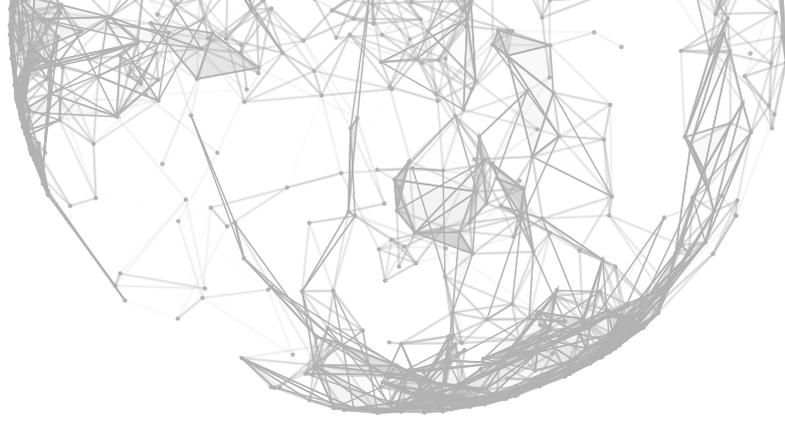




SHAPING THE FUTURE

SUSTAINABILITY REPORT 2019



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01

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Foreword



Dear Readers,

Woco products contribute to environmental relief through the reduction of emissions, immissions and noises. We aim to develop our vision on an ongoing basis and adapt it to the changes happening in the market and in society at large.

With the publication of our second sustainability report in accordance with GRI Standards, we would like to describe the measures we take to assume social responsibility in order to harmonize our economic activities with environmental and social considerations.

In particular, the transformation of the automotive sector toward new drive technologies, autonomous driving and

the requirements in the field of materials calls for new perspectives. Digitalization involves new requirements for products and processes, and it also impacts on the knowledge and skills required of our employees. We have established the organizational basis for this with our new business units NEV (New Energy Vehicles) and Digitalization.

Parallel to the transformation of the automotive sector, macroeconomic conditions are changing in all countries too. For this reason, we have also launched a cost-cutting program within the Woco Group to counteract the decline in turnover and the increase in material prices.

The purpose of these measures and our new structures is to enable the sustainable economic development of our company. As you can see, sustainability is a fundamental principle at Woco that shapes – and will continue to have a transformative effect on – how we think and act in all business units.

Best regards,

Bernhard Nagl
(CFO Woco Group in 2019)



1.1 FOREWORD AND COMPANY

About Woco

Woco is an internationally active corporation with the flexibility and structure of a modern medium-sized company.

Headquartered in Bad Soden-Salmünster, the Woco Group has plants and production facilities in Europe, the Americas and Asia. Woco uses standardized processes to serve its customers across the globe in keeping with the philosophy: Woco is right where customers need Woco to be.

Woco therefore stands for quality, innovation and internationality. We develop material-independent functional

solutions and are specialists for polymer materials and processes. Our main focus is on Automotive with the core product fields of Powertrain and Polymer Technology. Our customers in the automotive field include well-known automobile manufacturers and suppliers.

In the Non-Automotive area, long-standing experience in global industrial markets and continuous utilization of automotive know-how are the basis of our successful position in complementary production areas.

Woco is a family company with a history stretching back more than 60 years. The shareholders of Woco GmbH & Co. KG are company founder Franz Josef Wolf and his heirs. As the parent company, Woco GmbH & Co. KG holds the majority stake in a total of 31 companies with different legal forms depending on the country.

Governance structure

The Woco Group’s Executive Board consists of the CEO, CFO and COO.

Mr. Joachim Geimer became COO in September 2018, with responsibility for the plants. He presented the new structure at a company meeting at the beginning of 2019. The CEO is in

charge of the markets.

The new structure involves dual leadership for market and plants, with responsibility extending across all three business units (Automotive Powertrain, Automotive Polymer Technology and Non-Automotive).

Organizational changes

Markets: In order to provide active support for the transformation of the markets, we have created new business units – NEV (New Energy Vehicles) and Digitalization – as part of a restructuring process that is still ongoing.

Plants: In the area of plants too, we aim to meet increasing demands by means of central supply chain management.

With the plant expansions in Kronach, additional space in Eisenach and new plants in Greater Noida (India), Tianjin (China), Shuofang II (China), Lagos de Moreno (Mexico) and EFFBE CZ in Zlín (Czech Republic), we are establishing an excellent basis for future production of our customers’

orders with the quality and delivery reliability for which Woco is known.

Joint ventures: We have provided fresh impetus in Non-Automotive, in particular with a new joint venture focused on the water sector management in China.

Introduction of SAP: SAP’s ERP software is currently being introduced at Woco. We expect the SAP implementation to enable us to make a quantum leap in terms of process and information quality – ultimately benefiting the successful overall management of our company.

1.2 SUSTAINABILITY MANAGEMENT

Sustainability is anchored in the principles and guidelines of the Woco Group. In recent years, internal structures and responsibilities have also been established for effective sustainability management that sets goals and collects and evaluates key indicators. By participating in numerous external sustainability initiatives, we are constantly making progress in this area.

The Sustainable Development Goals (SDGs) that came into force in January 2016 are political aims of the United Nations (UN) meant to ensure sustainable development from an economic, social and environmental point of view. They provide Woco with a framework for incorporating sustainability into the corporate strategy. The SDGs that are relevant to Woco are set out in greater detail in the respective subsections of the sustainability report.

Principles and guidelines

At Woco, sustainability is a fundamental principle that shapes how we think and act in all areas of the company. The Woco Group assumes social responsibility and faces up to the demands that arise in the context of sustainability. Earning power, new product ideas and innovative manufacturing methods, as well as motivated and qualified employees, provide the basis for actively shaping the future and are key requirements to our company's long-term success.

The principles of sustainable business practices are set forth in the Woco Group's corporate values, as well as in its vision and mission. They establish guidelines on environmental, social

and economic issues. The Woco Go2025 strategy explicitly focuses on the topic of sustainability to emphasize the topic's importance within the Group.

Woco also takes guidance from the Ten Principles of the UN Global Compact in the areas of human rights, labor, the environment and anti-corruption.

By the time the next report is published, Woco plans to develop a dedicated vision and mission on the subject of sustainability in order to provide even clearer direction on this issue. This is to be carried out at a workshop held at management level.

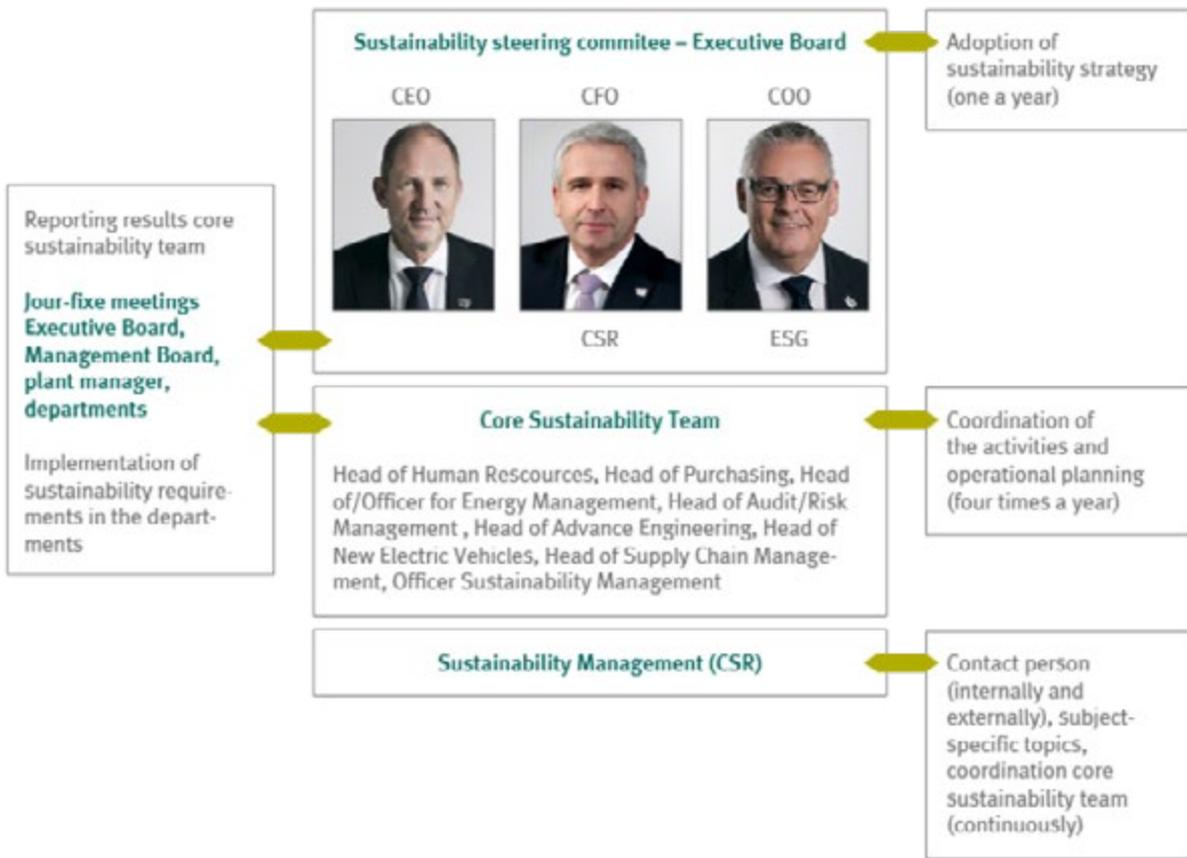
Structures and responsibilities

Sustainability – as a Group-wide subject relating to all organizational units – includes the key issues of ethical responsibility, production and value creation, as well as employees and society, which will be joined to create a uniform sustainability strategy. The goal is to ensure sustainable development for the company in a socially responsible manner within the framework of the corporate strategy.

With regard to this goal, accountability structures were created in late 2016 for the topic of sustainability. In addition,

a sustainability charter specifies the related tasks. If necessary, these are adapted to changes in the organizational and operational structure.

As part of the organizational changes introduced, the topic of sustainability (CSR) was placed under the direct responsibility of the CFO in order to establish a stronger link with economic aspects in line with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The CFO is also responsible for the issue of risk management.



Support for external initiatives

Woco has reported to the CDP (formerly Carbon Disclosure Project) and its “Climate Change” supply chain program since 2017, and to the “Water Security” supply chain program since 2018. At the level of associations, we also support the joint development of more sustainable practices and regularly take part in committees and working groups on a range of issues. One example is the Life Cycle Analysis project group of the German Association of the Automotive Industry (Verband der Automobilindustrie – VDA), in which Woco serves as quality manager. Woco

is also a member of the German Mechanical Engineering Industry Association (Verband Deutscher Maschinen- und Anlagenbau – VDMA), the Association of German Engineers (Verein Deutscher Ingenieure – VDI), the German Rubber Industry Association (Wirtschaftsverband der deutschen Kautschukindustrie – WDK), the German Technical and Scientific Association for Gas and Water (Deutscher Verein des Gas- und Wasserfaches – DVGW) and the Association of Companies in the Gas and Water Industries (Firmen im Gas- und Wasserfach – FIGAWA).



1.2 SUSTAINABILITY MANAGEMENT

Performance indicators, monitoring and goals

Corporate sustainability goals are specified at the level of business units and central divisions.

For example, Group-wide goals are in place in the Innovations/Corporate Development, Environment/Energy, Human Resources and Purchasing divisions. In each case, they pertain to specific performance indicators or to the successful introduction of certain measures. Realization of the objectives is up to the relevant divisions or respective locations that define the corresponding implementation steps or focal points and the responsible parties. The implementation steps can be traced using performance indicator systems, which are subject to monthly reporting.

To date, goals have usually been set in the final quarter of the fiscal year for the following year. The specific goals for the individual issues and their achievement are set out in the following sections.

The respective locations collect numerous key figures concerning energy and environmental performance as part of

internally or externally certified management systems. Due to the wide product range and the different location contexts resulting from this, the information is not standardized.

With regard to the development of a cross-disciplinary and cross-departmental reporting and monitoring system, a uniform template that is geared towards the GRI guidelines has been created for all plants, thereby enabling a significantly differentiated collection of input and output figures from the various plants and departments. This requires both technical measures (e.g., the installation of additional meter units) and the expansion of our existing data collection systems.

In order to promote an understanding of the differentiated data collection and provide the necessary background, we have set up a sustainability section on our intranet where all employees can access information on the subjects of climate change, water availability and human rights due diligence in both German and English. The section also includes webinar presentations provided by CDP, the UN Global Compact and the Global Reporting Initiative.

Risk management

We adhere to strict risk management processes in order to identify opportunities and risks related to our business operations as early as possible. They are described in detail in the current Woco risk management guidelines, which went into effect on January 1, 2017. The risk management guidelines apply to all companies and joint ventures (provided there are no legal regulations to the contrary) and to all employees of the Woco Group. When necessary, the Corporate Risk Management team modifies the guidelines, which are then approved by the Woco Group's Executive Board.

The Group's identified risk areas are monitored continuously by the respective locations by means of risk management software (bottom-up). The software's standardized format features predefined categories and standards and is updated every quarter by the respective locations. Apart from common economic criteria, such as commodity price and currency fluctuations, the risk categories also include environmental and social factors, such as processes introduced for environmental and human resources management.

Continuous improvement process

- By the next report is published, Woco plans to develop a dedicated vision and mission on the subject of sustainability in order to provide even clearer direction on this issue. This is to be carried out at a workshop held at management level.
- In order to further improve the area of risk management in terms of creating a holistic, structured process, we will further enhance the top-down approach that we have developed to date to include a range of different business areas. For this purpose, we have assigned the topics of CSR and ESG directly to executive management. Market changes and the opportunities and risks these entail are to be considered at various levels (regulatory, technological, market-related and reputational). This assessment will reveal the time horizon and probability, as well as an evaluation of opportunities and risks, which will then be subjected to an economic analysis.
- In terms of defining goals and measures, Woco intends to incorporate industry-specific objectives, such as the Drive Sustainability Initiative's Road Map 2030, in addition to the existing frameworks and guidelines (SDGs and UN Global Compact).
- Furthermore, we aim to move forward with the development of our cross-divisional and cross-disciplinary reporting and monitoring systems by the time the next report is published, establishing the necessary conditions for differentiated data collection and improving communication of the background to the individual aspects so as to provide an even clearer view of future requirements (opportunities/risks) in the regions.

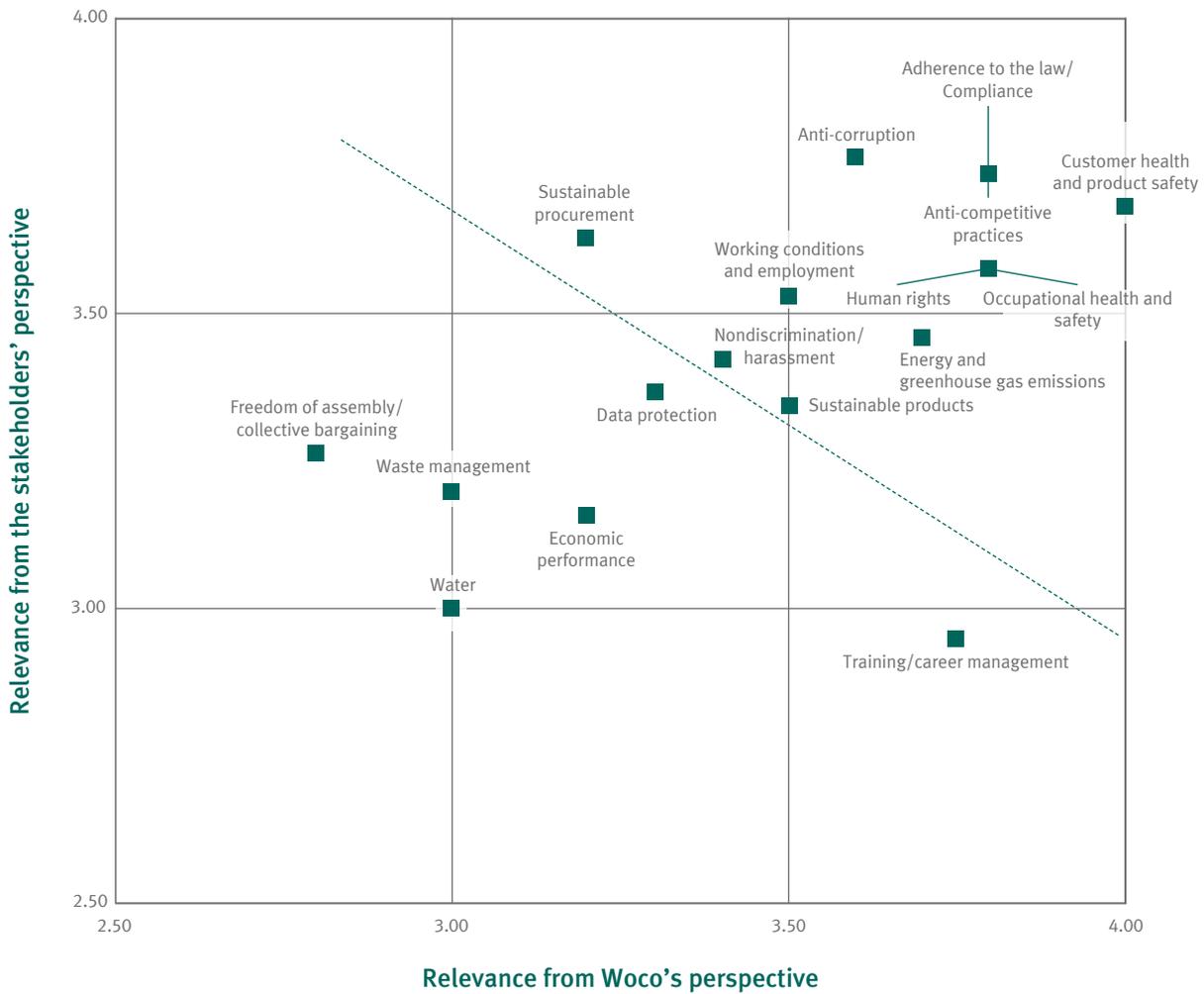
1.3 ABOUT THIS REPORT

This is the second sustainability report published by the Woco Group and the first to be conceived as an online report. It has been prepared in accordance with the standards of the Global

Reporting Initiative (GRI) (“In Accordance – Core” option). Evidence of the required disclosures may be found in the GRI Index.

