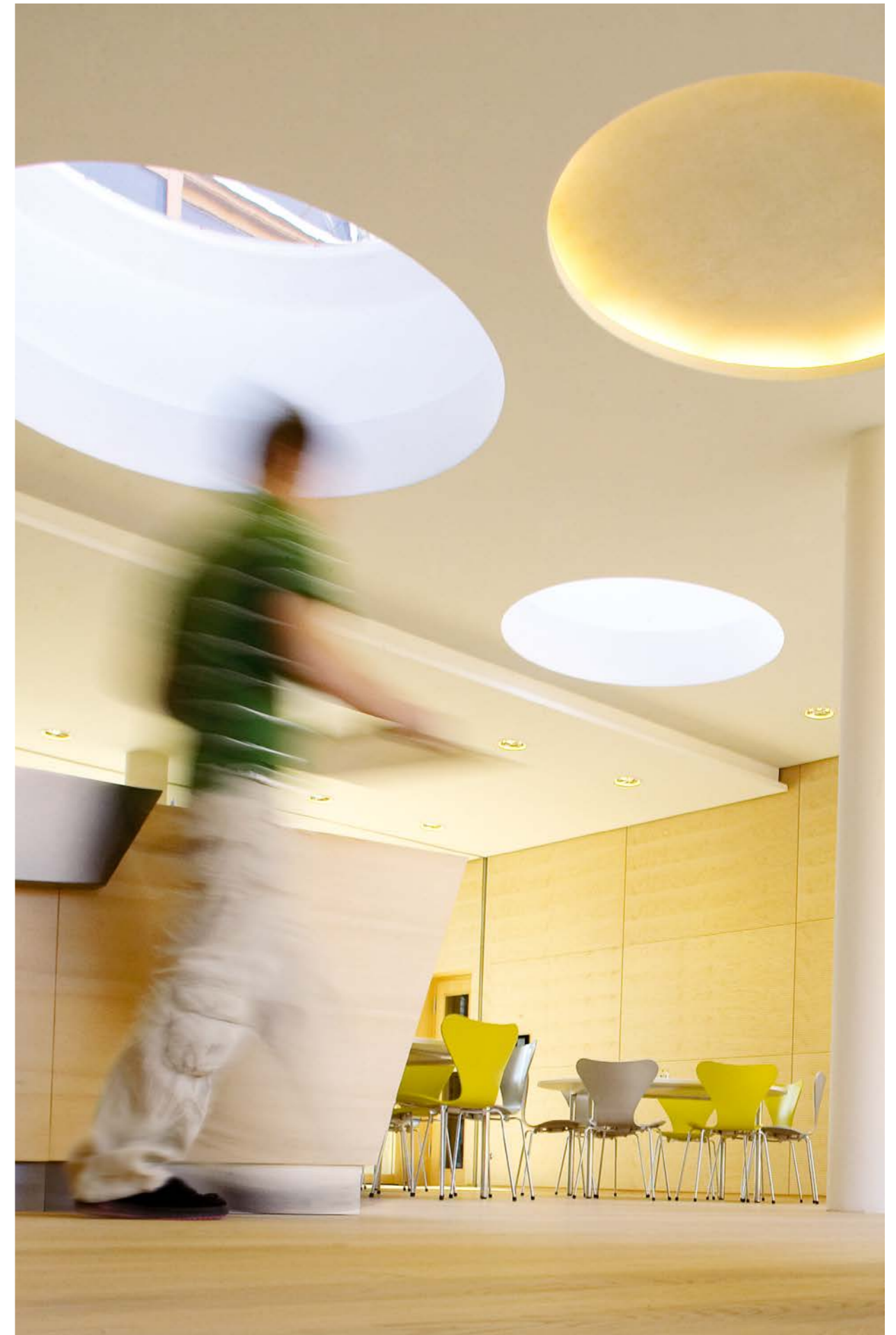
The aim is to continue to expand the procurement of regional products that are used in the kitchen. In addition, there has been a switch to bottles with refundable deposits, which also required us to replace one of our beverage suppliers, among other things. We no longer serve lemonade in plastic bottles and now offer organic lemonade in glass bottles instead.

