

**DEMONSTRATING
RESPONSIBILITY**
FOR A BETTER
TOMORROW

Sustainability Report 2020

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Please note that, on grounds of readability, generic plural pronouns have been used in relation to personal titles and concepts. This abbreviated form of language is solely for editorial reasons, and implies no judgment.

INTRODUCTION

Foreword

Highlights 2020

About this report

About hep



Left to right: Matthias Hamann (CTO), Christian Hamann (Founder and CEO),
Thorsten Eitle (Founder and CSO), Thomas Tschirf (CFO)

FOREWORD

WHAT LED TO THE DECISION TO PRODUCE A SUSTAINABILITY REPORT?

Every day, in all areas of our business, we see how interest in what we are doing is steadily growing. We know that, as a company, we bear a great responsibility – to our investors, our employees, and also towards society and the environment as a whole. We take this responsibility very seriously and discuss – both at management level and also in the departments – how we can best live up to it.

By signing up to the United Nations Principles for Responsible Investment (UN PRI) and joining the Verband Forum Nachhaltige Geldanlagen (FNG), an industry association promoting sustainable investment, we are standing up in public for the things that have been at the heart of our business from its beginnings.

The decision to publish a sustainability report is a logical continuation of this pattern. Through it, we are consistently pursuing the path we have taken. We are convinced that only if entrepreneurial actions are taken in harmony with society and the environment will we succeed in shaping a successful and sustainable future.

WASN'T 2020 ALREADY CHALLENGING ENOUGH?

Without question, 2020 was characterized in many regards by the global coronavirus crisis. But it should not be forgotten that the past year also caused us to experience in many places how quickly global warming and natural events are capable of threatening our very survival: Be it the serious wildfires in California, which in 2020 alone destroyed more than 4% of the state's land area, the droughts that led to financial losses and a threat to livelihoods amongst farmers, including here in Germany, or the record number of hurricanes that swept across the Atlantic and left countless numbers of people homeless.

To put the message in plain English, global warming isn't waiting until the crisis of coronavirus infections is over. For us at hep, we are clear that the wellbeing of people and the planet – today and in the future – can only be guaranteed if we are working on the goals of sustainable development, worldwide and in all areas.



INTERVIEW WITH FOUNDER
CHRISTIAN HAMANN



HOW IS HEP CONTRIBUTING TO SUSTAINABILITY?

We are an enterprise that is making an active contribution to transforming the global energy system. That's because global warming can only be reined in if greenhouse gas emissions are reduced. The Intergovernmental Panel on Climate Change (IPCC) is calling for global warming to be kept to no more than 1.5 to 2 degrees Celsius. To achieve this, CO₂ emissions need to be reduced by at least 70 percent by 2030, compared to 2010 levels. The global energy transition away from fossil fuels and towards renewable sources of energy is vital.

WHAT DOES THAT MEAN PRACTICALLY?

We develop, build, operate and finance solar parks in politically stable and economically attractive locations worldwide. By expanding solar energy and the associated savings in terms of CO₂ emissions, we aim to contribute to reducing the effects of global warming. We are proud that, to date, we have developed solar projects with a capacity of around 800 MWp in Germany, the UK, Japan and the USA, and in 2020 our existing parks have contributed to avoiding around 33.9 kt CO₂ in emissions.

WHAT RESPONSE ARE YOU HOPING FOR FROM INVESTORS?

Investors want to invest their money purposefully, and combine attractive returns with sustainability. The fact that they can help shape a sustainable future by investing in solar energy is becoming an ever-greater focus in the investment process. For that reason, we anticipate extremely positive reactions to the report.

WHAT COMES NEXT?

In the years ahead, we aim to build on the insights that result from this report. One important task will be integrating the theme of "sustainability" even more strongly in the day-to-day work of the company. That includes further refining the self-imposed targets internally, reviewing the key ratios we have chosen and – not least – adopting further measures. So there's a lot to do! Together with all our employees, our investors and business partners, we are looking forward to further driving the expansion of renewable energies in future and to fashioning a sustainable future, in line with our company motto: "there is no planet b"

HIGHLIGHTS 2020



33.9 kt
saved

> 50
solar parks
developed

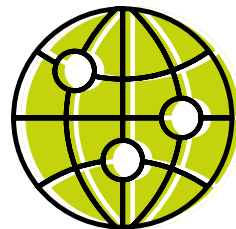
Member of
UN PRI & FNG

Signatory of:



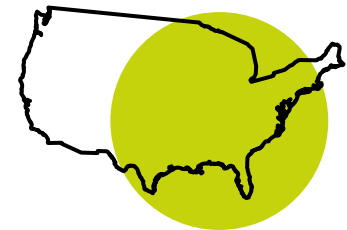
15
parks **operated**
by hep

Target
Increasing the
proportion
of women in
management posts



Digitalization

Power generated
in 2020
44,155 MWh



**Expansion in
the USA**

ABOUT THIS REPORT

At hep, every employee channels their daily work towards an overarching goal: Contributing to the global energy transition by expanding solar power. Through this approach, we have made hep what it is today – a successful solar and investment company that operates on a global footing.

Over the past months, the senior management team and company management have sat down together to map the current status of sustainability at hep. The result is the first sustainability report in the company's history. Drafting it served to benchmark where we are at currently. We wanted to discover how our entrepreneurial activity interacts in all its facets with the overarching themes of the environment, the company and governance (how the company is run), what contribution the individual areas are already making, and where improvement is still possible or required. The choice of the topics presented is based on our experience and our level of knowledge.

This benchmarking should serve as the basis for working on the themes identified moving forward, and for reporting on progress. The key ratios and existing measures set out in this report serve as base values which we can use to demonstrate in the next report how sustainability is progressing at hep.

The aim is to use this regular reporting to:

- Identify the company's key points of contact with sustainability-related issues;
- Measure the company's own contribution to sustainable development, using key ratios; and
- Communicate clearly-formulated sustainability goals transparently.

In the course of drafting this sustainability report, valuable insights were gained into internal structures and processes and inefficiencies were identified. Moreover, we have also satisfied stakeholder expectations for transparent sustainability reporting.

The report also sets out the prospects for impacts and issues that will become important for us in future.

The scope of this sustainability report essentially covers the entire corporate group, including the foreign sites. At the places indicated, the key ratios and measures relate solely to the individual locations, notably to the headquarters in Göglingen. The sites in the USA were only added during the course of 2020, with the result that the data basis for gathering some key ratios was not available for these sites. For the 2021 report, we have set ourselves the goal of being able to gather all key ratios at group level.

This sustainability report relates to the calendar year 2020. Accordingly, all key ratios included were reported as at 12/31/2020.

NOTES ON THIS REPORT

In the chapter on Strategic Approach, the approach to reporting and the results of the materiality analysis are explained. The main body of the report is geared to the three key areas of our corporate sustainability: Environment & Climate, Company, and Governance and Process Management. The key ratios given in the text are geared to Global Reporting Initiative (GRI)¹ standards. However, this report does not include all the key ratios required under the GRI, due to the need to expand data availability. The GRI key ratios are supplemented with internal key ratios that were considered relevant.

¹ <https://www.globalreporting.org/standards/download-the-standards/>

ABOUT HEP



CORPORATE PHILOSOPHY

“From the green field” to the solar park: hep is a company that has specialized since 2008 in the development, construction, operation and financing of solar parks all over the world. With our capital management company and its investment products, we offer our investors on the German capital market the opportunity to use their assets to take a stake in the global expansion of a sustainable energy system.

At hep, the aspects of sustainability are incorporated into the overarching corporate strategy. For us, sustainability means so much more than economic value-added. We want to keep our planet as a place we can live in – for us, and for future generations. Hence our slogan: “There is no planet b”. With climate-friendly electricity, our solar parks are contributing to long-term CO₂ reduction, one of the most pressing challenges for society.

As a company, we bear a great responsibility – to our investors, our employees, and also to society and the environment as a whole. We take this responsibility seriously and by signing up to the United Nations Principles for Responsible Investment (UN PRI) and joining the Verband Forum Nachhaltige Geldanlagen (FNG), an industry association promoting sustainable investment, we are standing up in public for that responsibility.

Signatory of:

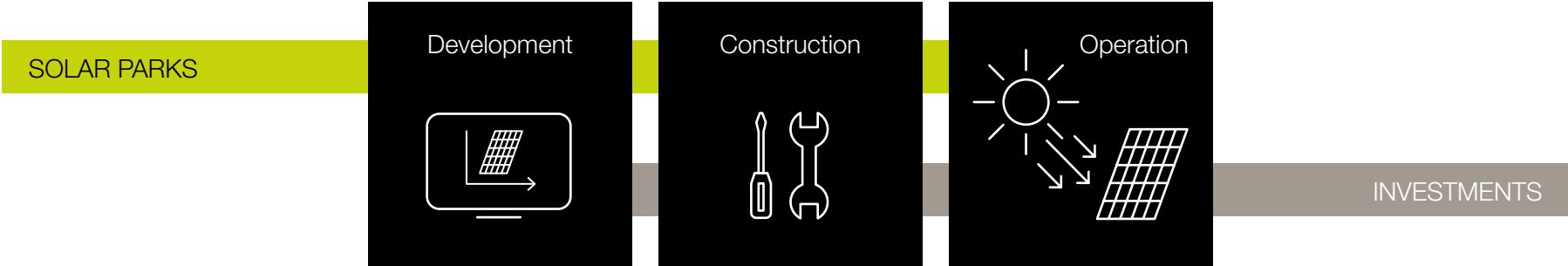


„FOR US, IT WAS CLEAR FROM THE START THAT OUR BUSINESS MODEL NEEDED TO BE SUSTAINABLE. WE WANT TO DO WHAT WE DO WITH A CLEAR CONSCIENCE.“
Christian Hamann

BUSINESS UNITS

As a globally operating company in the field of renewable energies, hep has been developing, building, operating and financing solar parks since 2008. In-house teams develop projects from the initial analyses through financing to being ready to build. Only politically stable and economically attractive markets are chosen as locations for implementing projects. That way, we succeed in keeping the investor risk manageable, whilst offering attractive prospects of returns. The comprehensive company approach at hep covers all phases of the solar project – **from design to finance to construction and long-term operation.** hep has over ten years' experience in the renewable energies market,

and in the design and management of investments in material assets and alternative investment funds. This allows investors to benefit from our broad expertise both as a solar tech company and in the investment field.



