

Sustainability Report 2017

AUNDE
Group

AUNDE Group



Fehrer



Preamble

The enormous increase of the world population and the increasing consumption of limited resources force us and everyone else on this planet to find sustainable solutions in order to preserve our environment.

With our strategy we contribute to developing sustainable solutions while being responsible, profitable and a successful business at the same time. For us as the AUNDE Group this means that we work towards improving the quality of life and at the same time reduce the consumption of resources and emissions in our efforts to increase value. We consider sustainable business as a common social task. This means that we as an enterprise do not limit our endeavours to increase value while reducing our ecological footprint, but that we also encourage and motivate our business partners to follow suit in the further contributions to sustainability.

This present Sustainability Report describes the role with highest responsibility that AUNDE Group has committed to, together with its brands AUNDE, ISRINGHAUSEN and FEHRER, in our work for the environment, our products and the supply chain, our staff and society in general. The processes in the various management systems assist us in our endeavours to meet the requirements of current legislation, the expectations of our customers, and reaching the corporate objectives and internal goals.

Based on our prime objective to keep improving in all aspects, we have initiated various programmes and implemented these. Last year's integration of an energy management system has had positive effects in many fields. Apart from satisfying the new European legislation we have identified many possibilities and opportunities vital for the further development of our enterprise.

On the following pages we are reporting on the sustainability activities at the German locations, in order to communicate these to our international employees and the public.

A handwritten signature in blue ink, appearing to read 'Rolf Königs', written in a cursive style.

Rolf Königs
Chairman & CEO

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AUNDE Group Brief



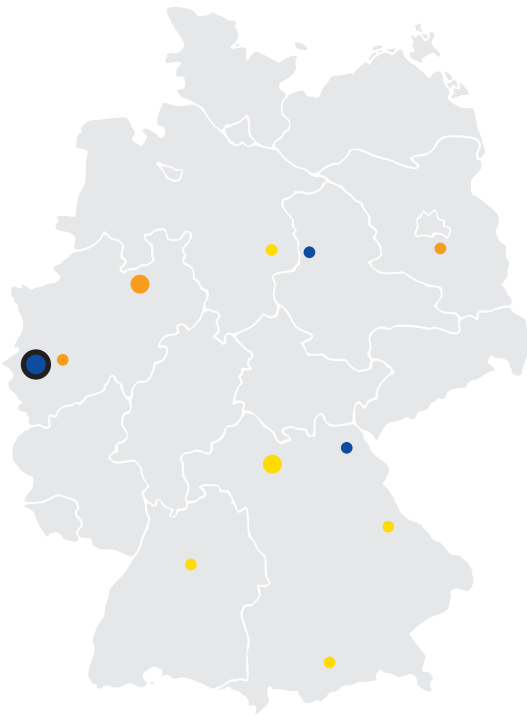
Worldwide

20,300 employees

2,6 b. EUR turnover

Half of our turnover is generated in growth markets

Rank 86 of the largest automotive suppliers*



Germany

Employees:

AUNDE 327

ISRINGHAUSEN 1,292

FEHRER 1,570

Rank 18 of the largest German automotive suppliers*

Rank 86 of the largest family-owned enterprises**

Rank 210 of the largest enterprises**

Employees from 52 nations

Involved in more than 16 social projects

1/3 of our management staff are female

Sustainability objective:

5% annual efficiency improvement between 2017 and end of 2020, in the fields energy, waste, water and labour efficiency

AUNDE Group Headquarter Mönchengladbach



Mönchengladbach | Kulmbach | Groß Bartensleben



Lemgo | Lieme | Düsseldorf | Ludwigsfelde



Kitzingen | Großlangheim | Wiesentheid | Braunschweig | Wackersdorf
Service-Center München | Sindelfingen

*Automobilwoche July 2016

**FAZ July 2016

Corporate Organisation

The Three Brands of the AUNDE Group



AUNDE, founded in 1899 with the name "Achter und Ebels", specialized as early as 1920 on the development and production of upholstery fabrics and innovative textiles for the automotive industry. Nowadays, AUNDE offers their customers a complete package, ranging from individual design, technical concepts, all the way to the supply and delivery of technical fabrics, textiles and upholstery materials with the corresponding certifications. AUNDE can produce all textiles as a finished cover or as a fabric roll at their individual sites and facilities, supported by the local design, development and sales teams. AUNDE technical textiles and upholstery materials are also used within the AUNDE Group for further processing and finishing. AUNDE provides a one-stop full service to their customers.



ISRINGHAUSEN is the international market leader for the development and production of innovative seating systems for commercial vehicles and technical and industrial springs. Driver, front and rear seats for heavy goods vehicles, vans, buses, minibuses as well as off-road vehicles and SUVs are produced in more than 50 production sites in 20 countries. ISRINGHAUSEN products are customized for various requirements and specifications and excel due to their reliability, efficiency and supreme quality. For their partners, ISRINGHAUSEN offers a comprehensive service range, from product ideas, exclusive design, styling and development all the way to prototypes and series production. Deliveries are made from works with optimized production depth, international market presence and individual JIT/JIS service. ISRINGHAUSEN joined to AUNDE Group in 1991.



FEHRER is one of the leading specialists worldwide for interior vehicle components. Founded in Kitzingen in 1875, FEHRER distinguishes themselves by particularly customer-oriented service centres and production sites in close proximity to their partners. As developers and series suppliers FEHRER provides customized and tailor-made services for the entire value chain: From their internal development of suitable material recipes, innovative engineering, tools and dye production to a reliable serial production. This wide spectrum expertise guarantees the perfect basis to implement product innovations in direct collaboration with the automotive industry partners. FEHRER joined the AUNDE Group in 2014.

Three brands are united under the management of the AUNDE Group with headquarters in Mönchengladbach (Lower Rhinearea, Germany).

AUNDE Group					
Rolf A. Königs President & Chief Executive Officer					
AUNDE		ISRINGHAUSEN		FEHRER	
BOARD OF DIRECTORS		BOARD OF DIRECTORS		BOARD OF DIRECTORS	
Rolf A. Königs	CEO	Rolf A. Königs	CEO	Rolf A. Königs	CEO
Christian Prause	CFO	Torsten Scholder	CFO	Carsten Lausch	CFO
Oliver Baum	COO	Gerhard Ruf	COO	Gerhard Ruf	COO
Peter Bolten	CSO, CDO	Anke Kuhlmann-Cattau	CSO	Anke Kuhlmann-Cattau	CSO
			Cars & Vans		
		Robert Pertlwieser	CSO		
			Trucks		
		Tobias Lüpfer	CDO		

Sustainability in the AUNDE Group

Sustainability in the AUNDE Group is an integral function on all corporate levels. The central management sets the general framework for the strategies and organization of sustainability, including the definition and development to assess and control all activities.

This central function is supported by the departments responsible for the environment, occupational health and safety of the individual companies. In future, the Sustainability Report will be published biannually, containing all measures, tasks and objectives as well as achievements in all core areas as defined by the AUNDE Group.

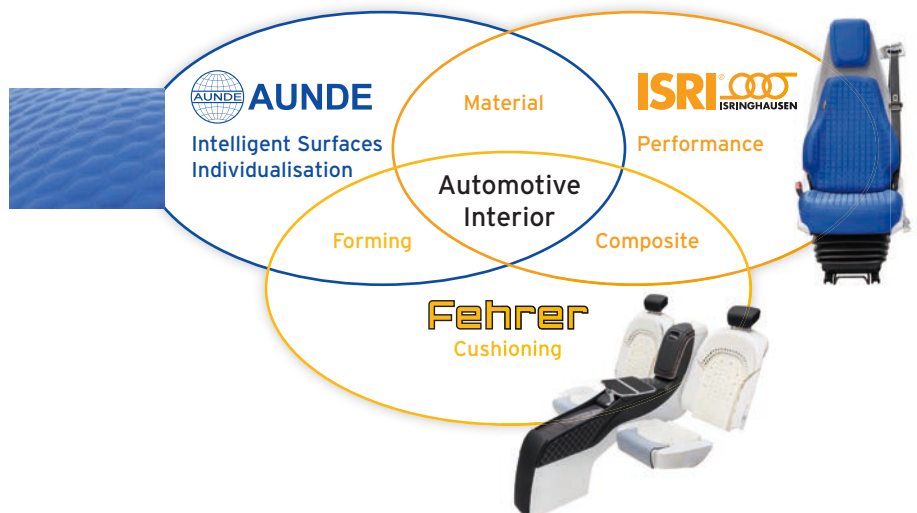
The first Sustainability Report of the AUNDE Group deals primarily with the German locations of the group, and it is intended as a report template for our international sites, works and companies. The core team is made up of the responsible officers of the departments EH&S, Quality, HR and Marketing, with the report covering the years 2016 to 2018.

Further necessary documents and information will in the future be compiled for the entire AUNDE Group. In the current transition time all documents with high information content relevant to other companies in the group will be transferred to information brochures.

As a group, we set ourselves the goal to continuously improve our total efficiency consisting of the costs for energy, waste management and water in relation to the turnover in EUR, as well as the number of accidents per 1,000 staff and absence days per member of staff.