Materiality matrix

Materiality matrix



The materiality matrix describes the relevance of individual material sustainability topics to Woco. The core sustainability team made the final selection of topics on this basis, coordinated the selection with the sustainability team and presented it to the Executive Board in advance. The following topics were deemed material:

- Compliance with the law – anti-competitive practices – anti-corruption – human rights– anti-discrimination/harassment
- Working conditions and employment – occupational health and safety
- Sustainable products – product safety – sustainable procurement
- Energy and greenhouse gas emissions

Frame of reference

This report pertains to the entire Woco Group, including its subsidiaries. The frame of reference therefore corresponds to the Group's scope of consolidation. In addition to Woco GmbH & Co. KG as the parent company, 31 companies (previous year 31) are included in the consolidated financial statements,

of which nine (previous year 10) have their headquarters in Germany and 22 (previous year 21) have their headquarters abroad. Corporate shareholdings in which Woco does not own a majority stake have not been included in the frame of reference for this report.

Reporting period

The reference period for the performance indicators is the last completed fiscal year at the time when the information is collected, which is the 2018 calendar year in this case. Unless otherwise indicated, the descriptions and factual content of the report reflect the situation at the time when information

was collected (early 2019).

The next publication of a sustainability report is scheduled for 2021, which will focus on the fiscal years 2019 and 2020. The plan is to subsequently maintain a two-year cycle.

Determining the contents of the report based on the GRI Reporting Principles

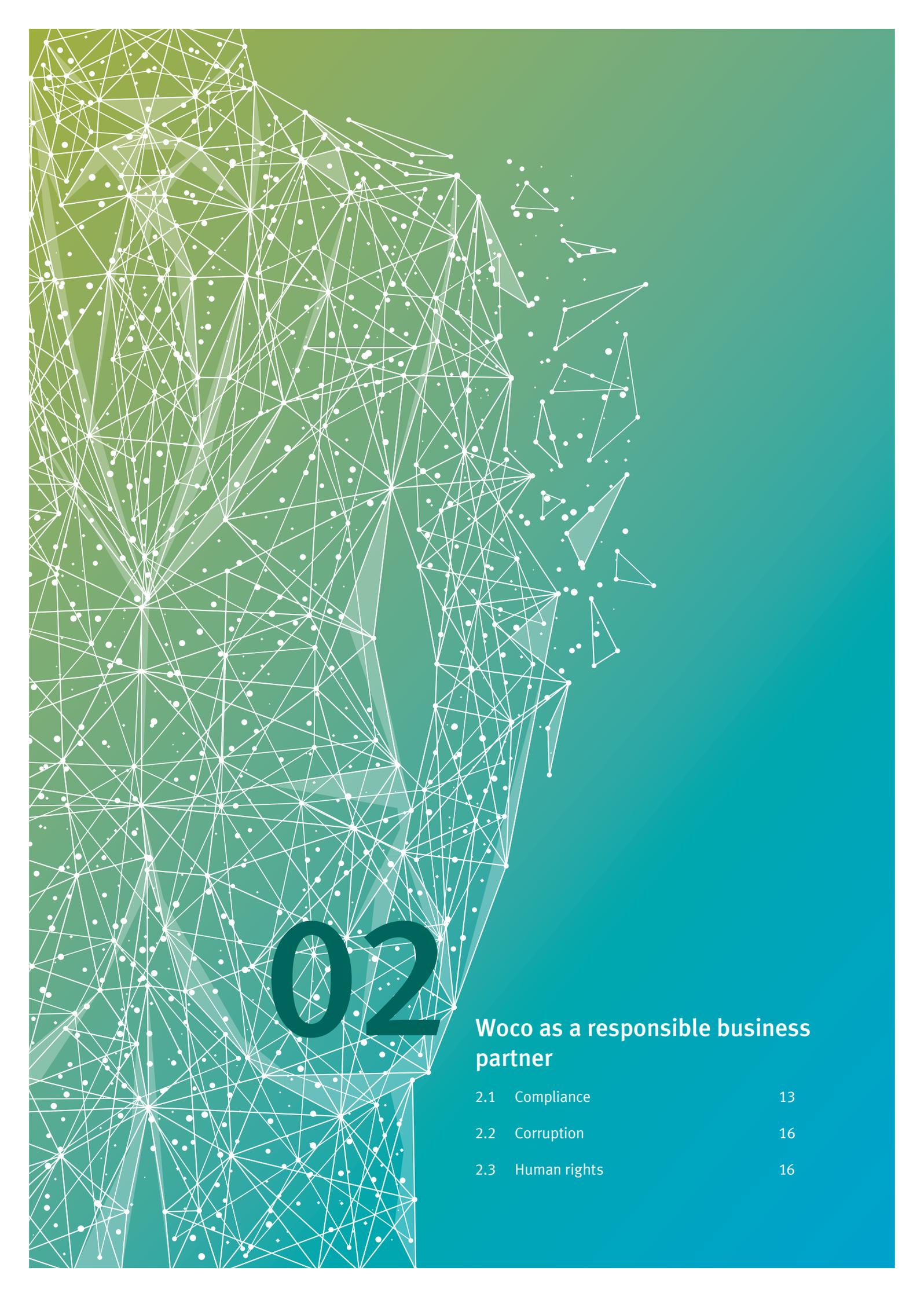
Materiality is the key criterion for sustainability management and reporting, denoting the need to focus on issues where significant environmental, economic or social impacts may arise as a result of the company's activity. Woco therefore performed a materiality analysis together with its stakeholders as part of compiling the first sustainability report (Woco Sustainability

Report 2017).

Woco made use of external assistance to prepare and compile this report. There are no plans for an additional external audit of this report.

Continuous improvement process

- Due to the constantly changing demands of sustainability, the main areas are constantly scrutinized. Furthermore, additions are made by the core sustainability team based on sector-specific developments or anticipated changes in legislation.
- An update of the materiality assessment is planned with the involvement of other stakeholders (including non-European locations if possible). Based on the experience of our first survey, dialogue with stakeholders, especially outside of Europe, still seems to be unfamiliar in many cases. Integration will require a different approach in this regard. The timing of the update will be determined after completion of the cost reduction program.



02

Woco as a responsible business partner

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2.1 COMPLIANCE

The Woco Group regards proper conduct marked by integrity as the basis for value-based corporate governance geared toward sustainability – and thus as key to economic success. Economic success and a good reputation require compliance with the applicable legal framework and generally applicable standards on the part of our Group companies; our Executive Board, Works Council and shareholders; and ultimately

all employees.

Standards such as the United Nations Global Compact supplement the internationally applicable legal requirements. Proper conduct marked by integrity may be determined from the applicable legal regulations and the supplementary ethical standards.

Code of Conduct of the Woco Group

A key compliance management tool is the Woco Group’s Code of Conduct, which is meant to provide uniform, practical and consistent guidance on proper conduct marked by integrity in everyday business situations.

The Code of Conduct applies to all Woco Group companies, both in Germany and abroad, as well as to all companies in which Woco holds a majority stake, whether directly or indirectly. All temporary employees and anyone who acts on

behalf of Woco are also subject to the Code of Conduct. The Code of Conduct and the related rights and obligations are communicated clearly to all employees. The Code of Conduct extends to internal operations at the company and external relations with customers, suppliers, politicians, administrative officials and other parties and individuals. The UN Global Compact has been included in the Code of Conduct as a standard of corporate conduct.



„The code of conduct serves as an international basis that all employees can use for guidance.“

Bernhard Nagl, CFO Woco Group in 2019

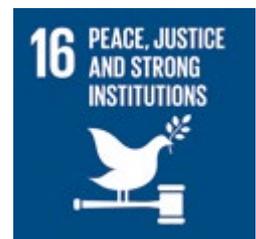
Principles and guidelines

Reliability, openness, trust and mutual esteem are the cornerstones of the culture of the Woco Group. We live and act upon this culture together with our business partners and employees. It is the basis for close and successful collaboration. Woco is aware of its social responsibility and upholds the principles of the UN Global Compact. Woco and its employees comply with laws, regulations and guidelines.

“The key to profitable growth and success may be found not least of all in Woco’s corporate culture. Proper conduct marked by integrity as

well as fairness help build a good reputation for a company and are also key criteria for the economic success of a global corporation.” (Excerpt from the statement of the CFO on the Code of Conduct and the training documents provided for this purpose)

By making these values an integral part of our value system, the Woco Group aims to contribute to the achievement of Sustainable Development Goal 16, which calls on organizations to do their part in creating peace, justice and strong institutions.



2.1 COMPLIANCE

Compliance-Management

The Woco Group established a comprehensive, central compliance management system in 2017 due to the major importance of these topics. The aim of the Woco Group’s compliance management system is to ensure compliance with the applicable laws, regulations and guidelines and to counteract potential problems or violations. It serves to stave off material damages and prevent a loss of reputation.

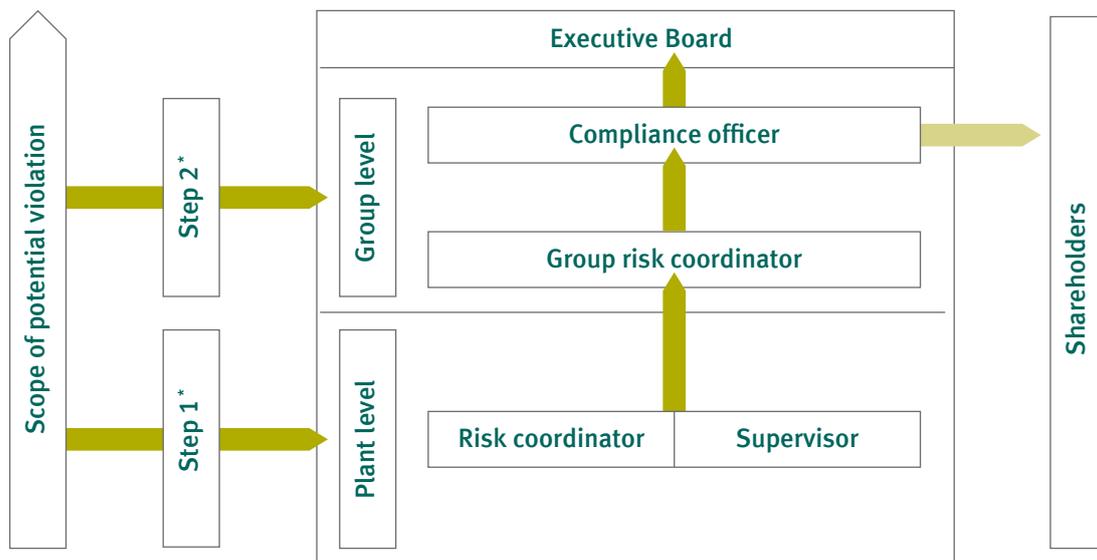
The Compliance organization is responsible for performing compliance management. It is closely linked with Group-wide risk management. The Compliance organization’s tasks are composed of three sections, specifically the duty to inform, to monitor and to document, as depicted in the following diagram:

Compliance organization: tasks		
To inform	To monitor	To document
<ul style="list-style-type: none"> ▪ Advice/prevention ▪ Providing regulations ▪ Conducting training 	<ul style="list-style-type: none"> ▪ Risk analysis/ assessment ▪ Instigating audits/ inspections ▪ Investigating compliance-related incidents ▪ Participating in sanctions ▪ Introducing organizational changes 	<ul style="list-style-type: none"> ▪ Obtaining compliance statements ▪ Documenting investigations of compliance-related incidents ▪ Documenting sanctions ▪ Documenting organizational changes

The Woco Group’s Compliance organization is headed by the Group’s compliance officer, who, as in the case of risk management, is assigned to the CFO. This person reports to the Executive Board and, where appropriate, directly to the shareholders. The compliance officer is responsible for designing and managing the activities intended to inform of, monitor and document related efforts. Situated below the

compliance officer are the risk coordinators for individual locations or companies, who carry out the Compliance organization’s tasks at a local level and report to the Group’s compliance officer. Training is overseen by the respective plant managers, who are responsible for having new employees trained.

Compliance organization: Meldekette eines Verstoßes



* Step 1 only in the absence of actual reasons to the contrary

We have also included compliance management in the internal Group audit process.

Compliance training

The Code of Conduct is available on the Woco Group intranet in German and English and can be viewed by employees at any time. A printed version is available for employees without access to the intranet (especially those who work in production).

A compliance training course that has been launched across the Group provides employees with in-depth explanations of the Code of Conduct's content and context. Training is carried out by plant managers using standardized materials. When

necessary, the documents have been translated into other languages.

The training program kicked off in the first half of 2017, with almost 100 percent of employees having completed it by mid-2017. Since then it has been mandatory for new hires and transfers, and proof of training is documented for each employee.

Reporting and managing incidents and violations

The Code of Conduct provides clear rules on how to submit complaints and report violations. There are contacts for this purpose both at plant level (risk coordinator) and at Group level who can be addressed directly or contacted via a special compliance e-mail address or an emergency number in urgent cases. To streamline reporting, a form is available in the appendix to the Code of Conduct.

All notifications submitted by employees will be handled

confidentially, upon request. Employees who report a violation in good faith will be protected and in no way disadvantaged due to their notification.

The compliance officer observes strict confidentiality when handling incoming notifications. If necessary, the compliance officer will conduct interviews and other investigations and notify the Executive Board of all incidents.

Reporting flagged violations and external sanctions

The creation of a comprehensive Code of Conduct and the establishment of a Group-wide Compliance organization in early 2017 marked important milestones for Woco in its efforts to set up an effective compliance management system.

The Group's compliance officer is available to employees as a contact. Questions are received by e-mail or clarified at training events on site.

Written inquiries often require to involve confirmation that workplace procedures comply with the requirements of the

Code of Conduct. However, questions sometimes relate to areas outside the Code of Conduct too.

No serious cases were reported in the economic/social area (socio-economic compliance) during the reporting period.

In terms of compliance with environmental laws and regulations, internal and external environmental audits in connection with ISO 14001 serve to monitor external standards. Legal conformity is reviewed in separate audits. Any deviations identified are addressed through changes at the plants.

Continuous improvement process

- In order to emphasize the importance of the Code of Conduct, our aim is to make the document available together with the employment contract in the respective national language. This is currently being implemented at our headquarters, and prompt introduction is planned for all other plants.

2.2 CORRUPTION

Corruption and anti-competitive behavior

Woco is committed to the fight against corruption and anti-competitive behavior and has expressed this commitment by supporting the Ten Principles of the UN Global Compact.

The Woco Group's Code of Conduct provides comprehensive guidance in the area of corruption prevention. Apart from black-and-white matters from a legal perspective, such as bribery and corruption, the Code of Conduct also specifies clear rules on potential conflicts of interest and accepting/offering supposedly minor favors, such as gifts, invitations or trips.

The same applies to preventing anti-competitive conduct, for which Woco has established clear provisions for avoiding any arrangements or collusion that would distort competition. At the same time, in case of doubt, employees are encouraged to seek additional clarification of a matter by an Executive Board member of Woco Franz Josef Wolf Holding GmbH.

Zweifel zusätzliche Klärung des Sachverhaltes durch einen Geschäftsführer der Woco Franz Josef Wolf Holding GmbH einzuholen.

2.3 HUMAN RIGHTS

Under the National Action Plan for Business and Human Rights, companies are to assume responsibility on global markets in order to avoid, reduce or compensate for the negative effects of globalization. They are to establish processes for human rights due diligence in order to improve the worldwide human rights situation and shape globalization socially with a view to Agenda 2030 for sustainable development.

The subjects of human rights and anti-discrimination were considered particularly important in connection with the stakeholder survey.

Befragung wurden insbesondere die Themengebiete Menschenrechte und Anti-Diskriminierung als wesentlich erachtet.

Human rights due diligence at Woco

Human rights due diligence is an integral part of our Code of Conduct and therefore forms the basis of all activities at Woco. In training programs on the Code of Conduct, we give particular emphasis to the importance of compliance with human rights due diligence. In the area of the supply chain, we have integrated human rights aspects into the Code of Conduct for suppliers. Acknowledgment of the Code of Conduct is part of our supplier contracts. In addition, all suppliers must

confirm their commitment to our standards as part of the self-registration process. In 2018, we received confirmation through independent external audits that we are well-positioned on these issues at our locations. Nonetheless, we have initiated further activities based on the core elements of the National Action Plan.

Policy statement on respecting human rights

The Woco Group Code of Conduct serves as a basis, along with the Ten Principles of the Global Compact.

Procedure for identifying actual and potential adverse impacts

The information provided by the Agentur für Wirtschaft und Entwicklung's CSR Risk Check, an online tool for companies that pursue activities in developing and emerging countries, serves as the basis for our risk screening.

Based on the risks identified in the CSR Risk Check, we have prepared a country-specific document for the major non-European locations (India, China and Mexico) and the European

locations in the Czech Republic, Romania and Spain. In order to ensure uniform understanding of the requirements, we have supplemented the individual topics (forced labor, child labor, occupational health and safety, working conditions [contracts/working hours], wages and compensation, freedom of assembly) to include the background information used in the industry initiative "Drive Sustainability".

Measures to avert potentially negative effects and review measures

In our Code of Conduct training programs, we elaborate further on the thematic aspects of our human rights due diligence obligations. Our aim in doing so is to make it clear to our employees how important compliance with the requirements is to us and to convey that we as a company take responsibility for these issues.

At our Woco plants, the country-specific documents "Human Rights and Working Conditions" were presented and explained by our Vice President Human Resources in the HR departments of the respective countries. The locations have submitted written explanations of the document with regard to the systems (laws, Woco guidelines, procedures) established at the locations to prevent human rights violations. A review of these documents has shown that no further measures are currently required at our plants.

In the area of suppliers, compliance with human rights is generally required by our Code of Conduct for Suppliers, which forms part of our contracts.