800 MWp
developed

4.5 GWp
in the pipeline

15
parks under own
management

To be able to offer all our services in a one-stop solution, hep has established a corporate group with various companies.

hep global GmbH acts as the parent company in the hep Group. Operating across the Group, hep global GmbH directs and handles primarily administrative tasks for the other hep companies and the work of coordination. The work includes accounting, controlling, HR functions, corporate communications and marketing.

HEP Kapitalverwaltung AG (KVG) offers investors access to global markets in solar energy. It was established in 2012 and has been licensed since 2018 as an AIF capital management company. From design to financing to portfolio management, the capital investment company covers the full investment company life-cycle. In doing so, it operates as a capital investment company specializing in solar investments, working on sales with partners from the entire spectrum of savings banks, cooperative banks (Volks- und Raiffeisenbanken), private banks and independent brokers and asset managers. Sales are managed centrally by **HEP Vertrieb GmbH**.

For their part, the engineering-facing companies, such as **hep energy projects GmbH**, **hep energy GmbH** and **hep energy operations GmbH** along with their subsidiaries, primarily based on the USA and Japan, have expertise in the technical project development, construction, operation and maintenance of solar parks. As at the end of 2020, hep has developed over 50 solar projects with a total capacity of over 800 megawatts, with 15 parks being operated by the company itself. A pipeline of around 4.5 gigawatts worldwide is available for construction of future projects. In addition, long-term project development agreements have been concluded, a project development company has been acquired and a majority holding secured in a further such company.

STRATEGIC APPROACH

Our approach to sustainability

Key stakeholders

Key issues in sustainability



OUR APPROACH TO SUSTAINABILITY

The aim of this sustainability report is to obtain an overview of the scope and the priorities of key sustainability-related issues and potential risks in the company, to develop a common understanding of the importance of sustainability for hep and to make the findings publicly available.

Supplementing the sustainability report, we have started to develop a company-wide approach to sustainability that is being taken into consideration for future corporate activities and decisions. That way, aspects of sustainability are integrated even more strongly into our overall approach as a company and progress is regularly reviewed. In the medium-term, sustainability-related goals are to be defined, on the basis of the sustainability strategy.

At the present time, this process of developing a sustainability approach is not yet completed, and will be continued over the coming months.

DETERMINING THE CURRENT STATUS

To date, “sustainability” has not been given a more precise strategic definition at hep. Accordingly, the first step is to obtain an overview of where and how hep comes into contact with sustainability-related issues, and to identify from that the key points of contact. This current status analysis was undertaken in a collaboration between the senior company management and managers from the core areas of the company. The process was led by the Corporate Communications and Compliance departments.

As part of this workshop, in a first step the key stakeholders and key sustainability issues were defined more closely. The results are shown below.

Reporting themes were chosen using the following principles:

- Materiality
- Relevance to sustainability
- Comprehensiveness
- Consideration of stakeholder interests

In addition, attendees were asked to identify key ratios capable of serving as indicators for sustainability issues considered material in their department. As an aid in this, lists of key ratios were provided which, in the main, were geared to the internationally-recognized “GRI-G4 standard”. Each department has selected potential key ratios, which were subsequently discussed with the departments and examined for feasibility of implementation and meaningfulness. This has established an initial conceptual framework for handling sustainability at hep, and future activities will build on this.

KEY STAKEHOLDERS

hep's key stakeholders notably include current and future employees, investors (and potential investors), subcontractors, suppliers of our solar park components, local authorities, landowners, regulatory authorities and sales partners/brokers and banks/lenders.



Further stakeholders are:

Project developers, competitors, the hep sports team, the public/NGOs, interest groups, state bodies, and other business partners

KEY SUSTAINABILITY ISSUES

With the aid of a materiality analysis, the key aspects of sustainability in the areas of Environment, Corporate and Governance were first identified, and then ordered thematically and finally evaluated in terms of importance.

The following are considered of key importance:

- Corporate activities with a decisive negative or positive effect on aspects of sustainability;
- Aspects of sustainability impacting notably on corporate activities; and
- Aspects of sustainability which, for stakeholders, either have special importance for their decision-taking or shape their relationship with hep.

Approach: At a management workshop involving eleven participants (comprising business managers and senior management), sustainability issues for the areas of Environment, Company and Governance at hep were identified together. This resulted in 76 sustainability issues, which were subsequently grouped into 17 umbrella concepts.

In the follow-up to this management workshop, all participants rated the relevance of the 76 sustainability issues identified. The relevance rating was made using a points system whereby, in a multiple choice procedure, points were awarded from 1 (“less important”) to 4 (“very important”).

After that, the 17 umbrella concepts were ranked using the weighted averages of the previously-scored lower-level sustainability issues.

Results: Using the materiality analysis, it was possible to determine two sustainability issues (umbrella concepts) as key for each of the areas of Environment, Corporate and Governance.

In **Environment**, the focus was on the solar parks. Particularly important was “reducing greenhouse gas emissions by producing renewable energy in our solar parks”. The second key, environment-related issue is “use of resources and procurement when building solar parks”. This includes on the one hand how resources are used, which in addition to the use of space and intrusions into the natural environment also includes creating

areas as offset and examining sites for dual use, for instance as farmed land (agri-photovoltaics). On the other hand, it also includes procurement of our solar park components, where the sub-themes of modular efficiency and supplier selection based on environmental criteria are relevant. Environmental issues at company level, relating to our daily activity and work in the office building, recede into the background by comparison.


“hep as employer” and “supplier management” – these are the key sustainability issues for hep with regard to **society**. The sustainability issue of “hep as employer” subsumes e.g., the themes of working conditions, work safety, health protection, diversity and initial and CPD training. “Supplier management” primarily includes supplier selection, based on criteria relating to the company (such as the working conditions there), and checks on compliance with standards under employment law.

Key issues identified for the **Governance** area were “principles for procurement and construction” and “monitoring and risk avoidance”. The “principles for procurement and construction” include aspects such as quality, longevity and processes and strategies. With “monitoring and risk avoidance”, the focus is on the underlying sustainability issues of compliance and risk management.

The theme of **digitalization** held primary importance across all sustainability issues, and was identified as a seventh key sustainability issue.

 Information marked with this symbol is an element of digitalization at hep.

KEY SUSTAINABILITY ISSUES AT HEP

Environment	Society	Governance
Greenhouse gas emissions (reduction) Solar parks	hep as employer	Principles for procurement and construction
Use of resources and procurement when building solar parks	Supplier management	Monitoring and risk avoidance
Digitalization 		

All 17 higher-level sustainability issues, with examples of the subsidiary aspects, are listed in the Annex.

→ [Link to Annex](#)



GOVERNANCE AND PROCESS MANAGEMENT

Binding values

Sound company management

Stakeholder engagement

Processes and digitalization

Compliance and anti-corruption

Risk management and monitoring

Incentive systems / Remuneration policy

Political influence

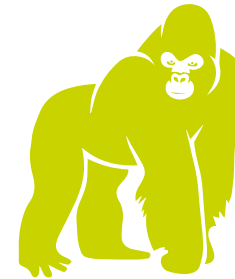


BINDING VALUES

hep is a company with a profound sense of its responsibilities. In 2019, we defined three core binding values: Sustainability, innovation and community. We advocate these values with total commitment, and use them to guide our daily actions.

SUSTAINABILITY

For us, sustainability means much more than economic value-added that is geared for the long term. We want to keep our planet as a place we can live in – for us, and for future generations. With climate-friendly electricity, our solar parks are contributing to the long-term solution of one of the most pressing challenges for society: Protecting the environment by expanding renewable energies.



COMMUNITY

Our success is founded on the commitment of our teams in Germany, Japan, Canada and the USA and their creativity, diversity, inspiration and passion. We live out fairness, tolerance and respect. Collaboration, regular knowledge-sharing and continuous professional development are important to us. As such, we are already thinking of the future and offering posts to Dual Studies students.



INNOVATION

We love challenges. Together, working with ambition, bravery and care, we succeed in finding new solutions. Our holistic business model (encompassing development, construction, operation and financing) is our strength. And we achieve the ambitions we set for ourselves. We were, for instance, one of the first foreign investors and project developers in the Japanese and UK solar markets.

SOUND COMPANY MANAGEMENT

Sound company management, for hep, means achieving long-term success whilst being responsible in our corporate and environmental actions. Together with our employees, we want to achieve this shared goal. We succeed in this through having suitable structures and processes, together with efficient management that involves our employees in the decision-making process.

Strategic responsibility for sustainability at hep sits with the senior management. It ensures that sustainability is taken into consideration in business decisions, and underlines the key importance of this issue by specifying “sustainability” as a corporate value. Each specialist department is itself primarily responsible for operational implementation of sustainability. To also be able to manage the issue at the operational level, in early 2020 a separate post for the issue of sustainability was created, intended to drive forward the corporate and environmental aspects in the individual processes and structures at hep. The following goal should be achieved by 2025: “Integration of sustainable management at board level”.

Our headquarters is located in south-west Germany. From there, we develop, plan and monitor solar projects worldwide. Political and economic stability and a suitable sense of values are **fundamental preconditions** in developing target markets and

the resulting investments. When choosing suppliers, technical components and construction materials, our focus is on safety, reliability and durability. Fair pay, good working conditions and comprehensive work safety go without saying for us. Wherever possible, we work with local companies and use regional materials when building solar parks, ensuring that local value-added is supported and transport emissions are minimized. In addition, we always employ methods with the least impact on the environment, and use the most efficient technologies for solar modules in order to keep the area used to a minimum.

hep is aware that only satisfied **employees** are best able to contribute to the company's success and value-added. hep therefore places great value on supporting its own employees, in order to guarantee long-term employment. Through various benefits such as a company pension scheme, subsidized company fitness, regional and sustainable catering, team events and flexible working time models, we promote employee satisfaction. This concept is rounded off by an informal corporate culture and open-door approach. From the top down, our management culture is characterized by flat hierarchies and short decision paths. Employee ideas and suggestions for improvements are always welcome as we seek to continuously optimize our internal processes.

