

Sustainability Management

fischer group of companies
Waldachtal, 2017





Sustainability Management

„Sustainability combines aspects such as environmental protection, technology, as well as commercial success and social responsibility. In the fischer group of companies we see their interactions as a learning process in order to live, work and profit in harmony with nature.“

Professor E. h. Senator E. h. E. h. Dipl.-Ing. (FH) Klaus Fischer



Foreword

The fischer group of companies actively assumes its social responsibility. The principles for this are defined in the fischer philosophy and take into account economic, social and ecological aspects. fischer plans its economic development with long-term and sustainable goals, in harmony with social interests.

The fischer philosophy regulates the management understanding and the conduct with the company's stakeholders. It also creates the framework for the economic action. This includes trusting cooperation, reliable and up-standing conduct, mutual appreciation, performance-related remuneration and forward-looking organisational forms and working methods as much as active publicity work, respecting protected intellectual property of others – which fischer also demands for its own rights – along with active cooperation in appropriate committees, corporations and associations.

For decades, fischer has engaged in active environmental protection, which includes the company's processes, but also the research and development of resource-conserving products.

The aim is a lean and flexible company that avoids waste and continuously increases added value. The fischer ProcessSystem is not seen by fischer as a „toolbox“ for designing and optimising production, logistics and administrative processes. Instead, it is understood and applied as a management system that supports the company in achieving the strategic corporate goals. This also includes, of course, a consistent sustainability management.

Targeted employee development and qualification forms the basis of the fischer ProcessSystem. Systematic problem-solving is facilitated and consistently supported by a corresponding management culture. The structured analysis of problems in the further development of the company processes is seen by fischer as a significant task of the managers in order to realise a highly flexible and problem-solving oriented organisation.

Apart from the corporate training, fischer is strongly committed to education projects outside the company. Equal opportunities in the company and the reconciliation of work and

family life are promoted. A high value is placed on the occupational health and safety of the employees.

As much as economically possible, fischer supports social, cultural and sporting initiatives and clubs which correspond to the corporate goals and values.



Yours, Klaus Fischer



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Blue Path at fischer

As part of its strategic orientation for the future, the fischer group of companies has agreed on the strategy 2020 for the next four years. It defines the long-term goals and their medium-term implementation. fischer aligns itself to the mega trends of German Zukunftsinstitut, Frankfurt am Main.

Four mega trends have been identified, which will most strongly affect the future alignment of fischer: Urbanisation – Mobility – Neo-ecology – Silver society. Of these, neo-ecology creates a strict and consistent connection to an understanding of sustainability, which is specified below.

At fischer, sustainability projects already implemented are explicitly highlighted and documented.

In addition, the stations of the so-called Blue Path are derived from future projects.

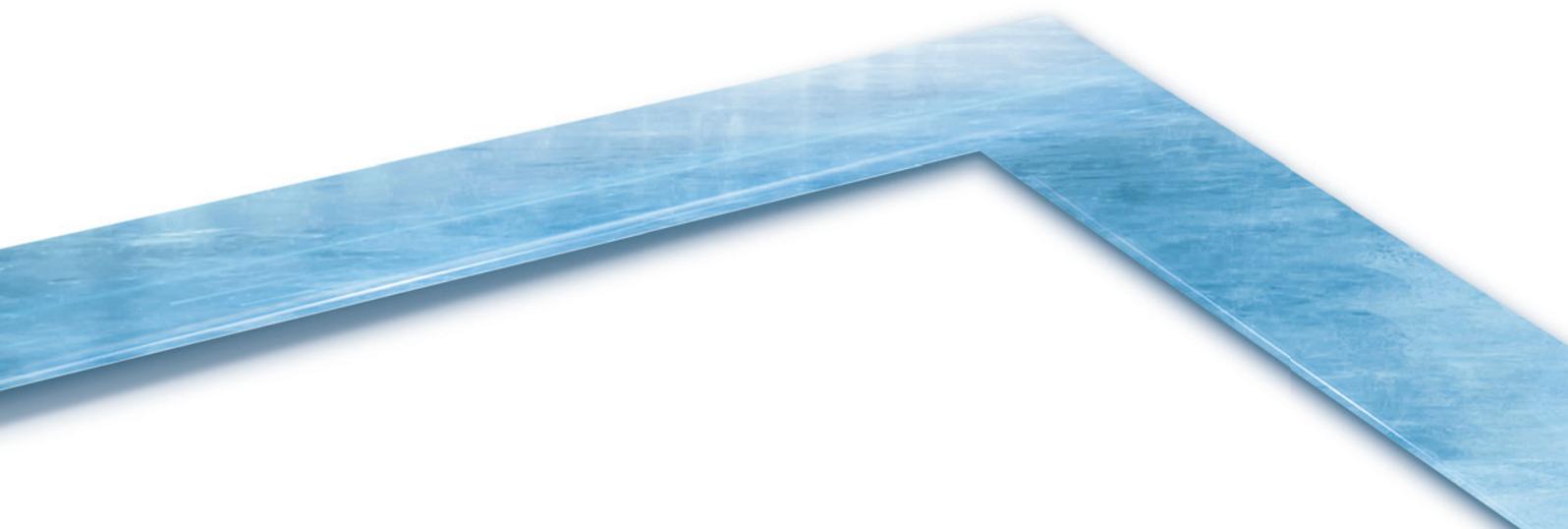


The colour blue stands in specialist groups for sustainability and symbolises the Oceans, the Sky and the Earth.

These stations should encourage everyone's awareness of sustainability, for example, and constantly expand it. Two of these sustainability projects have been rewarded by the Umwelttechnik Baden-Württemberg (UTBW) in "100 Betriebe für Ressourceneffizienz".

The sustainability management of the fischer group of companies is based on the three-column model of sustainability, comprising Ecology, Economy and Social Concerns. fischer orients itself to the structure of the Wirtschaftsinitiative Nachhaltigkeit (WIN) Baden-Württemberg.

The WIN-Charta Baden-Württemberg has formulated 12 guiding principles that reflect the three columns of sustainability.



WIN-Charta – sustainable business in Baden-Württemberg

Companies need an effective system with which they can create clear and reliable structures in their organisation for sustained business. Consumers, on the other hand, want to know more about the products and the company they are buying from or are in their neighbourhood.

With the WIN-Charta, a system is provided, which is oriented along the Baden-Württemberg economic structure. The WIN-Charta is based on the commitment, proactive initiative and the external communication of companies in Baden-Württemberg.

Using the twelve guiding principles of the WIN-Charta, companies commit to basic values, responsible conduct towards the environment and identification with their region.