The canteen also sources organic meat from regional suppliers. As well offering high quality food, we also pay attention to packaging and cutlery.

There has also been a change in this respect in the snack bar: the plan is to use more bio-based plastics in the future.

Fresh preparation

The food in the canteen is almost exclusively prepared in-house with very little third-party involvement (convenience). 95% of the dishes are freshly prepared by us. Ready-made products such as pizza, tarte flambée and baked fish rolls are available in Plant 3.



Employees

It is the employees at the HABA FAMILYGROUP who are its main assets. The company currently has around 2,000 employees. They are the key to the company's success. The aim of the personnel strategy is therefore to attract and retain well-trained employees and ensure their loyalty to the company and get them to invest in their own training.

Support and development

The HABA FAMILYGROUP would like to enable its trained employees to help shape their areas of responsibility and to tap into previously unused potential. The personnel development department offers employees the possibility of strategic training about the company's goals and their interests.

Each department has an annual budget, which can be used in a variety of ways. The personnel development department provides advice to the departments and employees and draws up further training concepts based on individual needs.

An employee development meeting takes place at least once a year. During the meeting employees discuss the general work situation, teamwork and personal development with their direct superior. The aim here is to promote dialog, strengthen relationships, promote mutual respect and optimize the development of each individual employee.

Occupational safety

As a responsible employer, it is the duty of the HABA FAMILYGROUP to protect its employees from risks and dangers at work. The main objective is a safe working environment where occupational accidents and work-related illnesses are prevented. To this end, the HABA FAMILYGROUP invests in providing its employees with proper training and in safe technology. A safety officer ensures that the fire protection and occupational safety regulations are implemented and reviewed.

Health

Promoting and maintaining the health of its employees is very important to the HABA FAMILYGROUP. For this reason, the company health management system (BGM) was introduced in 2014, which supports employees in leading a healthy lifestyle. The BGM deals with all aspects of health, from a healthy diet to exercise and counseling services to ensuring that office equipment complies with the latest ergonomic standards.

■ A healthy diet

The canteen in Bad Rodach serves fresh seasonal food. Every day, the canteen cooks a very wholesome, healthy dish. The HABA FAMILYGROUP has been using more and more organic products since 2019.

■ Fifa-Fit

As part of the Fifa-Fit scheme the HABA FAMILYGROUP offers health courses and lectures, work-related social counseling as well as ergonomic aids for the workplace.

■ Health days

The company hosts area-specific health days on different topics to help employees cope with their individual stresses. The health days focus on raising awareness, counseling and information on health-related topics.

■ Job bike

Good for you, good for the environment and cheap: Employees have the option of hiring a work bicycle, which they can use for their commute and in their spare time. The HABA FAMILYGROUP helps with the cost of hiring the bike with a monthly subsidy.

■ Sports events

The Tour de HABA cycling tour takes place once a year and has become a regular event for employees as well as their families and friends. There is also an annual company run, organized by the local press, which encourages many employees to exercise.



In the Fifa Fit health courses, which change every six months, employees from different departments get together to keep fit and improve health.



Bei der alljährlichen Tour de HABA steigen Klein und Groß gern aufs Rad. Hier ist für jeden die passende Strecke dabei: von der 10 km langen Familien-Tour bis zur Profi-Tour, die über 45 km weit führt.

■ **Ergo Scouts**

To prevents problems with the muscular and skeletal system, trained Ergo Scouts help the employees of the HABA FAMILYGROUP to set up ergonomically sound office workplaces.

■ **Company doctor**

A company doctor visits the different plants once a week. The doctor performs (compulsory) medical check-ups, checks medical certificates and, together with the safety officer, carries out physical and psychological risk assessments. He or she also regularly carries out work safety inspections together with the safety officer.

Communication

Information and transparency are very important to the HABA FAMILYGROUP and the company continuously works on improving its internal and external communication practices. Information about the latest developments and other topics is available on the intranet, there is a monthly newsletter and the employee magazine "Baustein", which comes out three times a year.

Social benefits

A wide range of social benefits are available for the employees of the HABA FAMILYGROUP to ensure a pleasant and attractive working environment.