In addition to employee satisfaction, **investor** satisfaction in particular is also vitally important to hep's success. Accordingly, we place great value on the quality of our investor management. In 2020, there was just one complaint from investors, which we were able to resolve immediately and to the investor's satisfaction. There were just four instances of declarations of enrollment being revoked, across all AIFs. Of the two instances where the cause of the revocation was known, it was for personal reasons.

To give even greater relevance to the issue of sustainability at hep, beyond specifying it as a corporate value, in 2020 hep signed up to the “Principles for Responsible Investment” (UN PRI) and to the “Forum Nachhaltiger Geldanlagen” (FNG). Through both that and this Sustainability Report, hep aims to provide transparency for investors, employees and other stakeholders.

STAKEHOLDER ENGAGEMENT


As part of our business activity and corporate engagement, hep maintains constant dialog with its stakeholders. In doing so, hep is seeking to recognize, understand and incorporate into its business and decision-making processes the growing demands and expectations of our company's sustainable development. hep ensures transparency over its own actions through extensive publicity work and active exchanges with stakeholders.

In the company, we place great value on our lived collaborations, and on constant dialog with one another. At hep, wherever possible we prefer direct contact with our stakeholders – internally and externally.

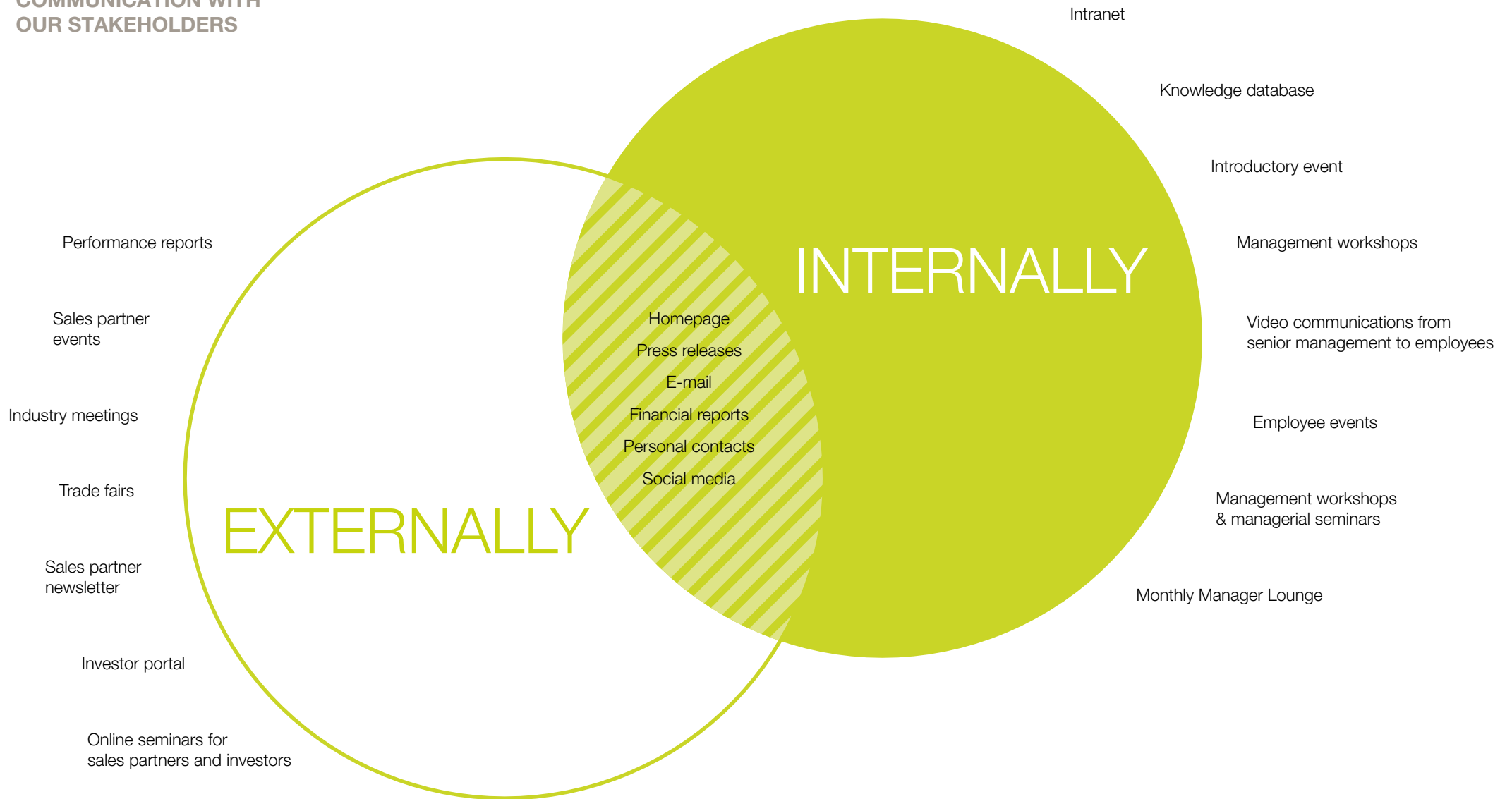
INTERNALLY

Internally, we foster this in various ways, such as an open-door policy, an informal corporate culture and regular staff celebrations, openness, and a collaborative approach. Supplementing this, the digital world offers wide-ranging opportunities for digital exchanges. For instance, hep senior management keeps all employees worldwide up to speed on current topics at hep by means of regular video communications. Digital exchange is further encouraged through the company's intranet and the knowledge database it contains. At its German site, new employees are given a two-day introduction to the company. Regular management workshops and management seminars also ensure cross-departmental dialog. Since mid-2020, all managers are also informed by senior management about corporate innovations through the "Manager Lounge", which is held every month. Internal communications are constantly being reviewed and improved. For example, hep has made it a target for 2021 to supplement the monthly "Manager Lounge" with an information section in which all employees will participate. Moreover, digital ideas management is set to be introduced in 2021. This is aimed at giving employees the opportunity to submit suggestions for improvements and thus play an active part in shaping the company's future.

EXTERNALLY

We maintain constant dialog with our external stakeholders. For our external communications, we mainly use the hep homepage and our social media presence. Alongside this, we use regular newsletters, press releases, financial reports and the investor portal as digital communications channels. To engage in dialog, we organize regular meetings with sales partners, attend industry events and trade fairs, and visit solar module manufacturers and our construction sites. To encourage external communications and digital dialog, in 2021 hep is looking to set up a sales partner portal, offer the opportunity for digital investment  and further expand the existing investor portal with additional functions. In addition, the digital seminar formats launched in 2020 are to be retained and further developed in 2021. There will also be a regular digital offering specifically for potential investors from 2021. To improve communications with suppliers, from 2021 all supplier contacts are set to operate through central procurement and not, as previously, through the individual departments.

COMMUNICATION WITH OUR STAKEHOLDERS



PROCESSES AND DIGITALIZATION



We don't look to rely solely on the close meshing of sustainability and our business model. Accordingly, in our operational and strategic business we place maximum value on acting in line with sustainability.

To further improve our internal processes and systematically incorporate the issue of sustainability, at the end of 2020 the Processes and IT department was established. This is tasked with uncovering potential for improvements, automating and introducing processes and adopting new measures. The latter includes, for example, the further development and expansion of the functions of the ERP system we have introduced. The overarching goal of the department is to create processes and structures that enable the hep Group to grow efficiently and in a focused manner. Digitalization, standardization and harmonization of a wide range of business processes is a key means of achieving this goal.

In 2020, there have already been a number of developments in relation to digitalization at hep, driven by the circumstances of the COVID-19 pandemic. For instance, a new ERP solution was introduced. The investor portal, which is already used by around 30 percent of our investors, was further expanded, a fundamental entitlement to home working was established (to apply even outside of the pandemic), an e-learning program was set up and developing new personnel management software initiated. On top of this, the range of digital sales events was massively expanded. For instance, in 2020 seven different online seminar series were held. A total of 367 participants were provided with information about hep's investment offers, at the 99 events.

In addition, the contract management software is being significantly expanded in 2021. This will see contract management operating in a fully digitalized fashion, thus boosting transparency and efficiency.

COMPLIANCE AND ANTI-CORRUPTION

Through our capital investment company and the associated management of our investors' monies, at hep we bear a special responsibility for sound company management. Clear ethical principles, and living out those principles with integrity and in compliance with the law, is a matter of course for us. For that reason, we have voluntarily rolled out key compliance policies and associated preventive and controlling measures, by which the capital management company is bound by law, across the entire company group. These policies are supplemented by codes of conduct, work instructions and process descriptions.

In 2020, no legal proceedings were initiated against hep or its employees for anticompetitive practices and breaches of anti-trust and monopoly law. No fines or non-monetary sanctions were imposed on hep companies for failing to comply with laws and regulations relating to companies and the conduct of the business.

COMPLIANCE MEASURES

hep has introduced many awareness-raising measures. Every employee at its German site is familiarized with the compliance policies by the Compliance Officer during the induction event. hep is working to further integrate its foreign sites into the compliance system. Due to hep's constant growth and expansion abroad, all employees worldwide have been given online training on compliance issues since 2020. In addition, department-specific training is given through various channels, such as anti-money laundering training for employees in the capital investment company and in sales. Policy changes are communicated by intranet or e-mail to all hep employees domestically and abroad.

