



MIXING GROUP



**Sustainability Report of  
Harburg-Freudenberger  
Maschinenbau GmbH  
Site:  
Freudenberg, Germany**

Reporting period: 2014



## **Content**

<b>About this report</b>	<b>3</b>
<b>Our mission statement</b>	<b>4</b>
<b>Our values</b>	<b>6</b>
<b>Our company profile</b>	<b>7</b>
<b>Our products</b>	<b>11</b>
<b>Our purchasing</b>	<b>13</b>
<b>Our environmental management</b>	<b>17</b>
<b>Our energy management</b>	<b>21</b>
<b>Our occupational health and safety and fire safety measures</b>	<b>24</b>
<b>Our social engagement</b>	<b>25</b>
<b>Our health management</b>	<b>27</b>
<b>Our training concept</b>	<b>30</b>
<b>Ethics and integrity – our Code of Conduct</b>	<b>35</b>



## About this report

This sustainability report for the Freudenberg (Germany) plant is Harburg-Freudenberger Maschinenbau GmbH's first sustainability report.

The report relates to the fiscal year 2014 (01/01/2014 – 31/12/2014) and is addressed to our customers, employees and suppliers, as well as all other stakeholders with an interest in our company.

This report is aimed at providing transparency. The report is aimed not only at providing an overview of our current activities, but also an insight into areas in which we have identified potential for improvement in future.

This sustainability report is our first report of its kind; it contains standard information from the GRI Sustainability Reporting Guidelines. We do not intend to have our sustainability report audited externally.

It is our intention to prepare such a report annually.

Should you have any questions regarding our sustainability report or its content, please contact Ms Nadine Massuard ([nadine.massuard@hf-group.com](mailto:nadine.massuard@hf-group.com)).

A handwritten signature in black ink, appearing to read 'Limper'.

Prof.-Dr. Ing. Andreas Limper  
Board of Management

A handwritten signature in blue ink, appearing to read 'M. Meulbroek'.

Mark Meulbroek  
Board of Management



## Our mission statement

### The company's goal

Mankind is facing some serious challenges. Population growth and increasing global demand for mobility mean that there is significant need for development in transportation, especially motor vehicles. At the same time, we are facing decreasing availability of fossil fuels.

The efficient use of raw materials to minimise the amounts of resources used are challenges that our company has decided to address. The HF MIXING GROUP provides the market with mixing solutions.

### Strategic orientation

**Customer orientation:** The close partnership with our customers is a key part of our company philosophy. Being reliable, quick to react and easy to reach are central to our relationships with our customers. We are dedicated to sustainable, mutually profitable relationships. This is why we value long-term, **sustainable** partnerships above maximising profits in the short-term. We put the right team into place for our customer relationships/projects. We are able to draw on a worldwide pool of over 1,200 employees to put together multinational, multicultural teams to process customer orders. Local contact people at our foreign subsidiaries or local partners have access to the holding companies' or other group business units' specialists. We strive to find uncomplicated and pragmatic solutions to our customers' problems. Our decentralised structure allows us to provide optimised processes. The hierarchical structures at HF are flat, we communicate openly and do not have long, complicated decision-making processes. Our unbureaucratic structures allow our company to respond to our customers' needs with quick, solution-oriented action.

**Process orientation:** We support our customers through their value addition processes, providing them with specialists with various different qualifications and backgrounds. It is our goal to achieve ongoing improvement in the efficiency and environmental sustainability of our mixing processes, through innovation and by harnessing our employees' **passion**. To do this, we employ new engineering, IT, automation and material technologies. Our target-oriented approach is based on a profound understanding of our customers' processes and needs. Using our modern technology, we are able to develop practical solutions, test them and demonstrate them to our customers. Our customers have access to highly-qualified teams of technicians and engineers. Our process specialists also test and commission our customers' systems to ensure that good technology actually results in good production.



**MIXING GROUP**

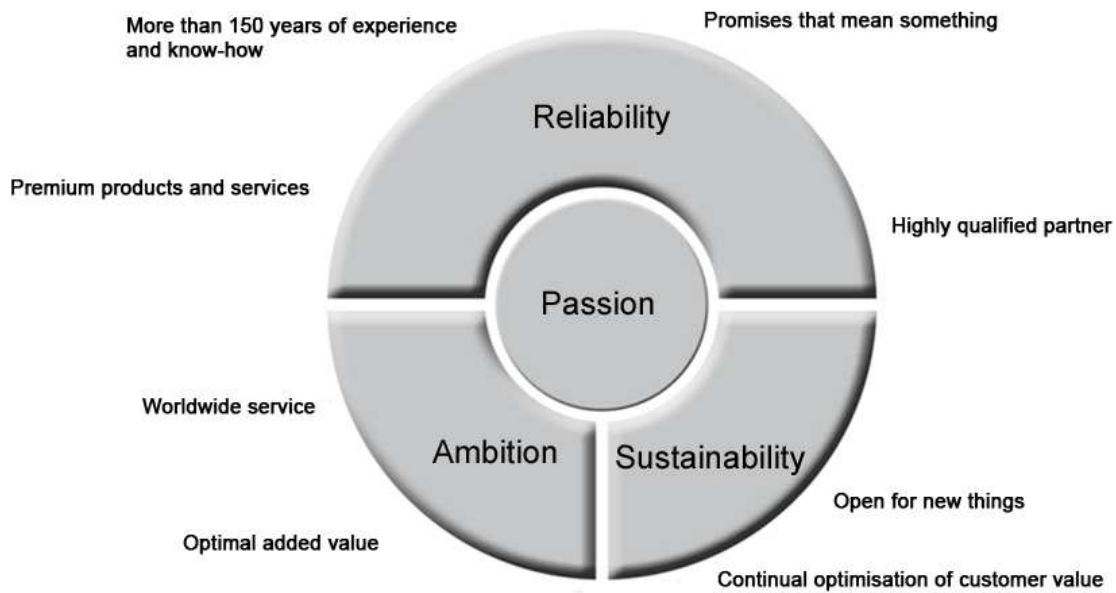
**Technology orientation:** HF MIXING GROUP is active as a solution provider. Our wide range of manufacturing, process and product expertise, as well as our innovation and intrinsic **ambition** form the basis of our activities. As part of our work, we are intensively involved in the development of new products in close partnership with universities of applied sciences and research institutes. Our value addition processes take advantage of the HF MIXING GROUP's international expertise. Our cutting edge production processes allow us to produce high quality key components while offering our customers optimal value for money via our worldwide production and distribution network.

