



Sustainability Report

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SUSTAINABILITY REPORT

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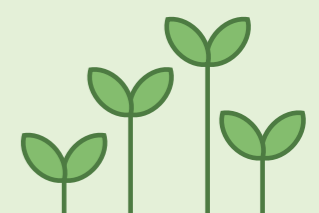
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“ Hape Group aims to be the leading children's enterprise globally. Despite children being just 20% of the global population, they represent our entire future. We believe that by creating a sustainable growth environment for them, they will naturally shape their own brilliant future.

Since its inception, Hape Group has embedded sustainable development values in its DNA, promoting sustainability in raw materials, design, production, social responsibility, and philanthropy.

Despite the global economic impact of the pandemic, Hape Group has achieved positive sustainable development progress alongside economic stability and growth.

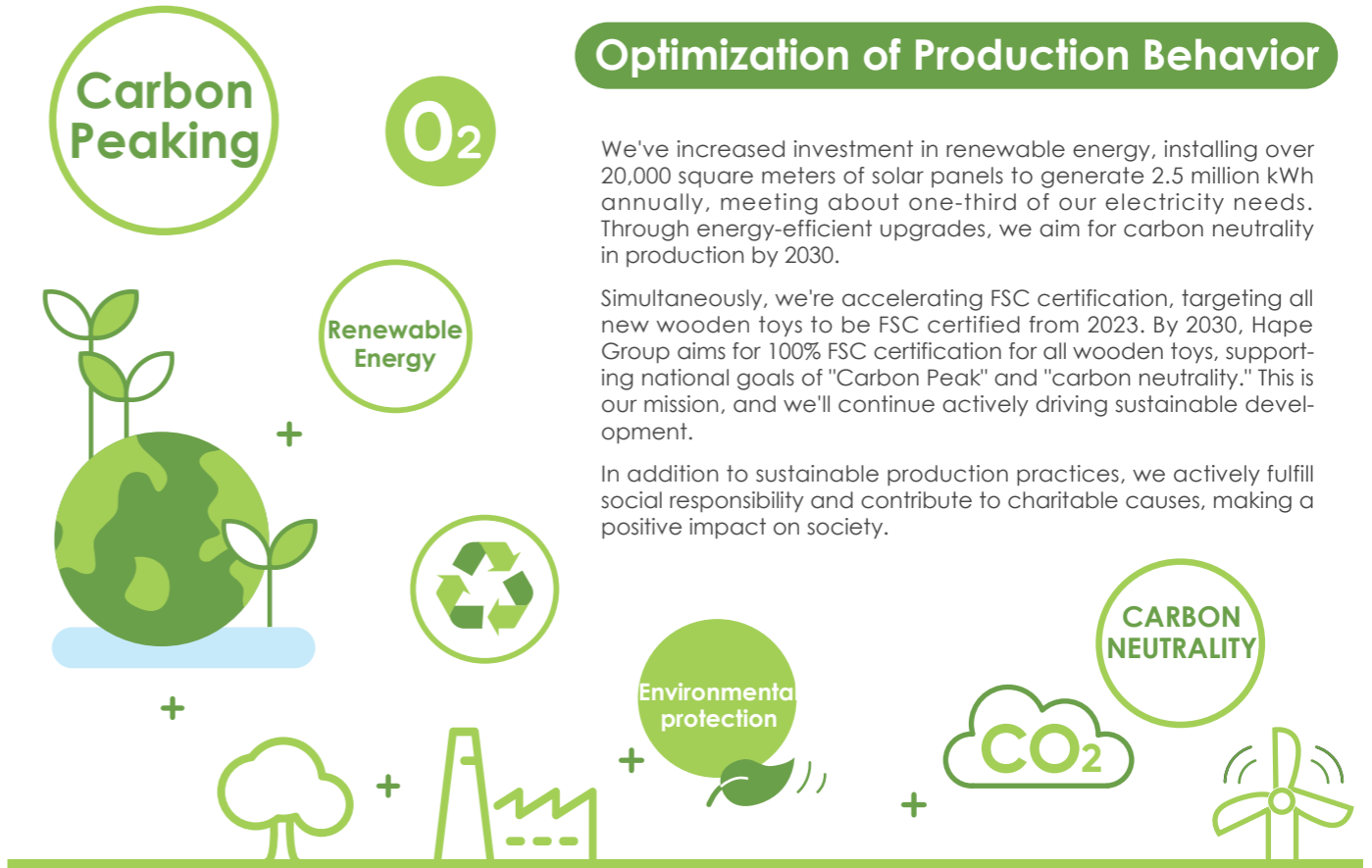
 ”

Application of Raw Materials

Over the years, FSC-certified wood, rice composite materials, FASAL, bamboo, and other eco-friendly materials have been core elements of our products. With the addition of more members like natural rubber and eco-friendly cork, the group starts a new journey in sustainable development. New materials not only enrich our product range but also bring greater diversity and innovation potential.

As a leader in eco-friendly toys, Hape introduced the iconic Panda Toy House in its 2023 products. Using bamboo, green PE (extracted from crops), FSC-certified wood, and bamboo, the toy integrates the panda's living environment with eco-friendly elements. This environmentally conscious design, along with engaging panda figurines and story-rich plots, guides children to understand and explore environmental knowledge, enhancing their awareness.

We believe in starting environmental education in childhood, and through universal participation, we can better achieve sustainable development. This is Hape's mission—cultivating future leaders who care about the environment through enjoyable education.



Optimization of Production Behavior

We've increased investment in renewable energy, installing over 20,000 square meters of solar panels to generate 2.5 million kWh annually, meeting about one-third of our electricity needs. Through energy-efficient upgrades, we aim for carbon neutrality in production by 2030.

Simultaneously, we're accelerating FSC certification, targeting all new wooden toys to be FSC certified from 2023. By 2030, Hape Group aims for 100% FSC certification for all wooden toys, supporting national goals of "Carbon Peak" and "carbon neutrality." This is our mission, and we'll continue actively driving sustainable development.

In addition to sustainable production practices, we actively fulfill social responsibility and contribute to charitable causes, making a positive impact on society.

Social Responsibilities

“ We've donated over 24 million RMB to charity projects worldwide. ”

In 2017, Hape partnered with Beilun Charity Federation to establish a 5 million RMB fund for poverty alleviation, education, and healthcare. In 2022, we donated educational toys worth 207,623 RMB to eight kindergartens and collaborated with FFS to provide toys worth 127,654 RMB to 769 children in 17 IETP member factories.

In addition to promoting children's well-being, Hape focuses on the health and happiness of the elderly. We organize senior toy trial events, featuring products like Pallina and domino sets, loved by many seniors for enhancing coordination and concentration.