This also includes aspects such as human and employee rights, integration and resource efficiency.



The fischer sustainability management is structurally based on the WIN-Charta.

Of the 12 guiding principles, fischer has currently chosen five main guiding principles:

- Guiding principle 04 – Resources
- Guiding principle 05 – Energy and emissions
- Guiding principle 07 – Corporate success and jobs

- Guiding principle 08 – Sustainable innovations
- Guiding principle 11 – Regional added value

The secondary guiding principles are also described in this context, but are limited to the core statements of the fischer group of companies regarding these subjects.

In its session of 9 March 2017, the German Bundestag passed the CSR Directive Implementation Act. The WIN-Charta, initiated in Baden-Württemberg, fulfils all the requirements of EU Directive 2014/95/EU for sustainability reporting. The WIN-Charta, which is based on the "CSR Directive" covers all the required subjects and in part even exceeds the reporting duty. The regional component, in particular, is an excellent feature of the WIN-Charta.



Guiding principle 01 – Human and employee rights

As a globally active company with locations in more than 30 countries and customers around the globe, fischer feels obliged to actively support human and employee rights.

All our corporate activities are based on the basic values of "innovative responsibility and seriousness" with the aim of making a profit. These basic values apply as the benchmark for the daily work and the successful shaping of the future of the fischer group of companies. The fischer mission statement exists in 26

languages and applies to all employees worldwide as the "Code of Conduct". An excerpt from the philosophy shows how important serious conduct is in the company: "We behave in an appreciative and self-critical manner, are trustworthy and reliable, take heed of rights, norms and cultures, and expect our partners to do the same. We give ourselves rules and adhere to them." So that all new employees learn the philosophy, they get philosophy training during their Welcome Days. In this training, concrete behaviour is taught for each corporate value. The

aim here is individual implementation of the philosophy in professional practice. The respective manager ensures with annual philosophy training that the philosophy is also lived by consistently.



The appreciation of every individual is of great importance to our boss Prof. Klaus Fischer. That people are in the centre of the fischer group of companies can be seen in particular in the large investments in training and development, as well as for the numerous social activities.

The cooperation with the works council is trusting and constructive. Business-related redundancies are ruled out at all German sites of the fischer group of companies, according to the Works Agreement 2020.

fischer is conscientious when selecting its partners and performs audits as part of its supplier management before deliveries start. These audits not only look at pure efficiency, and instead they also evaluate the possible partner in terms of people, security and the environment.

We require our external partners to comply with social standards in respect of human rights, working conditions and environmental protection, which they confirm by signing the "Rules on Business Methods". The supplier management de-

partment is continuously being expanded and makes an important contribution to securing compliance with our requirements. If there are breaches of applicable regulations or if there is negligence, we are prepared to do without the cooperation or end existing supplier relationships.



Guiding principle 02 – Employee well-being

Motivated employees are a decisive factor in being able to overcome current and future challenges in a globalised, fast-paced worldwide economy. To this end, investments are made by fischer in, among other things, health promotion. Apart from the possibility of visiting the works doctor, fitness courses can also be booked through the Klaus Fischer BildungsZentrum. Throughout the company, regular audits ensure that the workplace (office, at the machine, etc.) of every single employee is ergonomic. In the logistics and production division, investments were made in 2015 as part of an initiative for ergonomically optimised workplaces.

fischer offers health weeks, seminars on nutrition, fitness courses, fitness meals in the works restaurant, and many other things. With the fitness studio, which was built in 2015, it is possible for all employees and retirees to use professional fitness equipment free of charge outside their working hours. So that the equipment can be used sensibly and

individually, fitness trainers are available, who carry out initial instructions in the high-end sports equipment. In addition, massages are available for a small financial charge.

Because of the many measures by corporate health management, fischer ensures a high health ratio at its German locations, especially compared to companies of similar size in Baden-Württemberg.

The works restaurants at the German locations offer different and freshly prepared meals every day as well as salad and vegetable buffets. In addition, there is a low-fat and delicately steamed healthy option for everyone eating carefully and healthily. All the meals are subsidised by fischer so that the employees receive a high quality meal at an attractive price.

Occupational health and safety at fischer

Occupational health and safety, and

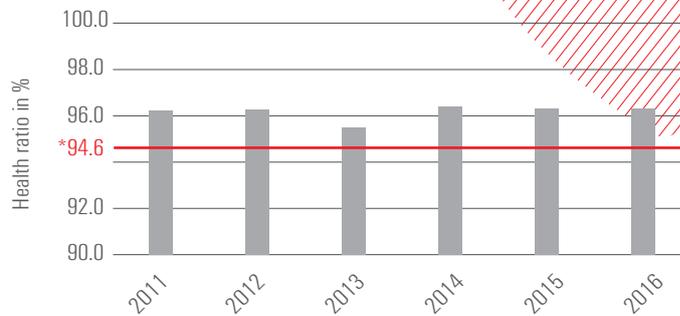
ensuring the health of employees, has always been second nature at fischer. A works safety culture nurtured over many decades ensures that statutory and official requirements are known and fully implemented. Risks and dangers are constantly considered, causes of accidents are analysed and measures instigated and implemented.

There is an extensive range of information and training for everyone in order to keep the competences where they are needed for everyday work. For example, a training wall has been developed, with which employees are trained in works safety, environmental protection and energy consumption. Employees can experience the subjects on this training wall with all five senses. As a result, fischer is creating better awareness and is training its employees.

Further training courses in works safety are held by the employers' liability insurance associations. Together with these, prevention measures are developed and

fischer employees have above-average levels
of fitness with a health ratio in 2016 of

96.6 %



* Benchmark: Health ratio in % of all defined annual working days (median) – active employees
(source: Landesvereinigung Baden-Württembergischer Arbeitgeberverbände e. V.)

Health ratio at the German locations from 2011 to 2016.

implemented in the company. Workplaces are ergonomically designed and tools and equipment are used in order to keep physical loads as small as possible.

ISO 45001 certification and the expansion to other subsidiaries are planned. As a result, important aspects of sustainability are verified by external auditors.

Financial support Team measures

Togetherness is particularly important for the success of a company. Joint activities, such as departmental excursions, promoting team-building measures or Christmas parties are therefore supported correspondingly.

Loans at favourable conditions and interest-free advances

To help you out of financial bottlenecks, the fischer group of companies provides loans and advances at very favourable conditions.

Support fund

In addition, employees and their families are helped in emergency situations with payments from our own support fund. These payments may be made if someone find themselves in need through no fault of their own.