**Service orientation:** Our customers are becoming increasingly internationally active. In order to support them in their value addition processes, we need to think in a service-oriented manner. For us, convenience means being close to our customers to overcome cultural and time-zone barriers. This closeness also allows us to act quickly and simply in cases of emergency. This is why we have developed our service network as a global network. **Reliability** and quick response are what we are all about. We want to ensure that our customers' systems are working well and can be relied on 24 hours per day, 365 days per year. To do this, we are providing them with specialists with various different qualifications and backgrounds all around the world. We want our customers to be able to rely on us. This is another area in which we are constantly learning more and ensuring that the benefits of everything we learn flow on to the customers through the training programmes that we offer in our training centres.



## Our values

### Brand identity with communication values





**MIXING GROUP**

## **Our company profile**

Harburg-Freudenberger Maschinenbau GmbH (Freudenberg plant)  
Asdorfer Strasse 60  
57258 Freudenberg  
Germany

Postfach 11 80  
57251 Freudenberg  
Germany

Ph.: +49 2734 491-0  
Fax: +49 2734 491-150  
Email: [mixing@hf-group.com](mailto:mixing@hf-group.com)  
Website: [www.hf-mixinggroup.com](http://www.hf-mixinggroup.com)

### **Board of Management:**

Jens Beutelspacher, Prof. Dr.-Ing. Andreas Limper, Mark Meulbroek, Günter Simon,  
Chairman of the Supervisory Board: Dr. Joachim Brenk

Commercial registry: Hamburg Magistrates' Court, dep. B No. 64651  
Company seat: Hamburg  
VAT no. DE811151610, Tax no. 21 22 290 0900 3



Employees at the reporting site as of the reporting date 31/12/2014

**Number of employees according to type of contract:**

Permanent:	310
Temporary:	9
	<hr/> 319

**Total and percentages of newly employed employees according to age group:**

Under 30 years old:	12	=>	35.29%
30-50 years old:	17	=>	50.00%
Over 50 years old:	5	=>	14.71%
	<hr/> 34		

**Total number and percentage of personnel fluctuation according to age group and sex:**

	Male	Female		
Under 30 years old:	2	0	=>	22.22%
30-50 years old:	5	0	=>	55.56%
Over 50 years old:	6	0	=>	66.67%
	<hr/> 9	<hr/> 0		





**MIXING GROUP**

## Our locations

In 2010 the world's leading machine manufacturers Harburg-Freudenberger, Farrel and Pomini Rubber & Plastics have joined forces to form the HF MIXING GROUP. Both of these companies have a long, proud history and individual strengths in the production of machines and accessories for the rubber and plastic processing industries. Our locations in Germany, Great Britain, the USA, Italy and Slovakia are dedicated to the production of mixer technology for our customers worldwide. We create reliable and efficient future-oriented solutions. Our distribution partners are represented across all continents.

The reporting site is located in Freudenberg, Germany, however the HF MIXING GROUP has locations worldwide.



## Our main business and production sites:

- Harburg-Freudenberger Maschinenbau GmbH, Germany
- Farrel Corporation, USA
- Farrel Ltd., UK
- POMINI Rubber & Plastics srl, Italy
- HF Rubber Machinery, Inc., USA
- HF NaJUS, a.s., Slovakia



**MIXING GROUP**

### Our global locations:

- Harburg-Freudenberger Machinery (China) Co., Ltd. • China
- HF France S.a.r.l. • France
- Farrel Sales Office Líbeznice • Czech Republic
- HF MIXING GROUP Sales Office Barcelona • Spain
- HF MIXING GROUP Services S.E.A. Sdn Bhd • Malaysia
- INDUS UTH HF MIXING SYSTEMS PVT LTD • India
- Farrel Asia Ltd. • Singapore

Visit our website for a list of all of our distributors and a detailed country and product list:

<http://www.hf-mixinggroup.com>



## Our products

The HF MIXING GROUP produces hi-tech, cutting edge machinery and accessories for the rubber and plastic processing industry. This includes mixers for the production of technical rubber products and for the tyre industry. We also build discharge devices and special machines for these industrial sectors. We are also providers of full installations for mixing rooms - including complete automation systems. Our future-ready products are used in the production of tyres, seals, cables and friction lining, as well as thermoplastic elastomers and special plastic mixtures.

Our key markets, products and services can be summarised as follows:

### **Tangential mixers:**

- Banbury® series

### **Intermeshing mixers:**

- Intermix® E series
- Intermix® VIC series

### **Tandem mixers**

### **UMIX universal mixers**

### **Mixing room automation ADVISE® ES**

### **TECNOLAB® - Laboratory mixers**

### **BALECUT - Hydraulic rubber bale cutter**

### **STRIPCUT - Strip cutting machine**

### **CONVEX™ - Twin screw discharge extruder**

### **SINDEX - Single screw discharge extruder**

### **MILLMIX - sheeting and mixing mills**

### **After sales service:**

- Spare parts
- Commissioning, training and inspection
- Retrofitting and repairing machines



## Services:

- System engineering including budget planning, project management and interface declarations for large projects
- CE certification
- Technical Centre for carrying out customer trials
- Training centre for own personnel and customers
- Consulting services such as mixing room or drive train analyses and modernisations
- Financing



## **Purchasing**

Sustainability is based on achieving ongoing economic growth without damaging the planet or exhausting its resources. Sustainable growth relies not only on economic but also social and ecological aspects.

That is why at Harburg-Freudenberger Maschinenbau GmbH our purchase strategy also takes such elements into consideration.

Our purchasing strategy has a strong focus on dealing with suppliers fairly; this means dealing with them with openness, fairness and respect.

We undertake to make our decisions exclusively on the basis of objective criteria such as quality, price, technical specifications, service, technology, and environmental and social impact. One important criterion in investments and working assets is their energy efficiency. We also apply the same occupational health and safety standards to all contractors present at our sites as we do for our own employees.