Sustainable corporate portfolio

The value chain of the AUNDE Group includes intelligent and innovative solutions, ranging from the textile surface all the way to interior systems. We already base our development and production on sustainable and recycled raw materials and concentrate even more on sustainable materials for the future. As leading innovator we want to work on finding new solutions and to further develop our activities in a responsible and economically successful manner. This claim covers all activities of the group, and along the entire value chain.



The AUNDE Group corporate portfolio



Corporate Values and Drivers

Trust and confidence are maxim behind all our activities, in our relationships with our business partners, customers and suppliers spanning several generations in some cases. This is reflected by our corporate values and drivers:

With our corporate values and drivers we have committed ourselves to the further development of our position also in the field of sustainability.

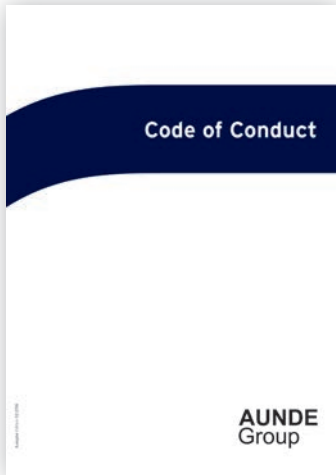
Values

loyal
 honest
 fair
 respectful
 familiar
 pro-active
 traditional
 down to earth
 flexible
 passionate

Drivers

Performance
 Experience
 Future
 Reliability
 Individuality
 Sustainability

Our values are the basis for the entire AUNDE Group. Our drivers reflect what inspires and defines us in our daily actions. We combine the tradition of a company in a family ownership with the culture and structure of a global player.



Compliance: Code of Conduct

The AUNDE Group, with the brands AUNDE, ISRINGHAUSEN and FEHRER, and as an internationally active enterprise in the automotive supplier industry commits to their social, ecological and economic responsibility. As a global player in an increasingly networked market we are ready to face the associated challenges with recognition of the responsibilities in human rights, labour, social and environmental standards in our value chain processes.

The published "Code of Conduct" reinforces our philosophy, reflects the policy behind the entire AUNDE Group, and it is available to every member of staff in several languages. In the "Code of Conduct" the management commits to compliance as a joint task. Managers have a special responsibility and should act as an example to make every member of staff aware of the various compliance contents.

The most prominent points in the AUNDE Group Code of Conduct:

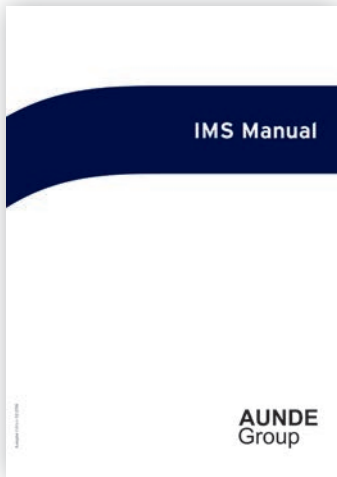
- Respect for the rules of fair competitions
- No anticompetitive agreements
- No corruption or bribery
- Transparency in donations and sponsoring
- Protection of our own and respect for others' operational secret and intellectual property
- No impermissible preferential treatment of suppliers
- Respect for human rights, fair labour conditions, and rejections of child and forced labour

Compliance: AUNDE Group-wide reporting system for comments and complaints

Above all there is the principle that every member of staff is responsible for Compliance and that all personal actions are in compliance with all applicable laws, regulations and the AUNDE Group guidelines and instructions. Every AUNDE Group member of staff may report non-compliance with the AUNDE Group "Code of Conduct", either personally to the respective direct line manager or the compliance officers of the AUNDE Group companies and divisions.

Complaints of any kind and to any topic may be reported. In order to maintain maximum confidentiality, complaints are not communicated externally. There will also be regular inspections of the observance and implementation of Compliance. During the reporting period there were no cases of anticompetitive behaviour or breaches of anti-trust laws pending.

To our business partners, we ensure compliance with our rules and guidelines by using self-declarations by suppliers respectively their agents and consultants. We pay particular attention to the strict compliance with export and import controls on raw materials and goods. In onsite audits we inspect the compliance with our regulations by suppliers.



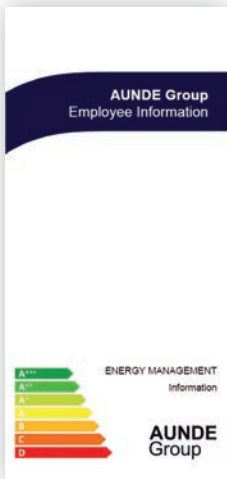
Integrated Management System

Group-wide Documentation

The IMS Manual, published and valid for the entire AUNDE Group is the basic documentation for the Integrated Management System. The manual contains corporate principles, the strategic policy of the group and the process structures aligned with international standards.

International Orientation of the AUNDE Group

In the years 2015 and 2016 we have guided the European locations of the AUNDE Group to the certification according to ISO 50001, which was confirmed by a certification agency. Due to the extreme relevance for all three Group members this was communicated to all our members of staff by means of an information brochure containing examples to the introduction of energy management important for all three group brands.



When introducing this standard this was facilitated by the existence of our IMS, which already combines the requirements of different standards. All sites of the AUNDE Group are certified according to ISO TS 16949 (Quality). AUNDE and ISRI are also certified according to ISO 14001 (Environment) and OHSAS 18001 (OHS). For the entire FEHRER Group the certifications according to these two standards are planned for the coming two years.

During the certification of our individual sites by external auditors there is also an inspection from the outside of our entire management system. This way we regularly receive important information and feedback so vital for the improvement of the management system. The deviations detected by internal and external audits are usually due to shortcomings or carelessness in work processes. In these cases, the risk potential is immediately identified and eliminated, to prevent a repetition of the defect or error (zero defect strategy). Suitable measures to identify risks are, for example, EH&S inspection rounds, risk assessments or environmental analyses.

AUNDE Group: Responsibility for the Environment

The AUNDE Group is a global player in technology - and thus we see our corporate responsibility to efficiently manage all our resources and energy worldwide and at all sites, with the objective to continuously reduce our detrimental effects on the environment throughout the entire value chain. In doing this, we combine economic principles with ecologically responsible actions. This way we contribute not only to global climate protection, but also achieve a measurable value addition to our enterprise.

Across the group, we record all relevant information pertaining to labour, health and safety issues as well as environmental protection in a uniform reporting system. This serves to examine our key figures and to work towards our objectives in sustainability. In this, we comply with the standards ISO 14001, OHSAS 18001 and ISO 50001.

Management Approach

The objective of corporate environmental protection is to minimize all detrimental effects of the corporate activities on the environment. Special focus of the activities is the strategic and operative control to ensure the implementation and compliance with environmental regulations and legislation.

This includes particularly the assessment and internal communication of possible environmental risks in relation to their probability of occurrence and the amount of damage to be expected.

The coordination and standardization within the company is carried out separately in the individual corporate divisions, so that apart from local issues the questions to hazardous substance handling (e.g. REACH), training and further education as well as management systems can be addressed.

In case of environmental accidents, however, an emergency plan will be activated and reports according to standardized criteria included in the monthly management review from the divisions to the general and corporate management.

Energy Management

The Energy Management is an integrated component of IMS applicable in all corporate divisions worldwide and regulates environmental protection as well as occupational health and safety processes. This is based on the certification of all worldwide location in the near future, just like all our European works and facilities have been certified.



Introduction and Certification of the Energy Management System

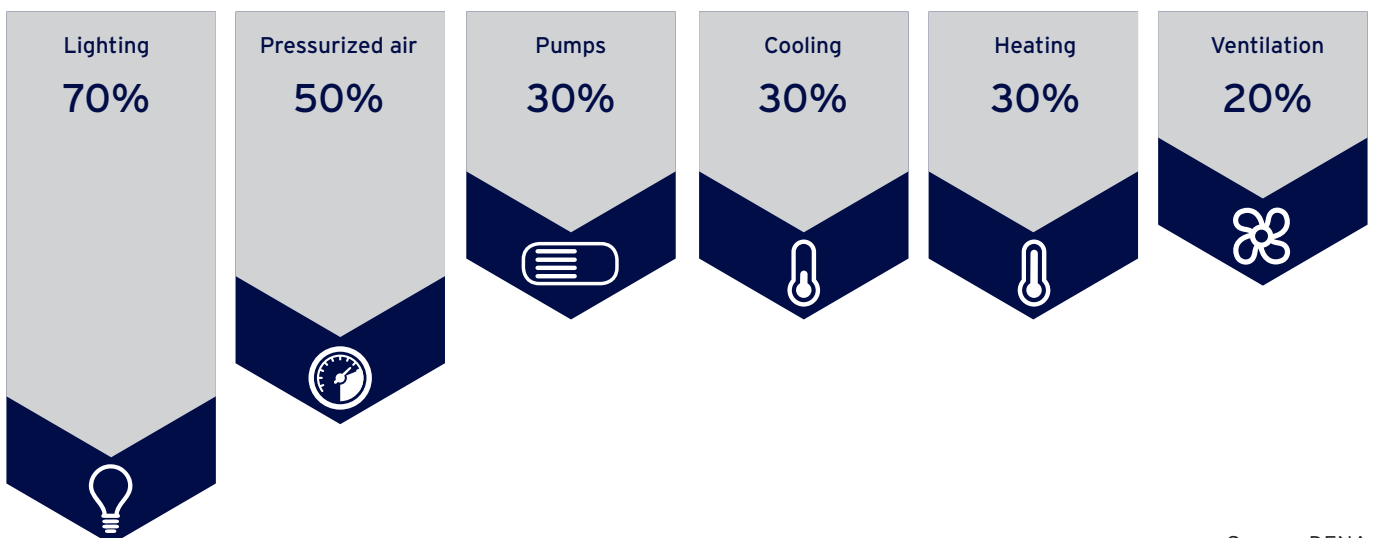
The introduction of our Energy Management System in 2015 supports our energy efficiency strategy. Essential part of this system is the continuous analysis of all energy consumers and their consumption figures to permit a derivation and identification of economizing potentials. Directly at the introduction the energy team presented a catalogue of various improvement potentials, which is being assessed and implemented on a regular basis. The first measures were already implemented in 2016.