In addition we have incorporated the issue of human rights due diligence into the self-registration process for new suppliers, these aspects are also addressed in supplier audits [04-03]. The country-specific documents which contain identified risks with regard to human rights and working conditions were reviewed with the Vice President Global Purchasing and the Supplier Development team to see if there was any need for additional activities. Given the products we purchase, we do not see any further need for action with regard to our direct suppliers in the area of operating materials. In terms of material procurement, our direct influence is limited due to the multi-level nature of the supply chains. However, we will continue to strengthen dialogue on ecological and social issues.

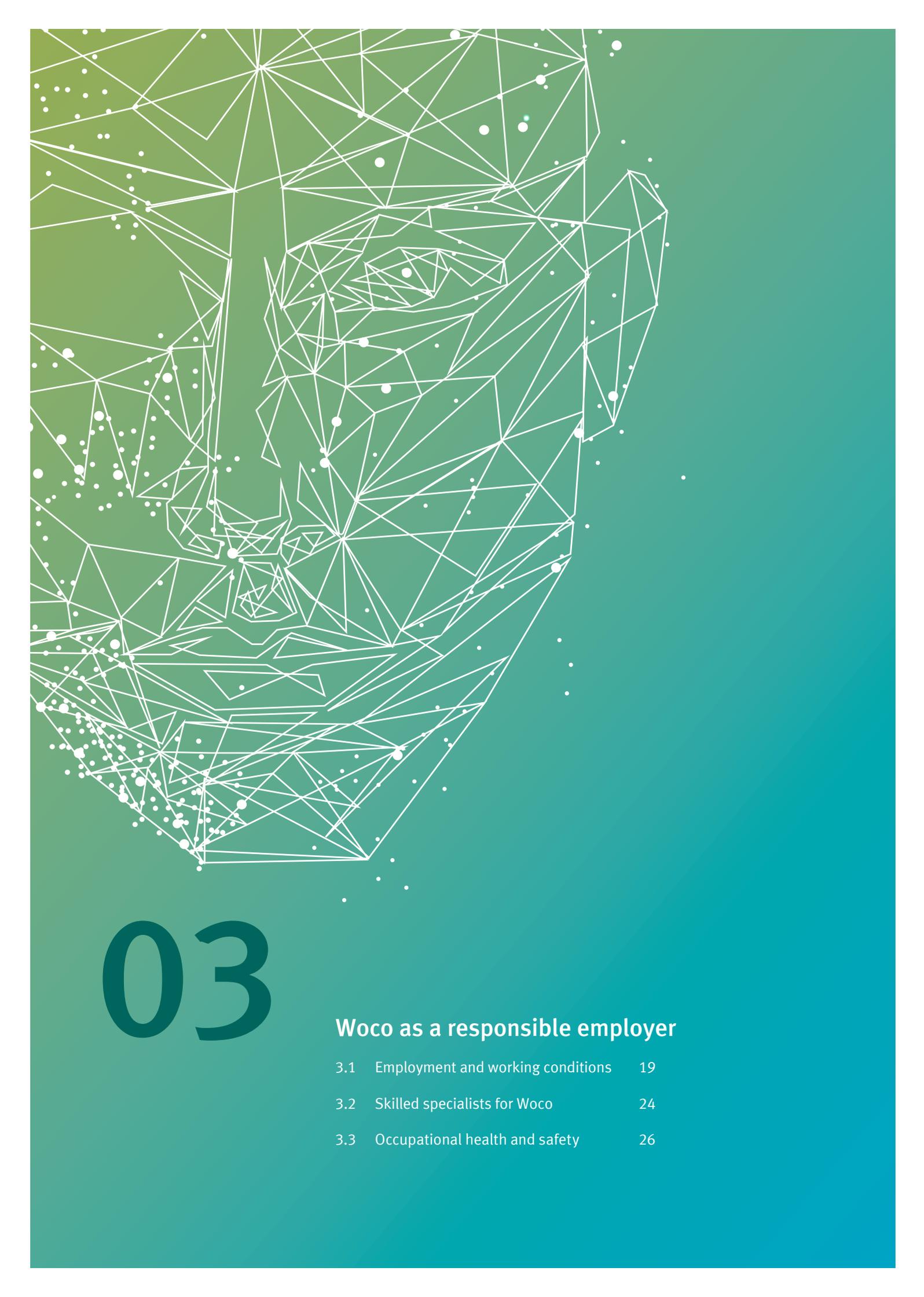
Complaint mechanism

All Woco employees have access to the various reporting procedures of the Code of Conduct to report human rights violations in writing or verbally to the Compliance Officer.

We have set up a direct e-mail address for our suppliers to report on the subject of conflict minerals.

Continuous improvement process

- Code of Conduct training and proof (documentation) for all new employees so as to convey the importance of complying with human rights due diligence obligations.
- In addition, we will regularly review developments in the respective countries using freely available tools, plus we will discuss new findings with HR and Purchasing and initiate appropriate measures where necessary.



03

Woco as a responsible employer

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3.1 EMPLOYMENT AND WORKING CONDITIONS

Qualified and motivated employees are the Woco Group’s most valuable asset. They ensure the company’s productivity, quality and innovativeness and regard the duty to meet customers’ expectations as their guiding principle. For this reason, we would like to establish ourselves as an attractive employer with an above-average level of satisfaction in order to be able to stand up to global competition.

Woco is aware of its responsibility as an employer and creates jobs with favorable working conditions and fair pay; this includes the safety and health of both employees and temporary workers.

The issues of working conditions and occupational health and safety were considered an essential part of the stakeholder survey.

Principles and directives

The Woco Group’s values state:

“To achieve demanding targets in the markets, excellent performance is demanded from all employees. At Woco motivation is the most important driver and management promotes it in a targeted way.”

“Woco is aware of its societal responsibility at all locations and acts accordingly. The corporate group respects other cultures, creates exemplary working conditions and contributes to the common good.”

These values are complemented by the Principles of the UN Global Compact, to which Woco is committed:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Additional principles are stipulated in the Woco Group’s Code of Conduct and its health and safety policy.

Through these efforts, Woco is contributing to the achievement of Sustainable Development Goal 4 (Quality Education), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 10 (Reduced Inequalities) and Goal 16 (Peace, Justice and Strong Institutions).



3.1 EMPLOYMENT AND WORKING CONDITIONS

Woco employees worldwide

We are faced with the challenge of attracting and retaining well-trained employees, especially in view of demographic change, a shortage of skilled workers and the growing importance of a proper work-life balance, as well as the increasingly complex requirements that the world of work involves. Our

aim is to prepare for the changes of the future today through development at personnel, team and organizational level, always providing the best possible conditions for this to happen.

Number of employees by region and type of contract							
Region	Total headcount	Of which in training	Of which temporary	Inactive employees	Total headcount excluding inactive employees	Temporary employees	FTE
Americas	1102	0	0	3.0	1,099	105.7	1204.7,
Asia	685	2	224	0.0	685	754.0	1,439.0
Europe	3,586	108	414	239.1	3,347	491.3	3,838.3
Total	5,373	110	638	242.1	5,131	1,351.0	6,482.0

Number of employees by region and type of contract (as of December 31, 2018)

The number of overall employees corresponds to the headcount of all employees who have a temporary or permanent employment contract with Woco. Inactive employees (parental leave, leave of absence, extended sick leave, etc.) are displayed in a separate column. In addition, a part-time correction factor is also taken into account for the reported number of inactive employees in order to add a weighting to the pure headcount that is equivalent to the working time.

Temporary employees – which include staff from employment agencies, temporary workers, university students working on a thesis and interns – are accounted for as well. A part-time correction factor has also been applied to the temporary employees.

The Woco Group does not keep worldwide statistics on the number of full- and part-time workers, since there is a wide range of working hour models in the various countries.

Establishing Woco as a powerful employer brand

The goal of this strategic project is to establish Woco as a global employer brand in order to strengthen employees' sense of identification with their employer and highlight the company's unique selling points to the outside world as compared to the competition, with a view to attracting potential applicants. Woco aims to position itself even more strongly than before as an attractive employer and a family company, ensuring a uniform international image.

We included employees worldwide in the internal employer branding process. Workshops were held to define the existing

Woco culture and identify potential for optimization. Taking Woco's employer values, management culture, leadership guidelines, and the appreciation and recognition of employees as the underlying factors behind employee motivation, the goal of these workshops was to jointly define the characteristics of Woco as an employer brand (cultural fit).

External employer branding takes a critical look at Woco's external image as an employer brand so as to enhance recognition and highlight the increased appeal of Woco as an employer.

Attracting people to Woco: Recruiting activities

In this area, Woco partners with schools and universities in and around a given location and provides extensive opportunities for internships, working on degree-related theses and factory tours. Woco also regularly participates in job fairs and recruitment days.

The findings from the Employer Branding project are integral to the recruiting process. In the future, it will be possible to tailor job advertisements even more precisely to the professional and, in particular, the personal qualities that a suitable candidate for Woco should possess in order to be able to completely fill the advertised vacancy.

We are now making increasing use of social media channels for this purpose and have introduced a recruiting tool offered by the business network Xing (in German-speaking countries). At other locations, we make more intensive use of Facebook and LinkedIn, while recruiting activities at university fairs have also been modernized. Active sourcing enables us to proactively engage with suitable candidates for Woco in person by approaching them directly as a potential future employer.

New recruits by region, gender and age				
Region	Joined in 2018	Younger than 30	30 to 50 years old	Older than 50
Americas	678	469	209	0
Women	405	284	121	0
Men	273	185	88	0
Asia	168	72	96	0
Women	59	19	40	0
Men	109	53	56	0
Europe	1,237	618	619	0
Women	621	325	296	0
Men	616	293	323	0
Total	2,083	1,159	924	0

New recruits by region, gender and age (as of December 31, 2018)

In 2018, Woco hired more than 2,000 new employees, roughly 52 percent of whom were women. The following table also shows the breakdown of new recruits in 2018 by region and age group.

Diversity – promoting variety at Woco

As a global player, Woco employs people from 35 nations at 22 locations around the world. Variety is one of the factors in our corporate environment that makes us successful and contributes to the diversity of the Woco family.

Our focus is on the personality of our employees. The Code of Conduct workshop explicitly makes the following emphasis: “The Woco Group is committed to the equal treatment of all employees and does not discriminate against anyone on the basis of race or ethnic origin, skin color, nationality, religion/belief system, gender, age, physical constitution, appearance or sexual identity.” In doing so, we protect the personality of employees, laying the foundation of our system of values in our dealings with all employees.

Instances of discrimination: The [02-01][Code of Conduct] provides full details of contact options. In addition, the Works Council and all HR employees are available as contacts at

all times in Germany. As of the end of 2018, our complaint mechanism implemented through the Code of Conduct had not recorded any instances of discrimination.

Getting to know cultures – speaking one language: Getting to know each other is crucial in order to create understanding between the various locations and nationalities. Within the Woco Group, this is achieved through modern communication media, international assignments and supra-regional cooperation between locations. As a globally operating company with 35 integrated nations, our constant goal is for all employees to speak a common language. Because successively breaking down existing language barriers and promoting intercultural dialogue are the keys to achieving this aim, promoting language skills is an integral part of the development process for our employees.

Focus on the empowerment of women: As described in our last

3.1 EMPLOYMENT AND WORKING CONDITIONS

Diversity – promoting variety at Woco

Sustainability Report, we were able to achieve a 42 percent share of women among 1,000 hires worldwide in 2016. In 2018, the share increased further to 52 percent among over 2,000 new hires. This development is also attributable to our activities relating to employee satisfaction and the various working hour models we offer.

In the period leading up to our forthcoming report, we will continue to look into possible ways of supporting the professional advancement of women and translate the resulting ideas into concrete measures, focusing on increasing the proportion of women in management positions as well as specifically addressing the issue of equal pay.

Motivating and inspiring Woco employees

Employees are involved in the Woco world through a wide range of activities. Published several times a year, our company magazine “WIR BEI WOCO” provides information on developments and challenges at the company’s locations worldwide, personnel changes and technical innovations, as well as social events such as employee celebrations.

Important documents are available to employees at all times in German and English via the intranet (e.g., Code of Conduct, directives, procedural guidelines and forms). In addition, it is the responsibility of each plant to provide a translation in the respective national language.

Rather than conducting a global employee survey as originally planned, we involved employees worldwide in workshops on the subject of the strategic Employer Branding project in 2018. On-site workshops were held at all major locations. Here we placed great emphasis on diversity within the various groups in order to obtain representative results with regard to employees’ experiences and expectations of Woco as an

employer. An intensive follow-up process is being implemented to look at the results on a local basis, and the outcomes will be fed back into the work of local HR teams and management.

As before, a company suggestion scheme, which is designed to draw to a greater extent on employees’ know-how and incorporate it into development, is available to employees at various locations.

The Kronach site is a good example of the sustained high levels of employee participation, involving topics that cut across divisions and disciplines.

2015: 160 suggested improvements

2016: 149 suggested improvements

2017: 265 suggested improvements

2018: 223 suggested improvements

Strengthening employee satisfaction at Woco

Fair compensation

Woco adheres to the applicable collective agreements depending on the region and country. In countries where there are collective provisions, we adhere to the minimum requirements of the respective country. Due to the heterogeneous provisions, Woco does not keep statistics on the percentage of staff employed within existing collective agreements.

Work-life balance

We offer various working hour models so as to improve the compatibility of work and family life. Country-specific legal requirements are taken into account here, and trade unions are involved where they exist.

Parental leave

As a family company, we seek to actively support the compatibility of work and family life. At our German locations, for example, we provide basic information on the subject of

parental benefits and parental leave, and all employees have access to an information sheet via our intranet. Supervisors' obligations in relation to maternity leave can be viewed in the form of an additional information sheet (accessible to all).

Reintegrating employees on parental leave back into the professional setting is particularly important to us. Of note in these efforts is the regular contact that Woco maintains with employees while they are on parental leave. At the German locations, employees returning to the workplace resume their original line of work nearly without exception.

Employee loyalty

The average length of company service provides information on employee loyalty, although the differing regional growth rates must be taken into consideration here. New recruits hired due to the establishment of new locations and increased staffing lower the average length of company service.

Average length of company service			
Region	Women	Men	Total
Americas	1.5	2.0	1.8
Asia	3.5	3.5	3.5
Europe	9.4	9.3	9.4
Total	6.7	7.0	6.8

(as of December 31, 2018)

Employee cohesion (events and festivities) at our global locations

The aim of these activities is to promote employee cohesion, express our thanks for a job well done and strengthen the Woco family concept on a lasting basis:

- Woco Tech de Mexico: Children's Day 2018 for parents and children
- Woco STV Czech Republic: Sports Day (for employees) and Family Day (for the whole family)
- Woco headquarters Bad Soden-Salmünster Family Day and dedication of our new research and development center with approximately 1,400 guests, Christmas party for staff
- Woco Kronacher Kunststoffwerk: Christmas party for staff

We hold a contract signing celebration with our trainees even before they start training; family and partners can also take part. An introductory week with numerous integration activities (also dedicated to charitable causes) provides the basis for the successful development of tomorrow's skilled workers, who go on to conclude their training with a graduation ceremony.

We express our thanks to our employees for their long-standing loyalty to our company by holding anniversary events as appropriate.

3.1 EMPLOYMENT AND WORKING CONDITIONS

Continuous improvement process

- As part of our digitalization strategy, we are focusing on the steady expansion of services – particularly in HR – available via transparent process workflows and communication channels that employees can access digitally.
- An intensive follow-up process is being implemented to look at the results of the Employer Branding workshops on a local basis. The outcomes are fed back into the work of local HR teams and management. Regular reports are submitted as part of the global dialogue between HR teams, and work is done on concrete measures to further develop corporate culture.
- In the next Sustainability Report, we will publish fundamental statements on diversity in the management bodies and among employees. These statements can then be used as a basis for developing further activities.

3.2 SKILLED SPECIALISTS FOR WOCO

Skilled specialists for Woco – training and further development at Woco

Employee training provides the foundation for the company's long-term development. Continuous, needs-oriented vocational training and personnel development aim to achieve targeted qualification of Woco employees. The further development process at Woco covers the areas of technical, methodological,

management, language and IT skills. In addition to the development of individual employees, rapid and disruptive change in the automotive industry requires flexibility in the development of new teams, local and international cooperation, and the further development of entire organizational units.

A diverse range of training options at Woco

In order to counteract the shortage of skilled specialists, Woco continues to focus on the systematic training of qualified employees (vocational fields at Woco). At our headquarters in BSS, we aim to increase the number of trainees in the coming years:

Bad Soden-Salmünster location:

2017: 26 apprentices – continued employment rate: 83%

2018: 21 apprentices – continued employment rate: 83%

In order to further boost our competitiveness in Germany's

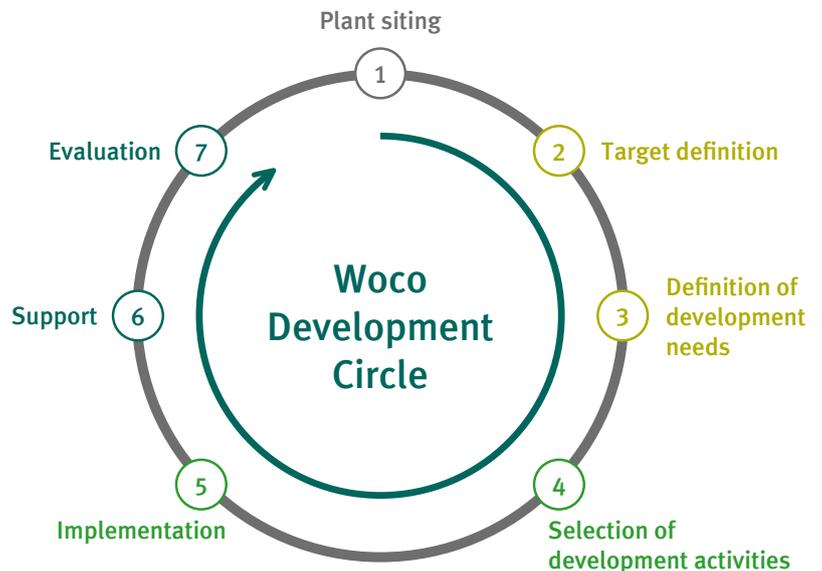
highly competitive labor market, we pursue a nationwide training strategy that extends beyond the borders of individual locations. The focus here is on continuous nationwide dialogue to establish a common framework of values and consistent orientation toward the needs of future generations.