Our positive corporate development over the last few years has also been based on good partnerships with our suppliers. This is why we place so much importance on respecting human rights principles, labour conditions, environmental protection, energy management and corporate ethics which are so fundamental for our company, they almost go without saying. We have laid them down in our Code of Conduct and expect them to be complied with throughout the entire value addition chain.

In order to become a Harburg-Freudenberger Maschinenbau GmbH supplier, companies need to comply with legal energy/environment/etc. standards, as well as all national regulations.

In addition to this, 2014 saw the introduction of a process to monitor our suppliers' activities going beyond the legal minimum requirements.

In this context, over the last fiscal year, we sent questionnaires to our top 50 suppliers (measured by turnover) to collect information on the topic of corporate social responsibility.

This covered 51.63% of our total purchasing volume. 21.9% of these 50 companies were companies which had also been evaluated in 2013.



The questionnaires were broken down into four sections which were all equally weighted.

- Part I: Environment protection
- Part II: Industrial safety and health protection
- Part III: Energy management
- Part IV: Operating and business practices

**With the following results:**

(48 out of a total of 50 questionnaires were completed and evaluated. Suppliers who did not participate in the questionnaire will be given a chance to participate in 2015.)

Each section had a maximum possible score of:

- Part I: Environment 90 points
- Part II: Industrial safety and health protection 70 points
- Part III: Energy management 30 points
- Part IV: Operating and business practices 50 points

The following average scores were achieved on the basis of the questionnaires completed:

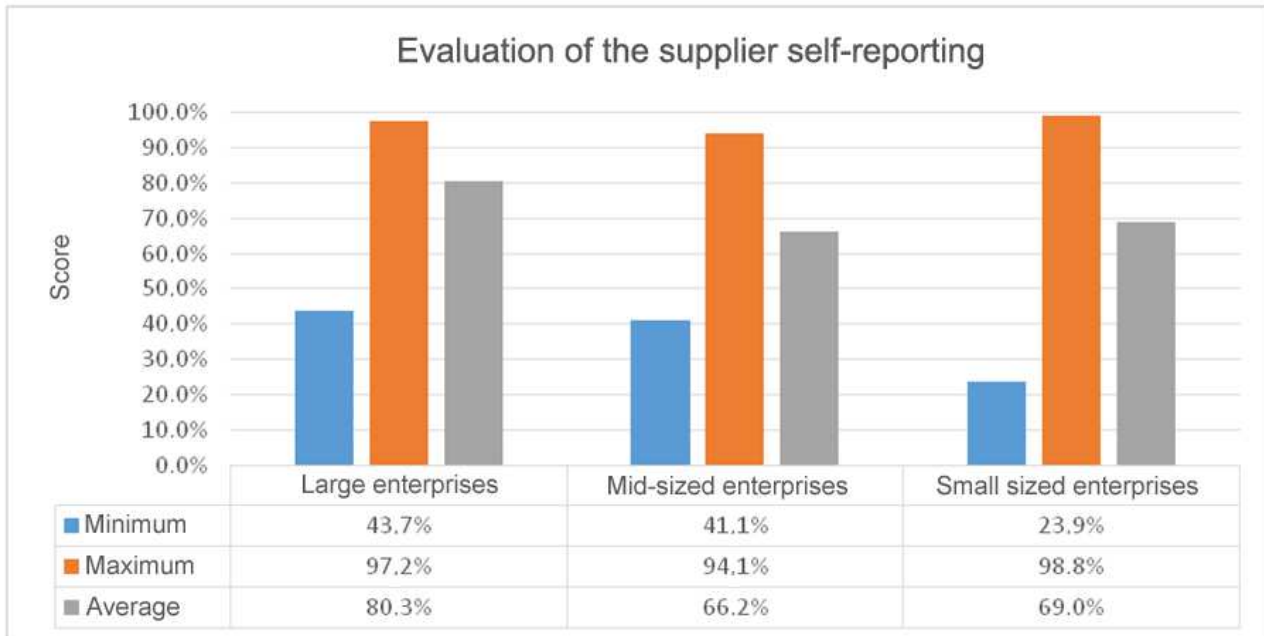
	Part I:	Part II:	Part III:	Part IV:
Average score:	50.63	51.88	18.33	36.04
Average %:	56 %	74 %	61 %	72 %

In order to account for our suppliers' differing sizes, we developed a weighting system to ensure that the overall results were properly representative of the individual suppliers.

<u>Large enterprises</u>	<u>Mid-sized enterprises</u>	<u>Small sized enterprises</u>
250 >= employees	Employees 50 -249	49 >= employees
Factor x 1	Factor x 1.1	Factor x 1.2



Taking the weighting factors into account, the following results were produced:



This evaluation allows us to see that many of our suppliers are already active with respect to sustainability and exceeding their obligations to our company to comply with legal minimums.

Each of the participants achieved the minimum of 20% in the overall evaluation and, as such, none of our suppliers are viewed as "critical partners in the area of sustainability".

We also drafted the following message which is now included in all orders and order confirmations issued by our company.

*Securing sustainable success together!  
Please ensure that you join us in taking environmental and social considerations into account.*

The inclusion of this measure is aimed at reminding our suppliers of the importance of sustainable business and ensuring that it always close to mind.



In this context, autumn 2014 saw the inclusion of new responsibilities within the purchasing department. One purchaser was given corporate social responsibility training and made responsible for CSR in purchasing.

The employee attended a two-day introductory seminar on the topic to start with and subsequently frequently engage with the topic. The new responsibilities include communicating and passing on information and measures to the colleagues.

### Future selection and evaluation of Harburg-Freudenberger Maschinenbau GmbH suppliers

In future, supplier evaluations will include new criteria. In addition to the existing economic criteria such as quality, reliability, price and flexibility, environmental and social aspects will also be taken into consideration.

From 2015 onwards, all suppliers falling within the scope of our evaluation programme (annual turnover  $\geq$  € 20,000) will be subjected to the supplier self-reporting process described above on an annual basis. The evaluation of this questionnaire is weighted and flows into the supplier's overall evaluation.

Furthermore, in future new suppliers are required to fill in an environmental and social questionnaire. The results of the questionnaire are factored into the supplier selection and development processes.