Committing to sustainable development is a challenging, long-term mission. We welcome like-minded partners to join us in making positive contributions to sustainable development. It's a meaningful journey, and we will persistently walk it, going beyond limits.





Hape is a globally acclaimed educational toy brand committed to providing children with high-quality, safe, and eco-friendly toys. Embracing the concept of sustainable development, Hape integrates innovative design and green production principles into the research and manufacturing processes of its products. Hape's product range includes various forms of toys such as puzzles, building blocks, bead mazes, train tracks, and more. These toys not only bring joy to children but also contribute to their educational development.



In toy design

Hape consistently adheres to the philosophy of "Love play, learn." harnessing the power of play to help children enhance their learning and social skills. Simultaneously, Hape toys focus on nurturing children's imagination and creativity, inspiring their limitless potential. As crucial supplementary tools in education, toys can effectively assist teachers and parents in presenting complex concepts and knowledge to children, making it easier for them to understand and learn.



In terms of product manufacturing

Hape responds to the modern consumer demand for environmental health by utilizing natural materials such as wood, cork, bio-based plastics, and bamboo. In the production process of Hape's toy products, no harmful chemicals are used, and eco-friendly materials like water-based paint are employed to minimize environmental impact. This commitment serves as a contribution to environmental protection.



People



Planet



Education

Hape implements the "People, Planet, Education" sustainable development strategy through various certifications such as ISO14001, ISO45001, ICTI, BSCI, GMP, FSC, SCAN, GSV, and national safety standards. These systems form our internal social responsibility management, fulfilling our commitment to sustainable development.

In summary, as a leading creator of innovative and environmentally conscious educational toys, Hape consistently upholds sustainable development and social responsibility, contributing to a better world.



People caring about people

Hape consistently prioritizes children as our main users, recognizing the importance of considering the needs of families, teachers, and other adults in purchasing, playing, and maintaining toys. To achieve inclusivity, we provide platforms for reselling Hape toys and sharing creative play ideas, fostering connections among individuals with similar interests and experiences.

In addition to caring for our employees' well-being and providing a healthy, supportive work environment, Hape extends this care to the workers of our suppliers. We believe that establishing positive collaborations throughout the supply chain, promoting fair and ethical practices, can have a profound and positive impact.

Hape understands that by comprehensively considering the needs and experiences of all parties involved in the toy industry, we can create a more enriching play experience for children while ensuring our impact extends beyond playtime alone.



Planet a commitment to environmental sustainability

Hape is committed to manufacturing environmentally sustainable products, addressing various aspects of sustainability and continuously assessing progress. We've established a strong position in durability, non-toxicity, and sustainable design, actively working on features like toy recyclability.

From the start, Hape has been dedicated to using wood and natural materials. This commitment led to the Bamboo Lab, exploring bamboo as a toy material. In R&D, we prioritize responsible materials, including the cork project with Portugal and the Amorim Group.

Hape recognizes the importance of driving sustainable development in the toy industry, determined to lead innovation with environmentally friendly solutions aligned with our core values.

At Hape, we merge playfulness with environmental protection, tirelessly striving for a greener world.





Education
Love play, learn.

“

Playing is a child's nature, and enabling children to 'play' with high quality is Hape's core mission; Hape crafts toys with dedication, empowering children's lives with love, and 'Learn' is the added value of Hape products. The process of children interacting with toys is a mirror of their self-exploration and the world around them.

CEO: Peter Handstein ”

Play is a learning practice for children, and at Hape, we're committed to creating toys that bring joy while fostering comprehensive growth. Our carefully designed toys aim to spark imagination, encourage problem-solving, and promote social interaction, allowing children to explore interests and develop skills for future success.

We believe every child deserves access to high-quality educational toys that inspire curiosity and creativity. Dedicated to sustainability, our toys are safe, durable, and environmentally friendly. Taking responsibility for our impact, we actively seek ways to reduce our ecological footprint. Join us on this journey of play and exploration to empower children for a brighter future.



Hape's sustainability philosophy is closely aligned with the United Nations' 17 Sustainable Development Goals.

“

I believe that a better transformation comes from within. While we rejoice in double-digit growth, I am more concerned about how to develop into a 'better' company, how to make the world a better place than when we arrived. In the face of this challenge, the best solution is to stay on the 'path of sustainable development.

CEO: Peter Handstein ”



Hape consistently adheres to the sustainable development philosophy of "People, Education, Planet," closely related to the United Nations' 17 Sustainable Development Goals. The following will provide a detailed explanation of the connection between this philosophy and each of the goals.

Hape is dedicated to helping children break free from poverty through education (Goal 1) and ensuring optimal learning conditions (Goal 4) to lay the foundation for overcoming poverty. Addressing hunger, we provide support for healthy diets (Goal 2) while prioritizing toy safety for children's well-being (Goal 3).

Focusing on quality education, Hape designs toys that inspire creativity, fostering cognitive development (Goal 4). We believe education can eliminate inequalities, including gender inequality (Goal 5), providing equal learning opportunities for all children.

Hape is dedicated to reducing water consumption, improving production processes, and encouraging employees to participate in the "Protect the Coastline" initiative for clean water and sanitation (Goal 6). Additionally, we adopt renewable energy and innovative design, incorporating clean energy sources like solar power to achieve affordable clean energy (Goal 7).

Hape contributes to economic growth by creating educational toys that inspire limitless imagination, providing high-quality education for children (Goal 8). Collaborating with suppliers and partners, we strive for sustainable economic growth, creating more employment opportunities for communities (Goal 9).

Hape prioritizes sustainable materials in global production, with FSC-certified sites using wood, bamboo, cork, and other natural materials. This contributes to protecting Earth's biodiversity and ecosystems (Goals 14 and 15).

Apart from focusing on children and the planet, Hape also emphasizes promoting social justice and safety (Goal 16). We operate transparently and responsibly, actively taking on social responsibility to ensure the development of peaceful, just, and robust institutions.

Additionally, partnerships play a crucial role in achieving sustainable development goals. Hape collaborates closely with suppliers, partners, social organizations, and government agencies to collectively work towards achieving sustainable development goals (Goal 17).

Hape consistently upholds the "People, Planet, Education" philosophy of sustainable development, closely aligning with the United Nations' 17 Sustainable Development Goals. By providing quality education for children, developing eco-friendly products, and actively engaging in social responsibility, we are committed to creating a better future where people can thrive together on a more sustainable planet.