Satisfaction

The satisfaction and mood among the employees are determined regularly in every department using the fisch-Index. Everyone is encouraged to anonymously stick a pin into one of the five fish (from 0 to 100%) on the template to express their personal mood and satisfaction. In the evaluation, the employees should answer the four questions asked about satisfaction. The aim is to report a percentage of 65% plus X satisfaction. The fisch-Index has to be seen as a management instrument. The manager should counter the corresponding trends with appropriate measures.

Guiding principle 03 – Stakeholders

The fischer group of companies maintains an open, fair and collaborative dialogue with all stakeholders. The stakeholders include, for example, employees, customers, retailers, sales partners, suppliers, regional governments, the District of Freudenstadt, clubs and organisations. In addition, these also include non-governmental organisations, national associations, environmental groups and interested citizens.

In order to maintain the constant and open dialogue with all stakeholders, fischer held its first "Stakeholder Workshop" at the company headquarters in Waldachtal in January 2016. Company representatives in a face-to-face conversation with stakeholders discussed potentials, deficits, opportunities and challenges facing fischer sustainability management. As a result, further sensible and sustainable steps and measures have been triggered.







Guiding principle 04 – Resources

The fischer group of companies is dependent on its suppliers, the global markets, the available raw materials and services. Consequently, a responsible handling of external resources is essential in order to ensure their continued existence in the future.

Here, it is necessary to define and maintain a respectful, useful and economical approach. To achieve, this, Purchasing works closely with the adjacent functional departments because only internal and external cooperation leads to success.

For the ISO 14001 certification, the annual audits confirm the compliance of fischer's procurement processes and that of the internal processes with the environmental standard.

We evaluate our external partners according to the criteria of people, safety and environment, in addition to efficiency, as described in guiding

principle 01. We continuously review this both when selecting and in the current business relationships.

For this reason, even business relationships that have lasted several years are subject to the extensive regular audit system.

fischer has set itself the goal of increasing the portion of audited A suppliers to 55 % in 2016 in order to ensure the HSE awareness (Health, Safety and Environment) of its suppliers and the quality of the products. This aim is reinforced for 2017 by strengthening the organisation. Due to organisational changes, it was not possible to increase the audit quota in 2016, the 2015 level was retained. The basis of the audit system and the prioritisation of the audits is formed by the annual supplier evaluation with the factors of quality, service, delivery performance, environmental competence and efficiency.

Both the availability and the efficiency affect the origin of the external services required by fischer. When selecting the countries of origin, fischer follows a strict "total cost of ownership" principle.

This means: As much as possible, unnecessary, long transport paths are avoided and sources are preferred, whose standards correspond to the ecological principles of the fischer locations. This is also reflected in the supplier structure: 72% of suppliers come from Germany, 20% from European countries and the remaining 8% from Asia.

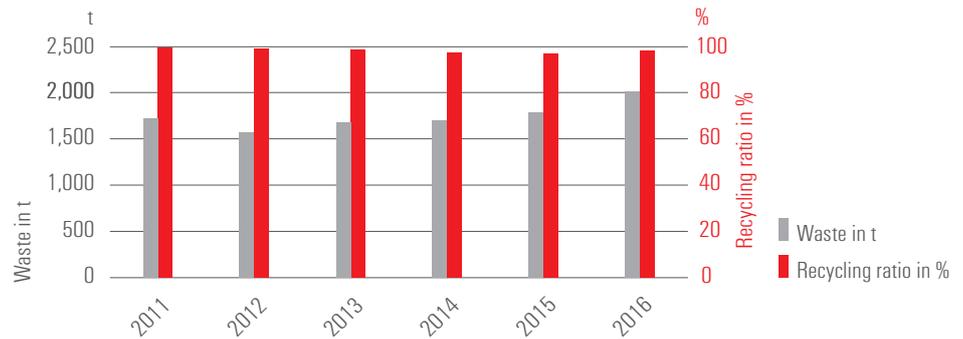
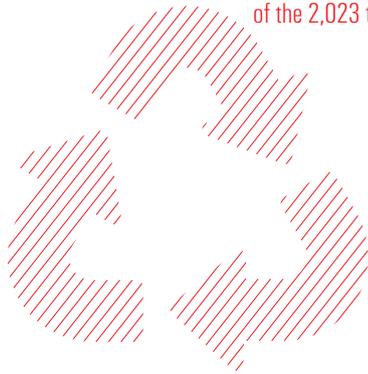
For us, the general cooperation with fischer suppliers is a practical partnership. It is characterised by mutual appreciation. The following principle applies: "It is not easy to supply us, but whoever manages it does it as a partner of the house." If suppliers fulfil the high requirements relating to quality, environment, innovation and costs, they can expect a long-term partnership.



Supplier structure in procurement for the German locations.

99.5%

of the 2,023 t of waste was recycled



Waste volumes and recycling ratios at the Tumlingen site, based on commercial and production waste.

It is important for fischer that the raw materials and production equipment used correspond to the recycling and waste management requirements. The return of materials is very important both on economic and also ecological grounds. For example, almost 100% of the plastic waste generated in the production of plastic fixings is reused internally and externally. In this area, fischer has developed considerably in the last few years and measures its internal recycling ratio. The portions of materially or thermally reused waste are constantly kept above 99%.

We succeed in keeping the waste volumes at a constant level with annually increasing output quantities in production through the consistent implementation of measures for reducing and avoiding waste.

In 2016, the waste fraction was examined in even more detail in order to identify further potential for reducing the total volume of waste.

In the area of waste management, fischer only works with certified disposers who are able to guarantee to the group correct disposal.

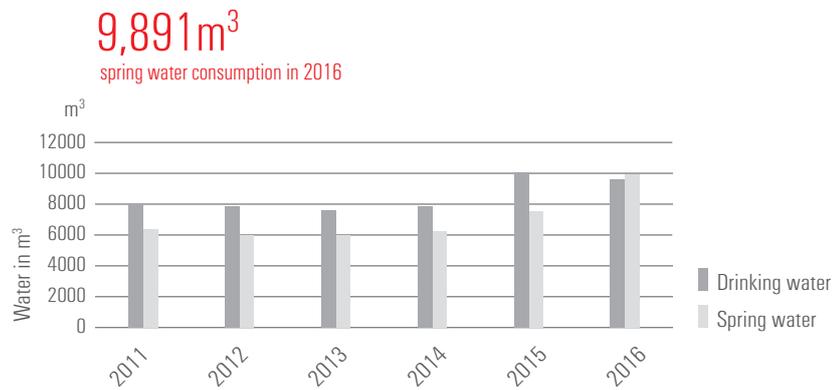
In its processes, the sustainable use of resources is important to fischer as well. For example, the press oil needed for cold reshaping is cleaned in-house in regular cycles and reused.