**MIXING GROUP**

## Our environmental management

As part of the HF MIXING GROUP, Harburg-Freudenberger Maschinenbau GmbH is a recognised **VDMA BlueCompetence Sustainability Initiative** partner company and is dedicated to sustainable environmental management – whether through technology and solutions, internal optimisation or other environmental or social projects.



With the introduction of an environmental management system pursuant to DIN EN ISO 14001 in May 2015, we have undertaken yet another measure to step up our active protection of the environment and natural resources (ground, water, air). This is carried out on the basis of a holistic consideration of the effects of our products and their production on the environment. The aim: to constantly improve our company's environmental performance.



## Water

We use water from the public water network for our employee bathrooms, for cooling purposes in production (cooling hot parts) and in the technical centre (cooling test systems). Given the expansion in the number of systems through the growth in the technical centre and the addition of new products to the product range (UMIX), our cooling needs have grown over the last years (see figure 1). The number of tests carried out using the test systems has grown. As such, in 2014, cooling test systems accounted for over 70% of our total water use.

This cooling concept is no longer compatible with our policy of environmental sustainability. Under our environmental management scheme, this issue will become a key point on our agenda of improvements.

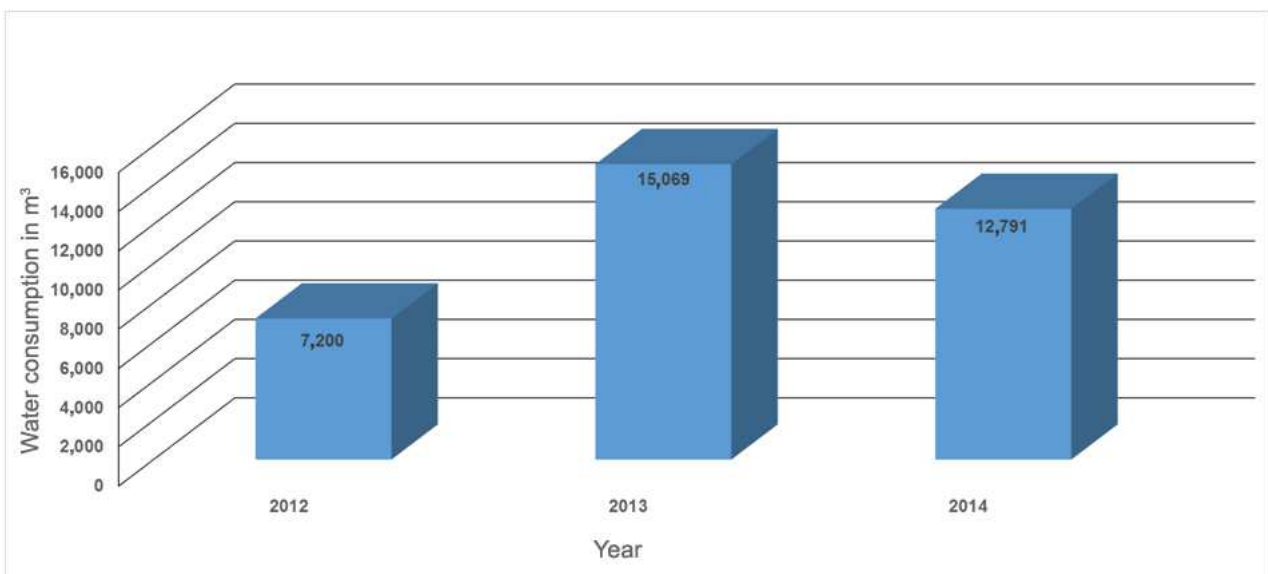


Figure 1: Absolute water consumption for the period 2012 - 2014



## Waste

As part of our environmental management system, we want to develop an effective waste management system. To lay the foundation for this, we have put together an analysis of the waste generated in 2014 (figure 2).

As a machine manufacturer, we principally carry out milling work. The workpieces that we produce are processed using milling machines, drills, turning machines and grinding machines. This kind of processing produces large quantities of chips and shavings which have to be disposed of professionally in accordance with legal regulations. The biggest individual waste item that we produce is steel chips and shavings (33%). The second largest item (28%) is construction and demolition waste and excavation waste. In 2014, this waste was generated as part of the construction work being carried out that year, in particular when the foundation was set for a new drilling plant. The third key waste element is steel scrap (16%) which is generated when old machines are restored. Old parts which have been worn down or which no longer function properly are replaced by new parts when machines are restored.

To other types of waste which are not insignificant are drilling emulsion (7.2%) which is used as a lubricant in steel milling processes and waste wood (6.7%) which is used in packaging and pallets. The proportions made up of all other categories of waste (packaging, plastics, rubber etc.) each account for under 5%.

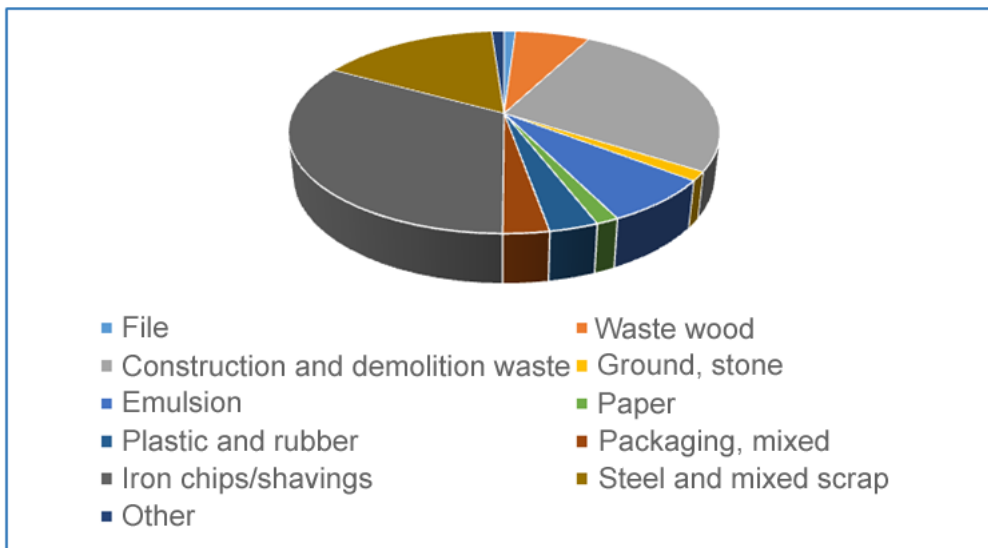


Figure 2: Break-down of waste generated in 2014



All waste is disposed of by professional waste disposal companies. As part of our environmental management system, regular checks are carried out to ensure that the disposal companies are disposing of all waste properly. We require the companies in question to present certificates to this effect. By doing this, we are in compliance with our legal obligations.