People - Caring for the well-being of people



Hape focuses on children as the primary users of our toys but also considers other user groups involved in toy purchase, play, and maintenance. We are committed to creating an inclusive community, providing platforms for resale of Hape toys and sharing play and game ideas. Prioritizing the well-being of all employees, we also care about the welfare of workers in our supply chain and retail partners.

As a people-centered company, Hape recognizes the importance of internal training and consistently encourages employees to engage in lifelong learning. We provide comprehensive internal training and willingly cover employees' training expenses. We firmly believe that by offering learning and growth opportunities, we can enhance their skills, stimulate creativity, and unlock their potential, thereby creating more value.

In addition to training, job rotation is a way Hape promotes employee development and enhances skills. We encourage employees to rotate between different departments and positions to broaden their work

experience and skills. This cross-departmental exchange fosters a deeper understanding of our company's operations and cultivates teamwork and leadership skills.

As a socially responsible company, Hape is dedicated not only to employee development domestically but has also established factories abroad. This expansion aims not only to explore new markets but also to provide employment opportunities for local communities. We recognize that offering job opportunities to locals not only improves their quality of life but also stimulates local economic development.

In today's competitive business environment, Hape understands the significance of employee training and development for the company. Through internal training, encouraging lifelong learning, covering training expenses, implementing job rotations, and establishing factories abroad to provide local employment, we are committed to nurturing and developing our employees. We firmly believe that only when employees' capabilities are fully unleashed can the company achieve sustained growth and gain a competitive edge in the market.



We pledge ongoing attention to employee training and development, aiming to support their personal and career growth. We believe that through continuous learning and progress, Hape will innovate, exceed expectations, and deliver superior products and services to the world.

● Good Employment and Career Development.

Recruitment	Employee Growth and Corporate Culture	Compensation and performance.	Organizational Development
<p>2023 achieved:</p> <ul style="list-style-type: none"> Integrate, maintain, and utilize recruitment channels. Collaborate with human resources planning and communicate recruitment planning with the hiring department. <p>Plan for 2025:</p> <ul style="list-style-type: none"> Recruitment demand exploration and analysis. Expand the use of interview tools such as STAR, assessment tools, Assessment Centers (AC), etc. Enhance the interviewing skills of business leaders through a Gold Standard Interviewer System. 	<p>2023 achieved:</p> <ul style="list-style-type: none"> Internal instructor team development. Campus recruitment and management trainee program development <p>Plan for 2025:</p> <ul style="list-style-type: none"> Backbone training (key position learning paths, training for newly promoted supervisors, etc.). Course development based on core competency building. Creating a corporate culture of independent innovation management. 	<p>2023 achieved:</p> <ul style="list-style-type: none"> Compensation policy communication and formulation. Compensation design and application planning. Implementing the OKR (Objectives and Key Results) + BSC (Balanced Score-card) performance management system. <p>Plan for 2025:</p> <ul style="list-style-type: none"> Implementing the compensation policy. Enhancing the role of performance management in promoting individual growth to effectively align with the company's strategic objectives. 	<p>2023 achieved:</p> <ul style="list-style-type: none"> Enhancing core competency identification to support organizational development. Succession planning for employee development. <p>Plan for 2025:</p> <ul style="list-style-type: none"> Core competency development for key position personnel. Group-level human resource management system. Three-pillar human resource management framework. Operational and innovative talents.

● Protecting Employee Rights



Hape prioritizes safeguarding employee rights. We offer extensive social welfare benefits, minimize workplace accidents, support union engagement, and encourage active participation in decision-making. Regular health check-ups and a secure work environment are ensured. Employee well-being is central to our responsible business ethos, underlining its significance in our success.

At Hape, our employees receive comprehensive social welfare benefits covering pension, medical, unemployment, work-related injury, maternity insurance, and housing provident fund. We prioritize long-term stable support for our workforce. By enhancing safety training and updating equipment, we aim to lower workplace accidents, ensuring a safe environment for our employees' well-being.

At Hape, we value employee unions, encouraging active participation. They represent and protect employee rights, contributing to corporate decision-making. Joining the union safeguards rights and fosters collaborative company development.

Hape conducts regular health check-ups to monitor and maintain employee health. Our comprehensive medical services aid in timely disease detection and prevention, enhancing physical well-being and work efficiency. We prioritize a safe work environment, adhering to safety standards through training and equipment maintenance for employee comfort and security.

Hape values work-life balance, ensuring reasonable working hours and preventing overworking. Our management system prioritizes employee health and personal lives, encouraging breaks and leisure activities to enhance work efficiency and quality of life.

At Hape, safeguarding employee rights is a core value. We prioritize comprehensive welfare benefits, lower work-related injuries, involve unions in decision-making, conduct regular health check-ups, ensure a safe environment, and maintain reasonable hours. This creates excellent conditions, fostering employee development, satisfaction, and ultimately, our company's success and sustainable growth.



Women's Day



● Workplace Equality

At Hape, workplace equality is a core value. We're dedicated to a fair, inclusive, non-discriminatory environment where every employee receives equal opportunities and treatment.

In our quest for workplace equality, gender parity is crucial. We advocate equal opportunities and treatment for male and female employees. Our employment strategies actively promote gender balance, resulting in a 2:3 ratio company-wide, 1:1 in management, and 1:1 in senior management, reflecting our unwavering commitment to gender equality.

Workplace equality extends beyond gender to encompass all aspects of fairness. We prioritize equal rights for employees regardless of gender, race, age, religion, or other personal traits. Everyone deserves equal opportunities, benefits, and treatment for growth and advancement within the company.

At Hape, religious equality is a fundamental principle. We respect every employee's beliefs, fostering an open, bias-free environment where expressing beliefs is encouraged, ensuring fair treatment for all.

At Hape, we vehemently oppose all forms of discrimination, advocating mutual respect among employees. We encourage positive relationships and collaboration to foster a harmonious, equal work environment.

We view workplace equality as an ongoing responsibility. We'll persist in refining our policies for fairness and equality company-wide. Collective efforts are key to creating an inclusive workplace where every employee thrives, contributing to personal and company success.

● Caring for Employees

We believe employees are our most valuable asset, committed to their holistic growth for a balanced personal and professional life.

Above all, we prioritize our employees' physical and mental well-being, knowing that it unlocks their full potential. We're dedicated to enhancing our office environment, especially in the wooden products sector, ensuring safe, clean conditions for optimal work.

We prioritize employee compensation, enforcing strict overtime limits-no more than 3 hours daily and 60 hours weekly. Our seven-day workweek includes a day off for ample rest. Competitive benefits encompass social insurances, housing funds, travel funds, quarterly labor supplies, and holiday bonuses for festive enjoyment.