Oil cleaning in metalworking



As a result, it was possible to reduce the oil volume used by 23% a year, which means savings of Euro 10,000. This project has also been assessed positively by the initiative by Baden-Württemberg "100 Betriebe für Ressourceneffizienz".

9,605m³
Drinking water consumption in 2016



Annual drinking water and spring water consumption at the Tumlingen site.

At Tumlingen, fischer has permission to take water from its own spring, which is used for cooling in the production department and for irrigating the green areas.

The peak consumption in 2015 was due to structural measures and increased irrigation of the green areas with drinking water.

Measures were already taken in 2015 to supply the green areas primarily with spring water. As a result, future consumption of drinking water is to fall again. The effectiveness of the measures is proven by the reduced drinking water consumption in 2016 by 5 %.

fischer does not use herbicides in the fight against weeds. In 2017, a device was purchased that uses the hot water method instead. Weeds are sustainably removed by the deep effect of this method which is gentle to the environment and the surfaces. Consequently, the use of herbicides can be avoided entirely on solid surfaces, which reduces the total use by 66 %.

New projects are structured according to the sustainability requirements.

For example, containers made from UIC® recycling material were chosen when buying carriers for the new picking system in the fischer Global Distribution Center (GDC) with an OSR shuttle (Order, Storage and Retrieval). In addition, minimal noise and a reduction in noise emissions are guaranteed by the raised floor.

In order to make an important contribution to the future and the income situation, the task of the fischer group of companies and its partners is constantly and consistently to search for possibilities for designing products simpler and more cheaply while maintaining quality. At the same time, less material should be used.

Internally, this is called simplification. For example, in 2015 the dimensions of a steel product were changed in a project so that since its implementation savings of 24.3 tonnes of raw material can be achieved per year at the same quantity and enhanced quality.

Linking lean management methods with sustainable resource efficiency offers high levels of savings potential along the entire value-added chain. For fischer Consulting GmbH, value stream mapping with the aim of sustainable removal of waste in terms of "lean" and "use of resources" forms the focus of the consulting. This covers – apart from internal process interfaces – both suppliers and end customers.

Critical here is the fact that development, planning and production departments in future work together ever earlier and more efficiently in order to create general conditions in the early phase of the product development process, which ensure the most efficient and resource-conserving manufacturing of products and services possible.

Experience shows that with the successful implementation of the fPS principles the company is laying the foundations for a sustainably positive environmental balance, which is beneficial for all process partners.



Guiding principle 05 – Energy and emissions

For many years, the fischer group of companies has engaged in active environmental and energy management. The environmental management system was certified according to ISO 14001 back in 1997. The successful implementation of the fischer energy management was proven in 2013 by ISO 50001 certification.



Energy

An internal energy team, which comprises managers from the energy-intensive departments, works across locations and ensures a constant, systematic improvement in energy management.

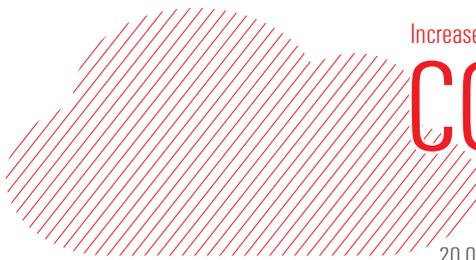
The development of the energy efficiency is assessed by fischer using energy indicators defined on the basis of the technical degree of use. The output (use) is offset against the input (cost) of a system, whereby energy is treated as a system input. The output sizes vary depending on the department looked at. For example, the processed material volume is looked at in the production department. According to ISO 50001, these energy indicators are called Energy Performance Indicators (EnPIs). Since the basis year 2012 fischer has been

planning an increase in energy efficiency of 1.5 % per year. fischer has achieved this aim, which is specified in the corporate strategy, every year since.

By optimising the production processes within the framework of the fischer ProcessSystem and by implementing energy-saving measures, the company is constantly increasing its energy efficiency, which is reflected in the positive development of the indicators. The company is increasing the transparency of internal energy flows through the successive installation of additional energy meters. Other departments and systems are monitored by this so that optimisation measures can be implemented selectively. For example, the quantity processed per kilowatt hour of electricity was increased in the chemical fixings department by 9 % from 2012 to 2016.

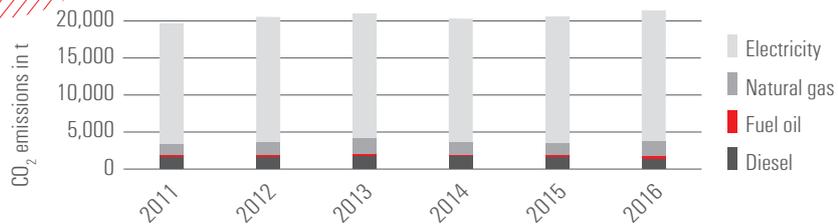
In addition, fischer continuously invests in measures to reduce energy consumption, such as replacing conventional lighting systems with LED technology or by installing more efficient pump systems.





Increased less significantly in relation to

CO₂ emissions



CO₂ emissions in tonnes (Scope 1 and Scope 2) from the German fischer locations.

Emissions

Noise: In order to assess the environmental impact of noise emissions, fischer has created a noise register in order to judge the noise effects of the German locations on neighbouring residential areas. This noise register is updated and the changes assessed whenever there are significant changes.

Pollutants: In 2016, the measuring points for the planned pollutant measurements were defined – with scientific support – in the metal and chemical production departments, in order to guarantee compliance with workplace limits.

Additionally, exhaust air vented into the environment by the ventilation systems is tested for compliance with the prescribed pollutant concentrations. Any measures for cleaning air are implemented by fischer depending on the measurement results.

Carbon dioxide: According to the Greenhouse Gas Protocol (GHG Protocol), a distinction is drawn between three emission areas (Scopes) with regard to carbon dioxide:

Scope 1: Direct CO₂ emissions by burning fossil fuels.

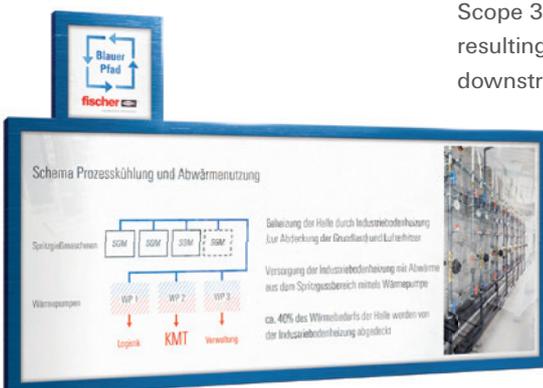
Scope 2: Indirect CO₂ emissions through energy generation by the energy providers.