### Energy efficient technologies

To support our customers in their active environmental protection, we see it as our job to do everything that we can to further improve and optimise the environmental performance of our technology. One example is energy-efficient cooling which we offer our customers, both in new systems and through retrofitting. This system considers the relevant mixing process's requirements and controls the pump drive motors accordingly to achieve an optimal performance. Not only does this minimise the pumps' power consumption, it also reduces the quantities of cooling water used. Tests in a production system have shown that this intelligent cooling system can deliver pump drive energy consumption savings of over 50%. Another example is the drive energy consumption which can be very high for mixers. The HF MIXING GROUP only uses modern AC drive systems with high performance rates, even in the partial load range in order to minimise loss. Drive train analyses on existing systems are offered in order to bring existing technologies up to date economically. We have research projects under way dealing with the link between multi-motor systems and reducing the reactive power of the drives in relation to the load.



## Our energy management

In light of sustained price increases and gradual exhaustion of resources, the importance of responsible use of energy has never been more important. Given the finite availability of natural resources and the growth in energy needs, we all have a responsibility to use energy as efficiently, ecologically and sparingly as possible. In order to live up to this responsibility, in 2015 Harburg-Freudenberger Maschinenbau GmbH is introducing a new DIN EN ISO 50001 compliant energy management system.

The energy management system (EMS) will measure and evaluate the company's energy-related processes. This evaluation will allow us to identify energy-saving potential and to take measures to reduce our energy consumption. Furthermore, the programme aims to increase employee awareness of the importance of economic use of energy. By introducing an energy management system, we are taking advantage of an opportunity to increase our competitiveness, to document our energy awareness and to further improve our company's positive image.

The energy resources used by the company are electricity, natural gas and diesel. Electricity is used to power machines and systems, natural gas is mainly used for heating buildings and water and the diesel is used to operate the vehicles used both internally and externally.



## Electricity

After increasing for some time over the period from 2009 to 2012, our overall electricity use has stabilised. The power consumption has increased due to strong growth in turnover and the resulting increases in the number of machines that are manufactured at the Freudenberg site. Our electricity consumption almost completely stabilised over the period from 2012 to 2014. We do not yet have a detailed breakdown of the individual sources of energy consumption, however this will be prepared as part of the energy management programme. To this end, measuring technology will be acquired over the coming year and energy meters will be fitted to some systems. After completion of this work, an analysis of the power consumption will be carried out and measures to reduce the electricity consumption can be developed and implemented.

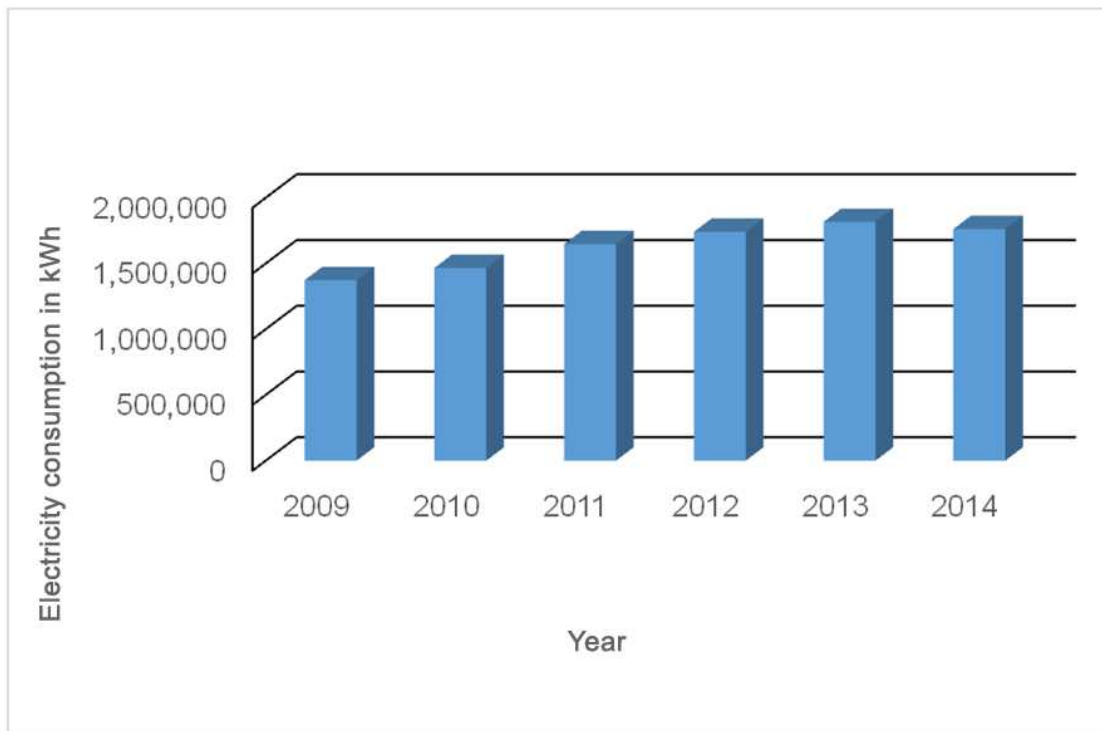


Figure 3: Electricity consumption for the period 2009 - 2014



### Natural gas

95% of our natural gas consumption is for heating buildings and warm water. Natural gas is only used in small quantities in production, for example to pre-heat components for welding. As a result, our natural gas consumption is heavily dependent on the weather conditions from year to year.