The diverse range of internships we offer enables school students to get to know each other and draw inspiration to pursue vocational training or dual studies. College students also have the opportunity to get involved in the Woco Group or to write their theses in cooperation with various departments.

Further development at Woco

As part of a globally uniform process, annual employee reviews and goal-planning sessions ensure dialogue between all those involved in the company's success. The employee review involves setting key responsibilities that reflect the collaboration to date, as well as defining interests, development prospects and measures to enhance the employee's qualifications. The related goal-planning session serves to ensure operational implementation of the goals at all levels.

The Woco Development Cycle defines the individual stages of employee development. In this way, the employee's current standing can be determined together with the supervisor, enabling development goals to be set and development needs to be defined.



During the reporting period, reviews were held with all our employees to assess their performance and professional development.

Based on the development measures fixed in the employee reviews, the respective HR Development division then carries out the professional development activities year-round. Apart from central budgets for strategic development projects, a set amount of money is also available per employee.

As yet another component, Woco developed a global talent management process in 2016 that has already been introduced in select units, such as at the location in Mexico and at headquarters in Bad Soden-Salmünster. Under the Woco Talent Management program, employees receive targeted, individual support and development on both a personal and professional level. Within the scope of the analyses, efforts are also made to identify positions that are key to the company's success and require targeted succession planning. The plan is to roll out this process globally at Woco by 2022 at the latest.

Further development of teams and organizational units

In addition to developing skills in individual employees, it is becoming increasingly important to work across departments in teams that are able to react in an agile, flexible way to future challenges. Individually tailored workshops are organized – led by a neutral external or internal facilitator – to selectively address team-related issues, problems and challenges, enabling them to be resolved by means of a collaborative process in the interests of team members and the company. There are many reasons such workshops might be held, such

as a newly assembled team, team reorientation or existing problems in the day-to-day work setting.

Fast-paced changes and ever shorter cycles in the automotive industry place huge demands on flexibility, regularly requiring adaptation in the structure of organizational units as well as changes to setups that have been embraced in sections of the company.

3.2 SKILLED SPECIALISTS FOR WOCO

Specialists of the future – wide-ranging collaboration with higher education institutions

Woco offers qualified training under the dual system in cooperation with Hanau-Gelnhausen-Schlüchtern Chamber of Industry and Commerce, as well as various cooperative courses of study in cooperation with Baden-Wuerttemberg Cooperative State University Mosbach (DHBW Mosbach).

In coordination with the university, we are committed to ensuring that the transformation of the automotive sector (digital and electrical) and the future requirements this entails are actively incorporated into training. This enables us to hire employees who have already gained the skills required for this transformation process in a broader context during their training.

Woco is in close contact with renowned universities in the other regions too. Woco Tech in Mexico and the local Universidad Tecnológica de Querétaro partner closely to train the next generation of engineers in the field of plastics. Woco plays a significant role in this partnership, initiated by the Head of the Business Unit, with regard to the development of the curriculum in order to proactively provide students with the necessary technical expertise at Woco in the course of their studies. Among other ways, Woco achieves this by sponsoring machinery for the vocational training, and the efforts are paying off: Woco has already hired several students with potential who actively support us in our business.

Continuous improvement process

- Talent management: Selectively advance the identification and further development of talent within the organization. The plan is to roll out this process globally at Woco by 2022 at the latest.
- Moving forward, Woco will continue to look for more opportunities to create and further develop excellent training opportunities at its international locations, particularly with a view to opportunities that combine theory and practice as based on the German model of dual studies.
- Documentary proof of annual employee reviews and goal-planning sessions

3.3 OCCUPATIONAL HEALTH AND SAFETY

Woco in the responsibility of occupational health and safety

Woco's responsibility for the safety and health of employees extends to all staff directly employed or brought in by Woco. Particular workplace hazards may arise at a processing plant with processes that require the use of machinery and chemicals, which is why Woco established a health and safety policy back in 2007.

We assume limited responsibility with regard to external companies that operate independently on Woco factory

premises, since we are not authorized to issue instructions. However, it goes without saying that we keep occupational health and safety concerns in mind as part of hazard assessments and briefings. Before a job begins, companies must confirm that they will comply with Woco's external company policy. Woco also expects suppliers to comply with all legal obligations and actively commit to ensuring health and safety.

Principles and directives

The aim of management is to prevent accidents and improve operations. We seek to increase employee satisfaction through exemplary working conditions and thereby also contribute to customer satisfaction.

The central reference is the Woco Group's health and safety policy, which is binding for all locations and whose standards go beyond meeting the legal requirements. Extensive revisions were made in 2015.



It specifies rules and requirements for the following issues:

- Exemplary role of supervisors
- Providing necessary work equipment
- Knowledge transfer at all levels and in all locations
- Respecting the duties and rights of all employees
- Ensuring the safety of machines and processes
- Communication with partners

Woco's focus on occupational health and safety

Occupational health and safety have long been a focus of our efforts. Here, our actions are based on our health and safety policy.

We have implemented the resulting activities as part of an internal management system which is under the responsibility and leadership of plant management. The functional effectiveness of this system was confirmed to us in 2018 by Intertek in the context of a review of occupational safety, accidents and first aid, fire protection and evacuation in case of emergency.

Our next step will be to introduce the ISO standard 45001 published in 2018. This globally applicable standard formulates the requirements for occupational safety and health management systems.

At our German locations, we are working with the German Social Accident Insurance Institutions to obtain ISO 45001 certification by the end of the first quarter of 2020. We would like to demonstrate that we have the appropriate certification for a large number of other production sites by mid-2021.

3.3 OCCUPATIONAL HEALTH AND SAFETY

Key figures

Woco reports on the number of accidents and aggregated lost time, as well as standardized indicators such as injury rate and lost day rate, relating to the calendar year 2018 in each case.

Key figures accidents						
	Accidents			Period of absence	Lost day rate	Injury rate
	1–3 days	> 3 days	Total	Hours	Absence/ working hours* 1 Mio.	Accidents/ working hours* 1 Mio.
Americas	1	14	15	1,750	779	7
Asia	0	0	0	0	0	0
Europe	11	57	68	13,348	1,579	8

(as of December 31, 2018)

Continuous improvement process

Several production sites underwent audits by Intertek in the areas of young workers and freely chosen work, knowledge of employee rights, employee participation, working hours and overtime, as well as our activities in the area of occupational safety. The positive results confirm that we are well-positioned in these areas.

In this knowledge, we are focusing on the following improvement processes:

- We have drawn up an internal schedule for the most important production sites to implement an occupational safety management system in accordance with ISO 45001. The introduction phase is planned for the period from the end of 2019 to mid-2021.



04

Products and supply chains

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4.1 PRODUCTS

Woco as a partner for the creation of sustainable products and supply chains

The automotive industry faces considerable changes in its product range. This development is driven mainly by more rigorous legal provisions, such as EU directives requiring average fleet emissions to be reduced to 95g/km by 2021 and by a further 37.5 percent by 2030. At the same time, product sustainability is becoming increasingly relevant to contract awards, making it an important factor in terms of corporate growth strategy.

Woco is preparing for the emerging transition to alternative, primarily electrified vehicles by reassessing and adapting its existing product portfolio for applications in electric and hybrid vehicles, as well as developing entirely new solutions and tapping into new market segments such as thermal

management for high-voltage batteries.

Apart from these product-related issues, the use of recycled materials and the reduced use of rare or resource-intensive materials in the production process, as well as the reuse of products at the end of their life cycle, continue to be of particular importance in terms of corporate sustainability.

We take social and environmental criteria into account in our procurement, enabling us to prepare for unforeseeable risks such as water shortages, natural disasters, price increases and additional environmental regulations and avoid risks such as supplier default.

Sustainable contribution of our products

As a result of their function, innovative production technologies and reduced logistics, Woco products contribute to reducing or avoiding environmental pollution. Our active oil separators for crankcase ventilation systems in conventional drivetrains with internal combustion engines, for example, prevent the formation of soot and particulate matter by separating more than 99.9 percent of oil particles. This makes combustion more effective and reduces fuel consumption.

Woco also produces components for electric cars, such as thermal management modules that regulate the entire coolant flow in battery electric vehicles in various vehicle operating states. Our water separators for fuel drives, for example, ensure that process-related water is separated before and

after the fuel cell, thereby enabling controlled discharge into the environment.

Product sustainability can be improved in various ways. On the one hand, Woco is focusing increasingly on lighter materials and on hybrid (multi-component) solutions in the area of plastics. These are flexible, require less energy input in production and reduce the potential extent of reworking, thereby increasing efficiency. On the other hand, we strive to extend the product life cycle by integrating intelligent notification systems with regard to product functionality. As a result, replacement and repair are only required on an individual basis after notification and not according to prescribed cycles.

Principles and directives

The Group's values state that Woco strives to develop and manufacture products that reduce environmental impact and ensure the conservation of resources throughout the entire product life cycle. We are also guided by the UN Global Compact and are committed to the Ten UNGC Principles – and therefore to the goal of contributing to the development and dissemination of environmentally friendly technologies.



In our Code of Conduct, we express our commitment to supporting and promoting the use and development of new product and manufacturing technologies that conserve natural resources, enable recycling, reduce environmental pollution to the greatest extent possible and protect our natural environment. The requirements set out in our Code of Conduct for Suppliers include respect for human rights, the renunciation of forced labor and exploitative working conditions, environmental protection activities, and the prohibition of corruption and bribery. In the event of violations, we reserve the right to terminate contracts unilaterally. Our employees are encouraged to exercise their duties in awareness of their responsibility for the environment, identify environmental and occupational health and safety problems, and seek advice on

ways to comply with the corresponding laws.

In dealing with technologies, materials and methods, we are guided by the principle of precaution. This means that we always take steps to limit the negative impact on people and the environment from the start, even in light of incomplete findings or when more research is necessary. With this aim in mind, new processes and products are subject to risk assessment.

We are therefore contributing to Sustainable Development Goal 12 by ensuring sustainable consumption and production patterns.

Sustainable mobility as a focus of the product development process

Research and Development (R&D) is organized centrally at headquarters and is responsible for optimizing product-related sustainability (link Section Innovations and product safety). This is where the basis for innovative materials, products and manufacturing processes is created. In Automotive, the focus is no longer on the powertrain but on an overarching objective that takes account of changing future mobility requirements. As a result, different areas are moving into focus, such as material development, resource conservation and recyclability.

Our materials and process expertise, especially in the in-house production of elastomer materials with specific property profiles, puts us in a unique position in the market. This

materials and process know-how also has an important role to play when it comes to becoming successfully established in the future field of e-mobility with its newly emerging product areas.

Issues related to materials, such as the procurement, testing and use of recycled materials, are closely coordinated with the customer in order to be able to make changes to alternative materials. As part of project management across Woco's in-house product development process, Purchasing reviews the availability of materials, such as recycled materials.

4.1 PRODUCTS

Woco components for sustainable mobility

In order to be able to move forward with the transformation in the mobility sector, we have set up a separate NEV (New Energy Vehicles) business unit as part of our restructuring process. Here, concepts from R&D can be incorporated into series products with a focus on new electric vehicles. This will enable us to become more closely involved in technological change, particularly in the powertrain sector. We are mainly concentrating on the following aspects:

1. Thermal management modules for battery electric vehicles (BEV):

- Control of the total coolant flow in battery electric vehicles in different vehicle statuses (driving mode, summer operation, winter operation, fast charging, preheating)
- Integration of valves, actuators, temperature sensors, ...
- Reduction of material consumption e.g. for hose and plug connections

2. Low-noise interior ventilation for battery electric vehicles (BEV):

- Reduction of flow noise in the interior ventilation system (heating/air conditioning) in hybrid and purely battery-powered electric vehicles, required due to the absence of the combustion engine which previously acted as a masking noise source

3. Plasma oil separator

- Significantly increased separation rate of oil particles (number and size) in blow-by recirculation, resulting in reduction of oil consumption, reduction of emissions and optimization of combustion

4. Water separator for fuel cell (also as integrated variant in exhaust air systems)

- Separation of process-related water before and after the fuel cell, targeted/controlled discharge of water into the environment

Promotion of the use of plastic recycling materials

Woco focuses on sustainable material alternatives without compromising on quality. Nonetheless, it is always necessary to convince customers of the advantages of the alternatives, since specific material requirements often limit the use of recycled materials, especially in the plastics sector. For this reason, we have carried out extensive tests on the usual technical specifications for various recycled materials and

proactively seek out dialogue with customers in order to present alternatives, thereby enabling increased use of recycled materials in series-production applications.

In addition, we engage in dialogue with market participants on the subject of recycled materials and life cycle analysis so as to generate new methods and ideas.

Water as a focus of Non-Automotive

In Non-Automotive, Woco supplies its customers with seals and components for drinking water and waste water systems through Pipe System Components (PSC).

The joint venture, established with Ma Anshan Zhonglan Rubber in China in 2018, will initially focus production on seals for cast pipes used in drinking water supply systems. Because PSC holds a leading position in the European market in this area in particular, it will be able to contribute its technological and materials expertise to future projects in Asia.

One of the biggest current and future challenges facing China

is to establish a functioning water supply and disposal system throughout the country. There will probably be some 221 cities with over a million inhabitants in China by 2025. Many of these were designed from scratch. They are still very young in their history, and some of them do not have sufficient natural water resources in their immediate vicinity to supply such a large population with clean drinking water. Urban water demand in China will probably increase by up to 100 percent by 2025.

Only with a functioning infrastructure can drinking water be supplied in the way we in Europe have been accustomed to for decades.

Collaboration with external organizations

Alliances with external partners such as universities, research institutes, material testing institutes and associations are becoming increasingly important. Through our VDA membership, we are involved in pioneering implementation initiatives such as the “Development of guidelines for proper product evaluation using life cycle engineering” in order to address future market requirements at an early stage. Life cycle engineering analyzes and evaluates the environmental performance of products and technologies across the entire life cycle

and with regard to all environmental aspects. Life cycle assessments pursuant to ISO 14040 serve as the basis and yield measures and recommendations for action for all divisions, starting from the product development process and spanning the entire life cycle.

By strengthening our partnerships, we are able to make a positive contribution to Sustainable Development Goal 17, which aims to breathe life into global partnerships for sustainable development.



Continuous improvement process

- In the future, we aim to focus more effectively on improving the sustainability impact of our products over their entire life cycle. To this end, we are tackling the issues of product carbon footprint and product environmental footprint and applying the findings to the specialist areas in question.
- Increasing resource efficiency will be more and more important in the coming years as the availability of certain raw materials declines. The sensible use and increased recyclability of materials is therefore of growing importance; the requirement for this is to determine the carbon footprint of different materials.
- Over the next few years, we will establish the new business unit New Energy Vehicles and build up our capacity accordingly.

4.2 INNOVATIONS AND PRODUCT SAFETY

Woco makes use of innovation to help shape the transition toward sustainable mobility. In recent years, we have aligned our internal structures accordingly and invested heavily in our development infrastructure, for example by building the new Woco Technology Center. Active knowledge management helps ensure that ideas are systematically tested and implemented, and that the knowledge

acquired is made available to employees.

Through innovative product developments, the Woco Group is doing its part to build resilient infrastructure and promote inclusive and sustainable industrialization, which is how it is positively contributing to Sustainable Development Goal 9.



The new Woco Technology Center

Our new Technology Center was completed in early 2018, marking an important step towards the future. We are now well-equipped to meet new demands of materials and move forward with the market penetration of alternative drivetrains.

The center clusters topic areas and competencies, thereby

heralding a new era at Woco. All relevant central research and development (R&D) functions for elastomer and plastic materials are now within walking distance of one another. Together with knowledge management – which is also located in the new building complex – these form a competence center for development, materials and processes.



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Materials development for e-mobility

The materials used to make components for vehicles with alternative drive systems have to meet different requirements than for those powered by combustion engines. Automotive suppliers that are able to develop materials that are tailored to these new requirements, in conjunction with the appropriate process technology, have a clear competitive advantage.

The new drivetrains will make many of the high-quality engineering plastics used in combustion engines that are still on the market today obsolete. One reason for this is the significant reduction in temperature and environmental requirements. After all, electric motors generate very small amounts of waste heat. By the same token, however, there are now increased demands in terms of flame retardancy, thermal and electrical conductivity, electrical insulation and electromagnetic compatibility in connection with battery power and high-voltage vehicle electrical systems. In short,

new materials – usually plastic or elastomer compounds – are needed.

In order to be able to keep meeting all of our customers' requirements in the future, Woco has now made another important investment. Our new technology and laboratory unit focuses clearly on elastomer and plastic as promising materials for the future. At this new building complex, our highly experienced elastomer materials development department works closely with the relatively recently established Woco HPP (high-performance polymers) department. Thanks to Woco's in-house materials testing expertise and state-of-the-art technical equipment, the company is now in a position to develop its own plastic compounds that meet the special material requirements of e-mobility in addition to existing elastomer compounds.

Knowledge management

The knowledge acquired is to be available to all employees in research and development at all times by using the ideas management software Goldea and the benchmark database GoBenchIQ.

Goldea ensures Woco's capacity to effectively collect, evaluate and channel ideas. This software tool provides all the information about every newly developed idea. A specified evaluation scheme is used to assess an idea's potential from an economic and technical perspective.

The subsequent rating is made based on various evaluation criteria. The evaluation scheme thus ensures the ability to transparently trace the evolution of ideas. Woco has set up a system of structured, regular information exchange. In addition

to regularly weekly management meetings, two innovation meetings are also held each year. They provide a forum for presenting new ideas, evaluating them from a commercial and technical perspective and further developing them. Global management meetings provide the opportunity to assess the success of the innovation strategy and adapt it, if necessary. The current campaign focuses on the areas of functional materials, electromobility and Industry 4.0.

The GoBenchIQ information database is available to all employees, offering information on various topics relating to the Woco product range, as well as those deriving from these, trade fair visits and other areas. Because GoBenchIQ is linked to Goldea, existing information can be linked to new ideas.

4.2 INNOVATIONS AND PRODUCT SAFETY

Guaranteeing product safety

Product safety was rated in the stakeholder survey as being a material concern from the stakeholders' perspective.