We prioritize employee growth by offering diverse training opportunities, both internal and external, fostering lifelong learning. Book clubs facilitate knowledge exchange, empowering employees to continuously enhance their professional skills.

Beyond personal growth, we prioritize employee well-being, offering comprehensive social benefits and a travel fund for family leisure. Free summer classes for employees' children during breaks promote meaningful holidays, enhancing work-life balance and overall happiness.

We foster teamwork through diverse events like skill competitions and sports days, boosting team unity. Emphasizing corporate social responsibility, we host regular charitable events, encouraging employee engagement in commu-



nity contributions. These activities support personal growth and foster a connected work community.

Led by Hape International Ningbo Ltd.'s Human Resources Center, the Hape Innovation Committee conducted its inaugural meeting, aligning with the company's values. Subsequent seminars clarified key regulatory documents like the 'Innovation Committee Management Measures' and 'Product Section of the Innovation Incentive Management Measures.' The Committee's seven initial incubation projects span product design, functionality, promotion, and purchasing methods, injecting fresh vitality into Hape's products.

At Hape, prioritizing employee well-being is our core philosophy. We'll persist in enhancing the working environment, offering growth opportunities and benefits for all employees. We believe a content and fulfilled workforce drives our company's ongoing progress and growth.



● Caring for the Community

At Hape, we strongly believe in our role within the community and actively engage in charitable activities. We're dedicated to supporting and improving the people and environment in our vicinity.

Primarily, we endorse agricultural procurement by partnering with local farmers for high-quality products, fostering rural economic growth. Direct collaboration ensures product quality, safety, and competitive prices, aiming to bridge urban-rural divides, promote rural sustainability, and safeguard farmers' rights.

Next, we focus on community elders, organizing regular charity events to offer companionship and support. Activities involve spending time chatting, assisting with daily needs, and arranging recreational sessions, aiming to create a caring and dignified living environment for them.

Furthermore, we prioritize coastal preservation, actively engaging in cleanup

initiatives and marine education. Our employees conduct beach cleanups and educational programs to enhance ocean conservation awareness, aiming to safeguard marine ecosystems and beautify coastlines for marine life.

Finally, we engage in tree planting as a vital step for environmental preservation and climate action. Our employees join together to plant saplings, enhancing our community with greenery and highlighting environmental conservation's importance for cleaner air and natural beauty.

In summary, Hape is dedicated to community care and active participation in charitable endeavors. Supporting farmers, aiding the elderly, safeguarding coastlines, and tree planting are our commitments. These actions aim to foster a better living environment, bringing hope and care to our community. We invite everyone to join us in building a brighter future together.

● Caring for supply chain.

In today's business landscape, supply chain sustainability and responsibility are key focuses. As a socially responsible company, we're dedicated to enhancing responsibility across our entire supply chain.

We prioritize social responsibility by mandating supplier certification, seeking committed partners aligned with labor rights, environmental protection, and ethical standards. Ensuring work-life balance, we collaborate for a seven-day workweek with a day off, enhancing employee satisfaction and supply chain efficiency.

We deploy technical experts to guide our suppliers' production. Stationed at their sites, these experts collaborate closely, improving technology, workflows, and product quality to meet our standards.

We provide annual free training for suppliers, covering

labor rights, environmental protection, product testing, and toy regulations. This comprehensive training enhances their capabilities, enabling better fulfillment of social responsibilities.

We frequently host supplier conferences to enhance communication and collaboration. It's a platform for sharing experiences and challenges, fostering improvements in our supply chain relationships. Together, we establish common goals and measures to advance supply chain sustainability.

In our supply chain management, emphasizing social responsibility is paramount. We mandate supplier certification, deploy experts, offer free training, hold conferences, and advocate for a seven-day workweek. These efforts ensure sustainable development and social responsibility execution. Collaboration is key to establishing a fairer, sustainable supply chain.



Planet - Commitment to Environmental Sustainability

Hape is committed to developing and manufacturing environmentally friendly products, with a strong focus on various aspects of environmental sustainability throughout the process. We continuously assess our progress and competitiveness in areas such as product durability, toxicity, and classic design, while working on improving features like the recyclability of our toys. We persistently strive to ensure that our products make greater strides in terms of environmental sustainability. By utilizing eco-friendly materials and production processes and working to reduce resource consumption and waste generation, we continually enhance the environmental performance of our products. Furthermore, we actively promote environmental awareness among consumers and society to collectively drive sustainable development. Hape will continue to lead the toy industry in sustainable development, promoting progress for both humanity and the Earth.



● Sustainable Design Global Design Set up

国际设计团队

Greta Giangrande
Hape设计总监

Luca Salamone
Hape设计博士

Guokai Yang
Hape设计专家

Minnie Che
Hape设计助理

其他成员包括：美国艺术设计学院、以色列中央工程大学、中国美术学院

Love play, learn.

Hape toys undergo thorough evaluation starting from the design phase, emphasizing simplified structures for maximum functionality, interactive features, and streamlined packaging. We consistently seek waste reduction solutions, introducing solar and kinetic-powered toys, ensuring play value while minimizing harmful waste materials.

In 2022, Hape launched 'Green Planet Explorers,' a lineup featuring diverse small animals impacted by climate change. Each animal has a name, personality, and story, aiming to raise awareness among kids and parents about Earth's environmental challenges. This line encourages sustainable living through engaging storytelling, offering practical solutions in an entertaining manner.



The 'Explorers' aim to empower children to make a positive impact on our world. It encourages them to become sustainability ambassadors, fostering positive and green change, securing a future for Earth's diverse ecosystems and animals!

● Sustainable materials



Before sustainable development became a global trend, Peter had already introduced and embedded the concept into Hape as the cultural foundation for the group's development. Under Peter's leadership since the establishment of the group, Hape has consistently adhered to the path of sustainable development. From product design to material selection, manufacturing, and packaging, Hape follows the principle of "lowest environmental cost," striving to ensure that every step of its growth aligns with environmental requirements. Starting with wooden toys, Hape's focus on materials extends to other research and development projects, including the cork project in Portugal. We actively collaborate with material suppliers, laboratories, researchers, and designers to explore new types of natural and sustainable materials suitable for toy production. These efforts contribute to expanding our material choices to better meet sustainability and environmental requirements.

We actively adopt FSC-certified wood and paper to protect forest resources and promote sustainable wood management. This initiative helps reduce dependence on finite resources and ensures our products meet environmental standards. Hape Group has set a goal to achieve FSC certification for all wooden products by 2030 and commits to having all newly developed wooden products certified by FSC by 2023.