We will continue to discover new potentials, and we will study and develop our locations especially in energy efficiency aspects. We will follow the recommendations of the Federal German Energy Agency regarding the energy efficiency potentials for industrial cross section technologies (see ill. below). This way we are contributing to improve the energy efficiency and thereby ensuring our competitiveness.

In addition, with the introduction we are meeting the requirements of the German and European energy legislation. Our energy management system is the first stage of our Integrated Management System that was uniformly introduced and implemented in all three brands of the AUNDE Group. Through the exchange of information across all works and sites of the group we can quickly communicate new ideas and technologies and use synergies throughout the AUNDE Group.

Energy and cost savings in industry & trade

Energy efficiency potentials in cross section technologies



Source: DENA

Activities in the Group of Companies

Increasing Energy Efficiency

By implementing various action plans turned into energy-relevant single measures we were able to reduce the annual expenses for energy by 10% in the first few years after the introduction of our energy management system.

Thanks to the introduction of the energy management system we are now in the position to more precisely identify efficiency improvement potentials and to analyse these, so that further measures can be derived and then taken. Communication throughout the group and the participation of our members of staff in a large number of activities and measures guarantee the implementation of these across the entire group of companies. By publishing our objectives, programmes and measures we reinforce our endeavours and prescribe the way ahead into the future.

Group-internal Energy Management Training

Our group-wide IMS meetings are a regular forum for management system responsible persons from all sites and facilities of the entire group. That is why we like to take these opportunities to carry the further developments in our management system out into the group.

This time we carried out training on the contents and the application of our new energy management system, thereby raising the awareness of the responsible persons across the globe - even in the locations outside of Europe, who are not yet part of the external certification programme.



Meeting of IMS officers from the international locations of the AUNDE Group



Energy management training as part of the IMS Meeting



New heat trail

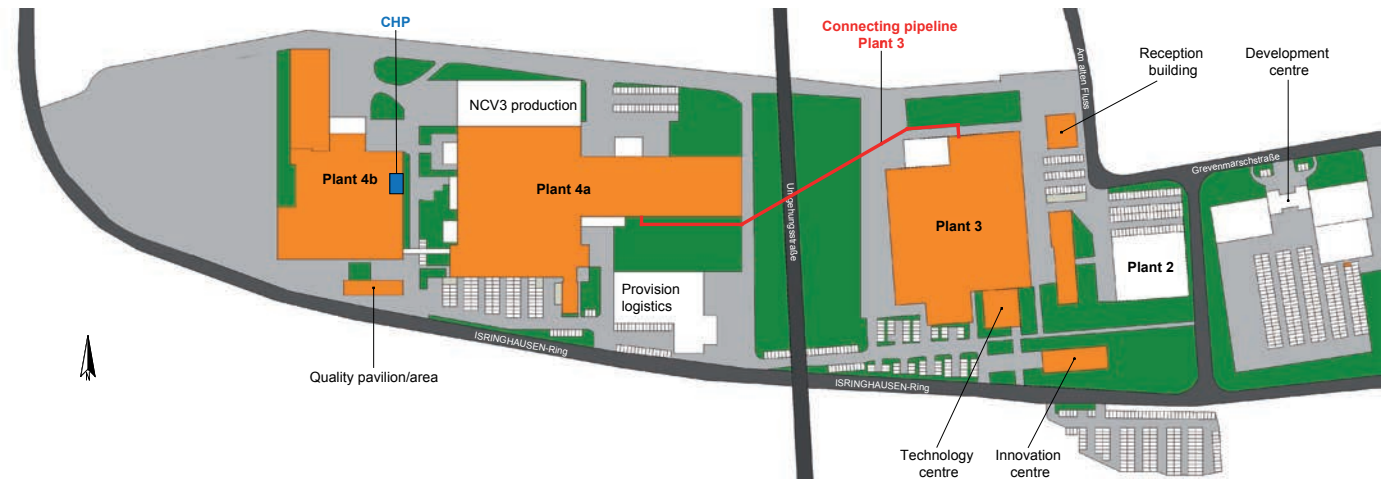


Combined heat power plant

Combined Heat Power Plant

With the commissioning of the combined heating and power plant CHP at the site in Lemgo (ISRINGHAUSEN) a portion of the required electricity and heating energy is produced independently. The previously estimated amortization period of approx. three years was confirmed by the current operating times.

In order to guarantee long operating times an internal heat circulation system covering several factories was taken into service. Currently, all production halls, the technology and innovation centre as well as the new reception building are all connected to the central heating system, which is fed directly from the exhaust heat of our CHP and the admixture of environmentally-friendly district heating input.



LED Model Zumtobel and LG

LED Lighting

At the locations Mönchengladbach (AUNDE) and Lemgo (ISRINGHAUSEN) lighting was converted to LEDs. For the FEHRER works at Kitzingen a conversion to this energy- and cost-efficient alternative is also being planned. The efficient lighting system not only reduced costs, but also contributes to a decrease in CO₂ emissions - all witnessing our environmentally responsible attitude and work.

When designing and planning the new lighting system we not only concentrated on saving energy and money, but also on the positive effects on occupational health and safety. A correct distribution of light and light colour prevent glare and premature tiring effects, they reduce the accident risk, make seeing in general easier and thereby improve productivity.

Currently, approx. 64% of the AUNDE production sites and 42% of the ISRINGHAUSEN production sites are fitted with state of the art LED lighting. The positive experience gathered with the two selected products confirm the quality of our measures, which are now being expanded to further hall areas. The implementation of our LED group concept in Mönchengladbach was an important milestone to achieving our energy saving target.

Energy efficiency initiative in Lower Franconia

By participating in the "Energieeffizienz Initiative Unterfranken" also FEHRER has made a valuable contribution to the local, regional and national climate protection targets. Together with other companies, energy saving measures were developed and implemented. This resulted in energy cost savings of 19.7% at the location Kitzingen.

Energy Scouts

Four FEHRER trainees were awarded the first place in the Chamber of Trade and Industry course with their concept for analysing the energy efficiency. Our "Energy Scouts" successfully developed and implemented their project under the title "Full of energy - against energy wastage" at the FEHRER location at Kitzingen. The four Energy Scouts designed a special test model to analyse lighting costs. With it they determined when the use of timer or motion sensors at individual location were more suitable than the conventional lighting system and would therefore contribute to energy savings.



The Energy Scouts Hatice Kara, Annabell Franz, Maximilian Fuchs and Paul Fortune

For the third time, the Chamber of Trade and Industry Würzburg-Schweinfurt awarded the best trainee energy scout projects in the region of Mainfranken. Energy Scouts are trainees who completed a qualification course in the subject field of energy efficiency and implemented energy efficiency projects in their respective training companies.

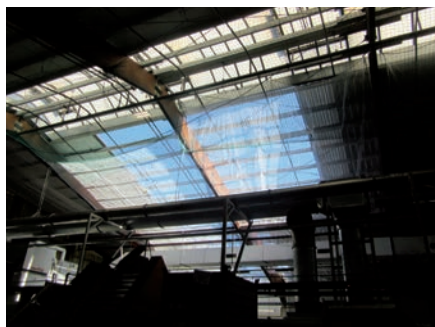
24 trainees from nine companies in Mainfranken of various industries took up the challenge in teams and then presented their projects to a specialist jury and the public at the headquarters of the Chamber of Trade and Industry at Schweinfurt. Now, our winning team was invited to the national competition in Berlin.

Roof renovation

In 2016 the production hall roof at the spring factory Lieme (ISRINGHAUSEN) was renovated, with great advantages for the environment, energy and occupational health and safety.

For this purpose the asbestos-containing roof plates were replaced with mineral wool insulation according to the energy savings ordinance. Also, several leaks in the roof were eliminated, and the entire roof construction was made compliant with the high requirements of fire protection.

A further positive aspect was the improvement of the noise situation through the reduction of echoing by using appropriate noise-absorbing materials.