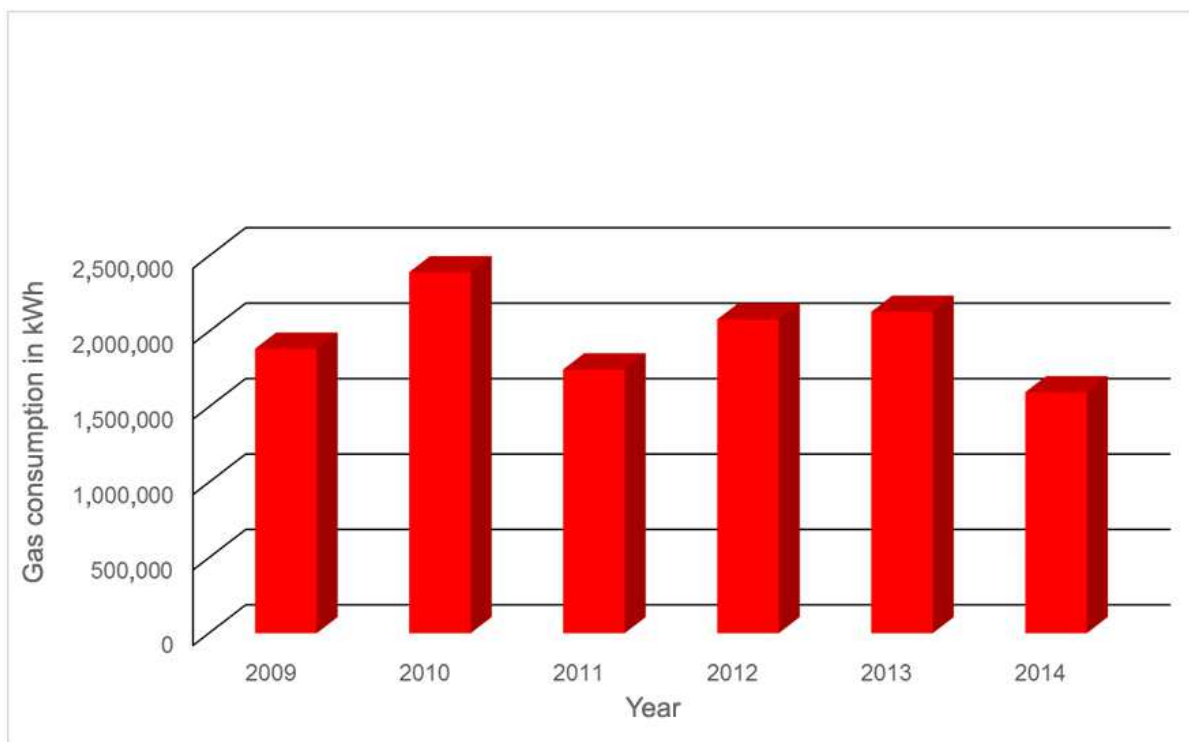


Figure 4: Natural gas consumption for the period 2009 - 2014

At present, we have information about the overall use of natural gas. We intend to collect information about the specific users' individual consumption using suitable measuring equipment. This is a project that was initiated as part of the energy management system and will be implemented gradually. This transparency makes it possible to analyse specific use and to identify potential for reduction of gas use. Finally, we would like to define measures to reduce our CO2 emissions and, where economically reasonable, implement them.



### Our occupational health and safety and fire safety measures

2014 was a year in which we intensified our work in relation to occupational health and safety and fire safety. As of 01 November 2014, we now have an employee **Fire Safety Officer** for the Freudenberg plant.

The Fire Safety Officer is responsible for risk analysis, taking the measures provided for under parts A-C of the Fire Safety Code in accordance with DIN 14096. This includes preparing signs and providing employee fire prevention training based on part B of the Fire Safety Code.

In addition to providing training to fire safety assistants, we also started the construction of a fire warning system.

Our senior staff are provided with **occupational health and safety** training by qualified professionals. Regular on-site inspections, risk analyses and occupational health and safety board meetings are carried out in collaboration with the Centre for Occupational Medicine in Siegen. The measures are documented and their implementation is monitored.

Like our fire safety assistants, our occupational health and safety officers also receive regular training.





## Our social engagement

We are not only future-oriented in our dealings with our business partners; on the contrary, this is something that is of importance to us in all areas in which our actions can have an effect. Every year, we get involved with social, cultural, regional and sector-specific projects. We are also passionate about supporting young people in their education and training, because we know that a company is only as good as its team.

One example of this is our **Zeus Newsletter Sponsorship Programme** which we carried out in 2014 at two partner schools in the region. Under this programme, we provided students with a 12 month subscription to a daily newspaper, allowing them to access daily news, editorials and knowledge across a wide range of topics.

We were very happy to support this project, as we recognise that it is important for children and young people to get a feeling for where they come from and an understanding of what is happening around them. And where can they get that the best? In current local print media. By reading the newspaper, children and young people develop a natural interest in a wide range of topics - sport, politics, society, culture, economics and local events and begin to identify the interrelations between these areas. Reading is key to education and education is key to our future, this is especially true for globally active companies like the HF MIXING GROUP. Our open, globally-focused employees are crucial to our international teams. We believe that we can lay a foundation for an open and international future by providing children with an early opportunity to see the bigger picture through reading the newspaper.

One in ten children finish school without a school-leaving certificate; the CVJM Siegerland association is not happy with this status quo. As such, they decided to do something about it with the **Pack's initiative**. This initiative is aimed at helping youth to bridge the gap from school to a career. In 2009 we held our first internship camp for pupils and students between 14 and 24 years of age. This gave birth to the first five so-called mentor relationships. Volunteer employees provide youth and young adults with support throughout their first steps in their career.

The initiative is largely financed by donations, which is why CVJM organises various events each year to activate sponsors. One of these events, **Drehmoment Freudenberg** was a sponsored race around the Freudenberg town hall. Naturally, the HF MIXING GROUP did not have to be asked twice. We were proud to participate and show our solidarity with the young people of our home region. Along with 15 other companies from Freudenberg, we were present as a training company and sponsor of the team Speeding Scientists Siegen which were participating with their s3-13e electro racer Marla.



The Speeding Scientists are also part of our social initiatives. The **Speeding Scientists Siegen** - or s3racing for short - are a student racing team from the University of Siegen. The team was established as a charitable association in 2008 and has been taking part in the international construction competition Formula Student FSAE since 2009. In this competition, participants develop and build a formula racing car according to international standards and go head to head against the best engineers in the world at various international events.