Three levels are defined at hep for compliance responsibility:

- Management/Executive Board
- Compliance function
- Employees

The overall responsibility and the strategic orientation for complying with the legal provisions and company-internal policies sits with the management and the Executive Board. Responsibility at

this level also includes defining the fundamentals and principles set out in the compliance system and supporting observance of these through a clear, personal commitment to them. The Compliance function is responsible for operational implementation, including checks for observance of the compliance system within the company. At the third level of responsibility, every employee at hep is responsible themselves for the correct implementation of compliance, in the sense of the compliance system and of the applicable laws. Alongside this, all employees are called on to support the company management and the Compliance function in their responsibilities, by adopting provisions and measures for respecting compliance when shaping the business organization and processes in their area.

DEALING WITH CONFLICTS OF INTEREST

Mapping the full value-added chain – from development through to construction, operation and financing of solar parks – within the company group can lead to conflicts of interest. This, together with managing third-party assets, makes conflict of interest management a focus of the compliance system. Accordingly, all contracts where a potential conflict of interest might exist are subjected to scrutiny and corresponding evaluation by the Compliance function. This process is being standardized in 2021 through the expansion of our contract management software. Guidelines and rules of conduct, which the relevant employees have undertaken to observe, are set out in a conflict of interest policy.

DATA PROTECTION AND SECURITY OF INFORMATION

Due to the management of highly sensitive investor data, data protection and security of information have special priority at hep. In 2020, therefore, all employees undertook online information security training. In addition, German-speaking employees completed data protection training. To further improve the existing organization and processes for data protection, the internal data protection and IT policies are continuously further developed and adapted to new circumstances. These set out, for example, the data protection management system applicable for hep, along with information security processes and processes to comply with privacy legislation. In 2020, there were no complaints in relation to breaches of investor data privacy, and similarly no identified instances of data theft or data loss in connection with investor data. All our digital platforms are operated from German server sites. In taking this decision we aim to provide the best possible protection for our digital offerings.

WHISTLEBLOWING

In the event of discrepancies, the Compliance Officer can be contacted by e-mail (compliance@hep.global), by post or by telephone. Discrepancies in this context could be possible culpable actions within hep companies or breaches of the legal provisions and internal policies. The Compliance Officer ensures the greatest possible confidentiality regarding the identity of the whistleblower. A standardized process, taking account of the legitimate interests of all concerned, which enables and encourages the reporting of discrepancies whilst maintaining confidentiality is defined in our Compliance policy.

ANTI-CORRUPTION

Where corruption is suspected, this too can be reported using the process outlined above. In general, hep is exposed to a low risk of corruption. Firstly, hep only operates in countries (Germany, USA, Japan, UK, Canada) where there is a presumption of a low risk of corruption, according to the Transparency International Corruption Perceptions Index (CPI)², which measures perceived corruption in politics, administration and the economy, broken down by country. Furthermore, the fund is exclusively marketed in Germany. Germany comes out very well in the CPI, ranking 9th out of 180.

In a preventive move, hep has established a large number of **measures** to minimize the risk of corrupt actions. These include rules of conduct in relation to corruption, which are primarily defined in the Gratuities Policy. For instance, it specifies the upper limits on the value of gifts and invitations. Moreover, it also sets out that all employees must provide the Compliance function with proof of gratuities received and given; the Compliance function checks them for appropriateness. More extensive rules are set out in the Code of Conduct and in the Conflict of Interest policy.

Since 2019, all employees worldwide are obliged to document all gratuities given or received in a log book. For 2021, it is planned to train all employees worldwide on the subject of gifts and invitations through an e-learning program. There were no legal proceedings against the company or employees in connection with corruption.

Up until the end of 2020, procurement at hep has been structured on a decentralized basis. Regardless of the amount concerned, every procurement is required to undergo an approval procedure where a central body performs an examination. In addition, the procurement process makes provision for at least one other offer to accompany the purchase request for items above a specified order sum, and for the company management to approve the procurement in addition to the central body. To further improve this process, hep is aiming to introduce central procurement in 2021.

PROSPECTS

Compliance constantly pursues the goal of ensuring that the legal requirements are observed comprehensively at hep and that the risk of any breach is kept as low as possible. In addition to suitable processes and controls, raising employee awareness is the focus of the work of the Compliance function. To date, the rules of conduct for employees have been specified exclusively in the Compliance policy. To further raise awareness of the issue for employees, the Compliance function has set itself the target for 2021 of developing a Group-wide **Code of Conduct**. This is intended to emphasize the relevance of compliance, and to present the guidelines on conduct to employees in a comprehensible document. In addition, all employees – along with Executive Board members and managers – are to be given training in 2021 on the Code of Conduct and on the theme of invitations and gifts through an e-learning program.

² <https://www.transparency.de/cpi/>

RISK MANAGEMENT AND MONITORING



In addition to the Compliance function, hep has a Risk Management department, responsible for identifying, quantifying, managing and monitoring risks. Risk Management is focused on the capital investment company. As recommended by Bafin³, sustainability risks are not considered as a separate type of risk. Rather, sustainability aspects influence the known risk types. Accordingly, sustainability risks are taken into consideration as part of the regular risk management process.

Beyond this, at hep there are additional supervisory structures in place, such as the Supervisory Board of the capital investment company or the Audit department. These supplement the risk management process. To date, audit has been performed by an external service provider. For 2021, hep has set itself the goal of developing an internal Audit department, so that this process too can be mapped internally and resources bundled.

SUSTAINABILITY RISKS

Risks (including sustainability risks) are taken into consideration for investment decisions by the capital investment company, and assessed in accordance with the risk management strategy specifications. In this process, the expected level of loss for each identified risk is defined where a given probability has been ascribed to it. This, in turn, is compared to a threshold value. On the basis of a traffic-light system, a check is then made on whether the level of loss is below (green), at (amber) or over (red) the threshold value. From the aggregation of the individual values, a total value is derived which is compared with the capacity to bear the risk. Thus, for instance, transactions are not permissible where they breach the laws or are not permitted (Governance) in the place where the business is being considered (the destination country) or in the country where the company is headquartered (Germany); likewise business that breaches the rules of conduct of the hep companies, the compliance requirements (Governance) or ethical principles (Corporate); likewise transactions that result in disproportionately negative environmental impacts (Environmental). Similarly not permissible is entering into risks by bypassing the four-eyes principle and risks that are incompatible with the company's business model (Governance).

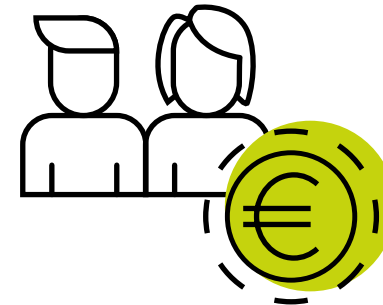
³ https://www.bafin.de/SharedDocs/Downloads/DE/Merkblatt/dl_mb_Nachhaltigkeitsrisiken.pdf?__blob=publicationFile&v=9

INCENTIVE SYSTEMS / REMUNERATION POLICY

The supreme goal at hep is the sustainable and long-term success of the company. The employees are therefore called on by management to pursue this goal in their day-to-day work and to give consideration to corporate and environmental criteria in their decision-making at all times.

Target agreements and remuneration of managers and employees are geared primarily to commercial key ratios. However, respect for and the promotion of sustainable action are fundamental requirements for all employees. In addition, incentive systems contains separate key ratios aimed at promoting hep's sustainability. hep's long-term success is particularly dependent on investor satisfaction. Accordingly, for example, remuneration of sales employees is dependent on the number of revocations of enrollments and brokered contracts, amongst other things.

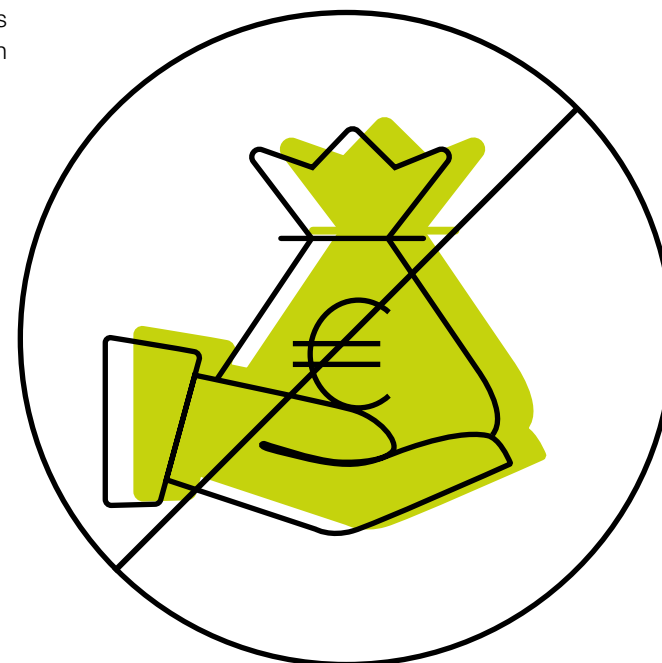
hep places the greatest value on **fair and appropriate remuneration** of its employees in all areas of the work and at all levels in the company. hep believes this is a key element in securing the long-term commitment of employees. Accordingly, all employees receive remuneration that is above the local minimum wage for the respective location.



POLITICAL INFLUENCE

hep generally forgoes any lobbying activities and seeking any political influence. There have been no donations or contracts for lobbying governments, parties or politicians, either in 2020 or previously.

Separately from this, various hep companies are members of sectoral and economic associations. Individual employees and representatives of the company management take part in events, in this context.