Additionally, our collaboration with the world's leading cork supplier, Amorim, allows us to continuously explore the application of cork. Cork is the outer bark of the cork oak tree, which grows in the Mediterranean Basin and can live for over a thousand years. Harvesting cork only requires stripping the outer bark without cutting down or harming the tree itself, and cork can be harvested every nine years. It is a significant gift from nature. Cork is not only biodegradable but also absorbs carbon dioxide, slowing down global warming, making it a deserving environmental guardian.

Bamboo, as a natural and sustainable material, has vast prospects in toy manufacturing. Hape is dedicated to exploring and developing the use of bamboo in toys through the Bamboo Materials Laboratory. Bamboo grows rapidly, demonstrating excellent renewability, along with outstanding strength and durability, making it an ideal choice for manufacturing durable toys.



The application of bamboo in toy design brings many advantages. Firstly, bamboo is lightweight, providing toys with a good feel and convenient portability, suitable for children's gripping and handling. Secondly, bamboo has natural textures and an attractive appearance, adding a natural and modern style to the toys. Moreover, bamboo has eco-friendly characteristics. Compared to traditional plastic materials, bamboo has a lower carbon footprint and better biodegradability, making it environmentally friendly. It is also a sustainable resource, as bamboo grows rapidly and can be continuously supplied with proper management.

In addition, we are committed to plastic-free packaging to reduce plastic usage. We use plant-based plastics synthesized from straw and sugarcane extracts for some plastic components, which have a lower carbon footprint and better biodegradability, contributing to environmental friendliness. We are also advocates and leaders in the industry in using environmentally friendly water-based paints. Currently, 100% of Hape's products use water-based paints and inks, and we have introduced this measure into our supply chain.



Through these efforts and initiatives, Hape continues to explore innovative applications of new materials in toy manufacturing. We aim to design and manufacture toys that are both artistic and environmentally sustainable, providing children with fun, safe, and educational play experiences. Through the application of sustainable materials, our goal is to bring joy and inspiration to children while protecting the environment, creating a more sustainable future.

Green Manufacture

Since 2006, when we introduced the ISO 14001 environmental management system, we have been actively monitoring the impact of our entire manufacturing system on the surrounding environment. In addition, we have obtained ISO 50001 energy management system certification, with a focus on energy use and conservation. We have also conducted carbon emission assessments within our factory premises and actively prepared for the certification of a green and low-carbon factory. Ultimately, in 2023, we successfully obtained the Green and Low-Carbon Factory certification.

We are well aware that green manufacturing is becoming an increasing focus. In terms of material selection, we insist on using more sustainable green materials, such as renewable materials (such as cork, bamboo), water-based paints, and plant-based plastics to reduce reliance on finite resources and minimize the environmental burden. At the same time, we widely adopt measures like energy efficiency, emissions reduction, improved product efficiency, and extended product lifespan to reduce resource consumption and waste generation. Additionally, the company pays attention to the sustainability of packaging, gradually reducing the use of plastic packaging to better meet environmental requirements.

In terms of energy conservation and emissions reduction, we invest over 5 million dollars annually in equipment upgrades and process improvements.

Additionally, we also share our expertise with our key suppliers by providing them with an annual opportunity to visit our factory for learning, and we send our company's production equipment experts to guide them on-site at their facilities.



Equipment	Eliminate outdated equipment	It is planned to eliminate 18 sets of mechanical and electrical equipment by the end of 23, with a total power of 67.2kW and a power saving of 53,760kWh
Equipment	Energy-saving transformation of dust removal system	Three new dust collection towers are added, multiple independent motors are used, and the new dust collection tower has three normally open fans with a power of 22.5kW, and the old dust collection tower has an integral fan power of 45kW, which can save about 129,600 kWh of electricity
Electricity	Energy-saving renovation of lighting	The production workshop plans to change 2464 36w old fluorescent lamps to 616 100w LED lamps to save power = (2464*36-616*100)*8h*232d/1000=50305kW.h
Steam	Electric-to-steam transformation	The heating of the drying channel is changed from electric heating to steam heating, and the steam is purchased from the by-products of power generation in the power plant, which can save 1 million kilowatt-hours of electricity
Electricity	Energetic photovoltaic	20,000m ² of new solar photovoltaic will be added, with an estimated annual power generation of 2.5 million kWh.



Factory Qualifications and Various Certifications

Based on a sound foundation of qualifications and efficient management, Hape continuously dedicates itself to the ongoing maintenance and improvement of quality management systems, environmental management systems, occupational health and safety management systems, material certifications, supply chain security, and social responsibility. This provides us with a solid management foundation in global trade, ensuring that our products and operations meet leading standards.

Promotion of Sustainable Development



Peter, Hape's founder, prioritizes the company's environmental impact, viewing environmental protection as essential for future generations. As a thought leader in sustainability within the toy industry, he actively engages in global forums, contributing insights and promoting sustainability.

Sustainable development is a critical strategic focus for the company, involving internal initiatives like promoting sustainable practices, encouraging employee engagement, enhancing the company's image, fostering innovation, and improving efficiency through cross-functional collaboration.

The company actively promotes waste sorting, encourages employees to understand their environmental impact, and embraces digitization to reduce paper usage. Green commuting is supported through shuttle services, reducing traffic congestion and lowering employees' carbon footprint.

Employees are encouraged to participate in environmental activities like tree-planting and coastal protection, promoting the principles of sustainable development.



During November 2023, members of Toynamics Europe, Korko and our Joint Venture partner Corti-ceira Amorim, volunteered their time to plant 2,500 cork oak trees at the Herdade da Baliza estate, in Castelo Branco.

Our actions contribute to a greener environment. Employee engagement and feedback are crucial. Regular lunch meetings encourage suggestions and ideas, bringing valuable insights and innovations that drive sustainability. Collected ideas inspire designers to create internal posters covering content related to all 17 sustainable development goals, conveying our commitment to the environment, economy, and society. We organize a sustainable development design competition, sparking employee creativity and providing a platform to explore new paths. Renting a bamboo forest for a research and outdoor exploration center showcases our exploration of eco-friendly materials, promoting the use of green materials. These initiatives drive the promotion of sustainable development, fostering harmonious development of the economy, society, and the environment.



Love play, learn.



Love Play- Play is at the heart of everything we do. Children love to play and without toys they gain valuable life skills.

Learn- This is the added benefit. Because when children play with our toys they learn so much more about themselves and the world around them.