“The fulfillment of the requirements and expectations of our customers is at the center of all activities of the Woco Group. Quality motivates the thinking and actions of our employees” – this is the wording from the Woco Group's quality policy with regard to the quality standard.

The issue of product safety includes the unconditional safety of our products both in further processing and for the end users

of automobiles or industrial plants, and extends to the safe recycling or disposal of products at the end of their life cycle. Through sustainable production methods, we aim to guarantee the health of our (end) customers and thereby do our part for Sustainable Development Goals 3 and 12.

From an internal perspective, the issues of fail-safe operation, further processing and disposal are key. A direct impact on occupants of a vehicle due to chemical or mechanical properties is less relevant when it comes to our products, since they are not usually installed in the passenger compartment.

Based on Woco's direct responsibility for the safety of its products, liability and risk concerns play an important role. The provisions of international quality standards, as well as sector- and customer-specific requirements, therefore serve as the foundation of our actions, which include appointing one product safety officer per location who has completed a related external training program. As part of our internal management systems, the relevant provisions are incorporated using procedural guidelines.

In addition, the issue of product safety is taken into account as part of the quality management system for the automotive industry (IATF 16949), for example. The certification of all our locations demonstrates that we meet the requirements for product safety. In addition, each location has a Product Safety Officer who has completed special training. We have defined the subject areas in a procedural guideline so as to ensure that the requirements are implemented accordingly.

Internal audits and monitoring performed by an accredited certification company are the tools used to check the quality system's effectiveness, certify the system and adapt it to the growing demands of the market through continuous development.

Woco supplies the necessary information on material composition for all automotive products through the International Material Data System (IMDS). Compliance with the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation is monitored.

In addition, Woco verifies that the limits of certain substances have not been exceeded by issuing declarations of conformity, for example in accordance with the Restriction of the Use of Certain Hazardous Substances (RoHS) Directive.

Any problem cases are immediately addressed by the Group-wide quality management team in close cooperation with the customers and, if necessary, the competent authorities. Due to the sensitive nature of this data, the Woco Group does not release any key figures or information on potential incidents.



Continuous improvement process

We have set ourselves the following goals in Automotive so as to be able to continue to support our customers in providing innovative products for the technological transformation toward sustainable mobility:

- Development of five new products in the area of e-mobility
- Development of five new manufacturing and process technologies

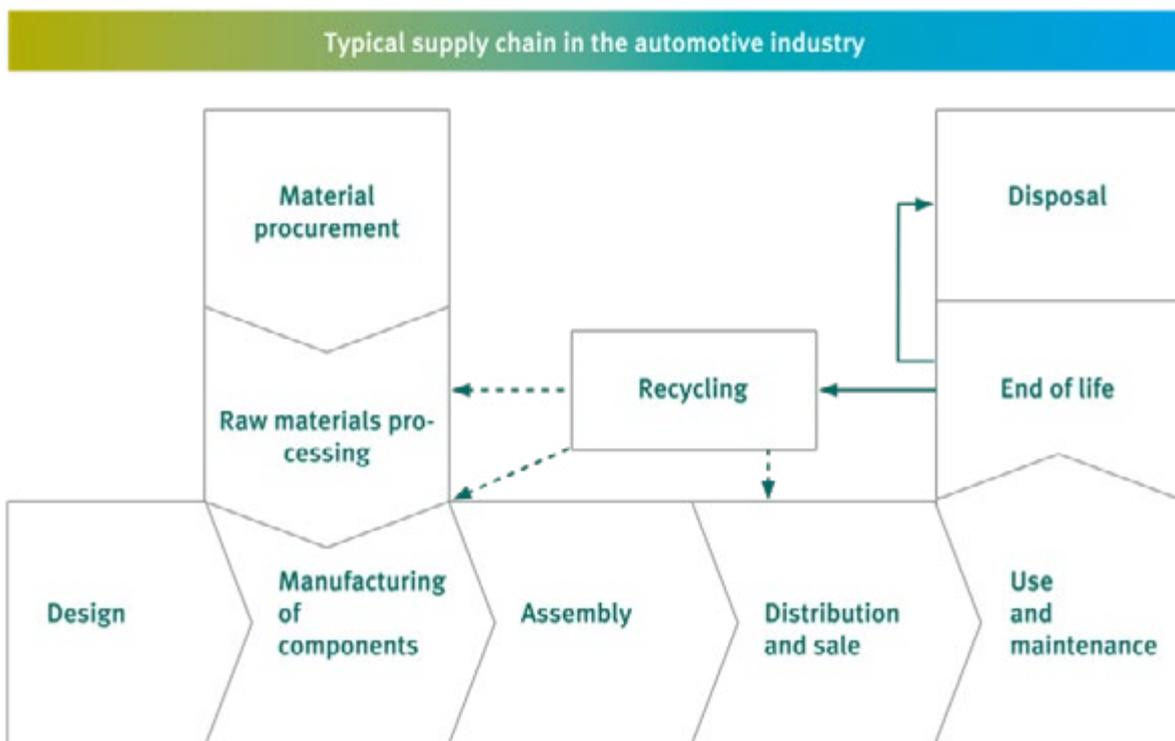
4.3 SUSTAINABLE PROCUREMENT

Sustainable procurement – purchasing and dialogue in the supply chain

To fully live up to its social and environmental responsibility, a company needs to take a systematic, long-term approach to its own supply chain in order to minimize the risks involved. Unforeseen events such as water scarcity and natural disasters, as well as stricter environmental regulation, can result in price increases or supplier failures and therefore have an impact on the company itself.

The stakeholder survey has also identified sustainable procurement as being a material topic for Woco. As a supplier

to the automotive industry, we are positioned in the upstream value chain. The following diagram illustrates our role and responsibility in this context. Although our influence outside the company boundaries is often limited, we engage in a wide range of activities to prepare for a fresh approach which is reflected in numerous industry initiatives and customer requirements. We integrate the relevant specifications in our processes and will seek to exert influence on our suppliers to the extent possible.



Principles and directives

Woco states the requirements for its suppliers in the Code of Conduct for Suppliers, which outlines standards for which Woco requires compliance from its suppliers regarding commercial integrity and ethics, work and social standards, environmental protection, competition, general business principles and the associated management systems.

Acknowledgment of the Code of Conduct is

an essential part of our contracts with our suppliers. In addition, all suppliers must confirm their commitment to our standards as part of the self-registration process. Our strict supplier standards are our way of ensuring that we make a positive contribution toward achieving Sustainable Development Goal 12, which aims to ensure sustainable consumption and production patterns.



4.3 SUSTAINABLE PROCUREMENT

Requirements faced by Woco

Increasingly strict industry, customer and regulatory requirements have helped underscore the importance of Woco's own supply chain in recent years. In the automotive sector, for example, the IATF 16949 standard establishes a variety of quality and risk management requirements for suppliers.

Suppliers are also requested to provide a wide range of information about how they deal with their own supply chain in manufacturers' industry-specific disclosures (SAQ Drive Sustainability), as well as in rating portals such as CDP or

EcoVadis that collect data from a variety of sectors.

Companies also face increasingly strict legal and regulatory requirements in various national contexts when it comes to issues such as conflict minerals (Dodd-Frank Act) and human rights due diligence obligations. In May 2017, the European Union published a new regulation regarding the import of conflict minerals. The regulation enters into effect on January 1, 2021, and obliges EU companies to perform due diligence checks of their suppliers. Woco is preparing accordingly for the new requirements.

Activities to comply with due diligence obligations in the supply chain

Compliance with human rights due diligence obligations is required as a matter of principle by our Code of Conduct for Suppliers, which is an integral part of the contract for all our suppliers.

In addition, Woco conducted an evaluation of the suppliers from which it procures materials that were examined for sustainability risks in the "Material Change" study published by the industry initiative Drive Sustainability in July 2018. This study examined 37 raw materials with regard to harmful effects such as child labor, environmental damage or corruption.

With the exception of natural rubber, we do not purchase large quantities of any of the problematic raw materials. However, we will carry out further evaluations to survey at least the largest suppliers of metallic raw materials on these results, thereby promoting the notion of responsible raw material procurement.

In addition, we have used country-specific questionnaires based on the CSR Risk Check in the area of supplier management, as described under [Human Rights]. By evaluating suppliers' sustainability activities, we have established that, in the area of raw materials in particular, we generally work with well-established companies for which human rights due diligence activities form part of their own standards. In the case of all other suppliers, we intend to intensify dialogue on social and ecological issues to be able to identify possible adverse effects.

In the area of operating materials, we work exclusively with specialist companies. Here, we operate in industrial areas where there is no deployment of unskilled workers, who are often subject to human rights violations. Nonetheless, we intend to intensify the dialogue on social and ecological issues here too.

Conflict minerals

The Dodd-Frank Act requires U.S. listed companies to disclose and report usage of specific raw materials that come from the Democratic Republic of Congo and its neighboring countries. Conflict minerals are gold, tin, tungsten and tantalum, as well as their derivatives.

Because Woco is a global supplier, customers affected by these requirements regularly ask it to report if – and in which form – conflict minerals are used in the company’s products.

In return, the Woco Group requires its suppliers to provide information about the origins of the corresponding commodities in the purchased materials to enable Woco to prepare the annual Conflict Minerals Report and provide it to customers.

The approach here is to first analyze the components of the products supplied to Woco using the IMDS database. In a second step, the suppliers affected are derived.

In the third step, the iPoint portal is used to send inquiries to the suppliers in question. The suppliers subsequently submit their report to Woco. This information is used to generate Woco’s report and makes it possible to identify whether minerals from critical countries of origin may be in use. In such cases, the company works with the supplier to find a solution.

The requirements resulting from the EU regulation on the import of conflict minerals are incorporated into the i-point system used by us and therefore duly implemented.

Woco in dialogue with suppliers

Only by cooperating with suppliers can we meet the various sustainability requirements. It is therefore our policy to engage in multi-level dialogue with them.

- **Acknowledge and confirm**

The Code of Conduct for Suppliers is integral to our supplier contracts.

- **Integrate and survey**

All new suppliers must complete a self-registration process that also includes a sustainability management questionnaire. As part of this process, suppliers are asked to provide information on existing policies and directives, management systems and certifications related to environmental standards, as well as occupational health and safety, ethical conduct, social matters, supply chain management and other topics. In selecting the topics, we are guided by the industry initiative Drive Sustainability.

- **Monitor and evaluate**

By the end of 2018, some 97 percent of A and B suppliers had completed the self-registration process. In addition, we focus on some 60 suppliers who together account for almost 70 percent of our purchasing volume and evaluate them with regard to sustainability practices. This sustainability-related information is reviewed as part of supplier approval and assessment. In the procurement process, the results of the sustainability aspects have only been partially taken into account to date. In the case of suppliers of operating materials, the issue of energy efficiency is taken into account when awarding contracts for energy-intensive parts.

- **Discuss and explain**

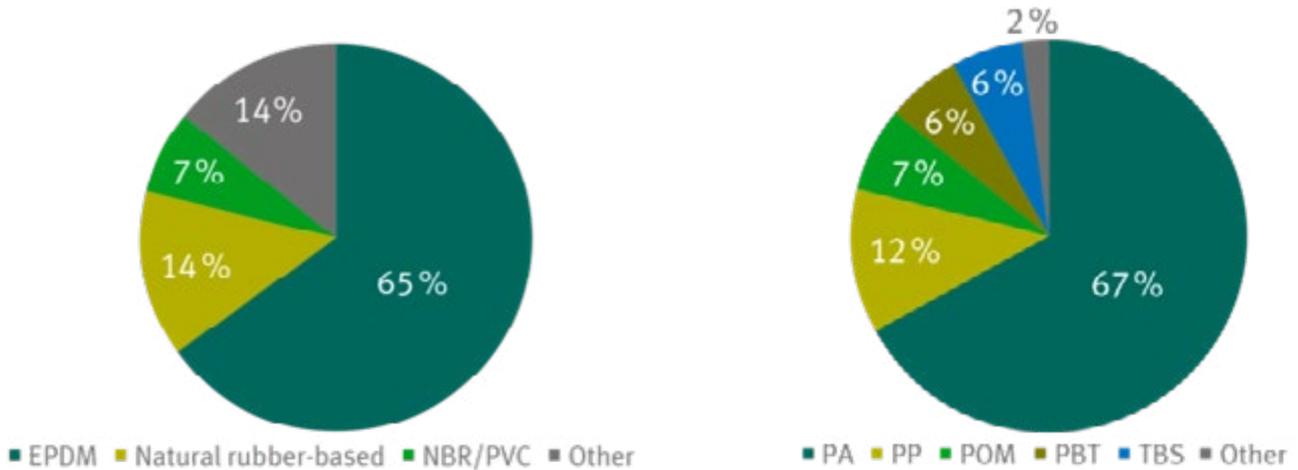
In the context of our Woco Supplier Audits, our sustainability requirements are integrated into the audit questionnaire. What is more, some 30 to 40 suppliers prioritized according to risk criteria are audited each year; ecological and social criteria are addressed here too.

4.3 SUSTAINABLE PROCUREMENT

What products and materials does Woco purchase?

Woco requires a wide range of raw materials and pre-products in manufacturing. In addition, Woco purchases vast quantities of components and individual parts. The most significant commodity groups in terms of volume (including bought-in parts) are plastic granules (thermoplastics and thermoplastic elastomers) and elastomer blends.

A total of 32,000 metric tons of plastic granules were used in 2018. At approximately 70 percent, polyamides accounted for the largest share by far. At 65 percent, with a total volume of 14,000 metric tons, EPDM was the leading elastomer, followed by natural rubber-based blends (approximately 14 percent).



How is Woco’s supply chain structured?

The Woco Group procures production materials from roughly 700 active suppliers, most of them medium-sized or large companies.

France and China, as well as a planned plant in Mexico. These plants are usually located close to our production sites in order to leverage logistical advantages.

By contrast, most elastomer blends are obtained from the PTE group of companies, in which Woco holds a 50 percent share through a joint venture. PTE is one of the world’s leading manufacturers of blends, with production plants in Germany,

Woco procures the vast majority of its production materials within the respective region (Americas, Asia, Europe) to avoid long transport distances. The following table illustrates the share of raw materials procured within each region in 2018:

Share of intraregional procurement per region	
Region	Procurement within the region
Americas	8 %
Asia	9 %
Europe	83 %

Share of intraregional procurement per region

Renewable and recycled materials

As a manufacturer of technical automotive and industrial components, renewable and natural materials play a relatively minor role for Woco. The natural rubber elements in elastomer blends are an important exception.

In 2018, Woco processed approximately 2,000 metric tons of pure natural rubber for a total of approximately 14,000 metric tons of elastomer blends.

The use of recycled materials often offers significant environmental advantages compared to primary materials. Woco therefore aims to increase the use of recycled materials. However, the specific material requirements often limit the use of recycled materials, especially in the field of plastics.

Furthermore, recycled materials of the required quality are not always available on the market.

As a result, Woco's goal for 2019 is to use PE- and PP-based recycled materials for appropriate products.

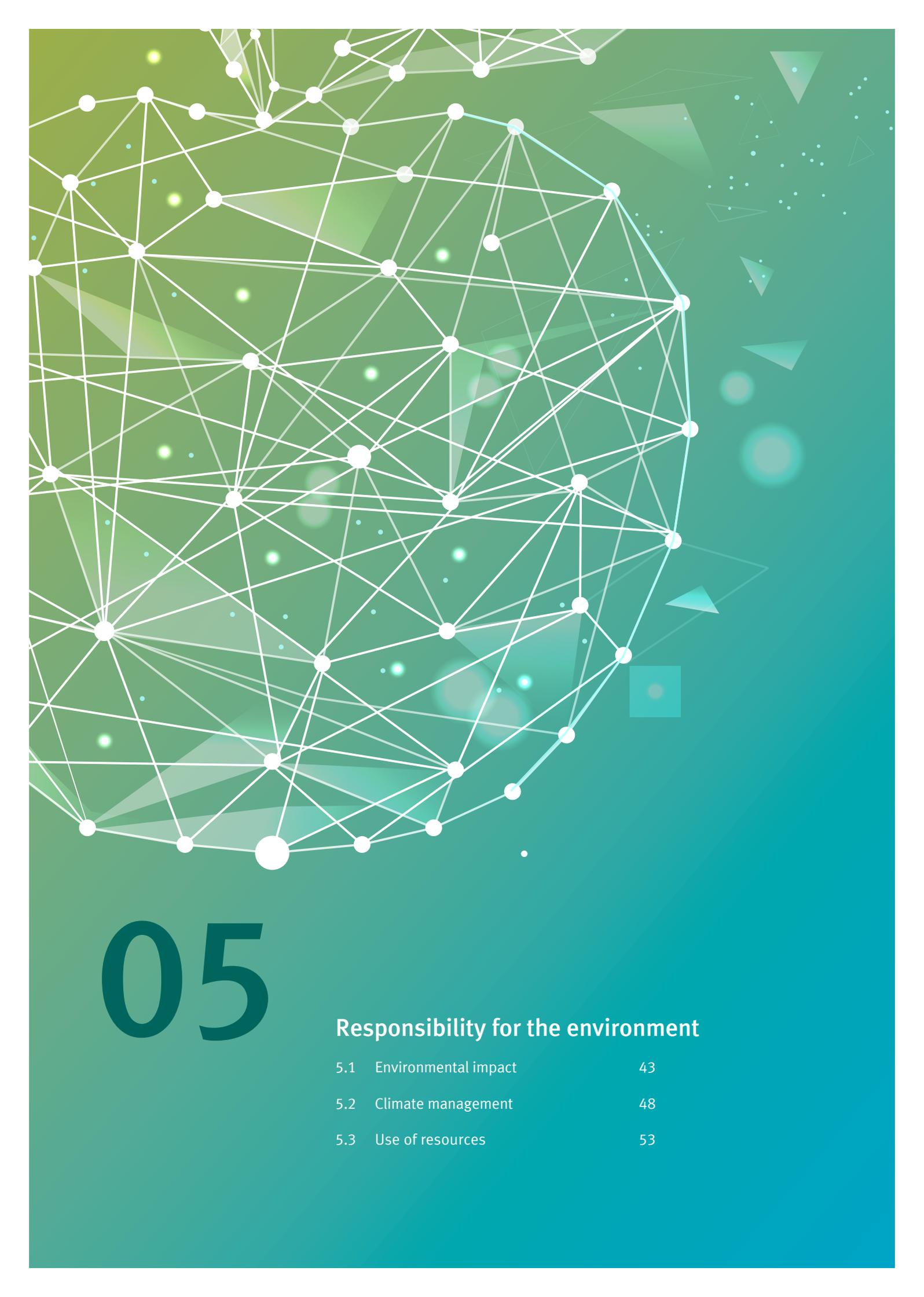
By contrast, a large volume of recycled glass and textile fibers is already being used to manufacture fiber-reinforced plastics. Metal components also have a customary percentage of recycled materials.