Roof renovation spring production Lieme (ISRINGHAUSEN)

Environmental management

In the principles for the environment we describe the major environmentally relevant aspects of materials, emissions, waste and water. Controlling and monitoring the environmental performance is done by means of specific parameters, to determine targets and planning respective investments to actively promote a continuous improvement.

Activities in the corporate group

Conflict minerals

In the reporting period we have also been dealing with the topic of conflict minerals, not only on request by our customers, but also because the political development in Europe lets us expect legislative action in this field. Conflict minerals are primarily from the Eastern Congo and neighbouring states, and play a major role in the financing of armed conflicts; their use should be avoided.

Our research showed that of all minerals in question only a tin alloy used as a catalyser agent in polyether foams may be relevant in this respect. Our foam suppliers were interviewed by us and all confirmed the origin and source of their raw materials. These are, however, exclusively from Peru or Bolivia, which means we do not use any conflict minerals at all. Our objective is to continue paying special attention to such socio-economic aspects and to support these accordingly.



Dangerous working conditions in mineral mining in Africa

Activities in water management

Water is a valuable resource. That is why a responsible management of water has always been crucial in all our activities. Water is global - water is local.

In the AUNDE production at Mönchengladbach we use process water mainly for thread dyeing and washing of raw textiles. Therefore, over years we have been improving our washing recipes, which now excel due to optimized water use and biodegradable detergents. Our way to optimized washing recipes is also followed consistently in the dyeing production, where we use only state of the art products.

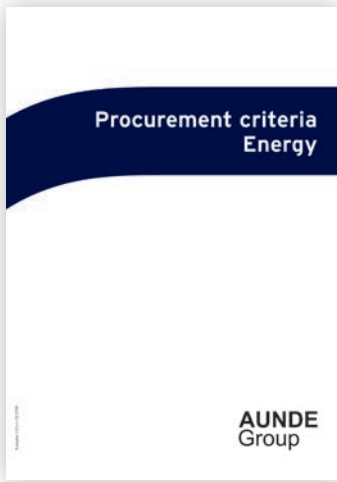
However, we still strive, as specified in our sustainability strategy paper, to discontinue the production of dyed threads in our Mönchengladbach works in the 1st quarter of 2017, with the objective to then use only spundyed threads. Since 2016 we have been following projects at various locations for the renovation of canals, channels, shafts and brackets in the channel system as well as the successive rejuvenation of the fresh water feed lines. For the sanitary facilities as well as watering the greenery on the sites we use available well water.



Water is essential for life

AUNDE Group: Responsibility for Products and Supply Chain

We want to provide our customers with our products and services with ecological and economic added value. We attach great importance on energy and resource efficiency, not only during production, but also during the use phase. In our entire sphere of influence we pay special attention to the compliance with internationally accepted environmental and social standards.



Supplier relations

We set ourselves, but also our suppliers, very high standards. As an enterprise the AUNDE Group must ensure that orders are traceably examined, awarded and handled. The compliance with the respective local laws regarding environmental protection and labour law as well as the consistent avoiding of corruption and forced labour are the fundamentals of our daily actions - and therefore also of our suppliers' daily actions.

In our code of conduct and the general terms and conditions our fundamental understanding of a partnership in business collaboration and the requirements in compliance issues as well as the environmental and social standards are specified. The general terms and conditions are the basis for all contractual agreements with our suppliers, who also commit to transferring these requirements accordingly to their subcontractors.

In addition and for the first time ever, in 2016 we defined and introduced procurement criteria for the purchase of energy-relevant products, which assist us and our suppliers to find the perfect solutions.

Supply chain

Sustainability in the delivery chain is a premium action field for the purchasing departments of the AUNDE Group when dealing with potential risks in procurement processes. AUNDE Group minimizes these risks by demanded regular self-information from our suppliers, which cover all applicable sustainability issues.

Violations of contractually specified and agreed standards by suppliers will result in the first instance in a written admonition. Also, concrete improvement measures will be demanded. If the supplier fails to comply, the purchasing department is instructed to terminate the business relation and the supplier to be barred.

So far, in the past three years there have been no such violations. Suppliers may also, on their own initiative, report violations against the sustainability standards in the delivery chain. For this purpose, they are invited to use the AUNDE Group suppliers' portal. So far, here there have also not been any violations.

Resource-efficient production facilities

Our performance is documented and certified accordingly in the relevant standards ISO 9001, ISO-TS 16949, ISO 14001, OHSAS 18001 and ISO 50001, which we have amended with our own processes and methods. For example, we examined the efficiency improvement potential in the existing hot foam production system at FEHRER. When optimising foam, welding and assembly systems we work closely with our customers to improve the use of raw materials through recycling or to reduce the electricity consumption through energy audits.



Compressor room Metal production
ISRINGHAUSEN Lemgo

Pressurised air technology

The optimization of the entire pressurized air system is part of our continuous improvement process. Apart from eliminating leakages by renovating our compressed air network we also endeavour to reduce the operating pressure of the system.

For this purpose, at the AUNDE works in Mönchengladbach we constructed a new high pressure and a low pressure compressed air network on an area of 6,000 m². In addition, we replaced the compressors with new ones and an optimized power control.

The resulting exhaust heat from the compressors is used for heating purposes. In addition, there is a successive conversion to highly efficient and frequency-controlled screw compressors. To ensure an optimized efficiency of the system we are using modern control systems for a superior coordination of the individual system.

As a result we were able to reduce the required operation pressure by 2 bar with these measures. The low pressure network with a pressure reduction of approx. 3.5 bar against the former uniform network is an even better result. Both measures plus several other smaller measures resulted in annual repetitive savings of over EUR 87,000, and thus more than 10% of the electricity costs for the plant.



WRG Aggregate AUNDE Mexico

Heat reclamation in the finishing process at AUNDE

The finishing in a textile production chain is one of the most energy-intensive single processes. Here the washed material is dried and the textile properties are thermally fixated.

This way we ensure that the properties of the textile do not change in the later usage. As a substantial part of the process, heat is expelled through the exhaust and absorbed with heat reclamation aggregates. Thus we were able to reclaim a major energy savings potential. For this reason we will, as a matter of principle, include and integrate heat reclamation aggregates in all new design of finishing process lines.

In addition, we are also starting the retrofitting of such aggregates in existing lines. In 2016, we installed a heat reclamation aggregate in our works in Mexico. The heat reclaimed here is used to bring the water in the washing machines to the required temperature. In Mexico, this resulted in being able to get rid of an entire boiler for the water heating.

This is not only a gain for us, but also a contribution for the sparing use of resources and protection of the environment.

Resource-efficient products and services

Ours is the strategic approach that our products are a contribution to the protection of the environment and preservation of resources. This way we meet customer requirements, legal regulations and, last but not least, our own claims and expectations.

At the AUNDE Group some hazardous substances are used, including PU raw materials, glues, galvanizers, resins, lubricants and industrial chemicals.

Through centralized processes in the corporate divisions we are making the handling of these substances as safe as possible. It is our aim to meeting the requirements of environmental protection, occupational health and safety and compliance, and we are therefore following the global standards below:

REACH and RoHS

In order to minimize damaging influences and ensure the protection of the environment the AUNDE Group is meeting all requirements specified by the REACH ordinance. By reducing the multitude of substances the hazard potential and costs are intended to be reduced. Wherever possible, we will try to eliminate particularly critical substances and using lower risk substances instead as well as promoting the uniformity of safety standards throughout the entire group. At the same time the AUNDE Group puts great importance in the compliance with RoHS regulations for electronic components used in externally procured systems, devices and components.

IMDS - International Material Data System

The AUNDE Group analyses and records all materials used in the manufacture of our products in our IMDS, and we thereby meet international laws, standards and regulations. This system is used by all automobile manufacturers and suppliers.



Transparent value adding chain

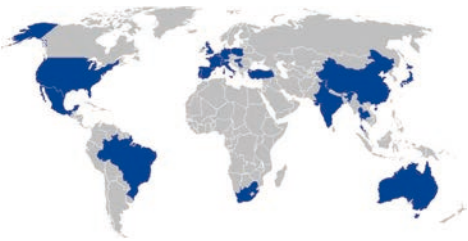
AUNDE Group Sustainability Strategy

Because of the deep value adding chain in the AUNDE Group we have developed individual sustainability strategies on a product level.

AUNDE

In the textile clothing industry the trend to sustainable products has been around for some time. Vegan product lines, transparency in production, the upcycling of materials and the reduction of waste material are just a few examples of this. And we as manufacturer of technical textiles must be ready to face the future and its challenges.

For this the AUNDE concept provides the sustainable solutions, from spundyed threads to intelligent logistics solutions door to door to our international customers.



Global footprint of the AUNDE network

DNA Design/ Development Network AUNDE

Our worldwide design and development network provides perfect solutions for our customers, from yarn to the driving experience. In our international footprint we have regional production locations and can thereby save on transport costs and fuel consumption.

Spundyed threads and yarns

By using spundyed threads in the majority of our products we can reduce our energy consumption by 94% from 0.8 to 0.043 kWh/kg, as compared with the conventional dying process, and the CO₂ emission are reduced from 0.49 to 0.0095 kg, i.e. by 97%, and there is also no need to use water. The savings against the dying of complete pieces are even higher.