ENVIRONMENT AND CLIMATE

Case study

Our contribution

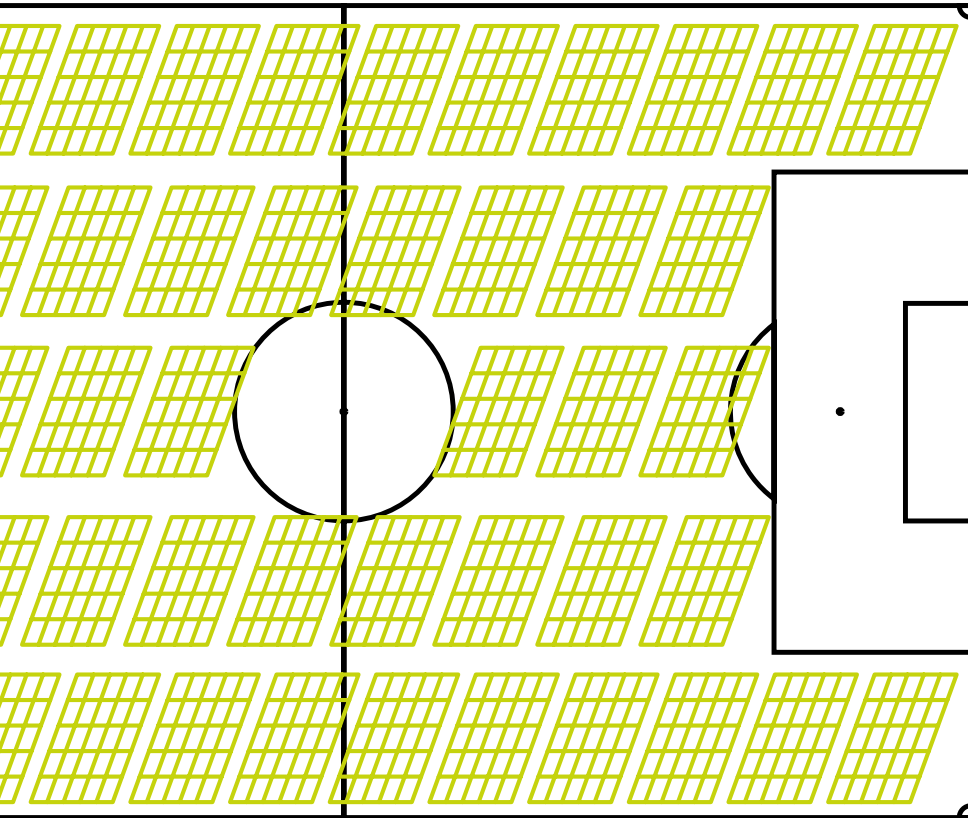
Solar park construction and operation

Our day-to-day activity



Global warming, scarcity of resources, population growth and growing energy demand – the global environmental burdens are massive. These, and the consumption of raw materials, are leading not only to an increase in global warming, but are impacting life on this planet in a manner that cannot be assessed. Already today, it is possible to ascribe changes everywhere in ecosystems, in food growing and in water supply to changed climatic conditions and the massive exploitation of resources. At the same time, the demand for electricity from a growing population continues to increase. The challenges are huge, and the pressure for action is growing. Even if this is a difficult and complex situation, one thing is clear: Reducing greenhouse gas emissions that are damaging to the climate, and thereby alleviating global warming, can only be achieved by transforming the energy system.

CASE STUDY



A SOLAR PARK THE SIZE OF A SOCCER PITCH IN GERMANY PRODUCES:

approx.

665 MWh
electricity
a year



CO₂

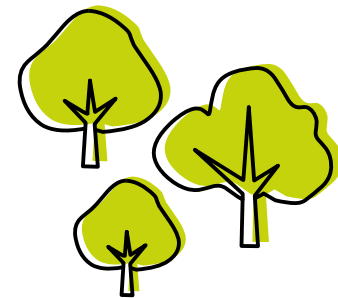
567
tons

That means 567 tons of CO₂ that would have been created by fossil fuel energy sources are avoided in the German power mix.



185
households

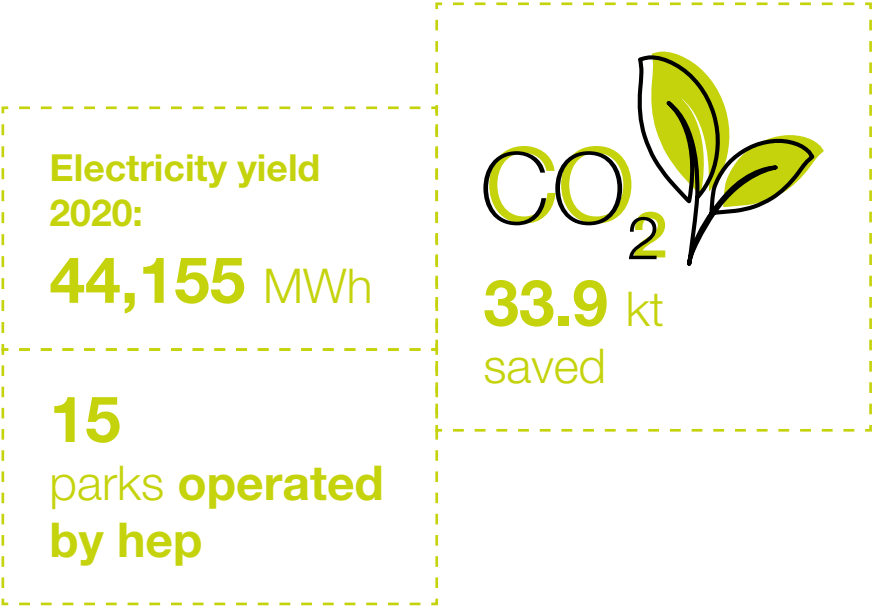
That is enough to supply 185 German three-person households with electricity.



45.360
beech trees

That is as much CO₂ as more than 45,000 mature beech trees can save.

OUR CONTRIBUTION



By expanding solar power, hep is making a contribution to the global energy transition. In 2020 alone, the 15 solar parks we operate fed around 44,155 megawatt hours of solar electricity into the power grids. As a result, our solar facilities avoided around 33.9 kt of greenhouse gas emissions that would otherwise have resulted from conventional electricity production.⁴

⁴ This calculation was made using the “Avoided Emissions Calculator” produced by the international energy agency IRENA. <https://www.irena.org/climatechange/Avoided-Emissions-Calculator>

798.8 MWp

hep Track Record


(solar projects developed by hep)

In addition, we have an extensive project pipeline of hep-developed solar projects.

Sourcing electricity from the power of the sun offers many advantages, from an environmental and climate perspective. After just two years, on average a solar plant has produced more energy than was required for its manufacture and recycling. Thus, given an average park lifetime of over 20 years, a solar park produces much more energy than needed to be expended on it – and it does so without releasing additional emissions that are harmful to the environment. During these long park operating periods, solar park areas can offer **undisturbed habitats** for plants and animals and thus make a contribution not only to species conservation, but also to improving biodiversity at the site.

Despite the massive benefits, we are also aware that all our busi-

ness activities impact the environment and the climate. Through **responsible handling** of natural resources, hep looks to keep the environmental and climate impacts of its business activities as low as possible. Solar park construction and the associated procurement of materials were → identified at hep as the key sustainability issue with the greatest environmental impacts. Armed with this knowledge, in a second stage inefficiencies and critical processes are to be identified and improved long-term.

In recent years, hep has grown significantly bigger. For that reason, in 2021 processes in those areas of the company involved in solar park construction and operation are to be fundamentally structured, standardized and digitalized. The overarching  aim is to maximize climate-friendly generation of solar electricity through careful surface use planning, smart construction and a comprehensive procurement strategy, whilst keeping the negative environmental impacts of the solar parks as low as possible. Policies and the ERP software introduced in 2020 are intended to support that aim.



SOLAR PARK CONSTRUCTION AND OPERATION



MATERIALS PROCUREMENT

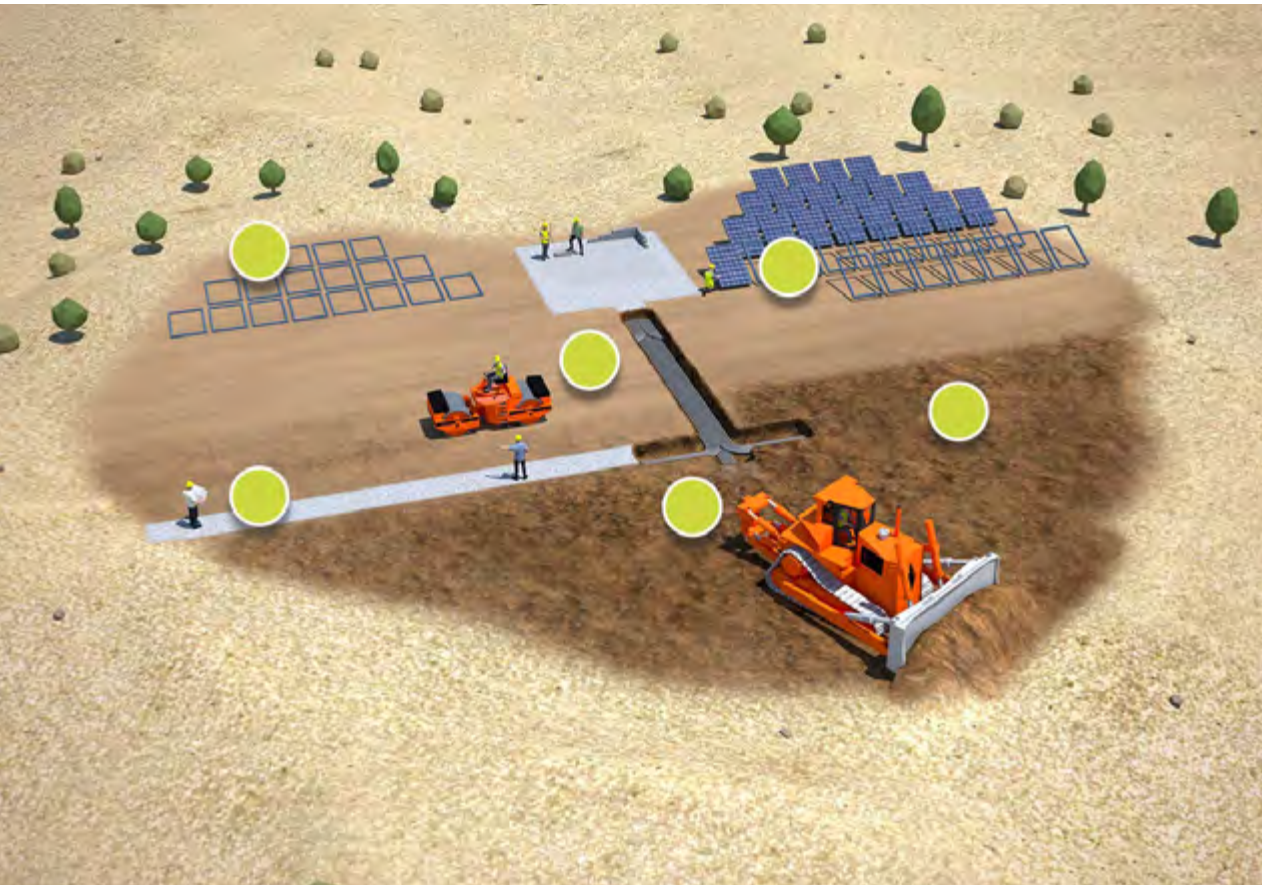
To keep overall materials procurement as low as possible, in procurement we place high value on the criteria of efficiency, longevity and quality.