Scope 3: Indirect CO₂ emissions resulting from upstream and downstream company activities.

When calculating Scope 2, fischer applies an average CO₂ emissions factor. This is published by the Federal Environment Agency and reflects the German electricity mix.

The total CO₂ emissions (report areas Scope 1 plus Scope 2) by the German fischer locations in 2016 amounted to 22,142 tonnes. Of these, approx. 82% was due to indirect emissions through electricity generation by energy providers. The direct emissions from burning natural gas and diesel amounted to approximately 10% and 7% respectively. Roughly 1% resulted from burning heating oil.

Although the company divisions have increased their sales by a higher amount than their CO₂ emissions, fischer is striving to reduce its greenhouse gases further. To this end, all German locations will be supplied with eco-electricity from 2018, for example. This will come entirely from plants that generate electricity from renewable energies. We have corresponding certificates from the energy provider.



Example station on the blue path





Guiding principle 06 – Product responsibility

fischer products stand for quality, performance and safety. In the automotive systems, fischer technik and fixing systems divisions, high-quality plastics, such as nylon are used for a large number of products. Metals and chemical material are also used in fixing systems in the production of our own assortment. The quality of the fixing systems is reflected in a very large number of licences, test certificates and evaluations, which are very important for example in the construction sector.



The majority of plastic products is made from high-quality nylon.



As a result, they retain their performance through their entire life span. All the products of the fischer group of companies are continuously optimised. Processes are constantly adjusted to the changing requirements, both from a technical and sustainable perspective, within the framework of the ISO 14001 environmental management.

Preliminary development in all divisions looks at innovative materials and functional principles. They help to develop innovative and sustainable products that promote the responsible use of resources in all phases of the product life cycle. In research, fischer investigates the use of alternative materials from renewable raw materials or looks at processes that allow the increased reusability of resources.

Raw material: The selection of the raw materials forms the basis for manufacturing the products. Apart from quality, it is important that the raw materials and production equipment used correspond to the recycling and waste management requirements.

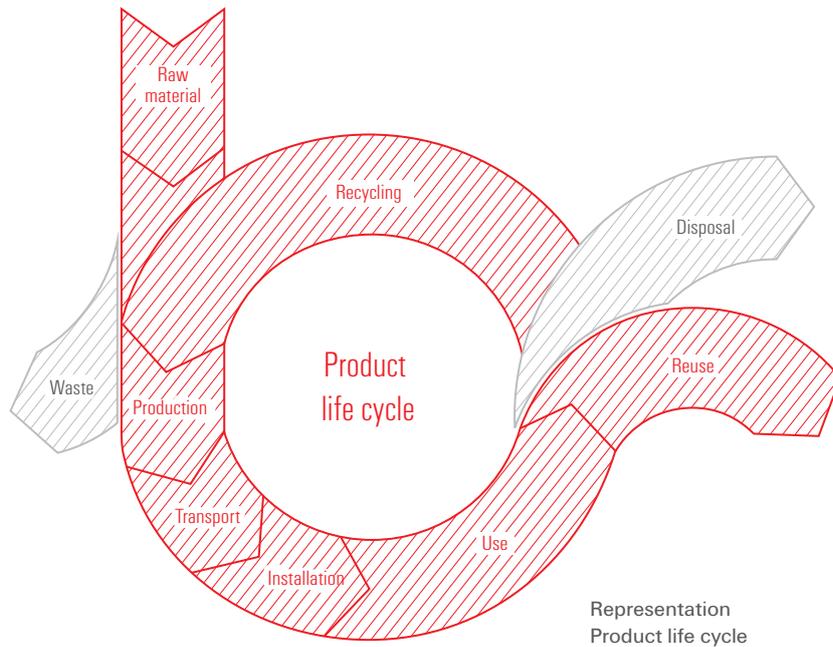
Production: Efficient and clearly regulated manufacturing processes are essential for competitive products at the highest quality level.

Waste: Avoiding waste is a very high priority for fischer because this is directly connected to efficient manufacturing. The packaging for our products is largely made from reusable materials so that our customers can also avoid waste and the raw materials can be recycled.

Transport: As transport is not a value-added process step, fischer strives to restrict transport distances to the necessary.

Installation: Working with fischer products differs considerably from other competitors because of the resource-preserving installation processes. The high quality of the fischer products is directly noticeable here for the customer. The aim is to create user-friendly and secure products that can be processed or installed quickly and easily.

Use: fischer products remain in the building for many years and over this



period have to withstand extreme environmental conditions. Thanks to the high quality demands of the fischer engineers, fischer products are secure and maintenance-free throughout their life span.

Recycling / Disposal: The return of the raw materials is very important both from an economic and ecological perspective. This principle not only applies to the manufacture of our products at our production sites, but also to the construction site – the recyclable packaging on our products reduces waste for the customer.

Recycling: fischer checks the possibility for recycling its products and passes this information on to its customers. First product lines, such as the greenline assortment already meet the sustainability requirements.

Other innovative and sustainable products are in the development phase or will be available on the market soon, such as the cable tie "Flex-Fix" or the "DUOTEC" gravity toggle.



This is a new style of cavity fixing for heavy loads and easy installation. The flexible screw adapter allows the processor to use the plug for various applications. As a result, different types of metric and imperial screws and even threaded rods can be used. The plug also works when it is inadvertently not used in a cavity. This high level of flexibility allows the Duotec assortment to be reduced to just one size. With this, fischer is making a contribution to efficient actions in every phase of the product life cycle.