The technical process of spundyed threads and yarns is excellent: the colour consistency between the used batches stays the same, it is lightproof and non-fade, and the abrasion and wear performance meets highest demands.



Spundyng



Thread dying



Piece dying





Natural fibre yarns

In a material study project we investigated natural and renewable raw materials extensively and tested them comprehensively on their suitability for our technical textiles. The illustration below gives an overview of the results. Because of the excellent characteristics wool showed the best results.

Wool has unsurpassed natural physiological thermoregulation properties. Because woollens consist of air at a ratio of 85% of their total volume, they are excellent heat insulators. In colloquial terms it is said that "wool keeps you warm", but actually wool is only a good storage medium of body heat.

Wool can absorb a great amount of water, although the surface actually repels water. The water absorbed may make up to 33% of the dry weight of wool, without it feeling damp. And it releases the humidity much faster than the popular cotton. It does not absorb dirt easily, and the elastic fibre hardly crumples. Wool is colour-fast and hardly inflammable: it does not burn, but is self-extinguishing.

Contrary to synthetic fibres, wool does not take on smells and odours, and it has a natural self-cleansing function - any odour absorbed is dissipated again to the air, so the wool smells neutral and fresh after a short airing. For these reasons wool is extremely suitable for technical applications.


 <p>NETTLE</p>	<p>+ Good moisture absorption High breaking strength Rapid growth</p>	<p>- Small acreage (Germany 220 ha) Light fastness</p>
 <p>BAMBOO</p>	<p>+ Soft touch Antibacterial Rapid growth</p>	<p>- Light fastness Flammability</p>
 <p>HEMP</p>	<p>+ High breaking strength Good odor absorption Fungus and bacteria resistant</p>	<p>- Light fastness Coarse & stiff Negative image</p>
 <p>WOOL</p>	<p>+ Good moisture absorption Good raw material availability Flame retardant</p>	<p>- Price</p>

Results of the material study natural fibres

Polyester Recyclate

We also tested chemical fibres and evaluated how and which natural and synthetic polymers would be suitable for our sustainable product development. We focussed on the two natural polymers viscose and starch, and the synthetic polymer polyester in recycled form.

By comparing the technical characteristics we found that recycled polyester would be best in meeting our requirements. The use of recycled polyester from PET bottles in the thread production saves oil resources which will not be needed by this process. Also, the technical properties are comparable with those of conventional polyester.

 <p>VISCOSE</p>	<p>+ Good abrasion resistance High breaking strength</p>	<p>- Light fastness Huge quantities needed for color change</p>
 <p>STARCH</p>	<p>+ Abrasion resistance Partly out of sustainable source</p>	<p>- In competition to food Flammability Little thermal stability</p>
 <p>POLYESTER</p>	<p>+ Super material availability Excellent technical performance Huge color variety</p>	<p>- Huge commitment to check difference between regular and recycled polyester</p>

Results of the material study chemical fibres

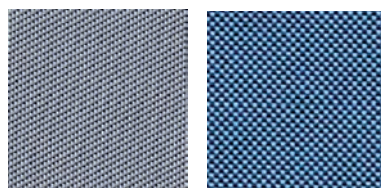


BMW Supplier Award "Sustainability"

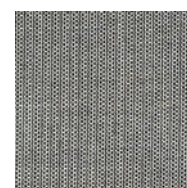
TexGreen and TexBlue

Based on this material study we developed two product lines which are already used in serial production: articles of the TexGreen line consist of at least 40% pure wool. Other materials using renewable raw materials are currently being developed. Articles of the TexBlue line consist of 100% recyclates, currently recycled PET bottles; other recycled materials are currently being investigated and tested.

As a special recognition we have received the "Sustainability Award" from our customer BMW for the development of these articles.



TexBlue[®]
by AUNDE



TexGreen[®]
by AUNDE

ISRINGHAUSEN and FEHRER

For the two corporate divisions ISRINGHAUSEN and FEHRER similar procedures apply in sustainable product development.

IMS Directive "EH&S Product Development"

The process directive "EH&S Product Development" demands from our developers to always follow sustainability principles, such as avoiding waste by constant improvement of products and the enhancement of recycling and the reuse of used materials. The observance of these principles is part of the Design Review for newly developed products before the onset of the series production, for which it is indispensable.

The procedure has four stages:

1. The product must not cause environmental pollution.
2. It must be designed following ecological principles.
3. It must be recyclable.
4. It must consist of renewable raw materials.

The selection of the productive materials is according to the following prescriptions and guidelines:

- GADSL (Global Automotive Declarable Substance List)
- IMDS (International Material Data System)
- Guideline 2000/53/EG ELV (End of Life Vehicles)
- Additional customer-specific requirements



Intelligent light weight construction

Thanks to optimized and FEM supported project design weight savings of 10% for new seat platforms in the light weight and heavy weight commercial vehicle segment (see ill. p. 25) were achieved at ISRI.

In FEHRER's product division seat upholstery the use of hot foam for S class rear seats resulted in a lower space weight. In the product range interior modules the substitution of steel with plastic hybrid construction a weight reduction of approx. 15% was achieved.



FEHRER seat cushions

The innovative production of the roof module for the Smart Fortwo using a paper honeycomb core the component weight could be reduced by 70% as compared with conventional constructions.

This intelligent light weight construction reduced the component weight considerably and we achieved a simultaneous reduction of CO₂ emissions and fuel consumption.



Smart Fortwo roof module with paper honeycomb core



ISRI NTS2 Platform for the use in heavy weight commercial vehicles



ISRI NVS Platform for the use in transport vehicles

Products free of hexavalent chromium (chromium 6)

The associated technical delivery conditions have the purpose of defining the requirements for chromium 6 free surfaces. This concerns all components with superficial corrosion protection.

Product safety

When developing our products we pay special attention to meeting legal and customer-specific requirements. For this purpose the introduction of a computer-supported legal cadastral register is planned for 2017.

Recyclability

When developing our products we always consider aspects of easy dismantling and material separation. Our aim is a high installation rate of materially recyclable and reusable materials.



Console armrest VW Touran

Noise emissions

During the development of products intelligent design results in a reduction of noise emissions in mechanical components. One example is the console armrest in the VW Touran, a design that was used in a large number of other VW models.

Interior emissions

During the development of products we pay particular attention so that emissions by components in the interior are reduced to a minimum and the use of allergenic substances is avoided.



Self-supporting seat basin BMW i3

Using renewable raw materials and recycling material

In advance development and planning, we always search for alternative renewable raw materials. Biobased polyols and paper honeycomb are already being used in a large number of series productions. Also, recycled carbon fibres are used in the self-supporting seat basin for the BMW i3. Of course, we always try to include a maximum of recycling material shares in thermoplastic form parts.

Recycling of polyurethane foam - A contribution to the preservation of resources

Reuse of hot-cured mushrooms



Packaged hot-cured foam

During the production of hot-cured foam cushions so-called "foam mushrooms" are formed when the foam formwork is vented. During hot-cured foaming the foam continues to push into the formwork until the entire surface is used.

Without the so-called venting, during which the mushrooms are formed on the outside of the formwork, no finished part could be produced. That is why we consciously use this process to ensure a high quality of our products. The foam mushrooms are collected over the next production and processing stages, they are pressed and externally processed further to produce various sports and safety mats and sold internationally. A maximum of 10% of the annual production is disposed of during regular cleaning work of the system in a waste incineration plant; the remaining 90% are sent to recycling.

Reuse of other foam waste to composite (rebonded) foam



Composite foam parts

In the Wiesentheid plant of FEHRER foam waste is materially recycled and reused. Production waste, such as reject cushions or foam extrusions are processed to create composite (rebonded) foam. This is normally produced to form composite blocks, which can then be shaped into plates of specific parts by cutting. Also, the production of form parts made of foam flocks mixed with a bonding agent is possible. The products then re-enter the foam cushion production line as inserts and support fillers.

Using additional finishing processes such as concealing or coating the composite foam parts can be given additional valuable properties. Some of these products are also sold to external customers.

AUNDE Group: Responsibility for Staff and Society

Traditionally, the AUNDE Group has, as a family-owned enterprise, a special responsibility for its staff. We know: qualified, motivated and involved members of staff are the driving force behind our success. That is why, wherever possible, we strive to gain long-term employment contracts and offer our employees an attractive working environment and good individual development possibilities and opportunities. We take the current life situation into consideration and provide individual career options.

The worldwide presence of the AUNDE Group, an increasing internationalization of our activities and quickly changing requirements of the labour markets across the globe - these are the decisive challenges for human resources (HR).

To master these challenges we need capable members of staff with the required qualifications at the right place and right time.

The main topics to be addressed in order to reach our objectives are:

- Personnel development, training and further education
- Family and society
- Health management and occupational safety

With these measures we intend to be able to have the perfect staff in all markets, and also all AUNDE Group members of staff are encouraged to strive for optimized qualifications and high motivation.

We want to enhance the quality of our human resources services in the entire AUNDE Group and streamline internal processes in this field. The three brands of the AUNDE Group are all autonomous in the HR work, but in future we intend to harmonize these processes and activities, such as for example by initiating sports activities and further education programmes across the entire group. For this purpose state of the art human resources management systems are introduced and continuously optimized in all our companies.