■ **Workwear**

Workwear for industrial and technical employees is subsidized. Employees also receive a subsidy for safety footwear when they start their job and then once a year.

■ **Company pension scheme**

The HABA FAMILYGROUP offers excellent retirement, disability and death benefits. Temporary staff can claim capital accumulation benefits.

■ **Travel costs**

There is a subsidy of 360 euros for annual public transport tickets. Trainees receive a subsidy of 600 euros.

■ **Company apartment**

Moving to another town also means having to find a new apartment. At the Bad Rodach site,

the HABA FAMILYGROUP offers its employees and interns who have come from out of town a subsidized apartment for the first six months.

■ **Anniversary**

Loyalty should be rewarded! The HABA FAMILYGROUP rewards its long-serving employees with a party and special leave after 10, 25 and 50 years.

■ **Discounts**

Employees receive a discount on the company's products.

■ **ROCE bonus**

The ROCE-based (Return on Capital Employed) bonus system means that employees get a share of the annual returns.

■ **Vacation bonus**

After 10 years, employees receive a vacation bonus in addition to the standard vacation pay. There is also a leave scheme in place, which offers employees a special subsidy or special leave when their performance at work has reached a certain defined level.

■ **Other contributions**

Employees can take special leave on special occasions such as weddings or the birth of a child, during exceptional circumstances such as a bereavement, or moving home or preparing for exams. The HABA FAMILYGROUP also gives its employees financial or support in kind on occasions such as birthdays and Christmas.

Culture and leadership

The managers of the HABA FAMILYGROUP are very much involved in the everyday running of the company. Their values, standards and beliefs offer guidance on a daily basis.



The company's understanding of leadership

The HABA FAMILYGROUP believes that the essence of good leadership and cooperation lies in a joint and clear understanding of learning, personal responsibility, creativity, and cooperation. The tree serves as a symbol for our understanding of leadership: The tree is a natural thing that grows. And people, too, should grow through leadership. The tree has roots – these are the values of the HABA FAMILYGROUP. The tree has a trunk – which stands for trust. The tree also has branches – these are the leadership tasks.

■ Moving forward through learning

- Perceiving change
- Actively promoting change
- Looking at the familiar in a new light
- Courage to try new things
- Continuous training

■ Setting an example through guidance

- Putting values into practice and being a role model
- Acting with the visions in mind
- Developing long-term strategies
- Identifying structures and connections
- Creating space for innovation
- Setting ambitious and realistic goals within the team

■ Acting together

- Communicating with each other
- Promoting and developing team spirit
- Working together
- Being solution-oriented
- Reviewing, improving and simplifying

■ Making people stronger

- Having a positive attitude
- Identifying development potential
- Boosting personal responsibility
- Encouraging self-reflection

■ Having the will to succeed

- Focusing on the customer
- Looking ahead
- Implementing things consistently
- Making a contribution
- Solving tasks

Strategy

Good leadership means everyone moving in the same direction. The HABA FAMILYGROUP has two aims: to develop as a company and grow in the market, and to stick together and work as a company family. The managers play a big role in implementing this strategy. In practice, this means planning, organizing and making decisions. On the emotional level, the aim is to motivate and inspire employees, encourage a sense of togetherness and to spread a sense of optimism.

Informed and networked

The executive board and the managers hold regular meetings to discuss strategic issues and make plans. All managers have access to the intranet, where they can find relevant information, processes, documents and training offers. This gives managers the support, checklists and forms that make their work easier and improve quality quickly and transparently.

Junior staff

The HABA FAMILYGROUP invests in the future with a variety of apprenticeships, dual degree programs and academic internships.