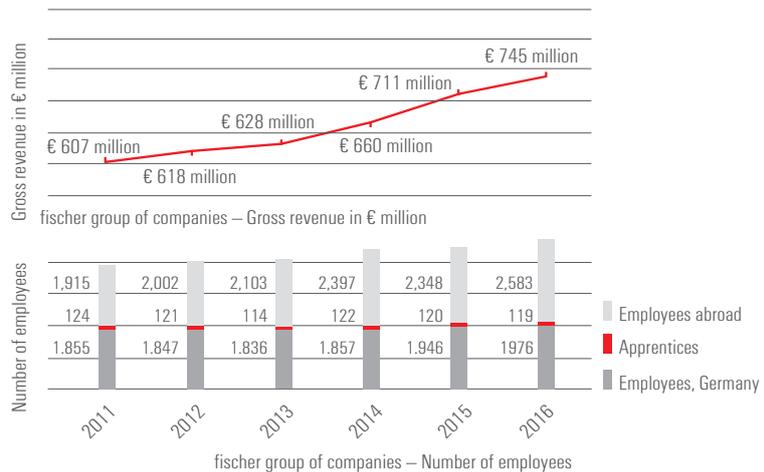






Guiding principle 07 – Corporate success and jobs

4,678 employees
generated gross revenue of € 745 million in 2016



Commitment to our own employees and society

The fischer group of companies is economically successful and has great future potential. Long-term corporate success is ensured by making profits in the four independent divisions, which provide jobs in the region.

Apart from the sales figures, which have increased every year since 2011, the increasing number of employees, also internationally, shows that fischer is a successful and growing company. Continuous, healthy growth inter alia allows investments in education and the creation of more jobs.

The basis for the company's success is formed by the corporate philosophy with its values. This is where fischer anchors the aim of making the profits necessary for the successful further development and future security of the group.

At fischer: "The greatest capital and the most important success factor in our company are the employees – not the plant and buildings!", according to Prof. Klaus Fischer, owner and chairman of the board of the fischer group of companies. fischer assumes social responsibility

towards its employees and towards society by facing up to current challenges and through appropriately addressing the internal and external requirements of various groups.

Apprenticeship and study

The variety of the apprenticeships is reflected in the 28 apprenticeship and dual-study courses offered, in which as many as 40 new applicants start their working life every year. The apprentices and dual study students are employed at all the company's German locations.



The fischer group of companies trains beyond its requirements and thus invests sustainably in young people, who with the high quality training are given future prospects both in our own company and on the job market. This also secures succession for the company. And this supports young people's start into working life.

As optimum preparation for the apprentices and dual study students for the job market, fischer teaches expertise on the principle of "fit for future" and places particular importance on

personal development. This is supported by various seminars on team work, communication, the fischer ProcessSystem and the independent organisation of projects, as well as by the annual apprentice information day. In addition to the usual certificates, thanks to this training programme every graduate also receives the DEKRA certificate "fit for future", which confirms that the contents of the graduates' training extend far beyond the norm.

As it is becoming ever more important, in these times of growing internationalisation, to look at our own foreign-language and intercultural competences at an early stage and in practice and to develop these further, fischer offers its apprentices and dual study students the opportunity to visit one of the 46 subsidiaries for a while. There are various possibilities for this: Language trips with financial support, secondments with an additional visit to a language school for apprentices, or a practical and/or theory semester for dual study students.



Social responsibility towards our own employees

Employees are changing the company day by day with their knowledge and their commitment. So that they remain high-performing, motivated and healthy, fischer offers a wide range of possibilities, which are attractive to different groups and areas of life. Everyone can use and profit from these offers.

Support programmes

Management and expert positions should be filled as much as possible from our own ranks. Employees are prepared selectively for future management tasks with the Management Talent Pool. In order to increase the further development opportunities at fischer, the Expert Talent Pool is another development possibility offered as a strategy addition to the management career path where the focus is on technical expertise rather than personnel and budget responsibility.

fischer has set itself the goal of offering women and men equal-opportunity career possibilities in the fischer group of companies. 25 % of the participants in the various support programmes are women.

The various fischer Talent Pools include elements both of personal development and the development of methodical and social competence. Practical involvement in projects completes these qualification measures. Alongside the international orientation, future managers and experts receive systematic and targeted support.

Developing management

fischer offers its managers a defined concept of strategic and needs-based measures, which contribute to continuous management work coaching and prepare them for current challenges. These extensive programmes help the managers of all hierarchy levels. The fischer group of companies expects to be managed according to the values of the philosophy Management principles were introduced in 2011 on the basis of the company's values. They prescribe what fischer expects from its managers.