Quality Education

Higher education schools serve as hubs for strategic technological prowess, nurturing young talent in scientific innovation, and acting as innovative sources and driving forces for regional development. They play an unwavering pivotal role in advancing the global economy and fostering social harmony. Throughout, the key challenge has been how to effectively transition high-caliber individuals from academia into the workforce, injecting them into the corporate world, making it a compulsory task for high schools to better fulfill their guiding role. Hape is actively committed to providing higher-quality education, leaving no stone unturned in exploring the path of school-enterprise collaboration to better achieve this objective. This is a demanding and long-term undertaking, but we are dedicated to offering young talents broader development opportunities and superior educational resources.

School-enterprise cooperation refers to a collaborative model established between educational institutions and businesses. On one hand, it aids schools in pursuing their own development and enhancing the quality of educa-

tion. On the other hand, it provides advanced research results and supports innovative industrial project proposals for businesses. The core idea of school-enterprise cooperation lies in the sharing of information and resources between educational institutions and businesses, allowing the equipment and technologies of schools and enterprises to complement each other, thus saving costs for both education and businesses. It is a "win-win" model.

As early as 2008, Hape made attempts in the field of school-enterprise cooperation by collaborating with Bauhaus to jointly develop and design toy products. Since then, dozens of domestic and international universities, including the Swiss University of Applied Sciences in Biel, the University of Rosenheim in Germany, the China Academy of Art, Beijing Haidian Foreign Language School, Zhejiang A&F University, Zhejiang Wanli University, and the University of Nottingham Ningbo China, have established friendly cooperative relationships with Hape. Together, they have undertaken numerous school-enterprise cooperation projects, which have received unanimous praise from both cooperating parties.



Overview of past Hape cooperation

2003



2008



2011



2018



2015



2019



2020



2022



2021



2023

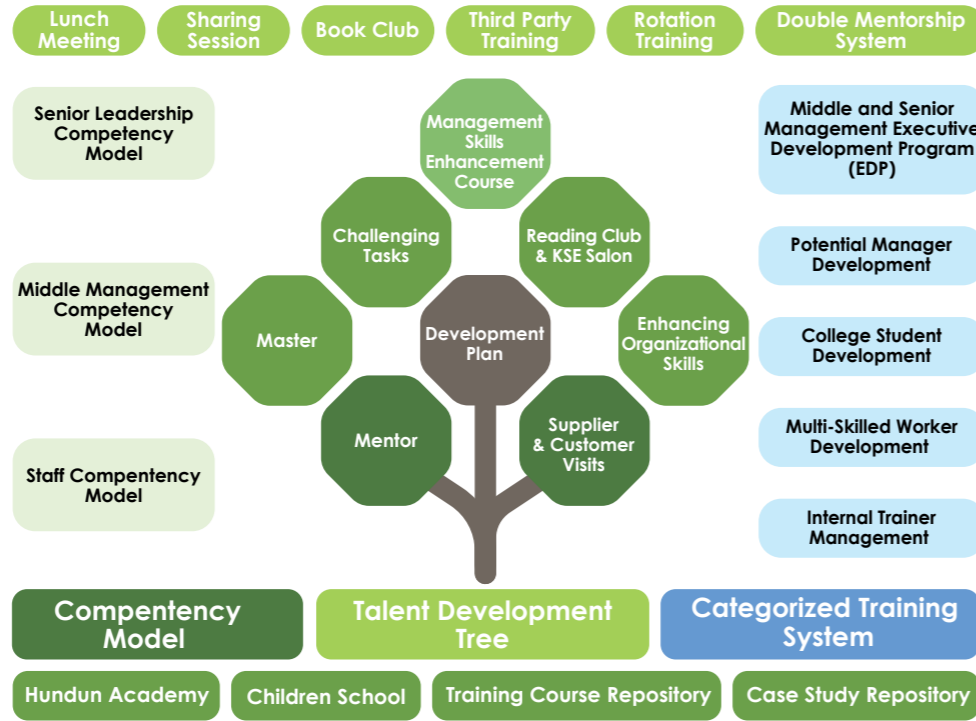


Hape has numerous school-enterprise cooperation cases, aligning with our strategy of "focusing on talent and valuing education." Cultivating talent enhances our core competitiveness and contributes to social development. We aim to lead young individuals to become dream pursuers, providing a platform for their growth. We are committed to guiding them in acquiring real skills and developing into thoughtful, responsible, and capable individuals. This mission inspires continuous promotion of school-enterprise cooperation, offering robust support for the growth of young people.

Continuing Education

Hape's Tiered Classification Employee Training System

In addition to focusing on external quality education, Hape also places a high emphasis on the continuing education of its internal employees. Following the human resources management and development strategy formulated by the company, we actively build a talent pipeline, promoting and refining talent selection and reserve work. The company has established a Human Resources Management Center and employs a systematic approach to identify and develop employee training plans. These measures are aimed at continuously enhancing the skills and qualities of internal employees, enabling them to adapt to the ever-evolving market and business requirements.



The company analyzes and determines training needs through various channels based on the skill requirements of personnel in different tiers

1 For technical workers

There are skill level assessments, mentorship programs, on-the-job training, job rotation, and job exchange, among others.

Five-level carpentry training results

60 participants, 50 passed the basic level with a pass rate of 83%



2 For college student development

there are various programs including "Freshmen Role Transition" training, mentorship, workshop internships, supplier visits, team-building exercises, and the "Soar Program," among others.



Master and Apprentice - Graduation Ceremony

3 For the development of mid-level management personnel

There is the "Prospective Manager/Director" training system, which includes mentorship, challenging tasks, book clubs, Prospective Managers' breakfast/lunch meetings, management skills training, organizational capability building, and management forums.



Six Sigma Green Belt Training



Management Skills Training



Lunch Meeting



Product Management Lifecycle Training



English Class

4 For mid to senior-level management personnel

There is the EDP (Executive Development Program) offered by the Zhejiang University School of Management, serving as an advanced course for managerial enhancement.



Zhejiang University EDP Advanced Executive Development Program

5 Simultaneously

The company also have Innovation Committee and research on incentive mechanisms, internal job rotations, and overseas job rotations, among other training methods.



Innovation Committee Awards

Training Category	No.	Name Of the course	Tutor
New Employee Mandatory Pre-Service Training	S1	Corporate Culture and Organizational Structure	EVGM Office
	S3	knowledge regard social welfare	Administration

Office Automation (OA) Category	S11	Work flow	Application Development
	A1	How to Write an Effective Work Email	Marketing Communication
	A2	Basic Excel Operation Skills	Knowledge Mangement
Toy Safety Regulations Category
	B1	Fundamentals of Packaging and Transportation Testing	Purchasing
	B2	Toy Physical Safety Knowledge	QA
Engineering Knowledge Category
	C1	Wooden Toy Manufacturing Process	OEM Tech

Business Operations Category	D1	Quoting Knowledge	Purchasing
	D2	Documentary Practices Training	Logistics

Quality Tools/Management Methods Category	E1	QC Tools	QA
	E2	Project Management	Brand Tech

In 2022, the company organized a total of 11 mandatory courses and 28 elective courses, all taught by internally selected instructors. The overall course satisfaction rate reached 91.3%.