In 2018, products with recycled substances accounted for roughly 3 percent of the overall product range.



Continuous improvement process

- We intend to intensify dialogue with our suppliers (based on turnover and workforce) with regard to ecological and social aspects. The information from the self-registration process, the findings of the risk screening and the results of the "Material Change" study will allow us to identify where we intend to take greater action and where our greatest opportunities to exert influence lie.
- The resulting activities are intended to support increased direct dialogue with suppliers within the framework of stronger knowledge transfer and act as evidence of implementation.
- In this context, we will consider ways to expand the established mechanisms for reporting violations as part of our [Code of Conduct]. All measures are also to be examined to determine the extent to which it makes sense to establish different requirements for suppliers depending on their size and significance with the aim of maintaining an appropriate balance between cost and benefit.
- In the area of human rights diligence obligations, we will regularly review developments in the respective countries using freely available tools. We will discuss new findings with HR and Purchasing and initiate appropriate measures where necessary. (Human Rights)



05

Responsibility for the environment

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5.1 ENVIRONMENTAL IMPACT

Responsibility for the environment

As a manufacturing company with energy- and material-intensive production activities, our sustainability efforts have always focused on the environmental impact of our operations. The significance of the environmental impact results from the specific requirements voiced by lawmakers, customers and other stakeholders, among other factors.

The stakeholder survey identified greenhouse gas emissions as

a material environmental topic, underscoring the significance of emission reduction targets (science-based targets).

Because other environmental aspects, such as the availability of water and the conservation of resources, are becoming increasingly important, we are doing more and more to integrate these in our efforts as well.



Principles and guidelines

The Woco Group’s values state: The corporate group is obliged to protect the environment. Woco develops and produces products that reduce environmental effects and ensures the conservation of resources during the entire product life cycle. Furthermore, Woco’s products should also contribute to the societal appreciation of the automobile, as well as positively increasing all the other products of our customers.

In doing so, Woco also makes a contribution to achieving the United Nations Sustainable Development Goals. In particular, we aim to

promote the use of sustainable and modern energy (goal 7) and combat climate change and its impacts (goal 13) as part of our business operations.

With the effects of climate change causing changes in global water availability, activities to achieve SDG 6, “Clean Water and Sanitation,” are included in our environmental activities.

What is more, Woco has pledged its commitment to the principles of the UN Global Compact.



5.1 ENVIRONMENTAL IMPACT

Environmental policy

Our environmental policy names clearly defined areas of action and principles that emphasize the fields of production, logistics and development. It includes the environmental impact of our products in the downstream value chain, as well as the things we procure from our own suppliers and service providers.

In dealing with technologies, materials and methods, we are guided by the principle of precaution. This means that we

always take steps to limit the negative impact on people and the environment from the start, even in light of incomplete findings or when more research is necessary. With this aim in mind, new processes are subject to risk assessment. Our risk management guidelines also govern the monitoring and management of risks. The ability to take early action on risks with a low or unclear probability of occurrence, but high potential impact, also brings our precautionary approach to bear.

Environmental management – ISO 14001 certifications

We most recently revised the current Group-wide environmental policy in 2015 to reflect developments in this field. External ISO 14001 certification confirms the functionality of a system that contributes to continuous improvement.

We have achieved our goal of having all production plants in Automotive ISO 14001 certified. New plants are gradually being incorporated into this certification process. We have also introduced ISO 14001 certification in Non-Automotive. With the exception of a few smaller facilities, we are able to demonstrate ISO 14001 certification here too.

In keeping with the constantly growing importance of energy, we have expended our environmental management system to include the way we procure and use energy. Here too, we have adopted an energy policy that ensures Group-wide implementation of an internal management system. External DIN ISO 50001 certification confirms the system's functionality at our main European locations.

The Group's Environmental Management Officer is responsible

for keeping the environmental management system up to date with the latest standards and promoting the continued development of the system in line with requirements.

The locations themselves are responsible for implementing specific measures and for compliance with the respectively applicable laws.

Larger locations have dedicated Environmental Management Officers for this purpose. At the other locations, this task is the responsibility of the Plant Managers.

Internal and external environmental audits help the established standards. Legal conformity is reviewed in separate audits. Any deviations identified are addressed through changes at the plants. In addition, observed or suspected violations can be reported through the Woco Group's [Compliance Officer] [02-01] or to the local Compliance Officers.

The chart shows examples of some environment-related indicators that Woco collects at its Bad Soden-Salmünster site.

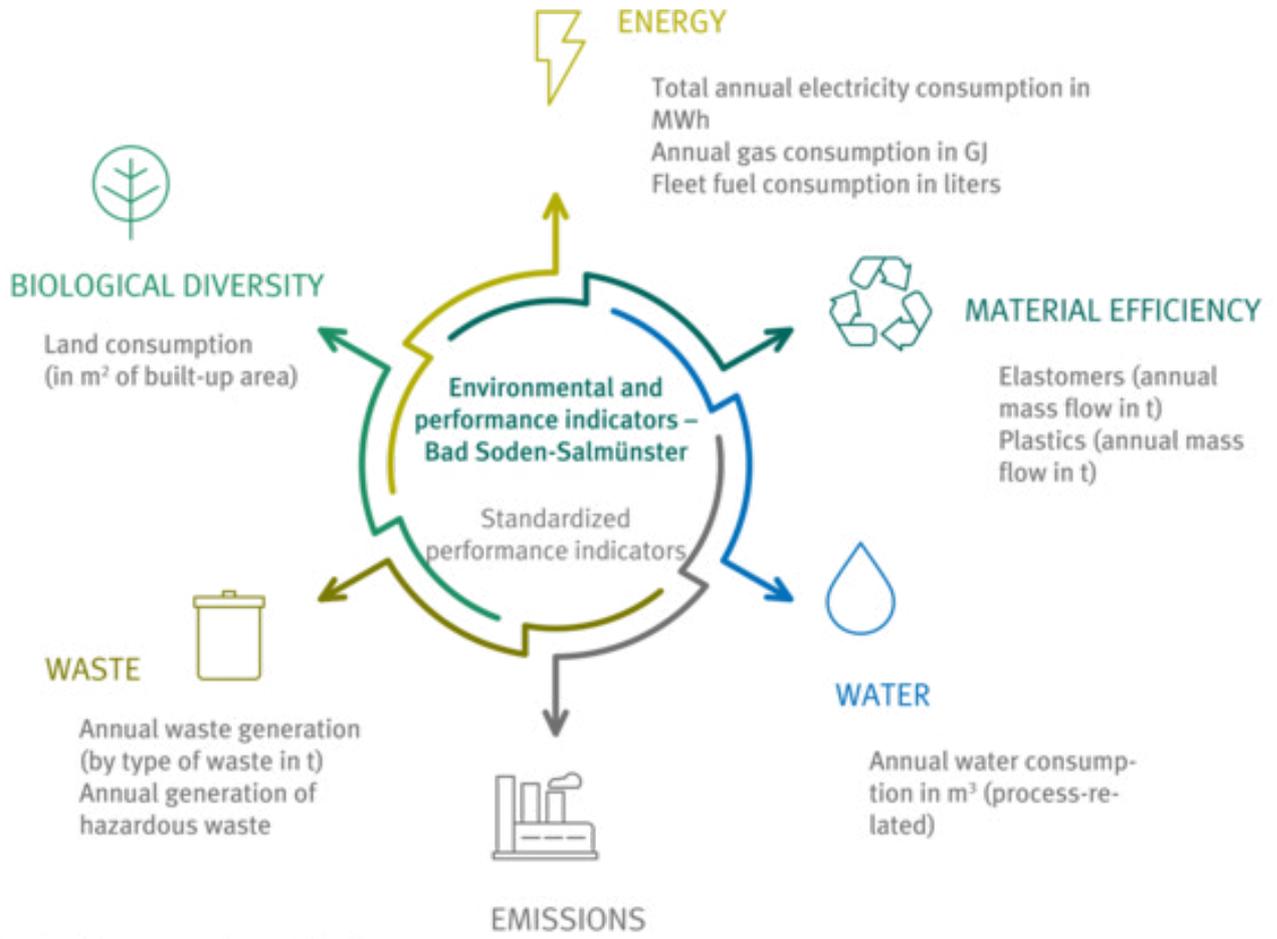


Figure 11: Examples of improved environmental performance (Environmental performance indicators – Bad Soden-Salmünster, focal environmental targets 2017, headquarters – Bad Soden-Salmünster and Group-wide)

Annual emissions from VOC production in kg and nitrogen oxides in t

¹⁰International Material Data System [explanation of acronyms and terminology]

Energy and environmental targets

Group-wide environmental and energy targets are in place and have been included in the respective plants' target agreements. Thanks to the wide-ranging spectrum of products, these targets create minimum standards that can be optimized depending on local conditions. Energy efficiency and management have always been elementary parts of these targets.

In concrete terms, the Woco Group has set itself the goal of reducing its specific energy input per turnover by an average of 1 percent per year. Following an increase in recent years, the indicator fell significantly between 2017 and 2018, which meant that we were able to meet the energy target last year (link Energy and Emissions). We have consistently pursued the reduction of waste volumes for years.

In addition, the locations develop their own environmental programs that are designed to act as plans of action for ensuring the achievement of Group environmental targets while also taking into account area- and location-specific targets. The environmental programs define measures, required funding, schedules and responsibilities.

The achievement of targets related to individual measures is regularly tracked and summarized in an internal management review. To do so, the effectiveness of environmental management in achieving our environmental targets is analyzed. If necessary, adjustments are made.

5.1 ENVIRONMENTAL IMPACT

Energy and environmental targets

The chart shows examples of measures introduced at the Bad Soden Salmünster site.

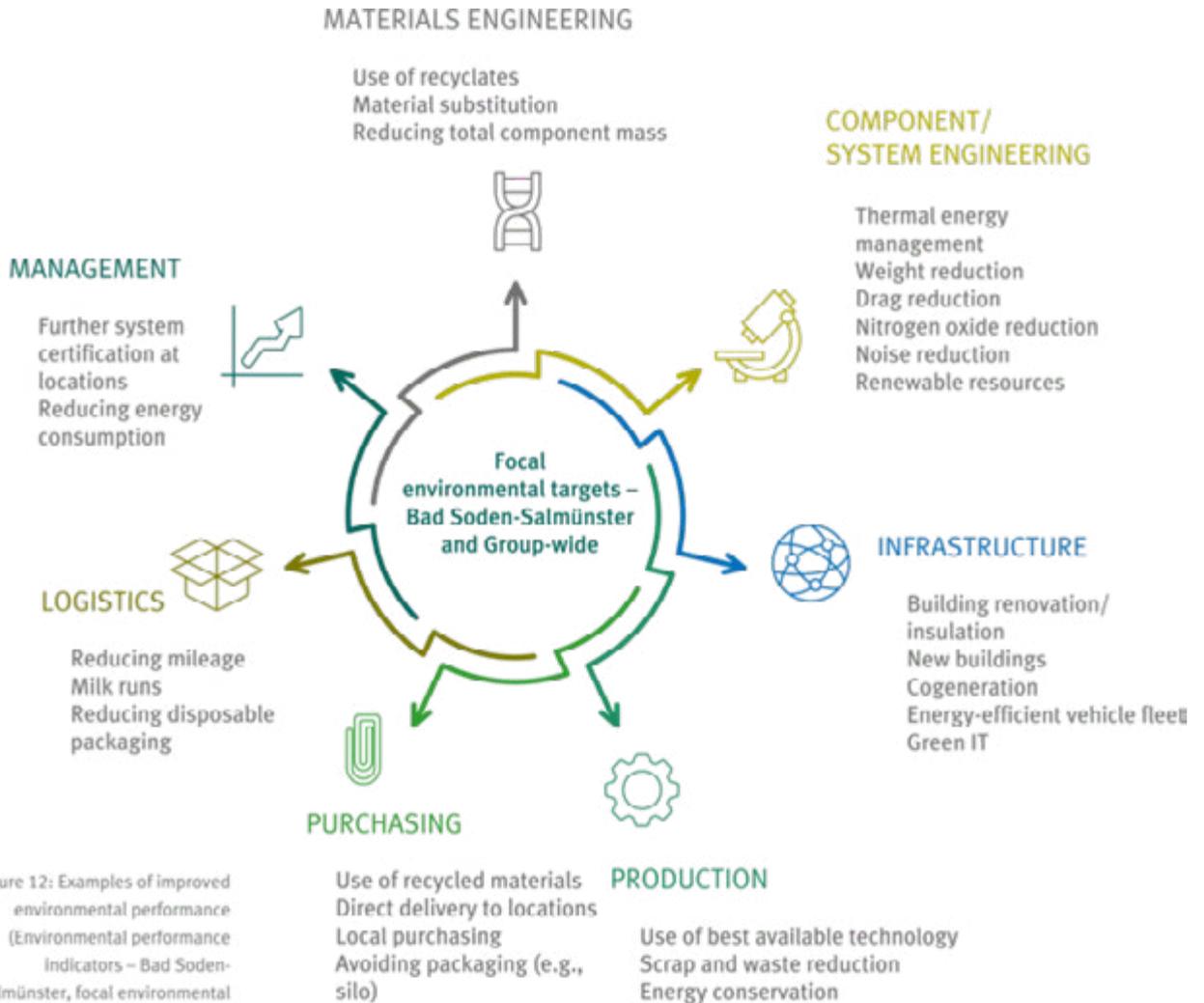


Figure 12: Examples of improved environmental performance (Environmental performance Indicators – Bad Soden-Salmünster, focal environmental targets 2017, headquarters – Bad Soden-Salmünster and Group-wide)

Product life cycle activities

Product life cycle requirements have been established in connection with the amendments to ISO 14001: 2015

We have therefore set out the relevant specifications and procedural instructions for each step in the life cycle of products.

The aim is to try to reduce transport distances where possible, place greater emphasis on reusable packaging and establish energy efficiency as a selection criterion in our purchasing activities with all suppliers.



Continuous improvement process

We strive to improve our environmental performance every year.

- We intend to successively obtain ISO 14001 certification for our new plants
- In the future, we will pay more attention to environmental aspects, especially in the area of research and development, in order to move step-by-step toward meeting the requirements of a circular economy. In materials development, we aim to develop new compounds and processes.

5.2 CLIMATE MANAGEMENT

Climate management: Energy and emissions

Limiting the impact of climate change is one of the greatest challenges of our time. With the adoption of the Paris Climate Convention in 2015, it was decided to limit global warming to 2 degrees Celsius. A total of 196 countries agreed to this target.

As a company, we are called upon to take the challenges this entails into account in our business model and to position

ourselves for the future. The automotive industry is a particular focus of public attention when it comes to emissions, giving rise to numerous legal, technological, market-related and reputational risks. Woco's strategy aims to take appropriate measures to reduce these risks while tapping into new business opportunities.

Energy consumption

The production and treatment of plastic parts requires electrical energy to heat plastics processing tools. Additional significant processes include the vulcanization of elastomers and assembly.

As a result, electricity consumption is determined by direct energy consumption related to manufacturing equipment and by secondary consumers related to compressed air and lighting, for example. Storage and office buildings, as well as the vehicle fleet's fuel consumption, play a less significant role.

Processes and industries with relatively high energy needs, such as the production of plastic raw materials or metal products, also play a role in

Woco's supply chain. Woco attaches great importance to sustainable procurement so as to minimize the resulting environmental impact to the greatest extent possible.

The following table shows the consumption of fuels, electricity and district heating in fiscal year 2018:

The consumption figures were measured directly at the corresponding sites of the locations in kWh or multiples thereof, or were demonstrated through consumption billing by energy providers. Conversion into units of energy was necessary only for fuel consumption (diesel fuel: 1 l = 10 kWh). The total energy consumption of 122,713 MWh corresponds to 442 TJ.

Energy consumption in 2018	
Diesel	3,313 MWh
Petrol	430 MWh
Natural gas	8,615 MWh
LPG	963 MWh
Heating Oil	485 MWh
Electricity	105,637 MWh
District heating	3,270 MWh
Total	122,713 MWh

Energy generation

Woco operates four cogeneration plants at its Bad Soden-Salmünster and Steinau locations for the highly efficient, combined generation of heat and electricity. These plants were used to generate a total of 1,086 MWh of power in 2018 for consumption within the company. As a result, the company did not obtain a significant amount of energy from external sources. Woco obtains its electricity from regional and/or national suppliers. The electricity mix corresponds to

supplier-specific standards. At the present time, Woco does not yet purchase or generate electricity from renewable sources.

It is not yet possible to precisely determine the share of electricity generated by renewable energy due to regional and time-related variation, such as the share of renewable energy in the electricity mix or the share of biodiesel.

Energy efficiency in focus

Each location independently develops and implements energy efficiency measures, albeit according to Group-wide criteria that are based on ISO 50001 standards. These standards include identifying and prioritizing potential, analyzing feasibility, and implementing and evaluating measures already taken with regard to the use of fuels, heat generation and electricity consumption.

Employees are sensitized through the work instruction on energy-efficient conduct that applies at all Woco Group locations. However, the reporting and combination of individual measures at Group level will need to be expanded in the future. As a result, aggregated data on the measures taken is available for just three main locations (Bad Soden-Salmünster, Kronach and Vsetín) for 2018. The 14 measures taken there in 2018 saved a total of some 2,250 metric tons of CO₂e over the year with regard to both electricity and the use of fuels.