Driven by strong corporate growth, the decision was taken to centralize operational procurement from 2021. That way, consistent processes, structures and criteria are guaranteed for procurement. After completing the successful centralization of operational procurement, for 2021 hep has set itself the goal of further expanding strategic procurement. The focus is initially on the solar park components accounting for the biggest share of materials and costs. The manufacture and transport of these solar park components accordingly contribute significantly to the greenhouse gas emissions in the upstream hep value chain.

The key solar park components include:

- The mounting frames for attaching the solar modules, in steel and aluminum,
- The solar modules to generate the electricity, and
- The inverters that convert the DC current produced in the solar module to AC.

In addition, we are setting ourselves the goal for 2021 of entering into a dialog with the central suppliers of these solar park components about respecting sustainability standards. In the long term, we want to work exclusively with suppliers who take sustainability standards into account.



USE OF RESOURCES AND GREENHOUSE GAS EMISSIONS

In planning the hep solar parks, the use of resources and transport-related greenhouse gas emissions play an important role. Currently, our experts are looking for opportunities for reducing potentially detrimental effects of preparing the land for the solar park sites to a minimum. Concepts are also being developed to reduce the use of materials in the solar module substructures, which are made from energy-intensive material. Both processes are being continued in the coming year.

[→ To the interactive infographic](#)



ENVIRONMENTAL IMPACTS

Open-air solar parks always involve construction changes to the land surface. These can have positive, but also negative, impacts on the flora and fauna. As we plan, build and operated our parks ourselves, we have the opportunity to develop and realize comprehensive and long-term concepts. We aim to keep the negative impact on sites as low as possible.

At all our sites, there are high legal requirements applicable to **environmental protection** and the method of construction. Before start of construction, we always obtain comprehensive environmental reports to comply with the legal framework. We do so by close agreement with local nature conservation bodies and all other interest groups involved. In this way, we scrutinize our solar parks for their negative environmental impacts. This also includes, where necessary, determining and realizing compensating measures to improve the environment.

hep implements additional, voluntary **measures** that go beyond the legal requirements.. For instance, at our Nordendorf solar park we decided to replace the fence with bushes and hedgerow planting, so that the animals living there could use the park area as a wilderness corridor. In addition, from spring 2021 local bee-keepers will be able to use the park for bees. The usage concept for the Nordendorf solar park is thus supporting biodiversity at the site.

For our open-air solar parks, we favor the choice of fallow land, thereby upgrading unused areas without impacting the natural habitat negatively. This is currently the case at eight of the 15 parks we operate ourselves. Spremberg, our first solar park, was installed on a former military area, for instance. In Japan, three of the total of eight parks we operate ourselves, namely “Tatsu-no”, “Kakogawa” and “Shingu”, are built on abandoned poultry farms, and our first park in the USA, “White Street”, was built on a landfill site.

With a **new business model**, we want to create new solar capacity on previously unused roof surfaces, such as on industrial halls and warehouses. This dual use has the advantage, particularly in densely-populated countries such as Germany, that no open space needs to be taken up. This new business model is intended to further drive the energy transition.

Creating and realizing far-sighted **innovations** – this challenge is firmly anchored in the hep DNA. Since 2020, we have been examining the technical, agricultural, planning-law and economic conditions under which agri-photovoltaics can be operated sustainably. In addition, we are part of a Fraunhofer Institute ISE project group looking to research the potential for agri-photovoltaics in southern Germany.

OUR DAY-TO-DAY ACTIVITIES

The high environmental standards that we apply when building solar parks are naturally also valid for our day-to-day work at our company sites in Japan, the USA and Germany. Our work as a financial services provider, when designing solar projects and operating our solar parks, and with all other administrative activities, naturally impact the environment and the climate to a far lesser extent than with our procurement and construction work. Pressures arise at company sites primarily through the consumption of energy, water and paper, and through waste disposal. Despite this modest influence on the environment and the climate, in our day-to-day work we place great value on minimizing that influence and on favoring sustainable materials in procurement.

To further reduce our environmental and climate impacts at our company sites, we have set ourselves strategic targets for the coming year. Sustainability concepts are being drawn up for the organization of events and for marketing. In addition, the Travel policy is being expanded to give consideration to sustainability aspects, for instance in favoring sustainable hotels.

Our focus is currently on our headquarters in Güglingen, where 79 of our 139 employees work.

USE OF RESOURCES

As part of our digitalization strategy, we are working to reduce paper consumption. To that end, paperless billing processes have been introduced. In addition, digital software programs are intended not only to make paperless working easier for employees, but also – and particularly – to simplify the coordination process in international project management. For all print-outs required, we use only recycled paper, certified under the “Blauer Engel” (“Blue Angle”) environmental label. In 2020, the volume of paper bought in was systematically recorded for the first time. This was around 386 kilograms, and it serves as a benchmark for assessing future developments. To that end, paper purchasing is also being measured at our other sites moving forward.

Paper consumption in sales partner and investor communications was identified as a key influencing factor in the consumption of materials at the hep company sites. To that end, **possible solutions** have been or are being developed that are set to be implemented in full by the end of 2021. The goal is to extend and simplify digital marketing and digital communications with sales partners and investors. In 2021, an online portal is being introduced for our investment fund sales partners. In future, all documents that in the past were issued by post will be

downloadable from this portal. That way, the portal will not only facilitate communication, but will also reduce paper consumption and transport emissions. Supplementing this, the existing investor portal is also being improved and enhanced with additional functions. Through these additional functions and improved operability, the proportion of investors using the portal is set to climb further from the current 30 percent. One important function is that it will be possible, for the first time, to make an investment in a public AIF through the hep investor portal completely digitally. In addition, all unavoidable print-outs, along with supplementary advertising materials, are already printed exclusively on environmentally-friendly paper.

Water consumption at the Güglingen site in 2020 was around 497 m³.

GREENHOUSE GAS EMISSIONS

Thanks to a climate-friendly mobility package, hep is supporting its employees in leading a sustainable lifestyle. At the head office buildings, employees can charge up their company cars free of charge. The main energy source is solar electricity produced at the site itself by means of a roof and carport system. In the hep vehicle fleet, around 30 percent of all company cars are already electric or hybrid vehicles. Cycle parking spaces and showers are available for all employees commuting to work by bike.

In our daily working life, we are constantly working to reduce greenhouse gas emissions. This includes supporting digital collaboration and reducing work-related travel to a minimum. We also require our sales employees to take the train or one of our electric-powered pool vehicles for unavoidable business trips.

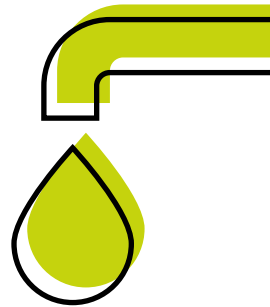
Greenhouse gas emissions avoided due to solar energy, compared with an electricity mix derived from fossil fuels: 33.9 kt CO₂

WASTE AND DISPOSAL

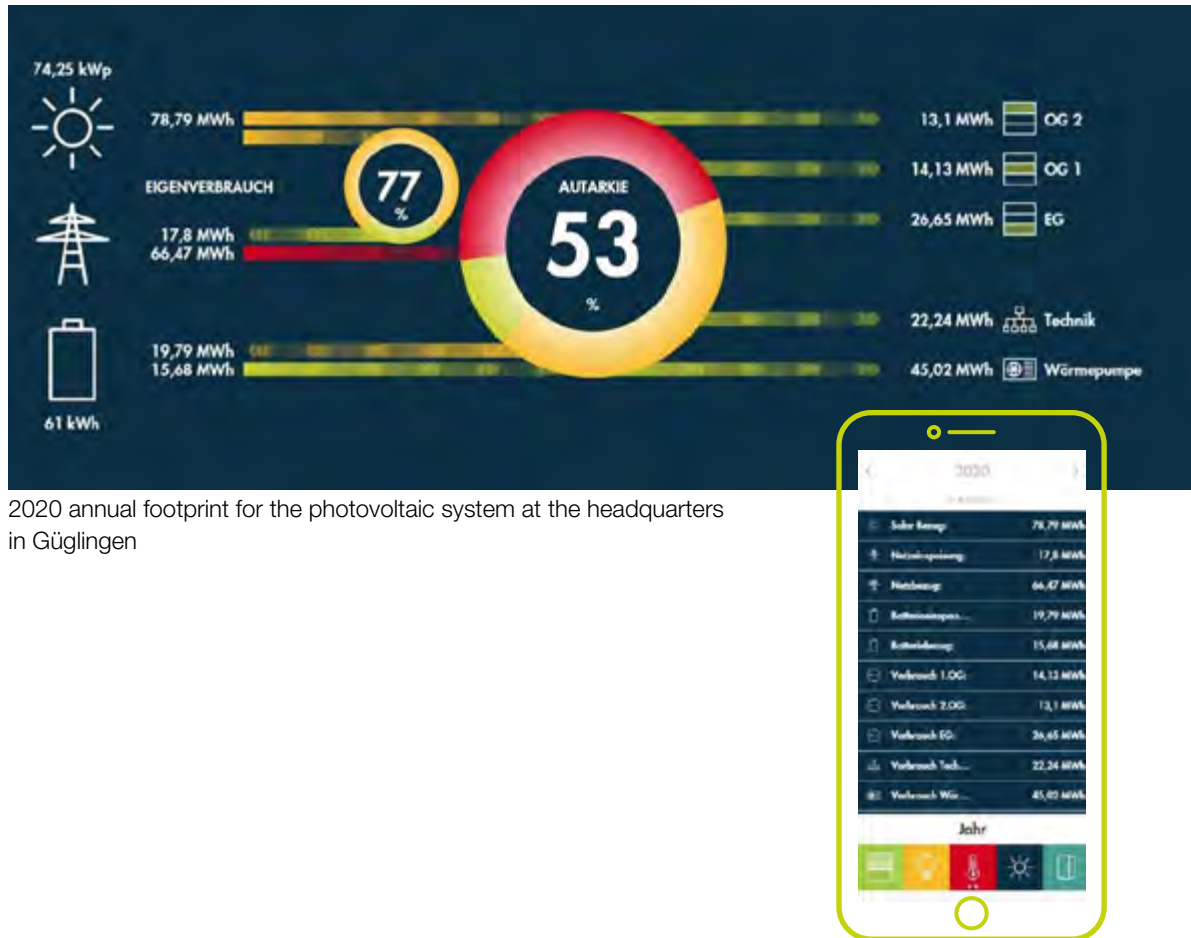
At hep, we aim to produce waste in the first place. Wherever possible, we avoid packaging waste by, for instance, using our electric vehicle to collect lunches from a local catering firm in reusable glass containers that we have provided. We also collect loose fruit, sourced from a local farmer, on the same route, carried in reusable containers. A water filter unit is available free of charge to all employees, replacing bottled mineral water. The residual waste is separated at recycling stations and disposed of accordingly.