In 2023, we conducted 84 training sessions, with 83.33% (70 sessions) led by internal trainers. This included 34 mandatory and 50 elective courses, with an average satisfaction score of 88.48 out of 100.

With the assistance and support of major charitable organizations such as the "Shanghai Mutual Aid Public Welfare Foundation," "Beilun District Charity Federation," "China Toy and Juvenile Products Association," and "Beilun District Elderly Care Service Association," Hape Group continued a series of philanthropic activities benefiting the elderly and children in 2022. Actively responding to the government's "one elderly person, one child" policy, Hape Group aims to maximize social contribution by providing support and assistance to communities and vulnerable groups.

In these activities, we can readily find the presence of Hape volunteers. Every member of the Hape team contributes their unique strengths to the cause of social charity, tirelessly striving to create a better world.

2022		
Children and Families Impacted	Toys and Games Donated	2022 Total Charitable Giving
11,084	15,346	4.76M

2023		
Children and Families Impacted	Toys and Games Donated	2022 Total Charitable Giving
4,841	12,574	2.62M



In 2022, we launched the "Hape Future Hope Kindergarten" project to enhance early childhood education in remote areas of Yunnan, contributing to the development of 3-6-year-old children and supporting local economic growth. In 2023, Hape volunteers continued their commitment to "learning through play" in Yunnan.

During a 14-day volunteer service, they assisted local teachers in dynamic teaching, organized engaging activities, decorated kindergarten spaces, and trained teachers on using Hape's donated educational toys.

In December 2022, three Hape volunteers began a 14-day journey in Yunnan, actively supporting local teachers in daily lessons, extracurricular activities, and creative projects. They also collaborated on crafting eco-friendly outdoor toys from recycled materials, providing enriching experiences for children.



Since 2016, Hape has actively participated in the "B&U Companion Program" initiated by the China Toy and Juvenile Products Association.

In mid-November 2022, Hape Group donated over 550,000 RMB worth of toys to 2,000+ children in Yihuang, Lichuan, and Linchuan counties, Fuzhou City, Jiangxi Province, offering care to rural left-behind and poverty-stricken children.

In the same month, Peter Hanstad represented Hape Group at the second China Children Friendly Action Symposium, emphasizing the importance of child-friendly products. He highlighted the need for toys that inspire imagination and curiosity, supporting independent exploration and innovation. Hape is committed to contributing to the development of child-friendly cities in China.

"Care for the Elderly Serving the Society"

Hape Launches 'Senior Toys Experience' Charity Event

In the latter half of 2022, Hape Group donated 120 sets of elderly toys, valued at nearly 30,000 yuan, to 20 designated elderly care points and communities through the Beilun District Charity Federation for the Beilun District Elderly Care Service Association.

Through these toy trial activities, our aim is to promote positive aging concepts and a healthy aging philosophy to a broader elderly population. Hape is committed to bringing joy and fulfillment to the elderly, fostering a strong tradition of filial piety and respect for the elderly. In 2023, our caring initiatives continue with the support of the Beilun District Elderly Care Service Association.

Collaborating with local organizations, Hape Group organized two events benefiting around 40 local elderly individuals, focusing on promoting their physical and mental well-being.



In December 2023, Hape China donated 150 educational toys worth 22,700 yuan to cancer-stricken children at Zhejiang University School of Medicine's Children's Hospital through the Beijing Sunshine Charity Foundation. Hape volunteers brought layers of surprises, offering hope and joy to the children. Hape is committed to contributing warmth to these children.

Hape Group consistently supports government policies, emphasizing and promoting the UNICEF's "Child-Friendly Cities Initiative."

In November 2023, Hape opened its first Child-Friendly Math Museum in China, featuring over 100 exhibits from Germany's Mathematikum Giessen. The museum provides a unique and educational mathematical experience, with areas dedicated to mathematical exploration and early childhood mathematics. Attendees engage with educational board games, interactive practices, and sensory experiences, exploring the mysteries of various magical mathematical phenomena.



In March 2023, Ningbo recorded 496 households facing difficulties, including those on social assistance, low-income, and scattered extreme poverty. Living conditions are poor, with dim and damp environments, peeling walls, mold, and sewage issues. In late June, the Hape China team supported the "Good Home Project" charity donation, actively raising 2527.4 yuan to improve living conditions for these families by renovating their homes and delivering corporate warmth.





The IETP Association's FFS program, operational for 8 years, benefits 5,500 children and 5,600 working parents. In 2023, Hape donated Ty dolls and pencil cases worth 299,700 yuan to the program. Hape actively participated in the Family-Friendly Factory (FFF) program, conducting themed parent-child training sessions. Over 20 Hape working parents engaged in discussions with Qingyan, the founder of Chuanghui Parent-Child, and a certified second-level psychological counselor. Topics included "Building Harmonious Family Relationships" and "Understanding Effective Parent-Child Communication."

Implementing family-friendly policies in the workplace aims to create a worry-free environment for working parents, increasing their satisfaction and sense of belonging. Hape continues to advance family-friendly initiatives to build a nurturing corporate culture.



On September 5th, Hape volunteers packed 210 back-to-school gift bags, distributing them to children in need through the Hangzhou Beibei Children's Rehabilitation Center. Special thanks to the "Love Packing Team" members for their selfless dedication, bringing Hape's exclusive companionship to more children in need.

Since 2013, Hape's affiliated companies in Ningbo have donated a total of 57,000 yuan to the Ningbo Concord Cancer Prevention Fund. This ongoing support helps leukemia and cancer patients and their families overcome challenges. Hape's consistent decade-long commitment extends love and assistance to cancer patients, boosting their confidence, fostering a positive mindset, aiding recovery, and prolonging lives.

"Comforting with love"

Hape conducts charity events to comfort and support families with autistic children.

Since 2016, Hape Group's "We Care We Share" charity project has donated toys to numerous autism rehabilitation centers and special education schools nationwide. Beyond material donations, Hape acknowledges the significance of psychological and behavioral support for special-needs children. Initiating a series of toy experience charity events, Hape aims to provide comprehensive care.

On April 26th, led by the Hape Marketing Communication Department and teachers from Chenxi Education and Training School, families with autistic children enjoyed a delightful camping experience, creating cherished memories.