Vocational training

- Industrial/technical
 - Woodworking technician
 - Warehouse clerk
 - Industrial mechanic
- IT
 - IT specialist
(specialization: application development)
 - IT specialist
(specialization: system integration)
- Commercial
 - Industrial clerk
 - Warehouse logistics specialist
 - Office clerk for marketing communication
 - Office clerk for dialog marketing
 - Office clerk for e-commerce
- Creative jobs
 - Media designer with focus on design and technology (specialization digital)
 - Media designer with focus on design and technology (specialization print)

Dual degree programs:

- Business administration (BA) Specialization: Industry
- Business administration (BA) Specialization: Media and communications industry
- Business administration (BA) Specialization: Trade (sales management)
- Media design (BA)
- Wood technology (BEng)
- Applied computer science (BSc)

University internships

The HABA FAMILYGROUP offers a wide range of professional opportunities. One of them is the university internship, which gives students the exciting opportunity to take a look behind the scenes. Each student is given professional support in putting their theoretical knowledge into practice. Both parties benefit from this. By working on important projects the interns acquire a lot of new knowledge. And the young people provide the HABA FAMILYGROUP with new insights and ways of thinking – and they might even join the company in the future.

Career choice preparation

The training marketing staff at the HABA FAMILYGROUP work closely with schools and other institutions in the region. "It is important to us to not only present ourselves as a company, but also to support the students as best we can on their way to their career," says Dr. Mario Wilhelm, Director Human Resources & Legal. The HABA FAMILYGROUP therefore also hosts application training and practical days, which help young adults choose their future career.

Outstanding training

All junior staff are trained in accordance with their training regulations in the relevant departments. In each department, qualified and committed employees are there to provide advice and support. The company offers specialist training courses (which also includes exam preparation), including one-on-one, to improve the trainees' skills.

And this has proven to be a success: Since 2006 13 trainees at the HABA FAMILYGROUP have been presented with the "Nationale Bestenehrung" award, which is organized each year by the Association of German Chambers of Industry and Commerce.

Digital learning guides

Digitization has been an integral part of the company's training programs for some time. The trainees use their own laptops to create an electronic report book or company presentations, use it as learning guides at vocational school or to organize their personal lives.

Permanent employment regulation

To benefit as much as possible from the potential of the junior staff and to recognize their achievements, HABA FAMILYGROUP gives all trainees the opportunity of a permanent position once they have completed their training, provided there are no serious reasons not to. A job offer is made based on the trainees' performance at school and in the company as well as on their personal conduct. Based on the trainees' performance, they are either offered a temporary or permanent position.

Promotion of young people

To help young people develop their potential, the HABA FAMILYGROUP participates in the Deutschlandstipendium scholarship program. The program was introduced in 2011 by the Federal Ministry of Education and Research and is intended to provide financial support for gifted students and high-achievers. The scholarship supports students with 300 euros per month. The funding is shared equally between the federal government and the sponsor. The minimum term for income-independent support is two semesters. The HABA FAMILYGROUP is currently awarding two scholarships, for Coburg University of Applied Sciences and the University of Bamberg.

Work and family

The best target group in the world: Children and their families. This is also what many employees focus on in their private lives. It is therefore particularly important to the HABA FAMILYGROUP to help their employees to reconcile their professional and family lives.

Mastering the balancing act between work and family life that allows people to face their daily tasks with motivation, commitment and joy - this is what all employees strive for. The family-oriented personnel policy of the HABA FAMILYGROUP provides several services in this context.

For example, the company offers many **flexible working hour schemes** tailored to employees' individual needs. Employees returning from parental leave in particular take advantage of flexible working hours.

There is now also the option of **mobile working**, now that working from home has become established. The HABA FAMILYGROUP offers the possibility of working from home or other locations, provided that the nature of the work does not necessarily require the employee to be present at the workplace.

Another service that ensures a good work-life balance is the company's **childcare** scheme. The the HABA FAMILYGROUP set up the "Luise Habermaass" children's house in September 2004 for employees' children between 0 and 6. The

children's house was furnished with love and attention to detail and offers excellent care for young children. The children's house provides an atmosphere of comfort and safety and the children are looked after with affection and respect.

The HABA FAMILYGROUP also subsidizes childcare for primary school children during the summer vacation. The HABA FAMILYGROUP was awarded the "audit berufundfamilie®" certificate in 2003 for their family-focused personnel policy.

And what is ...

... audit berufundfamilie® certificate

This audit by the non-profit Hertie foundation uses an extensive list of criteria to check which family-friendly measures and services a company provides.

A successfully audited company is awarded the seal for three years and is regularly re-audited.