Supporting this, the AUNDE Group has introduced various measures such as the corporate health management and promotion system, to ensure personnel requirements worldwide.

But we not only concentrate on health issues, families, new additions to our staff and our senior experts are our focal points.

Personal development, training and further education

The future of every company lies in gaining new and promoting incumbent staff. Demographic changes and the switching from an employer market to an employee market present a challenge, whereby we not only have to secure our position in the sales market against our competitors, but we also have to position ourselves as an attractive employer on the labour market. In the future, special attention must be paid to providing increasingly attractive professional training positions, and the development of corporate work-life-balance concepts. Within our long-term personnel development strategy we want to promote and develop talents.

The training and further education of our staff is very important in our enterprise. Here we qualify and develop the competences of our staff in a wide range of topics. Apart from "training on the job" we conduct internal and external courses to promote professional skills and methods as well as social competences. In our demand-oriented training department there were 1,500 participants in internal and external courses in 2016. So far, a total of approx. EUR 650,000 has been invested in the further education of our staff.

Cross Mentoring at ISRINGHAUSEN

ISRINGHAUSEN offers new professionals and executives joining the company and current members of staff being assigned new responsibilities a one year "cross mentoring" programme. Embedded in qualification measures in the fields of teamwork, communication, leadership and self-marketing, an experienced mentor is available for participants for tandem discussions to reflect individual issues. The company ISRINGHAUSEN has also trained their own mentors within the project.

Executives in our company are developed and supported in their leadership tasks and for this they have access to coaching measures.



Cross Mentoring Team at the closing event in March 2017



Commercial trainees AUNDE

AUNDE will increase its demand for trainee positions from 15 to 18 successively from 2017 on. This is concurrent with the opening of the Textile Academy, which will complement the in-company training with the programmes available in a state of the art professional training centre. The Textile Academy is associated with the college “Hochschule Niederrhein”, so that a vivid exchange is encouraged between academic students and our trainees. This should make our trade and business training professions more attractive and of better quality, because there will no longer be the necessity to cover large distances for attending professional college courses, and on the other hand theoretical learning contents can be conveyed in practice using our machines and systems on site. The academy will also be a training centre for employees in textile professions. This way, Mönchengladbach’s position as a textile centre will be preserved to better cope with the impending structural changes. Between 1980 and 2016, 467 young persons were trained in business and trade professions at Mönchengladbach.

ISRINGHAUSEN has increased the number of trainees in 2016 and will, due to the high demand in new staff increase the number further in 2017, so that this year 31 new trainees will join ISRI (at the location Lemgo). As part of our holistic training approach the trainees will be promoted in several competency fields. Apart from professional courses there is training to the topics of road safety, addiction prevention and manners and behaviour in the company. The trainees also have the possibility to participate in various projects to further develop their independence and methodical competencies. This year, and for the third time, a business trainee from ISRINGHAUSEN received a “best of year” award from the Chamber of Trade and Industry Lippe zu Detmold. Career discovery days for pupils and practical work projects and dissertations are also offered by our company; in 2016 there 57 such projects completed in our company.



Trainees during Open Day Kitzingen 2016

FEHRER also puts great emphasis on dual studies in their training programme. Together with the College Baden-Württemberg we offer the dual studies in plastics technology and International Business at their campuses Mosbach and Bad Mergentheim. We also believe that anyone entering a new environment is subject to increased hazards. To ensure that our trainees have a safe start in their professional life, we offer our young colleagues a special training in occupational health and safety as well as accident prevention. Between 1980 and 2016 a total of 342 young people completed dual studies and training courses in business and trade professions. As part of the “Open Day” the parents of our new young trainees visited and got to know the company in summer 2017. To make the transition from school to training and professional education in our company a success all training starts with an induction week.

Family and Society

As companies with regional roots the subsidiaries of the AUNDE Group feel obliged to support local projects and offer their staff the opportunity to combine and balance job and family. There are sports contests and events, and every year our employees of long standing and jubilars are honoured.



Carmen Brown and her band in our production halls

Music in the House

AUNDE opened the gates for a unique event: As part of the major event organized by the "Verein der Freunde und Förderer der Musik" (association of friends and promoters of music) music enthusiasts were able to attend events at 16 venues in Mönchengladbach and environs during "Musik im Haus", where companies and private persons in Gladbach invited international musicians and artists to present their work in out of the ordinary venues. An audience of 250 were honoured to attend a concert by the artist Carmen Brown with her band in our production halls. The soul singer combines traditional African elements with modern electronic sound. In a way her music reflected what AUNDE is: a modern global player with firm roots in the region. This cultural mix makes the sounds of Carmen Brown special, and also the AUNDE Group.



Rolf Königs' opening message to the Long Night of Industry

Long Night of Industry

For the sixth time, AUNDE participated in the national German event "Lange Nacht der Industrie" (Long Night of Industry):

"Industry has traditionally been battling the image of being "loud and dirty". At the same time, the manufacturing industry is suffering from an acute lack of specialist and new professionals; this goes for SMEs and family-run companies as well as multinationals. Typical suppliers, even world market leaders, so-called "Hidden Champions", are largely unknown to the public, and thereby also to potential future employees.



Interested guests visit the warping and slashing line

Many people are not fully aware of which industries are based in their region, why industry is the basis of our well-being, which resources are required. And what actually goes on inside the factories and works, which exciting new production processes are being employed and where there are possibly highly attractive job and training opportunities, is even less known.

Bringing together what belongs together is the aim the LONG NIGHT OF INDUSTRY."

Source: www.langenachtderindustrie.de

The interested public will gain an insight into the world of industry. They can register for various tours to visit two companies in each one with an appealing and interesting programme.



AUNDE trainees Niklas Meyer (l.) and Eelco Schmitz (r.) with our social partner, the kindergarten "Am Kuhbaum"
Photo: Volker Tietze

"Gladbach gewinnt"

At the event "Gladbach gewinnt" companies in Mönchengladbach meet social partners in the region. Companies can offer services from within their range free of charge on the market square, and in turn receive a free service from the social institution. Trainees had a day off for this purpose last year and took care of the gardens and greeneries of a social welfare institution, and received groceries in turn for their annual trainee barbecue event.

For the next action in 2017 we are planning on replacing the sand in a kindergarten sandbox and play area, and in turn staff will be made available for children's makeup during our next family festival.

Care home visits

A female AUNDE member of staff fills Christmas parcels every year with a mix of seasonal food, which are then delivered together with the president of the labour union to former employees who are now being cared for in old age and health care institutions. The two colleagues spend plenty of time with the former employees, chatting about past times and what's going on currently.



On "Girls' Day" the girls explore a workshop in Lemgo

Girls' Day

Girls' Day means "future for girls". At ISRINGHAUSEN and FEHRER girls from the eighth grade have the opportunity to attend an open day for technical professions. Last year again we had Girls' Day in Lemgo and Kitzingen, with 13 girls attending in our production plant in Lemgo, and 12 in Kitzingen.

A varied programme was waiting for the participants: Presentation of the company with a guided tour through the production. Plenty of hands-on actions and information on training possibilities complemented the programme.



Little guests at FEHRER on Penance Day

Kids Club

On Penance Day schools in Bavaria are closed for this holiday. Parents, however, do not have the day off, so the children can come to the FEHRER KIDS CLUB.

The children got to know their parents' work place, and a visit with the company firefighting department was part of the varied programme, as were craft sessions and games, and lots more fun activities. And of course, meals for the kids were available during the entire day.

AUNDE Group Jubilee Honours

Last year AUNDE honoured seven employees with 25, 40 and 45 years of employment with the company. In 2015 the average employment length was 14.7 years, but due to the large number of new employment contracts the average dropped in 2016 to 11.28 years.

At ISRINGHAUSEN the average employment duration is 18 years. In 2016 we honoured 73 members of staff for having been with us for 25 years, and four who celebrated their 40th anniversary.

FEHRER honoured their total of 81 employees celebrating their jubilee with an invitation to a joint lunch with the management. The average duration of employment is 14,3 years.



Jubilar honours AUNDE Mönchengladbach



Jubilar honours ISRINGHAUSEN Lemgo



Jubilar honours FEHRER Kitzingen

Supporting social projects

The companies of the AUNDE Group are actively involved in various regional projects. FEHRER, for example, is a member of several school funding and support organisations, ISRINGHAUSEN is a member of the Foundation for German Science, and AUNDE is involved in projects such as the Initiative Circle Mönchengladbach. One remarkable action was that of the FEHRER labour union, with their donation of 500 FEHRER shirts to various help and assistance projects in Tanzania.



Presentation of FEHRER shirts in Tanzania

Integration

Our aims in the corporate integration management are:

- Overcoming the incapacity to work
- Preserving the capacity to work over a long time
- Preventing incapacitating and/or chronic diseases or conditions
- Sustainably securing the workplace

It is our aim to concentrate on the health, performance, resilience, motivation and happiness of our members of staff and to take measures so that these goals can be reached. This way we strive to ensure a durable participation in the work life. In focus is care - an improvement of the working conditions to support motivation and the health situation of the employees.