For the coming year, we want to examine and implement further measures in our day-to-day work. Goals which have already been agreed are that, in future, office supplies and shipping materials are to be stored solely at central points, and not – as previously – at the individual workstations too. In procuring the office supplies, there is to be an even greater emphasis on environmentally-friendly and reusable products, and suppliers are to be selected who reduce their packaging material to a minimum.

Water filter unit instead of bottled mineral water



Recycling stations to separate all waste



2020 annual footprint for the photovoltaic system at the headquarters in Güglingen

ENERGY SUPPLY AND HEAT SUPPLY

Our headquarters was built in 2017, to the latest energy standards. We meet 53 percent of our electricity needs from our own solar plant, located on the roof and on the carports and connected to a storage facility and a heat pump. This plant also supplies the site with hot water, in addition to electricity, which indirectly regulates the interior temperature of the building by means of a system of pipes. Thus an optimum ambient climate is achieved throughout the year. In 2020, the photovoltaic system produced around 79 kilowatt-hours of solar electricity. The additional requirement for electricity, of 66.47 kWh, is procured on a green energy tariff from a local energy provider.⁵

⁵ These values relate to the whole building at the headquarters in Güglingen, which also houses another, external company.



For us, mutual cooperation within and beyond the company is an important part of our understanding of sustainability. As a company operating on a global footing, our daily experience is that diversity of genders, attitudes, ages and origins enriches the corporate culture, and that collaborative working leads to more creative and more innovative results. This is the background against which we encourage and call for **trust-based collaborations and social engagement** within and beyond the company.

Through its comprehensive HR strategy, hep supports a cosmopolitan outlook, diversity and equality of opportunity in a targeted and proactive manner, and addresses the individual needs of individual employees through flexible working conditions. With regard to our suppliers and subcontractors, too, fair business practices and corporate standards play a key role.

Social engagement is a vital part of the corporate sense of self for hep. The focus of our social engagement lies in social projects in our home region of Heilbronn and in Burkino Faso. Alongside this, we support numerous cross-regional projects with a focus on protecting the environment and species protection. In doing so, we are making an additional contribution to improving living conditions.

COMPANY

Supplier management

Employee matters

Active and committed



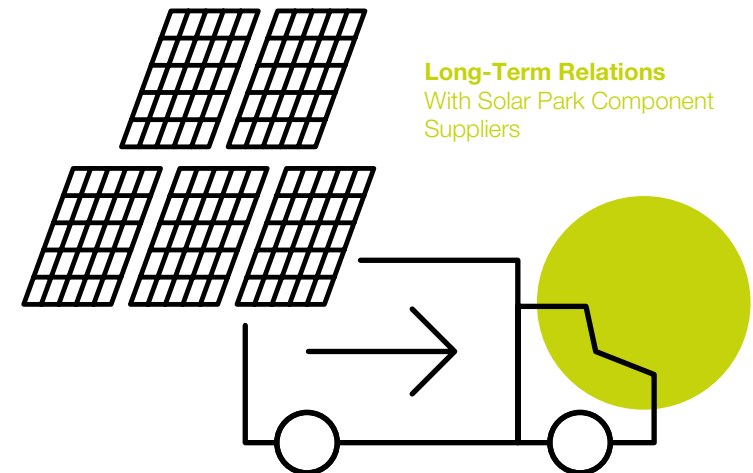
SUPPLIER MANAGEMENT

In choosing our suppliers, we pay attention to respecting corporate criteria such as work safety and health protection, fair pay and fair working conditions. In procurement for daily needs, such as office supplies and catering for our employees, we place great value on regional sourcing.

Supplier management is a key element in the process structuring and digitalization being pursued company-wide. In the course of this, we are looking to start a dialog on the subject of sustainability standards. We aim to launch this with the most important and most influential suppliers, the manufacturers of the solar park components. For 2021, we are setting ourselves the goal of conducting a survey asking systematically about the themes of the environment, corporate issues and governance. Beyond that, by 2025 we are looking to define **a binding set of requirements with sustainability criteria**, which must be strictly respected by all subcontractors.



Weekly Fresh Fruit from
the Walch Farm in Gemmingen



Long-Term Relations
With Solar Park Component
Suppliers

EMPLOYEE MATTERS



HR STRATEGY

As employer, hep offers work with purpose. But without its around 139 employees, hep would not be much more than three letters. At hep, every individual employee is tasked with actively making a contribution to the sustainable development of hep and its corporate environment. This overarching ambition is supported in various ways through a comprehensive HR strategy:

Connectedness: As an SME, at hep we place great value on mutual cooperation, an open feedback culture and reciprocal dialog. To that end, in addition to digital offerings such as the intranet and regular meetings such as the Manager Lounges, there are also plenty of informal opportunities, e.g., over shared lunches, company celebrations or after-work rendezvous. New employees at our German site are familiarized with all areas of the business and the colleagues who work there in a multi-day on-boarding program, fostering a collegiate approach right from the first day at work.

Global networking is the focus in HR management. In the coming year, cross-site HR management is set to become easier, notably through the expansion of digital offerings. In addition to the annual employee meetings already held with 75 percent of all employees worldwide, in future we want to ask proactively about our employees' needs and ideas, through regular employee sur-

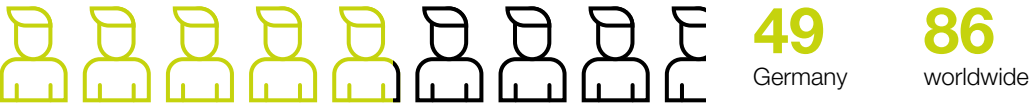
veys and the introduction of digital ideas management, and to integrate this into our work processes.

These measures enable us to encourage long-term employee loyalty. In total, 15 employees left the company worldwide in 2020. This figure includes terminations (by the employee or the employer), severance agreements, retirements and those leaving due to illness.

Flexible working: hep employees work under a flexitime system with fixed core working times, and are in principle entitled to two days of home working per month. Working hours are recorded and overtime is compensated in the form of time off at a later date or by payment.

Support and pension: From subsidized lunches and subsidized company fitness to the company pension to team events and free drinks and fresh fruit, hep goes the extra mile to boost employee satisfaction and quality of life for the long term.

MALE EMPLOYEES

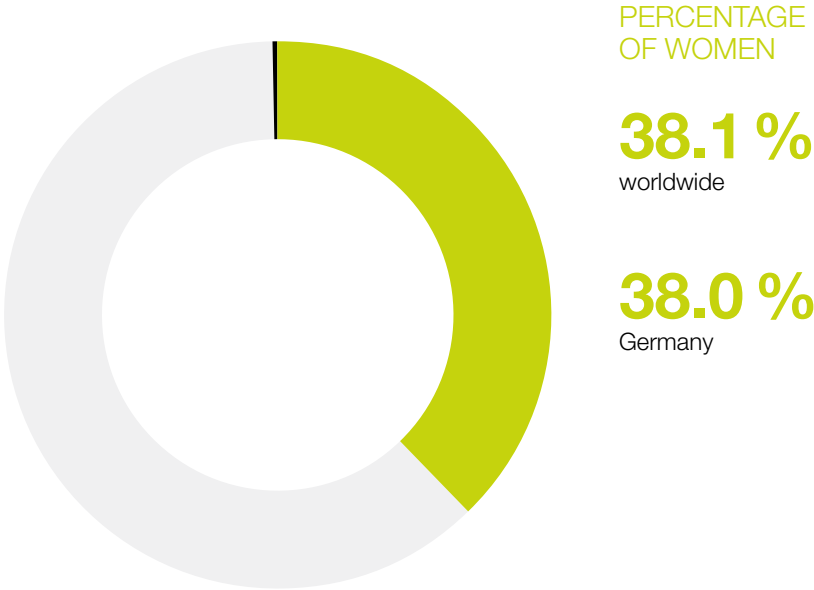


FEMALE EMPLOYEES









DIVERSITY AND EQUALITY OF OPPORTUNITY

In our inter-cultural and interdisciplinary team, there is a prevailing inspiring atmosphere in which innovations can grow. At hep, our collaboration involves **14 nationalities, from four continents.**



MANAGEMENT BY AGE AND GENDER

		<30	30–50	>50
Supervisory Boards				
	Male board members	0	1	2
	Female board members	0	0	0
Senior management worldwide				
	Male	0	6	5
	Female	0	1	0
Middle management worldwide				
	Male	0	8	11
	Female	0	5	1

This diversity is a valuable asset – one we are rightly proud of; maintaining it is a key focus of our HR strategy. This diversity fosters a cooperative and innovative working environment based on equal treatment, respect and trust.