Social commitment

Ensuring that our world is livable for our children is a matter close to the heart of the HABA FAMILYGROUP. The company is therefore active and takes social responsibility for matters that go beyond their business activities.

Committed to children and families

■ HABA family day

Games, fun, sports – and above all: Spending time together, being active and outdoor exercise – that’s what the HABA family day is all about. The family day has been jointly organized for the past 15 years by the HABA FAMILYGROUP, the town of Bad Rodach and the district administration of Coburg. Until now, the family day took place on the second Sunday in August. Then the Waldbad outdoor pool in Bad Rodach was transformed into a play paradise for the whole family. The HABA family triathlon has also been taking place on this day: A 5,000-meter cycle, a 1,500-meter run and a 150-meter swim. And it’s always the taking part that counts, not winning.

■ JAKO-O family congress

Between 2003 and 2020, JAKO-O organized the family congress, which the parents were always invited to attend. The aim of the meeting was to create security, reduce self-doubt and promote dialog between parents.



■ “Learning makes a difference” – JAKO-O and Wehrfritz educational study 2020

The future of our children and of society is determined by education – this is what the HABA FAMILYGROUP firmly believes in. The study on the future of education provides valuable insights, because the FAMILYGROUP deals with the topic of education every day, and it is a challenge for parents, teachers and daycare teachers alike. The educational studies that are carried out regularly help parents with their everyday family life and educational professionals with their educational and support goals. The HABA FAMILYGROUP presented the first study of this kind in 2010, the JAKO-O educational study, and continued this series until 2017 with four nationwide and two regional studies. So far, parents were interviewed about their attitudes to the German education system. In 2020, the “Lernen bewegt” (learning makes a difference) study by JAKO-O and Wehrfritz for the first time also interviewed (nursery) teachers as part of the study. In addition, the study also had a new focus: the future of education.

Doing good around the world

■ The “80 years. 80 good deeds.” anniversary campaign

Be it making children happy, planting trees or donating blood: On the occasion of its 80th anniversary, the HABA FAMILYGROUP and its employees performed 80 good deeds. “We wanted to use the anniversary year to do good for others. We are impressed by the sheer number of people who have put their heart and soul into the project and have gone above and beyond to help their fellow human beings,

society and our environment,” says Sabine Habermaass about the campaign.

■ The “zusammen.gutes.tun” (doing good together) initiative

The employees and the owner family have expressed the wish to continue doing good deeds even after the anniversary year. To continue the spirit of the 80 good deeds, the HABA-FAMILYGROUP set up the “zusammen.gutes.tun” (doing good together) initiative in April 2019, thus supporting the social commitment of its employees. The HABA FAMILYGROUP thus takes social responsibility for matters that go beyond its business activities. “To make a positive contribution to the world together, we want to continue to support good deeds and, to this end, we placed trust in our employees and provided them with the funds to do this,” explains Heike Habermaass. Depending on the scope of the employee projects that serve the common good, they are subsidized with up to 2,000 euros.

■ Donations instead of gifts

In 2018, the HABA FAMILYGROUP decided to donate to a social cause at Christmas and spend less on Christmas presents. Since then, cash donations and donations in kind have been made every year to Coburg’s child protection agency. Coburg’s child protection agency is committed to creating a child- and family-friendly region. It provides children and parents with many services that improve their everyday lives. The services are provided by professionals as well as volunteers. Coburg’s child protection agency provides families in the town and the district with advice and support, and stands up against child poverty and violence and for children’s rights, non-violent upbringing and better living conditions. Supporting the development of children and strengthening families has been an important goal of the HABA FAMILYGROUP for more than 80 years, which means the donations to the child protection agency are in line with the company values.

■ Help for Burkina Faso

For many years JAKO-O has been supporting the Sahel e.V. aid organization, which was founded by the former bookseller Katrin Rohde. Sahel e.V. is a recognized non-profit organization whose mission it is to give young people, children and adolescents in the West African state of Burkina Faso a better chance in life. From 2007 to 2020, JAKO-O has paid school fees of at least 8,000 euros and thus given children access to education.

Legal notice

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