With over 500 teams, the Formula Student is the biggest racing series in the world and a large stage for mobility innovation and ideas. The HF MIXING GROUP supported the Speeding Scientists Siegen in 2013 and 2014 by providing financial assistance and access to our production facilities.

In addition to this, we have donated to a **range of other projects** at schools, kindergartens, churches and sporting associations in the region.



**MIXING GROUP**

## Our health management

We are particularly concerned with supporting and maintaining our employees' good health. We see people in a holistic way and ensure that we offer measures to both prevent and reduce physical and mental complaints. Our signing of the Luxembourg Declaration on Workplace Health Promotion in the European Union is an expression of our recognition of the importance of investing in workplace health for our future and of our determination to support our workers in this area.

**The Luxembourg Declaration**  
on Workplace Health Promotion in the European Union



## Protecting non-smokers

All HF employees have the right to be protected from exposure to tobacco smoke, whether they are in working areas, social areas, bathrooms or toilets. Under our guidelines, employees who smoke have a reasonable right to smoke, but not at the expense of our other employees.

With the exception of the six designated smoking areas, the entire building, premises and any buildings that we may rent or use, both inside and outside are non-smoking areas. The designated smoking areas are undercover, protected against the elements and equipped with ashtrays.

We have undertaken to provide any employees who wish to quit smoking with assistance to help them do so. We offered employees the opportunity to take part in a quitting smoking course free of charge. The responses were overwhelmingly positive and the majority of participants benefited from long-term results.



### Company sport events

2014 saw us enter the Siegerland company run under the slogan "STARK by HF MIXING GROUP – 100% Pure Passion, Pure Running".

A few months later, five HF Supermen took part in the NRW Tough Mudder.

We also host sporting activities at our company events as part of our holistic health management. The football teams of the various HF locations in England, Italy, Slovakia and German also regularly meet on the field.



### STARK gym

Our company has its own gym, nicknamed STARK (English: strong), which gives our employees the opportunity to work out during their lunch break or after work. STARK was opened at the end of 2013 and has been in use since 2014. In collaboration with an outpatient treatment centre, courses, devices and personal training programmes are offered for relaxation, strength and endurance training. The course programme is constantly adjusted to meet our employees' changing needs. We have three different physiotherapists who are available to our employees on a daily basis. They carry out courses and instruct our employees on the preparing an individual training programme.



### Physiotherapy

We believe that is important to prevent complaints in our employees as well as treating them when they arise. Fixed times for physiotherapy are set in our course plan. When our employees are suffering from complaints they can make an appointment with our STARK physiotherapists and undergo treatment in our specially-equipped consultation room.





### Social counselling

In addition to supporting our employees' physical health, we also have a strong focus on their mental health. We see it as our responsibility to provide our employees with support in relation to their problems at work and in their private life, because our company is only as healthy as our employees.

To this end, we have a partnership with a local company social counselling service provider. Key points are conflicts at work, stress and burnout symptoms, as well as addiction and personal problems. This counselling is carried out anonymously. It may be carried out at our premises or at the counsellors' offices. HF bears the costs in full.

### Addiction counselling

We want to help our employees to avoid developing addictions and to defeat any addictions from which they may already suffer. This is why we have had one of our employees undergo addiction counselling training. In addition to practical strategies, our company addiction counsellor has learned about prevention strategies and completed a placement at a rehabilitation clinic.

Not only do we support by putting them in contact with rehabilitation clinics, we also offer them opportunities at our company.





## Our training concept

We are dedicated to providing training to young people and see this as crucial to our sustainability. For decades we have been offering school leavers the opportunity to carry out apprenticeships and traineeships at HF. Given that our requirements for qualified employees have changed over the last few years, we started reforming and making improvements to our training structures in 2014. The reforming of the mechatronics apprenticeship serves as the pilot project for this reform. We have established a project team that meets regularly to discuss and work on the new concept. The restructure will be decided on finally in 2015.

Following this, the trade and commercial apprenticeships and traineeships will also be reformed.

## Dual studies

In addition to job-based training in its traditional sense, we also offer young, ambitious people the opportunity to carry out dual study programmes with us. These programmes are delivered in close partnership with the Baden Württemberg Dual University of Applied Sciences, in particular the Mannheim campus. We can offer studies in disciplines ranging from mechanical engineering and industrial engineering through to business administration. The students spend periods at our company and at the Dual University. During the practical phases, they pass through all relevant departments, actively contribute to projects and write projects and theses.

In 2014, we commenced a mechanical engineering partnership with the University of Siegen in addition to our partnership with the Dual University of Baden Württemberg. We plan on expanding this partnership in future.

## Partnerships with universities

In order to remain technological leaders, we have a number of partnerships with various universities and institutes.

We are currently working closely with the tool machining laboratory and the IKV institute for plastic processing at the RWTH University of Applied Sciences in Aachen and the German Institute for Rubber Technology DIK in Hanover. As part of this partnership, we support research projects, commissioned research and the completion of project, bachelor or master projects and theses at our facilities.



### Our employees' qualifications

We are ISO 90001 certified. As such, we believe that it is very important to provide our employees with ongoing training. We have defined employee training processes to ensure that any qualification shortcomings are quickly addressed.

A total of 200 employees attended the various training workshops that we carried out in 2014.

In addition to the vocational training, we offer our employees the opportunity to work towards further qualifications alongside their work. To give young people more chances and in order to make working at HF even more attractive, we provide support for technical and business administration training. This does not only mean providing financial support, but also ensuring that work and training are compatible by changing work processes as necessary.





### Exchange programme

We are aware of the benefits that international companies enjoy. Throughout our history, we have developed diverse and specialist know-how which we share internationally in order to secure our future as market leader. We offer our employees the chance to complete a job rotation at our other locations and to get to experience working there.

In 2014, production distribution and IT employees completed exchanges at our different locations.







**MIXING GROUP**

### Internships abroad

Internships abroad are designed to support our trainees at different locations and to make apprenticeships at the HF MIXING GROUP even more attractive to potential trainees. The goal is to provide our trainees with professional and cultural learning opportunities. During the internship, trainees take part of normal operations and are supervised by the local trainer.