To further improve the gender balance, we are looking to implement a raft of measures across Germany, including developing talent management, introducing new career pathways and creating childcare offers. Through these, we want to increase the share of female managers in particular.



INITIAL TRAINING AND CPD

At hep, we encourage the thirst for knowledge and the curiosity of our employees not just in their day-to-day work, but also by offering places on external training programs. In addition, at our headquarters in G uglingen employees have the opportunity to improve their own language skills in a free, weekly English course. And by offering posts for Dual Study students, we are giving young, ambitious idealists the chance to study in a practically focused way. Two students took up this offer in 2020.



WORK SAFETY AND HEALTH PROTECTION

Fair pay, good working conditions and comprehensive work safety go without saying for us, as employer. At our sites, we offer optimum working conditions, geared to healthy working, with adaptive lighting, ergonomic seating and a modern ventilation system. In 2020, across the company there were no deaths and two minor injuries on our construction sites.

The focus in health protection during 2020 was on protection against infection. As a preventive measure, we devised a comprehensive hygiene concept, in order to be able to maintain safe distancing at all times, amongst other things. Sanitizer dispensers have been installed in many locations. In addition, we provide our employees with protective mouth and nose masks free of charge. The possibility of working from home is being expanded flexibly, and in some instances is mandatory. This takes into account not just the patterns of infection, but also personal needs, such as childcare.

ACTIVE AND COMMITTED

Through our solar projects, we are committed to sustainable energy production – because it is important to us not to do business at the expense of our planet or its inhabitants.

For a company with those aspirations, it is natural to also be committed to society, to education and to environmental and species protection. In a number of ways, we support **various projects** that are close to our hearts.

SUPPORTING OUR HOME REGION OF HEIL-BRONN

As an SME enterprise, we are deeply rooted in the Heilbronn region. It is our home. Accordingly, it is instinctive to us, as well as incumbent on us, to support our area.

Donation to DRK Brackenheim

True to the motto of ‘Helping where help is needed, quickly and straightforwardly’, in 2020 hep donated a vehicle to the local German Red Cross (DRK) in Brackenheim.

DRK Brackenheim operates a “local first-aid-er” team. These volunteer first-aiders provide emergency medical assistance in more remote locations, until the ambulance arrives. Particularly in rural areas such as the Zabergäu, where hep is based, this can be a life-saver, since ambulances often take longer to reach these locations.

Christmas campaign

For the tenth year, the church-based charitable association Kreisdiakonieverband Heilbronn – together with the mail carrier RegioMail – ran its Christmas campaign, “Das Herz schenkt, die Hände geben” (“The heart gifts, the hands give”).

Our parcels help those in need, with material gifts such as long-life foods, cosmetics and care products. A good feeling!

City cycling campaign

Ride a bike for 3 weeks, and fly the flag for cycling and climate protection!

That is the message that Climate Alliance puts out every year to local authorities Germany-wide, in a city cycling challenge.

In July 2020, hep took part in this campaign with its own team.

The proud result:

In 21 days, 6,000 kilometers were ridden and around 1 tonne of CO₂ was avoided.

The company management also lent its strong support to CITY CYCLING. “As I’m already on my bike, I take the opportunity to ride a bigger loop through our beautiful Zabergäu countryside,” says Chief Technical Officer Matthias Hamann, who has himself already competed in an Ironman Triathlon and, like company founder Christian Hamann, is a keen cyclist.



Donation to DRK Brackenheim



City Cycling campaign



Christmas campaign



OUR AMBASSADOR
GORILLA GEORGE

SPECIES PROTECTION FOR THE MOUNTAIN
GORILLAS

Mountain gorillas are amongst the most-threatened mammals on earth. The last of their species live in the eastern Congo, a particularly conflict-ridden region where poaching and forest clearance are often a significant source of income. Through a WWF Gold Sponsorship, we have committed to protecting the great ape over a number of years – true to our slogan “there is no planet b”. As a result, the gorilla also became our trademark.



BURKINA FASO

The West African state of Burkina Faso is one of the world's poorest countries. A lack of infrastructure, particularly electricity, massively impacts the chances of an improved standard of living. For that reason, we have donated a solar system including storage to the BIT campus, where young men and women are trained to become entrepreneurs, graduating in Computer Science and Entrepreneurship. This is intended to guarantee the electricity supply, in a decentralized and sustainable way. Managing Director Matthias Hamann, together with colleagues, saw to the on-site installation in person.

SPECIAL CONDITIONS FOR FACILITY CONSTRUCTION

In August 2018, Matthias Hamann, Chief Technical Officer, and Marcus Mook traveled from Güglingen to Burkina Faso in West Africa to investigate the situation on the ground. There, with local assistance, they built a photovoltaic system within two weeks which has been supplying the educational campus with electricity since July 2019.

→ [To the interview with Matthias Hamann](#)



SUN-DRIED MANGOES AT CHRISTMAS

With this year's Christmas campaign, hep is supporting small farmers in Burkina Faso. The mangoes, weighing around 500 kg and with a value of EUR 9,000, come from a project supporting needy women and orphans to make their own way in life. By planting, harvesting and selling mangoes, the women earn enough to live on and, like the orphan children, they are also given support with education and healthcare.

The mango fields belong to a cooperative of small farmers. It is precisely this group of the population who are hit hard by the consequences of climate change. In Western Africa, drought, heat and floods are all eroding the land that can be farmed and thus incomes, and as a result the livelihoods of the mainly rural population is under threat. The necessary knowledge and resources are lacking to be able to adapt their planting techniques to the changing conditions. In addition, infrastructure such as electricity and transport vehicles are often lacking. Since orders are falling and trade restricted due to the coronavirus pandemic, an already difficult situation has been made even worse. Education and support for the farming sector are vital to counteract flight away from the land.




PROSPECTS

For a better tomorrow



FOR A BETTER TOMORROW

KEY SUSTAINABILITY ISSUES AT HEP

Environment	Society	Governance
Greenhouse gas emissions (reduction) Solar parks	hep as employer	Principles for procurement and construction
Use of resources and procurement when building solar parks	Supplier management	Monitoring and risk avoidance
Digitalization 		

All 17 higher-level sustainability issues, with examples of the subsidiary aspects, are listed in the Annex.

[→ Link to Annex](#)

For 2021, we remain committed to our goal, even when faced with the challenges brought on by the pandemic: Driving the expansion of solar power worldwide. In doing so, our particular focus is on the thematic areas identified as key:

At hep, we have set ourselves sizable objectives. Our focus is notably on centralizing and structuring company-wide processes, including digital opportunities. At the same time, we aim to drive forward our global business activities and integrate the companies acquired into our processes. Another key theme will be supplier management. Here, we aim to build on the results of the supplier survey planned for 2021 with the manufacturers of solar park components in taking our supplier management forward. Within the company, too, communication and the search for sustainability-related opportunities for improvements are set to be developed in 2021.

In everything we do, we have our goal firmly in view: Successfully driving forward the expansion in solar power and thus the transformation of the energy system for the long term, through our solar projects. Because for us, it is clear: “there is no planet b.”

 [Invest in clean energy – with hep](#)



ANNEX


Materiality analysis

Imprint



MATERIALITY ANALYSIS

KEY SUSTAINABILITY ISSUES AT HEP

Environment	Society	Governance
Greenhouse gas emissions (reduction) solar parks	hep as employer	Principles for procurement and construction
<ul style="list-style-type: none">▪ Carbon footprint saving from produced solar energy	<ul style="list-style-type: none">▪ Initial training and CPD▪ Working conditions▪ Work safety and health protection▪ Diversity	<ul style="list-style-type: none">▪ Quality▪ Longevity▪ Processes and strategies
Use of resources and procurement when building solar parks	Supplier management	Monitoring and risk avoidance
<ul style="list-style-type: none">▪ Use of land areas▪ Offsetting areas▪ Intrusion into natural environments▪ Dual use of land areas (shared solar)	<ul style="list-style-type: none">▪ Supplier selection▪ Working conditions at suppliers▪ Monitoring for compliance with labor law standards	<ul style="list-style-type: none">▪ Compliance (money laundering, corruption, conflicts of interest, etc.)▪ Risk management
Use of resources at company level	hep as “implementer” / “enabler” of energy transition	Management culture
<ul style="list-style-type: none">▪ Electricity consumption▪ Sustainable office buildings (solar,lighting, etc.)▪ Waste reduction and disposal	<ul style="list-style-type: none">▪ Contribution to sustainable finance market▪ Contribution to sustainable lifestyle of investors and employees	<ul style="list-style-type: none">▪ Policies, Code of conduct▪ Top-down
Digitalization 		

The key sustainability issues at hep are listed in the adjacent table, grouped by overarching concepts. The overarching concepts are ranked from very essential to less essential from top to bottom. Subordinate sustainability issues are assigned to the overarching concepts by way of illustration, but their sequencing has no further significance.

→ Continued on the next page

KEY SUSTAINABILITY ISSUES AT HEP

Environment	Society	Governance
Greenhouse gas emissions at company level	Social engagement	Pay policy
<ul style="list-style-type: none">▪ Carbon footprint▪ Business travel	<ul style="list-style-type: none">▪ Regional engagement▪ Cross-regional engagement▪ Donations	<ul style="list-style-type: none">▪ Supervisory Board and Executive Board remuneration policy▪ Employee remuneration
Procurement at company level		Handling sales partners
<ul style="list-style-type: none">▪ Sustainability in office management (paper, IT requirements, etc.)▪ Regional catering		<ul style="list-style-type: none">▪ Selection process▪ Equality of treatment
		Capital donors, asset management
		<ul style="list-style-type: none">▪ Selection of outsourcing companies▪ Selection of lenders
		Political influence
Digitalization		



IMPRINT

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