On May 22nd, Hape Group invited Ms. Sima Chaofang, a nationally certified second-level psychological counselor, to conduct team psychological counseling for mothers of five autistic children. This professional support aims to alleviate anxiety, facilitate emotional expression, and enhance psychological coping skills, fostering a more positive environment for children's growth.



Participate in the Great Christmas Campaign

On Christmas Eve, Hape USA joined forces with the charity organization "Eat.Learn.Play." to share their love with more families in need. Founded by NBA superstar Curry and his wife, "Eat.Learn.Play." has been bringing Christmas gifts to disadvantaged children and families in the United States for a decade.

On the event day, over 500 Oakland families received carefully chosen, well-packaged toys from the Hape team, including popular items like "Bath Toys," "Puzzle Toys," and "Building Blocks." These toys brought a unique warmth and joy to children in the chilly winter.

With the collaborative efforts of caring enterprises and partners, the event successfully donated over \$1 million worth of heartwarming gift packages, including toys, storybooks, clothing, and household items, to impoverished families.

We believe in equal rights to quality education and growth for every child. Through our toys, we strive to deliver this equality and warmth. In Europe, we collaborate with organizations like the Red Cross and children's hospitals to provide continuous care and support to children facing special health challenges.

To instill the importance of sustainable development in the next generation, we utilize our environmentally friendly Green Planet Explorer series. Through storytelling and role-playing, we help children deeply understand and embrace the concept of sustainable development, nurturing them to be active guardians of our planet.



● Industry Recognition



On August 21, 2023, the Toy Association announced the finalists for the "2023 Toy of the Year (TOTY) Awards" in Eastern Time. Hape Group's Founder and CEO, Peter Handstein, successfully made it to the finals in the "2023 CHAMPION OF SUSTAINABILITY" category. This award is one of the most prestigious honors in the toy industry, often referred to as the "Oscars of Toys." The nomination not only recognizes Peter's years of dedication but also acknowledges Hape's commitment to promoting sustainable development in the toy industry.



Hape Kitchen Set Donation with EAT.LEARN.PLAY.

In an effort to bring joy to more children, Hape has partnered with "Eat.Learn.Play." to donate "kitchen toys" to Lotus Bloom's children and create a deluxe "pretend kitchen" play area. Lotus Bloom, a preschool center in Oakland, California, serving dual-income families, now features our donated toys as the most popular play area. This meaningful activity allows us to bring genuine joy to children in need. Upholding our mission to "make the world a better place," we will continue collaborating with charitable organizations to spread happiness globally!



Hape Group, grounded in sustainable development, is committed to adhering to the tripartite strategic policy of "People, Planet, Education." The company is dedicated to creating a positive impact for children, families, and society as a whole.



People Centered Care

We aspire to establish a people-centric corporate culture in the future. Through ongoing investment in employee training and development, we aim to create a safe and inclusive work environment. We are committed to unlocking the potential of our employees, empowering them to become leaders in their respective industries. We will focus on enhancing the quality of life for our employees, ensuring a balanced life while pursuing professional development.

Global Ecology

The respect for the Earth is at the core of our sustainable development. We will continue to adopt eco-friendly production methods and materials, promote the use of renewable energy, and consistently reduce our carbon footprint. Through active participation in environmental projects and community activities, we aim to become advocates for environmental conservation, contributing to the sustainable development of the global ecology.

Mission of Education

Education remains Hape's core value. We'll innovate high-quality toys, enriching children's learning experiences. Collaborating with schools, we aim to integrate these toys into education, nurturing future innovators. Our goal: equal global educational opportunities for comprehensive child development.



Next Five Years' Action Plan

1 Appreciating the generous gifts of nature, we understand that with every taking comes the responsibility to give back.

In our sustainable development's upcoming five-year plan, we are firmly committed to taking on the responsibility of forest conservation. This is not just to ensure a sustainable source for our products, but also to fulfill our commitment to nature and reciprocate its generosity. We deeply understand that resources obtained from nature require careful management and protection. Therefore, through proactive forest conservation and planting initiatives, we aim to ensure the health of forest ecosystems and a continuous supply of the materials we rely on.

2 Bearing responsibility, persistently reducing plastic use, weaving a green, sustainable future for the next generations.

We are determined to achieve our goal of fully eliminating plastic packaging from Hape's products by 2030 through the following actions:

Continue to adopt green materials: Choosing environmentally friendly materials that are biodegradable and recyclable, ensuring that toy packaging has minimal environmental impact after the end of its lifespan.

Simplify packaging design: Optimizing design to reduce unnecessary packaging materials, ensuring product safety while minimizing waste. Simultaneously, this can add additional value to the product user experience.

Promoting recycling: Actively guiding consumers to reuse product packaging or transform it into other useful items, reducing the waste of disposable packaging.

Strengthening supply chain collaboration: Working closely with supply chain partners to encourage the adoption of sustainable packaging materials by suppliers, collectively driving the sustainable development of the entire industry chain.

3 Innovative product competency, less plastic, less burden.

Material Innovation: Investing in innovative raw materials to reduce and replace plastics.

Educational Promotion: Spreading awareness about plastic reduction's importance, promoting eco-friendly consumer habits.

Recycling: Creating a toy sharing platform to extend product lifecycles.

4 Hand in hand, we cultivate our future together

Establishing Scholarships, Encouraging Further Education: In our educational collaboration vision, scholarships motivate students toward excellence, offering access to quality education. They pave the way for talented individuals, nurturing future leaders and innovators while benefiting society.

University Collaboration, Precision Training: We value university-industry collaboration for mutual benefits. Partnering closely with businesses, we merge education with practical experience, providing students comprehensive training for future workplace challenges.

Education Outreach, Ensuring Fundamental Rights of Education: We advocate equal educational opportunities for every child, irrespective of their background. Our philanthropic efforts focus on preschool-aged children, ensuring a solid learning foundation. This fosters a future society with more compassionate and empowered citizens.

5 Investing in manufacturing plants for flexible production.

We plan to make future investments in various locations across Central and South America. Combining our long-term business strategy with collaboration from global offices and local partners worldwide, we aim to establish redundancy in our supply chain, bringing our products closer to the end consumers. This not only reduces logistics costs but also provides employment opportunities and stimulates local industries.

In the past several years, Hape Group has actively committed to a mission of sustainable development, achieving significant results guided by the principles of 'People, Planet, Education.' While caring for humanity, we have established a solid foundation for the future sustainability based on innovation, responsibility, and collaboration. We firmly believe that through relentless efforts, Hape will continue to be a paradigm of sustainable development, creating a better and more sustainable future for children, families, and society as a whole.

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