Greenhouse gas emission management

Since fiscal year 2016, the Woco Group has calculated its corporate carbon footprint, including the relevant upstream and downstream indirect emissions. The corporate carbon footprint was calculated in cooperation with DFGE – Institute for Energy, Ecology and Economy in accordance with the standards of the Greenhouse Gas Protocol (GHG Protocol):

- Covered: direct emissions from owned or controlled sources (Scope 1), indirect emissions from the generation of purchased energy (Scope 2) and other relevant indirect emissions (Scope 3)
- Greenhouse gases examined: CO₂ and CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. All emissions are presented in CO₂ equivalents (CO₂e)
- Reference period: 2018 calendar year
- Consolidation approach: operational control (excluding minority interests)
- No relevant biogenic emissions

The following table shows the emissions from Scope 1, 2 and 3 for fiscal year 2018.

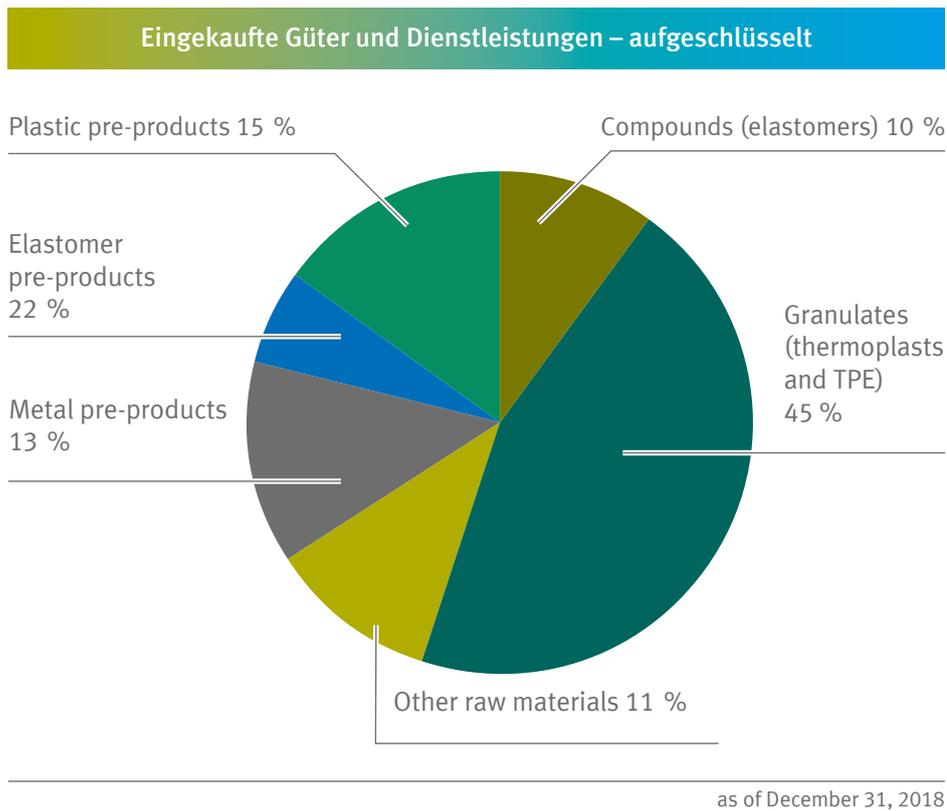
Carbon footprint 2018		
Category	t CO ₂ e	Share
Combustion – vehicles (owned or controlled)	1,171	>1 %
Energy consumption	2,414	>1 %
Sum Scope 1	3,585	1 %
Purchased electricity (location-based)*	66,217	13 %
Purchased heating	734	>1 %
Sum Scope 2**	66,951	13 %
Purchased goods and services	373,007	75 %
Capital goods	23,655	5 %
Waste generation in operations	482	>1 %
Business travel	1,346	>1 %
Employee commuting	8,776	2 %
Downstream transportation and distribution	19,442	4 %
Sum Scope 3	426,709	86 %
	497,245	100 %
* Purchased electricity (location-based)	64,950	
** Sum Scope 2 (market-based)	65,684	

5.2 CLIMATE MANAGEMENT

Greenhouse gas emission management

The high share of emissions generated during the production of the materials and pre-products purchased by Woco is typical for manufacturing companies. Although the data is associated with substantial uncertainty on account of the inconsistent data

basis, the significance of the supply chain is undeniable. The chart below shows the breakdown of the category “Purchased goods and services.”



Further relevant items in Scope 3 include employee commuting, investments and logistics-related emissions.

Woco will review opportunities to exert influence in the various categories and define measures and targets if necessary in the year ahead. The CO₂ intensity of business operations is an important key performance indicator in this context, as it is capable of providing information about progress regardless of changes in factors such as production volume. Emissions per unit of sales quantities for recent years are presented in the table below.

Emissions per unit of sales quantities	2016	2017	2018	Unit
Scope 1 + 2	100	104	106	t CO ₂ e / Mio. EUR
Scope 1 + 2 + 3	798	883	747	t CO ₂ e / Mio. EUR

as of December 31, 2018

While the emissions intensity of Scope 1 and Scope 2 per turnover has risen by 6 percent since 2016, the intensity of Scopes 1, 2 and 3 has declined. This is due to several factors that are primarily structural in nature. In recent years, Woco has commissioned several production plants, initially increasing emissions in Scope 1 and Scope 2 without being immediately reflected in turnover. In the case of Scope 3, the data basis for what is by far the most important category, “Purchased goods and services,” has been significantly improved. This further reduces the range of the result while also making it difficult to compare the figures over the years.

Uncertainty of carbon footprint findings

Due to the quality and coverage of the input, the overall findings are subject to uncertainty of +/- 15 to 30 percent. The Scope 1 and 2 emission levels are significantly more accurate on account of precise readings for all criteria.

The findings on logistics-related emissions and employee commuting are based almost entirely on comprehensive, specially compiled company data, making them sufficiently precise. The range of the most important

Scope 3 category – “Purchased goods and services” – was also significantly improved in 2018, which has had a positive impact on the overall range of the carbon footprint.

All told, the precision of the findings is sufficient for company-wide emission management. However, the data basis and precision for key items is to be gradually improved further in the future.



Examples – logistics and supply chain, company cars

Logistics emissions account for only a small proportion of indirect emissions, but there are comparatively concrete points of reference here. The overarching goal in this area is to increase the proportion of [regional procurement][04-03], thereby reducing transport distances and emissions.

We are largely bound to customer requirements when it comes to outbound shipments, which places demands in terms of transportation and destinations.

We have introduced an ongoing process to review our established structures in order to make our logistics processes and projects more sustainable. By making changes to customer supply at our plant in Eisenach, for example, we were able to save some 15,750 kilometers in total. This makes for a saving of

some 3.5 metric tons of CO₂ equivalents. By shifting production stages, we were able to avoid an additional 199,100 kilometers of transported air freight in 2018 – a saving of some 15.7 metric tons of CO₂ equivalents.

When it comes to the transport packaging we use, we aim to increase the share of recycled materials.

In 2019, we will also be doing more to promote the use of electric company cars in addition to the electric vehicles already in use. The first vehicles will most likely be used as personally assigned company cars in the middle of the year. We are also in talks with the local electricity provider to set up charging infrastructures at the Bad Soden headquarters that can also be used by private individuals.

5.2 CLIMATE MANAGEMENT

Reporting: CDP climate change supply chain program

Since 2017, Woco has reported to the CDP Supply Chain Program in the area of climate change. As part of this, we provide customers with detailed information about emissions data and management, reduction activities, and the opportunities and risks that climate change presents in relation to our business.

CDP reporting is crucial to Woco's sustainability activities, since it supports emissions management and structures the evaluation of opportunities and risks associated with climate change. We see risks primarily in relation to existing and upcoming regulation, such as the EU directive on limiting automobile fleet emissions. As a supplier of components that directly or indirectly influence the energy consumption of vehicles, Woco is called

upon to adapt to this development.

At the same time, we see considerable opportunities arising from the steadily growing demand for vehicles with alternative drive systems (e.g., electric mobility), since we manufacture the components required for them (such as thermal management modules for e-cars). Last year we launched our new business unit New Energy Vehicles (NEV), the aim of which is to provide support for putting our own product developments into regular production.

CDP awarded Woco a performance score of B in 2018. This means that we improved considerably compared to the previous year (2017 score: C) and are well above our average peer group rating of D.

Woco: CDP climate score



Science-based targets (SBT)

For the years ahead, we aim to set long-term, Group-wide targets for energy and emission reduction. Our objective is to determine what the Woco Group can do to rise to the responsibility associated with the 2-degree target stipulated under the Paris Agreement. To do so, we plan to look to the concept of science-based targets for guidance.

The following activities took place to convey the requirements arising from the science-based targets for the Woco Group:

- In May 2018, the Woco Group's core sustainability team explained the topic for the first time with the involvement of external support.
- In November 2018, the core sustainability team presented and explained the target paths for achieving the science-based climate targets.
- We will evaluate implementation options so as to be able to determine the further procedure in fall 2019

Continuous improvement process

- By regularly participating in the CDP Supply Chain Program Climate Change, we have established a comprehensive climate management system. In the next few years we will further optimize data collection.
- In fall 2019, another workshop will be held to explain concrete implementation options for the science-based targets. In the context of the global climate agreement, we will determine how quickly and to what extent we need to reduce our greenhouse gas emissions in order to limit global warming to less than 2 degrees Celsius. To this end, we will use a climate management tool (software) to evaluate implementation options with regard to concrete savings targets and determine how to proceed.
- In this context, the question of how economic and regulatory conditions will change in the foreseeable future and how Woco is preparing for these challenges is also of great interest to Woco and our stakeholders. Here we plan to increase our efforts to combine the planning and scenario analyses already in existence at the company and actively engage our stakeholders.
- In order to improve our emissions footprint, we are planning to purchase green electricity in the medium term. In preparation for this, we will also be exchanging information with competitors with regard to procedures, options and difficulties.

5.3 USE OF RESOURCES

Use of resources (water, waste and biodiversity)

In addition to its commitment in the areas of energy and emissions as prioritized in connection with the [stakeholder survey][01-03], Woco is also working on reducing its

environmental impact in other areas. We strive to reduce the volume of waste produced, save water, promote biodiversity and minimize land sealing, for example.

Minimizing waste to save resources

The economical use of materials and appropriate recycling of waste have always played an instrumental role in our environmental protection efforts. The Woco Group draws up waste statistics to visualize the development of waste output and reuse. In the interest of meeting the future demands of a circular economy, we gather information on the use of recyclable and non-recyclable problem materials in order to derive further measures.

The analysis of this information has revealed that over 80 percent of non-hazardous waste is separated by material and recycled, wherever possible. The recycling share is recorded by means of an input-output balance sheet that is drawn up on an annual basis.

Handling of hazardous substances is regulated by ISO 14001. We regularly review the necessity of using hazardous substances and try to exclude or reduce their use as far as possible.

Increasing resource efficiency will become more and more important in the years to come as the availability of certain raw materials declines. The sensible use and increased recyclability of materials is therefore of growing importance. A key evaluation criterion for this is consideration of the entire life cycle of different materials, using a life cycle analysis or life cycle assessment.

The Woco Group has set itself the goal of reducing the waste generation per sales revenue and change in inventory on an annual basis. The measures for achieving this goal are implemented at the plants, while goal achievement is evaluated in the annual management review. The trend in terms of waste generation reduction is positive overall. In 2018, however, sizeable storage areas had to be cleared due to the extensive construction measures, which meant it was not possible to meet the target this year. Since this is a one-off effect, we are optimistic about meeting the target next year.

5.3 USE OF RESOURCES

Water management at Woco

Water crises have become one of the greatest global risks to the economy and indeed to society at large. Especially in view of climate change, companies are called upon to assume responsibility and take the initiative in tackling water consumption and pollution. Woco is committed to supporting sustainable development as defined in the sixth Sustainable Development Goal.

Woco uses water to clean produced parts and for cooling during plastic production; essentially, however, the production process at Woco does not require large quantities of fresh water, which is why we do not see any substantial risks to the water supply. Furthermore, production in the upstream and downstream supply chain does not depend on large quantities of water.



Last year, we used the Aqueduct tool to analyze which of our plants are located in water stress areas. Using a specially tailored questionnaire, we ask the relevant plants to submit specific water-related key indicators every year in order to determine specific risk exposure and take measures to reduce it.

Since 2018, Woco has also participated in CDP Water; in the first year, we achieved a rating of B-, which is above the sector average. We will continue to participate in CDP Water in this year and in the coming years as we strive to improve our rating further.

Water usage by region

Region	Water usage in m ³ in 2018
Americas	8,348
Asia	38,737
Europe	45,527
Total	92,610

Our commitment in the area of water can be illustrated with a number of examples:

Taking early action when planning new plants

Mexico: Lagos de Moreno location

Our new site is located in a region with a steppe climate. Precipitation is scarce all year round. The average annual precipitation is 603 mm. In view of the situation, we implemented certain measures to take these conditions into account during construction. In Lagos de Moreno, the new building has been equipped with a rainwater harvesting system. The site also has a well and a 32 m³ tank under the building that provides water for the cooling system. The firefighting water tank has a storage volume of 110 m³.

Optimizing existing processes – saving resources and money

UAE: Woco Tech Ltd. (FZC), Sharjah

An analysis of existing processes revealed the process with the greatest potential impact and the measures necessary to achieve improvement. In the future, we plan to expand the individual measures to develop a comprehensive approach to water management.

An analysis of existing processes revealed the process with the greatest potential impact and the measures necessary to achieve improvement. In the future, we plan to expand the individual measures to develop a comprehensive approach to water management.

Prior to the installation of a three-level water tank for recycling water in certain production processes, the costs stood at 23,000 euros a year. Following installation of the new process, costs stand at roughly 4,600 euros a year.

Infrastructure from the point of view of biodiversity

Preserving biological diversity poses a challenge on a similar scale to that of climate change. The need for action is borne out by the latest report published by the World Biodiversity Council in 2019, which states that some one million animal and plant species are now under threat of extinction. Ecosystem diversity secures the foundation of our very existence: healthy food, clean water, fertile soils and a balanced climate.

For this reason, companies, governments and society at large are called upon to consider their actions and how these impact on nature, identify risks and come up with solutions. The built environment has a substantial influence on ecosystem diversity (ecological communities, habitats and landscapes), species diversity and genetic diversity. Land use destroys precious natural space, no matter what. To the extent possible, we examine how we as a company can contribute to the preservation of biodiversity when it comes to our own land use.

Reducing land consumption and considering ways to design remaining surfaces and buildings with efficiency in mind play a central role. We reduce land consumption by introducing high-bay warehouses or reducing inventories, thereby optimizing storage space. In addition to reducing land consumption, we also aim to keep an eye on the degree of soil sealing.

Woco has launched various initiatives aimed at preserving biological diversity. By redesigning our company premises in a nature-friendly manner, we are able to create habitats and food sources for endangered animal and plant species:

- In 2018, a 3,300 m² green area in Bad-Soden-Salmünster was sown with a flowering meadow for bees and insects. In addition, we will ensure that the trees are selected for intense and long flowering.
- As part of the expansion plans in Kronach, an additional employee parking lot was built that was designed to harmonize with the natural surroundings. The key criteria in selecting trees, shrubs and perennials were “indigenous and insect-friendly.” We have established differentiated areas and introduced modified facility maintenance. In order to reduce land sealing here as much as possible, most of the rainwater is able to seep away. The parking lot is illuminated using LED technology, while there are also plans to provide charging facilities for electric cars. In the run-up to the project, an exchange of information on the subject of “nature-oriented design” took place with the municipal authorities of Kronach as a stakeholder in order to present the changed demands of our green spaces.
- The range of organic products on offer in our cafeteria is to be successively expanded at the end of 2019 and the beginning of 2020. The focus here is primarily on organic products that are readily available on a seasonal basis.

We are actively involving our employees in this process. On our central information platform, for example, we have posted information on the subject of biodiversity that can be accessed by everyone. We also report on the importance of our biodiversity initiatives in our internal magazine “Wir bei Woco,” and at our Bad-Soden Salmünster site there is a signpost that explains the importance of our flowering meadow.

Building planning from the perspective of resource conservation

When it comes to their own buildings, companies have the ability to make an immediate difference through their decisions and support efforts to conserve natural resources. This covers all aspects of environmental protection directly impacted by their own facilities.