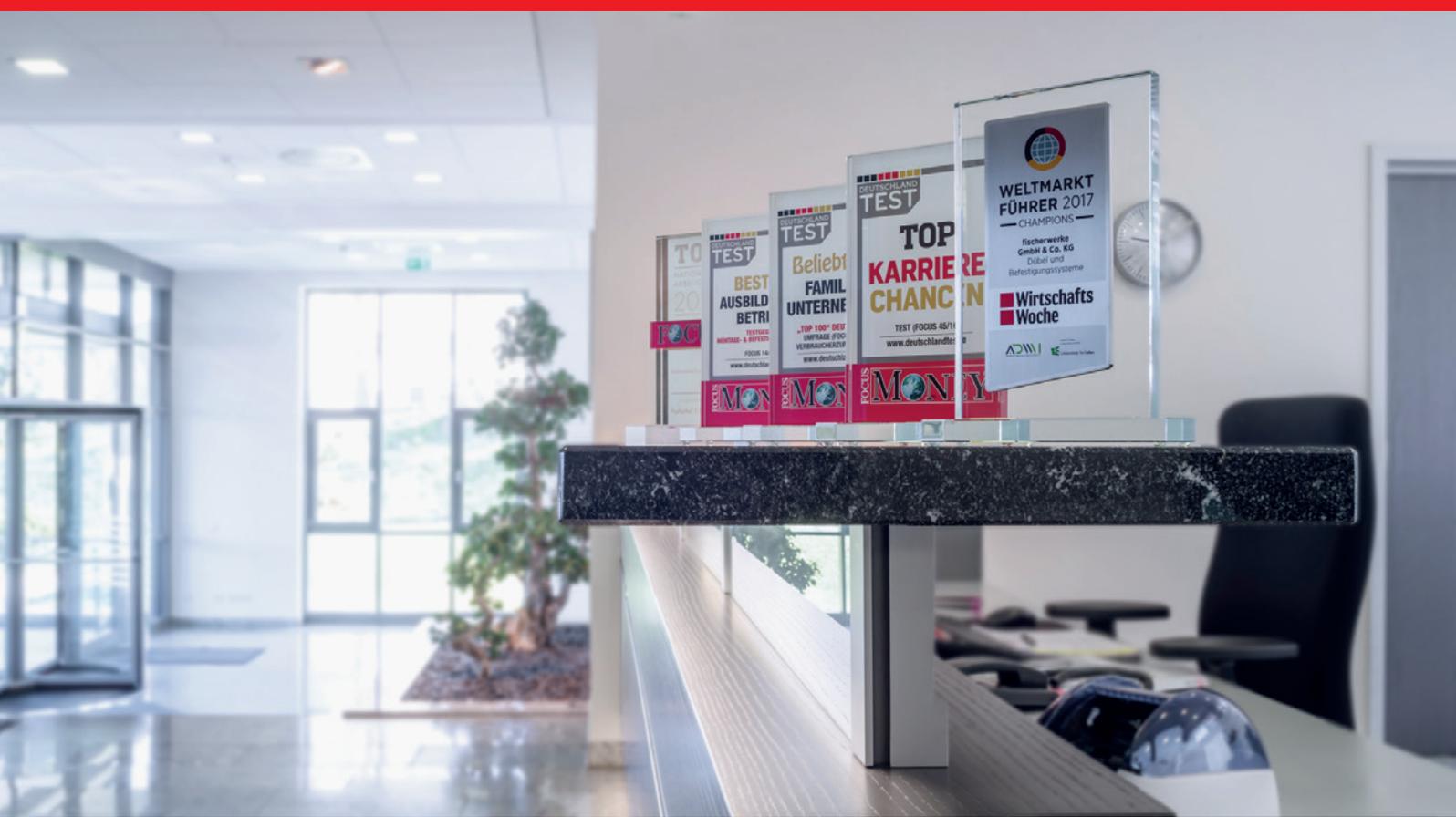
Welcome days

In order to guarantee the optimum start for every new employee, an introduction week is held every quarter, during which the focus is on getting to know the fischer

group of companies. Alongside practical support in production and logistics, they get to know the philosophy and the philosophy behind the fischer ProcessSystem, as well as lots of cross-department and company-specific contents; as part of this the fischer sustainability management is also presented. As a result, everyone has the same entrance requirements.

Fair pay

As an employee with a collective pay agreement, you will receive appropriate remuneration within the framework of the Metal collective agreement. In addition to the agreed holiday and Christmas pay, a voluntary fischer special annual payment is also made. After six months' employment, employees also receive the agreed payments for occupational pension schemes. In addition to the subsequent statutory pension, a contribution is paid for each employee into a pension fund. Another payment that is not required is the "fischer pension". After a specific period of service, annual contributions are paid into a supplemental pension fund for each employee.



Prizes and awards

The company's success can also be seen in the appreciation from our customers and recognised authorities. Every prize or award received as a result is valuable to fischer because they prove that the group is continuously developing and improving. fischer is listed as the Global Market Leader Champion 2017 in the new global market leader index from the University of St. Gallen and Akademie Deutscher Weltmarktführer in the segment "Plugs and fixing systems". The fischer group of companies has been named "Germany's best training company 2017" by Focus Money and test winner in the installation and fixing systems technology segment. In Factory of the Year 2015, fischer won the prize for the category "Excellent production system". It is also seen from outside that fischer invests in its employees; for example in 2017 the group received an award as "FOCUS TOP National Employer". For the award "Germany's best job with a future", which fischer received from "Focus Money", the development of employee numbers, sales and profits from 2011 to 2015 formed

the focus of the workplace testers, along with the security of the jobs.

Objectives

The fischer group of companies also uses the expertise of former, now retired employees by engaging individual retirees as consultants. As part of a structured succession planning, retirees are being increasingly involved for optimal knowledge transfer.

In order to remain successful in times of demographic change and anticipated workforce shortages, the life-phase dependent personnel development is moving more into focus.

Industry 4.0 and digitalisation are treated as sub-projects of sustainability. The employees and their working environment should be the focus here.



Guiding principle 08 – Sustainable innovation

Innovations are the nucleus of the fischer group of companies. Ever since it was founded, fischer has sustainably characterised the fixing systems market with numerous innovations. This core statement is also anchored as a claim in the brand appearance around the world: innovative solutions.

In the search for "innovative solutions" fischer orients itself on global mega trends. Urbanisation, mobility, silver society and neo-ecology have medium and long-term impacts on our products and thus on our strategy.

The mega trend urbanisation describes the alignment of our products on subjects such as "Mega-Cities", "Mixed Mobility" and "Car Sharing". Above all, this influences our divisions fixing systems and automotive systems.

Mobility is a mega trend, which with subjects such as "M-Commerce", "E-Mo-

bility" and "24/7 society" influences all the divisions of our company.

The mega trend Silver Society also influences products in all our divisions with subjects such as "Demographic change", "Silver Pre-neure" and "Ageless Consuming".

Neo-ecology, with subjects such as "Environmental awareness", "Green Investment", "Reuse, Reduce, Recycle" and "Smart Building", also stands for sustainability, but also for sustainable innovations that do not burden people or the environment.

Without launching new products or fundamentally improving existing products, the challenges from the mega trends cannot be implemented. We therefore measure the proportion of innovations based on the sales in our entire assortment. The innovations in the fixing systems division amounted to 14.0 % of sales

in 2016. Numbers for the fischer automotive systems and fischertechnik divisions are recorded from 2016 on. Our goal is also to generate a large proportion of sales through innovations going forward.

In 2015, for example, we launched the Flex-Fix, a highly innovative cable tie. The Flex-Fix is an elastic cable tie, which can repeatedly be opened and closed and thus can be used multiple times. In addition, the excess can simply be cut off and thus the cable tie can be used again.

New, innovative and sustainable products are created when experts from different disciplines learn from each other.

At fischer, construction engineers, mechanical engineers, materials scientists, chemist and engineers for energy and environmental technology work closely together in order to create the best products in terms of performance, quality, safety and sustainability.

fischer innovations



fischer Flex-Fix, the elastic cable tie, can be opened, closed and thus reused again and again. The excess can be cut off and used again.



fischer DUOPOWER, the intelligent two-component plug with the three functions, expansion, folding, and knotting, selects the appropriate operating principle depending on the building material.



fischer greenline, the first fixing assortment in the world with plugs and injection mortar made from more than 50 % renewable raw materials.

Since 2016, we have integrated the hollow-drilling method in the European Technical Evaluation of our products. Hollow-drilling reduces dust emissions during plug installation to a minimum, thereby sustainably ensuring improved working conditions and reducing health risks on construction sites. In addition, in spring 2017 we launched the reaction anchor RM II. The RM II is the world's first compound anchor with fischer threaded rod RG M, which can be installed without any drill hole cleaning, even in cracked concrete. This innovative anchor not only saves valuable installation time, but also follows the Poka Yoke principle by helping prevent installation mistakes due to insufficient drill hole cleaning. In addition, the dust emissions from installation are considerably reduced.

fischer is now also the first manufacturer in the world to produce overwhelmingly from renewable raw materials. All the products of our greenline assortment are

made from at least 50% renewable raw materials. These do not compete with food and feed products or with corresponding cultivation areas. The regenerative material percentage is always confirmed by independent testing and certification by the DIN CERTCO / TÜV Rheinland. All products are in the "BIOBASED 50 - 85%" class.