The handicapped ratio of the employees in the groups is at 5.2% (AUNDE), at 6% (FEHRER) and at 5.18% (ISRINGHAUSEN).

Successful integration measures for handicapped persons

One production employee of many years, with health restrictions and a severe handicap was successfully integrated in the company security service, a position that had previously been outsourced.

Another member of staff had an accident on the way to work, but despite the resulting severe health issues it was possible to completely reintegrate this employee in the working environment through adjustment of the respective tasks and converting the full time employment contract to a part-time one.

The integration of a member of staff who had had to have is lower leg amputated was possible through the offer of a part-time position in the shipping department in conjunction with a disability pension.

These are some of the successes achieved only through the close collaboration between the HR department, the labour union, the respective company departments, the representation of severely disabled persons and the specialist integration service.



The AUNDE team at Run & Fun 2016



More than 3,000 runners at the Mönchengladbach Run & Fun in the hockey park



Motivated ISRI runners



FEHRER- Participants of "Mit dem Rad zur Arbeit" (Cycle to Work)



The FEHRER dragon boat

Health Management and Occupational Safety

Sports activities, health and safety of our staff must be supported further in our group. Prophylaxis in health will in future gain in importance, because we spend a considerable part of our time at the workplace. So nothing is more obvious than the need to make our working environment healthy. We would therefore like to make the promotion of health a central management task. This means provision of drinking water dispensers in various areas, influenza vaccinations, day seminars such as "Health Days" and sports offers, and also the corporate reintegration management. Since 2017, we have been introducing the action "Fruit Baskets", which are distributed in the departments at regular intervals.

Below is an excerpt of our "Sports and Health Programme". For the future, we are planning have these activities across companies to enhance and promote the group feeling.

Sports

Company runs

The companies of the AUNDE Group participated again in various company runs. Apart from the sports aspects, the main intention was having fun and promoting a team spirit. In 2016 the company AUNDE took part in the company running event "Run and Fun" in the "Sparkassenpark" in Mönchengladbach, with 52 registered participants and a guest runner from ISRINGHAUSEN. ISRINGHAUSEN took part in three company running events with different target groups, so experienced marathon runners, occasional joggers and even couch potatoes had the opportunity to start for the company. With 50 registered runners FEHRER took part again in the Würzburg company running event.

Cycling

In the action "I Ride for ISRI" 14 male and female cyclists mounted their bikes for climate protection; in three weeks, they accumulated 4,196 km, saving 595.8 kg CO₂. The Lemgo temps ranked 10 of 46 cycling activist teams. Also FEHRER participated in the action "Mit dem Rad zur Arbeit" (Cycle to Work) of the Allgemeiner Fahrrad-Clubs (ADFC) (German Cycling Association) and the "Gesundheitskasse AOK" (health insurance). The action was open to everyone. The kilometres covered were not important. The aim of the action was to cycle to work on at least 20 days within a three month action period.

Dragon boat race

FEHRER took part again in the Kitzingen dragon boat race, with the team starting with two boats, 32 rowers and 2 drummers. In Lemgo (ISRINGHAUSEN) plans are underway as well to take part in the local dragon boat race.

Occupational safety

Ergonomic workplace design

Office workers spend 80% and more at their desk. That makes the desk the central element of our modern working environment.

Experts are convinced that permanent sitting is one of the major causes for unpleasant tensions and neck and back disorders. In addition several studies have established that excessive sitting and the concurrent physical inactivity reduces the ability to concentrate, is tiring and increases the risk of serious diseases.

Consequently, in our endeavours to design ergonomic workplace, starting in 2010, a large number of office workplaces have been fitted with modern electrically height-adjustable desks.

In addition, at our location Lemgo (ISRINGHAUSEN) in our new "Lichtforum" (light forum), which is not only a most modern office building, but also used for seminars, workshops and exhibitions, we have installed Think Tanks, where colleagues can spontaneously come together for a creative round or brainstorming.



Think Tank Lichtforum Lemgo



Lounge furniture in the Think Tank Lichtforum Lemgo



Example for an ergonomic workplace in Lemgo

Psychological stress

The general causes for psychological stress are multifarious and frequently discussed in the media: time pressure, permanent availability, lack of communication, information overload, insufficient work organisation and not enough personnel not only have an effect on the physical, but especially on the psychological well-being. This has consequences on the performance and motivation of the colleagues and the overall profitability of the enterprise.

In order to contravene psychological stress and the resulting negative consequences in a timely fashion we are working cross-division projects to support individuals at their workplace but also assist them in the individual lifestyle.

Fire protection

Company fire brigade FEHRER

The state-certified company fire brigade FEHRER Kitzingen/Großlangheim is not only responsible for the classic tasks of firefighting and technical support at the locations in Kitzingen and Großlangheim independently, but also for the implementation of the FEHRER fire protection standards for the factories and installations of the FEHRER Group. Personnel of the fire brigade are without exception part-time intermediaries, in all 68 staff available 24/7.

The company fire brigade also provides firefighting assistance for the public and maintains the company first aid service. There are regular exercises, training and further education measures with public aid organizations, but also internally, and these are held outside working times. The company fire brigade is integrally involved in company actions such as Girls' Day and Kids Day, as well as providing food and beverages to the runners of the Würzburg company run. The company fire brigade is not only there for the protection of our own premises, but has also been assigned the task of protecting external premises (neighbouring company GEA Brewery Systems). In case of larger emergencies the company fire brigade is regularly called to assist by the city and district.



Firefighting truck at FEHRER company fire brigade

More than 70% of the staff of the company fire brigade are also volunteers in other NGOs and aid organizations such as THW, Red Cross or Volunteer Fire Brigade, a good cross-over of expertise and skills for the company as well as the aid organizations. The chief of the company fire brigade is also honorary vice president of the Bavarian Association of Company Fire Brigades, as well as member of the working committee "Preventive fire protection" of the German Association of Company Fire Brigades.



FEHRER company fire brigade members during exercise



Little firefighters at FEHRER Kids Day

Firefighting exercise at ISRI and AUNDE

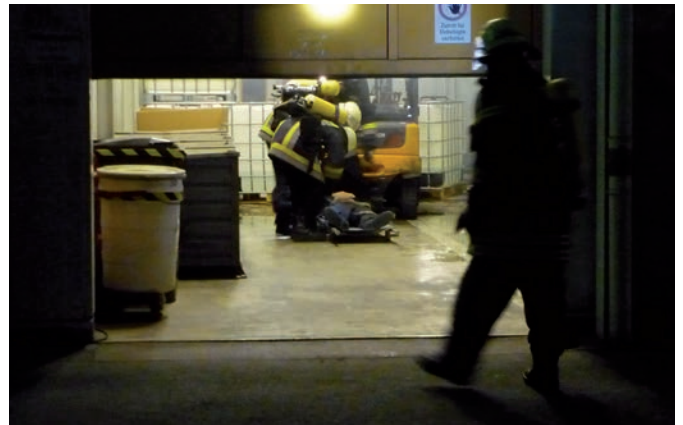
In collaboration with the public fire brigade Lemgo exercises were planned and conducted. In 2016 there was a largescale exercise in the part system assembly line and paint workshop in Lemgo. As part of this exercise the following critical situations were simulated:

- Chemical incident (2,000 litres acid spill)
- Obstruction heavy smoke (by means of smoke canon)
- Rescuing of an unconscious fork lift driver and other injured employee
- Evacuation of 50 staff from the part system assembly line
- Sealing of gullies to prevent environmental accident

At AUNDE in Mönchengladbach and Kulmbach there are regular firefighting exercises and training courses. As part of our risk management we will in the future increase and intensify the training of firefighting staff and evacuation helpers as well as the relevant exercises.



Simulation of chemical accident



Rescue exercise

Key Figures Germany 2016 - Personnel



PERSONNEL STRUCTURE

Staff total	327	1,292	1,570
Female	32%	14%	28%
Male	68%	86%	72%
German	90%	93%	86%
Foreign	10%	7%	14%
Full time	95%	98%	95%
Part time	5%	2%	5%
Handicapped ratio	7.3%	5.2%	6,0%
Fluctuation	0.5%	1.3%	0.7%
Average employment duration (years)	11.3*	18.0	14.3

AGE STRUCTURE

Staff age up to ...