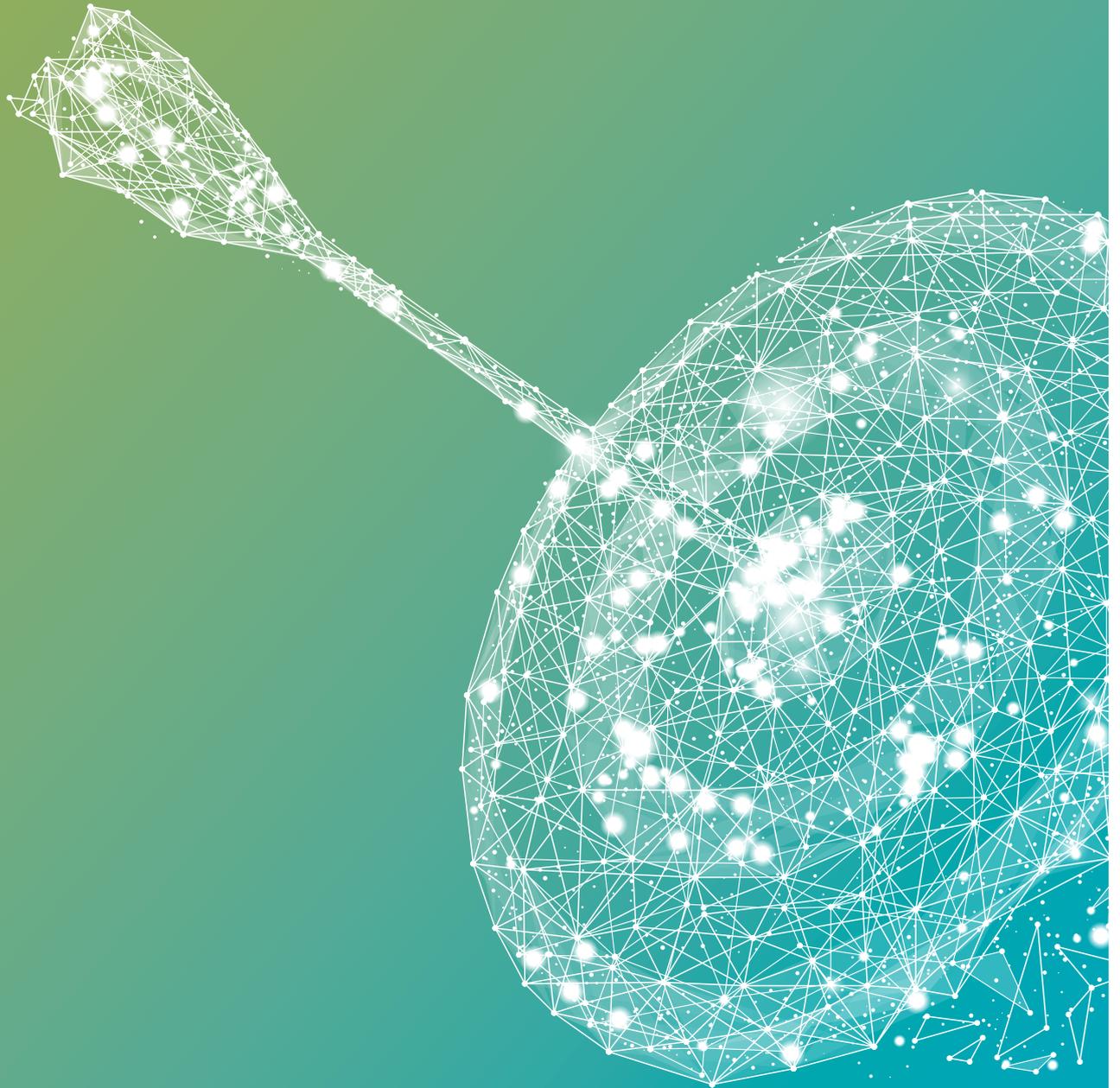
Example: new development center Bad Soden-Salmünster

- Thermal insulation and building envelope: When it comes to protection against summer heat and winter cold, we have tried to exceed the legally binding standards of the German Energy Saving Ordinance (Energieeinsparverordnung – EnEV), allowing us to ensure even better thermal insulation and reduce consumption. The values are below those required under the EnEV – in some cases by 40 %.
- Heating: We did not build a new heating system, instead choosing to focus on expanding an existing system in a neighboring building. A cascade solution makes it possible to use additional burners individually.
- Ventilation: The ventilation system is fully capable of heat recovery. To a limited extent, the underfloor heating system can be used for cooling. The cooling units in the large conference rooms can be switched on individually as needed.
- Grounds: Sections of the fire lanes have been paved with permeable gravel. In addition to these necessary surfaces for vehicles, we aim to counteract soil sealing through plantings or unsealed surfaces.

5.3 USE OF RESOURCES

Continuous improvement process

- We continue to participate in the CDP Water Security program and are expanding the existing database on an ongoing basis. In addition, we aim to raise awareness of this issue among our employees.
- We are striving to reduce waste generation per sales revenue and inventory change.
- We will review our sites with regard to their proximity to nature conservation areas and use these findings to develop a further course of action.



06

GRI-Index

Global Reporting Initiative (Standards)

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SUSTAINABILITY REPORT 2019

Proof of the required information disclosed – GRI-Standards (Global Reporting Initiative)

The Woco Group's sustainability report was prepared according to the guidelines of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards: Core option. The GRI Content Index shows where the Disclosures defined by the GRI can be found in the report.

General Disclosures

GRI-Standard	Disclosure	Description	Linking	Comment
102	1	Name of the organization	01: Foreword – About Woco	
102	2	Activities, brands, products, and services	see: Woco Group	
102	3	Location of headquarters	see: Facts & figures	
102	4	Location of operations	see Woco Worldwide	
102	5	Ownership and legal form	01: Foreword – About Woco	
102	6	Markets served	01: Foreword – About Woco	
102	7	Scale of the organization	Revenue, total number of employees: Facts & figures other information: iv. No total capitalization was made v. Due to the large number and diversity of the different product groups, no total quantity is available	The joint ventures are also included in the presentation of the sales development – we have not taken them into account as a reference for the sustainability report
102	8	Information on employees and other workers	03: Woco employees worldwide	a. Due to current data capture it is not possible for us to provide a breakdown by gender. c. Due to current data capture, it is not yet possible for us to break down employee type by gender. d. Only an insignificant amount of business activities are being taken over by non-employees. e. No significant deviations from Disclosures 102-8-a, 102-8-b and 102-8-c
102	9	Supply chain	04: Sustainable procurement – purchasing and dialogue in the supply chain	
102	10	Significant changes to the organization and its supply chain	i) History ii) 01: Governance structure iii) No changes	
102	11	Precautionary Principle or approach	04: Products – Principles and directives 05: Environmental impacts – Environmental policy	
102	12	External initiatives	01: Sustainability management – Support for external initiatives	
102	13	Membership of associations	01: Sustainability management – Support for external initiatives	
102	14	Statement from senior decision-maker	01: Foreword – Dear Readers	
102	16	Values, principles, standards, and norms of behavior	01: Sustainability management – Principles and guidelines	
102	18	Governance structure	a. 01: Foreword – Governance structure b. 01: Sustainability management – Structures and responsibilities	
102	40	List of stakeholder groups	01: About this report – Determining the contents of the report based on the GRI Reporting Principles	

6. Sustainability report 2019 – Evidence of the required disclosures | 59

GRI-Standard	Disclosure	Description	Linking	Comment
102	41	Collective bargaining agreements		Woco is bound by the applicable collective bargaining agreements by region and country. In countries where collective bargaining agreements are in force, we adhere to the respective country-specific minimum requirements. Due to the heterogeneous requirements, Woco does not maintain statistics on the percentage of employees who are employed under existing collective bargaining agreements.
102	42	Identifying and selecting stakeholders	01: About this report – Determining the contents of the report based on the GRI Reporting Principles	
102	43	Approach to stakeholder engagement	01: About this report – Determining the contents of the report based on the GRI Reporting Principles	
102	44	Key topics and concerns raised	01: About this report – Determining the contents of the report based on the GRI Reporting Principles 01: Materiality matrix	
102	45	Entities included in the consolidated financial statements	01: About this report – Frame of reference	
102	46	Defining report content and topic Boundaries	01: About this report – Determining the contents of the report based on the GRI Reporting Principles	
102	47	List of material topics	01: Materiality matrix	
102	48	Restatements of information		No restatements from previous reports
102	49	Changes in reporting		There are no significant changes from previous reporting periods in the list of key issues and boundaries of topics
102	50	Reporting period	01: About this report – Reporting period	
102	51	Date of most recent report		The previous report was published in spring 2018 and is available at https://www.wocogroup.com/en/company/woco/sustainability/sustainability-report-2017
102	52	Reporting cycle	01: About this report – Reporting period	
102	53	Contact point for questions regarding the report		If you have any questions about the report or its contents, please contact Ms Konrad-Schwämmlein (Sustainability Management) at skonradschwaemmlein[at]de.wocogroup.com
102	54	Claims of reporting in accordance with the GRI Standards	01: About this report 06: GRI Content Index	
102	55	GRI content index	06: GRI Content Index	
102	56	External assurance	a. 01: About this report – Determining the contents of the report based on the GRI Reporting Principles b. 01: About this report – Determining the contents of the report based on the GRI Reporting Principles – this report has not been subject to an external audit	

Topic-specific Standards

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Anti-corruption							
103	1	Explanation of the material topic and its Boundary	02: Compliance 02: Corruption	material	complete		
103	2	The management approach and its components	02: Compliance 02: Corruption	material	complete		
103	3	Evaluation of the management approach	02: Compliance 02: Corruption	material	complete		
205	2	Communication and training about anti-corruption policies and procedures	02: Compliance 04: Sustainable procurement	material	partial	a./b./d./e. 100% of all employees were trained, as were 100% of the group management. The regional breakdown thus corresponds to the number of employees, see 102-8. No statistics are kept on the regional breakdown of Group management. c. 100% of suppliers worldwide, via Woco Code of Conduct for Suppliers. Other business partners have not been addressed separately so far.	
Anti-competitive behavior							
103	1	Explanation of the material topic and its Boundary	02: Compliance 02: Corruption	material	complete	b. The description of the areas relevant to the topic corresponds to the coverage of the Code of Conduct, described under Compliance	
103	2	The management approach and its components	02: Compliance 02: Corruption	material	complete		
103	3	Evaluation of the management approach	02: Compliance 02: Corruption	material	complete		
206	1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		material	excluded		Information cannot be explained for reasons of confidentiality.
Materials							
103	1	Explanation of the material topic and its Boundary	04: Sustainable procurement	material	complete	The topic is assigned to the general topic „sustainable products“ in the materiality matrix	
103	2	The management approach and its components	04: Sustainable procurement	material	complete		
103	3	Evaluation of the management approach	04: Sustainable procurement	material	complete		
301	1	Materials used by weight or volume	04: Sustainable procurement	material	complete		
301	2	Recycled input materials used	04: Sustainable procurement	material	complete		

6. Sustainability report 2019 – Evidence of the required disclosures | 61

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Energy							
103	1	Explanation of the material topic and its Boundary	05: Climate management	material	complete	The topic is assigned to the general topic „Energy and emissions“ in the materiality matrix	
103	2	The management approach and its components	05: Climate management	material	complete		
103	3	Evaluation of the management approach	05: Climate management	material	complete		
302	1	Energy consumption within the organization	05: Climate management	material	complete	c. iii-iv/d iii-iv: No cooling/steam consumption f. No specific standards/tools used g. No conversion factors used	
302	4	Reduction of energy consumption	05: Climate management	material	partial	As of now, only two locations have been integrated into the group-wide monitoring	
Water							
103	2	The management approach and its components	05: Use of resources	not material	partial		
303	1	Interactions with water as a shared resource		not material	partial	Water supply not according to water origin differentiated	Information not available
Biodiversity							
103	2	The management approach and its components	05: Use of resources	not material	partial		
Emissions							
103	1	Explanation of the material topic and its Boundary	05: Climate management	material	complete	The topic is assigned to the general topic „Energy and emissions“ in the materiality matrix	
103	2	The management approach and its components	05: Climate management	material	complete		
103	3	Evaluation of the management approach	05: Climate management	material	complete		
305	1	Direct (Scope 1) GHG emissions	05: Climate management	material	complete	e. Emission factors mainly taken from DEFRA 2017 and EN 16258, GWP analogous to IPCC Fifth Assessment Report. Details on request.	
305	2	Energy indirect (Scope 2) GHG emissions	05: Climate management	material	complete	See comment 305-1	
305	3	Other indirect (Scope 3) GHG emissions	05: Climate management	material	complete	See comment 305-1	
305	4	GHG emissions intensity	05: Climate management	material	complete		
305	5	Reduction of GHG emissions	05: Climate management	material	complete		

6. Sustainability report 2019 – Evidence of the required disclosures | 62

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Effluents and waste							
103	2	The management approach and its components	05: Use of resources	not material	partial		
Environmental compliance							
103	1	Explanation of the material topic and its Boundary	02: Compliance	material	complete	complete	
103	2	The management approach and its components	02: Compliance	material	complete		
103	3	Evaluation of the management approach	02: Compliance	material	complete		
307	1	Non-compliance with environmental laws and regulations	02: Compliance	material	complete		
Supplier environmental assessment							
103	1	Explanation of the material topic and its Boundary	02: Compliance	material	complete		
103	2	The management approach and its components	02: Compliance	material	complete		
103	3	Evaluation of the management approach	02: Compliance	material	complete		
308	2	Negative environmental impacts in the supply chain and actions taken	04: Sustainable procurement	material	partial	b./c./d./e.: Our supplier evaluation program is still in development. Corresponding measures and queries should be available from 2018	Information not available
Employment							
103	1	Explanation of the material topic and its Boundary	03: Employment and working conditions	material	complete		
103	2	The management approach and its components	03: Employment and working conditions	material	complete		
103	3	Evaluation of the management approach	03: Employment and working conditions	material	complete		
401	1	New employee hires and employee turnover	03: Employment and working conditions	material	partial	b. With regard to employee turnover, only new hires by region, gender and age as well as company service by gender and region are currently recorded.	

6. Sustainability report 2019 – Evidence of the required disclosures | 63

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Occupational health and safety							
103	1	Explanation of the material topic and its Boundary	03: Occupational health and safety	material	complete		
103	2	The management approach and its components	03: Occupational health and safety	material	complete		
103	3	Evaluation of the management approach	03: Occupational health and safety	material	complete		
403	1	Occupational health and safety management system	03: Occupational health and safety	material	complete	Internal occupational safety management at all locations with coverage of all workplaces, according to the respective legal requirements.	
403	2	Hazard identification, risk assessment, and incident investigation	03: Occupational health and safety	material	partial	Etailed information regarding sick leaves or types of accidents were at the time of the reporting not yet available.	Indicators such as the occupational illness rate, absence rate, work-related deaths and a breakdown by gender have not yet been collected on a site-specific basis.
Training and education							
103	1	Explanation of the material topic and its Boundary	03: Skilled specialists for Woco	material	complete		
103	2	The management approach and its components	03: Skilled specialists for Woco	material	complete		
103	3	Evaluation of the management approach	03: Skilled specialists for Woco	material	complete		
404	2	Programs for upgrading employee skills and transition assistance programs	03: Skilled specialists for Woco	not material	partial		Information not available
404	3	Percentage of employees receiving regular performance and career development reviews	03: Skilled specialists for Woco	not material	complete		
Diversity and equal opportunity							
103	1	Explanation of the material topic and its Boundary	03: Employment and working conditions	material	complete		
103	2	The management approach and its components	03: Employment and working conditions	material	complete		
103	3	Evaluation of the management approach	03: Employment and working conditions	material	complete		
405	2	Ratio of basic salary and remuneration of women to men		material	excluded		Information not available

6. Sustainability report 2019 – Evidence of the required disclosures | 64

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Non-discrimination							
103	1	Explanation of the material topic and its Boundary	03: Employment and working conditions	material	complete		
103	2	The management approach and its components	03: Employment and working conditions	material	complete		
103	3	Evaluation of the management approach	03: Employment and working conditions	material	complete		
406	1	Incidents of discrimination and corrective actions taken	03: Employment and working conditions	material	complete		
Child labor							
103	1	Explanation of the material topic and its Boundary	02: Human rights 04: Sustainable procurement	material	complete		
103	2	The management approach and its components	02: Human rights 04: Sustainable procurement	material	complete		
103	3	Evaluation of the management approach	02: Human rights 04: Sustainable procurement	material	complete		
408	1	Evaluation of the management approach Operations and suppliers at significant risk for incidents of child labor	02: Human rights 04: Sustainable procurement	material	partial	a./b. In order to sensitize the relevant departments on site, we have prepared documents for our major non-European (India, China, Mexico) and some European (Czech Republic, Romania, Spain) sites, which point out identified risks. Locations with increased risk are sensitized by Woco. We will intensify the dialog on social and ecological issues with appropriate suppliers. c. The purchasing department is regularly sensitized to sustainability issues. The documents on working conditions / human rights are presented and explained at our production sites on a monthly basis.	For confidentiality reasons, information on individual sites or suppliers with significant risk cannot be explained here.

6. Sustainability report 2019 – Evidence of the required disclosures | 65

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Forced or compulsory labor							
103	1	Explanation of the material topic and its Boundary	02: Human rights	material	complete		
103	2	The management approach and its components	02: Human rights	material	complete		
103	3	Evaluation of the management approach	02: Human rights	material	complete		
409	1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	02: Human rights	material	partial	a. In order to sensitize the relevant departments on site, we have prepared documents for our major non-European (India, China, Mexico) and some European (Czech Republic, Romania, Spain) sites that point out identified risks. Locations with increased risk are sensitized by Woco. We will intensify the dialog on social and ecological issues with appropriate suppliers. b. The purchasing department is regularly sensitized to sustainability issues. The documents on working conditions / human rights are presented and explained monthly at our production sites.	For confidentiality reasons, information on individual sites or suppliers with significant risk cannot be explained here.
Human rights assessment							
103	1	Explanation of the material topic and its Boundary	02: Human rights 03: Employment and working conditions	material	complete		
103	2	The management approach and its components	02: Human rights 03: Employment and working conditions	material	complete		
103	3	Evaluation of the management approach	02: Human rights 03: Employment and working conditions	material	complete		
412	2	Employee training on human rights policies or procedures	02: Human rights	material	partial	a. Figures on total number of hours not available	
Supplier social assessment							
103	1	Explanation of the material topic and its Boundary	04: Sustainable procurement	material	complete		
103	2	The management approach and its components	04: Sustainable procurement	material	complete		
103	3	Evaluation of the management approach	04: Sustainable procurement	material	complete		
414	1	New suppliers that were screened using social criteria	04: Sustainable procurement	material	complete		

6. Sustainability report 2019 – Evidence of the required disclosures | 66

GRI-Standard	Disclosure	Description	Linking	Materiality	Completeness	Comment	Reasons for omission
Customer health and safety							
103	1	Explanation of the material topic and its Boundary	04: Innovations and product safety	material	complete		
103	2	The management approach and its components	04: Innovations and product safety	material	complete		
103	3	Evaluation of the management approach	04: Innovations and product safety	material	complete		
416	1	Assessment of the health and safety impacts of product and service categories	04: Innovations and product safety	material	complete		
416	2	Incidents of non-compliance concerning the health and safety impacts of products and services		material	excluded	Due to the sensitive nature of this data in connection with competitors, they cannot be published	Not explained for reasons of confidentiality
Socioeconomic compliance							
103	1	Explanation of the material topic and its Boundary	02: Compliance 03: Employment and working conditions	material	complete		
103	2	The management approach and its components	02: Compliance 03: Employment and working conditions	material	complete		
103	3	Evaluation of the management approach	02: Compliance 03: Employment and working conditions	material	complete		
419	1	Non-compliance with laws and regulations in the social and economic area	02: Compliance 03: Employment and working conditions	material	complete		



Acknowledgement and contact options

We would like to thank everyone involved in preparing the Woco Group's first sustainability report, both within the company and externally. Our special thanks go out to the respondents to the stakeholder survey.

The second Woco sustainability report is scheduled for publication in 2019. After that, a new version will be released every two years. Until then, we look forward to your questions, feedback and comments.

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