## Supporting young people

We offer young people the opportunity to get an insight into working life and to complete their university education.

We have a number of partnerships with local schools. Students at these schools are able to carry out their school internships at our company or to visit us on school excursions.

Students are able to carry out their final practical projects with us. We find it very important to provide the students with intensive support and to pay them for their time in accordance with legal and collective bargaining condition. Very often, the project results in a job offer at HF.

In addition to students, we also have a number of trainee technicians who we supported this year. They work on their projects independently in our technical centre. The projects are closely related to our working processes and the resulting challenges.





### **Ethics and integrity – our Code of Conduct**

Our Code of Conduct is an expression of our corporate responsibility. This Code forms the basis of our conduct and is based on ethical foundations of honesty and integrity, as well as legal regulations. Apart from our employees, our name and reputation are amongst the most valuable assets that Harburg-Freudenberger Maschinenbau has. We need to support and protect them.

With this Code of Conduct, we aim to put the values and ethical and moral integrity which have formed the basis of our actions for years onto paper. This is a voluntary undertaking by each individual to comply with our global ethical and moral standards in business and to observe all antitrust and competition laws. This does not only apply to our interactions with our customers and suppliers, but also all other partners and, in particular, employee interactions with other employees.

Our products, system solutions and services are available on the world market. We want to compete internationally using fair means and in compliance with laws, guidelines and norms. This Code of Conduct is intended to provide our employees with a concrete set of guidelines to protect them and the company from harm.

Breaches of these principles and the Code of Conduct put our reputation and our customers', employees', suppliers' and partners' confidence in us at risk. Breaches are therefore not tolerated.

This Code of Conduct applies to the site Freudenberg.



## **Harburg-Freudenberger Maschinenbau GmbH**

### **Code of Conduct**

#### **Our responsibility**

##### **Privacy and IT security**

We follow the applicable IT security and privacy laws and regulations. Confidentiality agreements with our partners can be viewed by all employees via the company's intranet and are viewed and applied by our employees. We handle our customers' confidential information with the same amount of care that would be afforded to our own confidential information. In addition, our privacy officer works closely with a specialised privacy and data protection company to monitor all data protection and security matters. This company can be consulted at any time. We ensure that our customers' and partners' data is protected at all times and that parties' interests are protected. This helps us to prevent data misuse and to prevent unauthorised access to sensitive and confidential data.

##### **Environmental protection**

We have a strong focus on environmental protection and maintain a sustainable environment management system. We aim to have environmentally friendly production processes. Our employees are instructed to think of the environment in their day-to-day work, for example by saving water, printing on both sides of paper and unplugging unneeded devices from the power.

When purchasing materials, our purchasing department takes environmental guidelines into account and will give preference to environmentally friendly machines and processes. We deal with natural resources responsibly and provide our customers and partners with support and advice in this regard, recommending components that are environmentally friendly and consume less energy.



## Compliance with laws, guidelines and instruction

We undertake to comply with all valid laws and regulation of the countries in which we operate, as well as any internal company policies or handbooks of the HF MIXING GROUP.

Breaches of laws or regulations or against this Code of Conduct may have criminal consequences. We want to protect ourselves and our employees from this.

## People – our most valuable asset

### Human rights

Our principles:

- No child labour
- No forced labour
- Fair pay
- Respecting the individual's privacy

At HF, we act in accordance with the UN's internationally recognised human rights principles and treat our employees, colleagues, suppliers, customers and all other partners with respect and dignity. Tolerance, trust and mutual appreciation are fundamental principles in our day-to-day dealings. We reject any kind of child labour and exploitation of children and young people and strictly comply with all relevant laws. We also require our partners to strict policies against child labour and we check our partners for compliance with this requirement. Forced labour as well as all similar practices such as slavery are prohibited. People must not be forced to work through force or intimidation. We pay our employees a fair salary in accordance with the collective bargaining agreement METALL NRW ERA. Our working hours are consistent with legal regulations and/or the applicable collective bargaining agreement. Overtime is voluntary and remunerated with extra pay.





## Integration instead of discrimination

We are a globally active company with people of different backgrounds, religions and skin colour. Employee interactions and conduct towards superiors and management is respectful and based on a foundation of partnership. We do not discriminate or disadvantage people on the basis of race, gender, religion, skin colour, background, mental or physical disability, age or sexual orientation, as well as other personal characteristics.

HF disapproves of violence of any kind. We protect the right to freedom of expression and respect our employees' and partners' privacy.



## Occupational health and safety

We will take all necessary measures to protect our employees. We provide protective equipment such as helmets, safety shoes and protective clothing and train safety officers. In addition, we carry out regular first aid training as well as training on the use of the many defibrillators. Our employees make use of our STARK gym as a preventative health measure and, on request, are provided with e-bikes. This ensures our employees will enjoy a healthy lifestyle and helps to prevent burn-out and other illnesses.



## Fair competition

### Anti-corruption, prohibition on money laundering, bribery and personal gain

We reject all kinds of corruption. We do not tolerate bribery, theft, embezzlement or extortion. We trust our employees' integrity and that they will not act in any way that gives rise to a conflict of interests. Employees must not accept gifts or other benefits. Our employees act exclusively in the interests of HF and leave their private interests at the door. Our employees do not enter into arrangements of dependence with our partners, suppliers or customers.

### Compliance with antitrust and competition laws

We comply with all competition requirements and do not breach any of the relevant laws. This is a result of our policy of fair competition and protects HF from sanctions and damage to its reputation. Anti-competitive arrangements are against our company principles. Our conduct is consistent with a company with our market position.

### Fair dealings with our partners

We maintain fair relations with all of our partners. This includes competitors, dealers and sub-contractors.

### Honest advertising

Our marketing measures are based on facts and are fundamentally truthful. We distance ourselves from generalisations and misleading marketing.

## Consequences of breaches of the Code of Conduct

### Reporting breaches

All reports of breaches against this Code of Conduct shall be accepted by the Works Council in written or oral form, including over the telephone.



## Anonymity

Reports of breaches against this Code of Conduct will be treated with strict confidentiality and without identifying the person making the report. Irrespective of the form of the notification, our HR Department will accept the report, afterwards include the Works Council and treat the notification with confidentiality at all times, treating it as an anonymous report