20 years	4%	2%	2%
30 years	17%	11%	14%
40 years	15%	14%	19%
50 years	27%	29%	28%
60 years	26%	39%	32%
From 61 years	11%	5%	5%

EFFICIENCY RATES

Work accidents per 1,000 staff p/a	7.4	26.5	29.9
Health state (average in %)	96.8	96.4	95.8

MISCELLANEOUS

Training budget 2016 in EUR	25,000	240,000	400,000
Trainees 1980-2016	563	856	342
Jubilars 2016 (25, 40, 50 years)	7	73	81
Jubilars (25, 40, 50 years) 1980-2016	327	663**	799

*In 2015 14.7 years

**1991-2016; no records for previous years

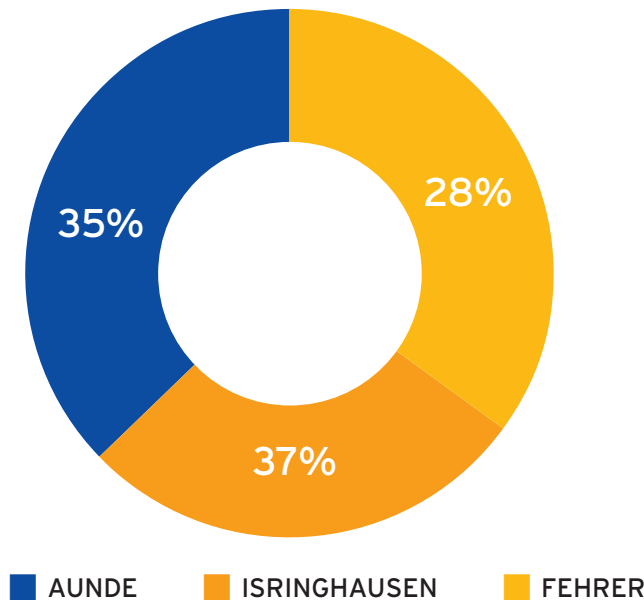
Key Figures Germany and EU 2016 - Energy and environment



ENERGY CONSUMPTION EU PLANTS AUNDE

Energy consumption in million kWh	68.4	71.6	54.9
Total consumption in million kWh	194.9		
Share in %	35.1	36.7	28.2
Energy costs in million EUR	3.2	6.1	5.8
Total costs in million EUR	15.1		
Share in %	21.1	40.6	38.3

Energy consumption EU



ENVIRONMENT COSTS IN THOUSAND EUR (D)

Energy costs	1,599.3	3,213.2	5,144.7
Waste disposal costs	24.6	137.8	188.6
Waste water costs	97	66.5	no process water
Total costs	1,720.9	3,417.5	5,333.3
COSTS GROUP (D)	10,471.7		

Objectives & Programmes 2017

When setting the priorities of corporate or project objectives and aims we are guided by the global objectives of the entire group. We make a clear distinction between short, mid and long term objectives as well as operative and strategic objectives. The synchronization and adjustment of measures is done at pre-set intervals. Structuring is based on predefined action fields. These are:

Water	Energy	Emissions
Fire protection	Occ. safety	Waste disposal
Products	Staff	Society

For the year 2017 a comprehensive package of measures has been decided. Also, a large number of projects in the fields of environment, products and staff were identified.

The illustration below defines our cross-corporate objectives. With these definitions the total environment costs (p. 39) and our personnel efficiency figures (p. 38) will be reduced by 20% in the period between 2017 and 2020 while maintaining an unchanged turnover.

CORPORATE OBJECTIVES

- Consolidation sustainability objectives and programmes in the AUNDE Group
- Promotion of awareness when handling resources

ENVIRONMENT

- Development energy management
- Renovation of canal systems
- Reduction of natural gas use volume
- Reduction of noise emissions

PRODUCTS AND SUPPLY CHAIN

- Stricter control of implementation of AUNDE Group Code of Conduct by suppliers
- Further promotion of research and development of renewable materials
- Increase of the recycling share in the value adding chain



STAFF AND SOCIETY

- Implementation of a personnel management software
- Enhancement of health management
- Further development of occupational safety
- Improvement of fire protections
- Concept and implementation of cross division trainee programme with technical or business focus
- Concept development and implementation of a systematic qualification process
- Development and review of PE instruments and processes

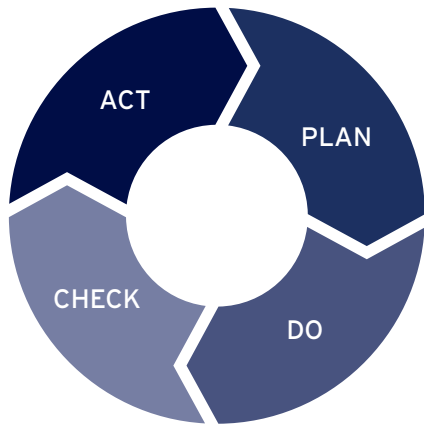
Sustainability objectives of the AUNDE Group until 2020

Strategic Orientation

Continuous improvement

The continuous improvement process is a philosophy whereby steady improvements in small steps reinforce the competitive position of our enterprise.

This process promotes our flexibility to adapt to changing markets. The individual steps can also be associated with the individual phases of the PDCA cycle. Continuous improvement requires constant efforts and communication as otherwise the results cannot be implemented and the entire improvement process is disturbed.

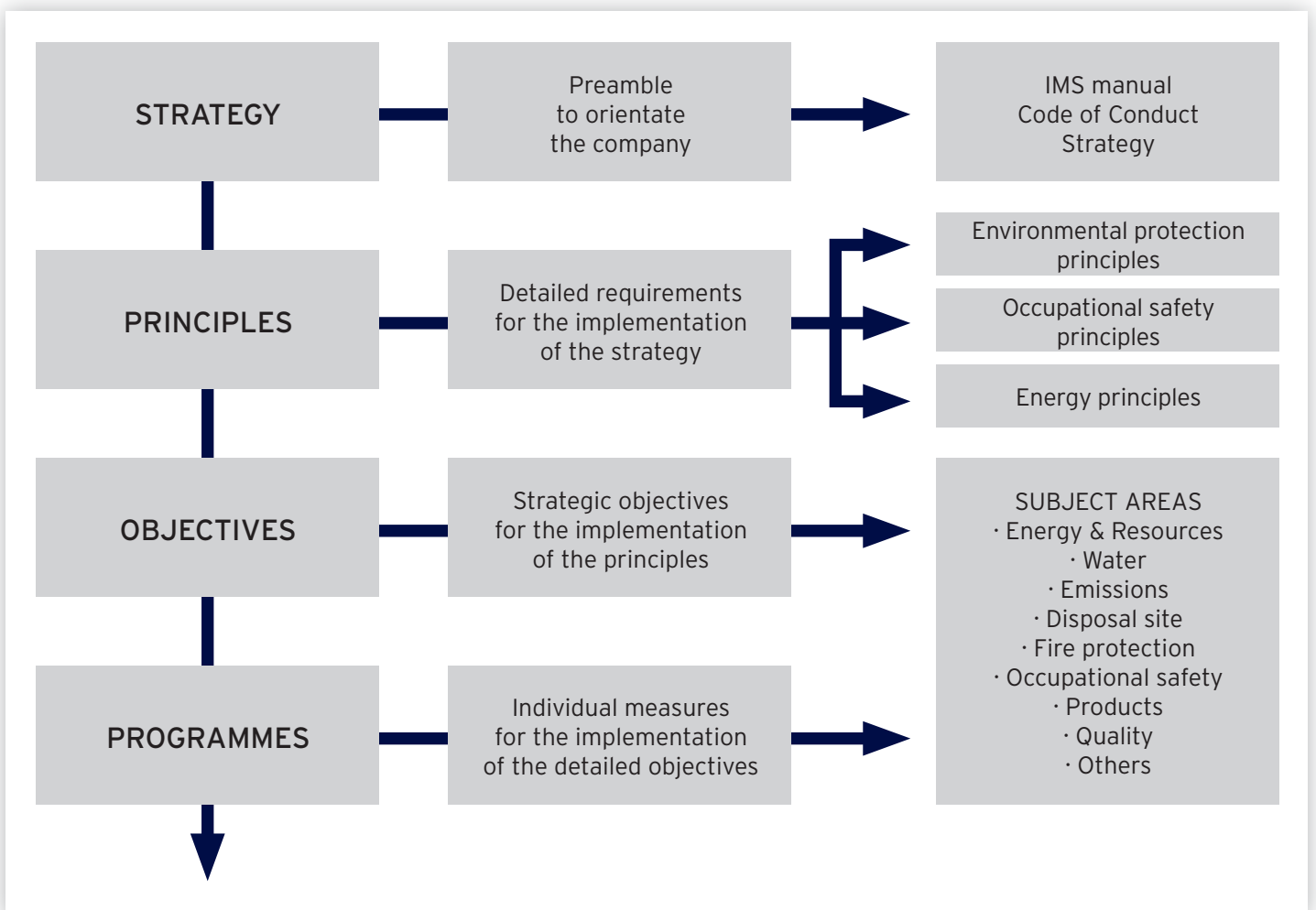


The PDCA cycle of continuous improvement

The path from strategy to individual measure

Every business can only then be successful over the long term if their staff identify with the business and its objectives. This is the basis for the emotional bonding to the company, from which the motivation and involvement of the staff is derived.

In the illustration below the schematic process from the superior strategy to the individual measures is shown.



The path from strategy to objective oriented measure

Epilogue

In this report we have compiled the achievements so far made in our enterprise, to take care of our resources, which ensure the sustainability of our ecological, economic and social activities. A sustainable way of life and work can, however, only function and be developed further if each and every one of us makes their step by step contributions - at the workplace, and at home.

We - the Sustainability Team, consisting of the responsible project executives

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and the responsible division executives

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are at your disposal for criticism, suggestions and ideas concerning the sustainability work, and we are looking forward to exciting topics arising in the daily work in the AUNDE Group which can be included in the next Sustainability Report 2019.

For this purpose please get in touch with your respective contact.

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