Chemists at fischer have developed recipes for the injection mortar FIS GREEN that use renewable raw materials. And so far this is unique worldwide. And the designers of the cartridges for FIS GREEN also met the challenges that result from the processing of plastics made from renewable raw materials. For this innovative product, fischer 2014 came second in the innovation prize "Bio-based Material of the Year", which was awarded at the International Conference on Bio-based Materials.

For fischer, sustainability means high requirements for the quality of the

products as well as the amount of innovative force. With regard to quality standards, the fischer group of companies sets high benchmarks for itself with its fixing systems, automotive systems, fischertechnik and fischer Consulting divisions.





The basis for successful innovations is created by fischer through the introduction and implementation of targeted measures:

- Creation of an open and innovation-friendly corporate culture based on the philosophy and using the fischer ProcessSystem (entirety of our business processes and the principle of order, with which we align these to our goal), the continuous improvement process and the fischer IdeaProcess (process for suggested improvements).
- Integration and motivation of all employees through bonuses, an annual fPS prize and inventor pay.
- The executive management accompanies the innovation process through the Product Policy Board (steering committee for development projects).
- Roadmap (overview of the development projects). It shows the development projects with their most important key data, such as schedule and strategic evaluation, and serves as the basis for the Product Policy Board.

- Opening of the innovation process externally (Open Innovation) through consistent customer orientation and exchange with suppliers through TRIZ. TRIZ (Teoria reschenija izobretajelskich sadatsch) is Russian and translated roughly means "Theory of inventive problem-solving". This involves direct dialogue with fischer customers and the sharing of personal experiences (planners, construction site, CompetenceCenter, retail, etc.).
- Creation of a structured sustainability-oriented innovation management (holding innovation workshops, for example with the involvement of the 3R thinking Reduce, Reuse, Recycle and introduction of an IT-based standard process with PDP (Product Development Process) and fipatis (fischer Patent information system).

Sustainability aspects are considered in the idea generation and implementation of innovations. Among other things, the selection of raw materials, production processes and locations play a critical role here, along with

defining the risk potential for the user, both in respect of works safety and installation safety. Possibilities for avoiding waste or recycling the product also have to be considered.

In order to be able to prove fischer's innovative power, from 2017 the average degree of innovation of newly launched products will be measured on the basis of five categories:

- Customer benefit (installation friendliness, performance)
- Degree of uniqueness in the market (reflects the competitive situation)
- Technical degree of uniqueness (shows whether this is a further development or a new technology)
- Barriers for competitors (describes the legal protection situation)
- Ecological consideration (assesses resource consumption and volume of emissions and waste)



Guiding principle 09 – Financial decisions

As an owner-managed company, the fischer group of companies insists on the highest possible level of autonomy and independence.

This results in the capital requirement for investments and for the operating business initially being covered by our own funds. If debt financing is necessary or an advantage, when selecting our financing partners we consider their seriousness, creditworthiness and their dealings with stakeholders.

Financing is typically undertaken with institutions, with which we have long-term trusting relationships. As part of the financing decision, the fischer group of companies also looks at guaranteeing sustainable financial leeway at all times.

Financing which restricts the group in terms of its self-determination or which includes risks for the company, is rejected in principle. The sustainable economic development and the long-term success

of the fischer group of companies are the main focus of investments. Apart from economic aspects, employee considerations and environmental aspects are also considered in investment decisions.

Guiding principle 10 – Anti-corruption

fischer condemns any type of corruption and the gaining of advantage by illegal and unethical means. This applies to all activities of the group and also to all countries where fischer is active. "Serious" has been a basic value in the corporate philosophy for decades, which excludes all types of bribery (active corruption) and corruptibility (passive corruption). A breach of the company's values is not accepted and will be investigated accordingly.

At fischer, compliance is not only restricted to anti-corruption measures. Indeed, compliance requires responsible conduct from every individual, which complies with all the applicable laws, the fischer philosophy and internal guidelines.

In order to ensure and encourage compliant conduct, managers and employees are intensively trained during the training programme in the philosophy and in compliance. As a result, the employees

are given the tools for making the right decisions in difficult situations and for minimising risks. A focus here is on teaching the employees how to avoid corruption, fraud, embezzlement and breach of trust. Going forward, we will offer our staff training in selected topics.



Guiding principle 11 – Regional added value

Social responsibility to society

We take our social responsibility towards society seriously by involving the region in a large number of projects.

Knowledge factory / School campaigns / Education initiatives

For eleven years, fischer together with more than 120 companies and foundations from various industries, has provided financial and personnel support for knowledge transfer and competence development in technology, sciences, economic education and entrepreneurship. Prof. Fischer was active as a founding member of the Knowledge Factory from the start, in order to support pre-school and school children with innovative education projects, to feed their thirst for knowledge and curiosity and thus to support their development. In this framework, the fischer group of companies is successfully realising the Erzählwerkstatt (fischer's own story tent), TECHNolino, KiWi (children discover industry),

KiTec (children discover technology), School2Start-Up and SIA (school pupil engineering academy) and TECademy projects with numerous nurseries and schools.

Qualified employees are essential in order to be competitive going forward. The path for this is not only set in the corporate training, but already much earlier. This is why the fischer group of companies promotes the talent of young people in numerous education projects and initiatives in nurseries, primary schools and secondary schools.

The fischer School Campaign is aimed at school pupils who are supported in their career orientation. Thanks to the mentoring by education officers from fischer, more than 50 schools in the area around the headquarters in Waldachtal are supported with offers for preparing school children for the professional world.

The 6th Grammar School Leavers' Forum of the fischer group of companies in 2016 was devoted to an extremely exciting topic. 200 imminent grammar school graduates from six grammar schools, along with apprentices from the company, discussed the matter of what life might look like in 2030.

Kinderhaus (Harmony of family and work)

Family and work – this should be easy to combine, especially in a family-run company. The fischer group of companies supports parents through flexible working hour models and through the Kinderhaus Waldachtal. The cooperation with the Kinderhaus gives employees many new possibilities. This organisation provides care possibilities for children from infancy until they start school in direct proximity to the company. fischer supports the nursery not only in terms of organisation, but also financially and in the form of various projects, from



which the carers and all children profit. Prof. Klaus Fischer supported the erection of the "Im Himmelreich" nursery with a donation of Euro 1 million.

DrachenEi (Dragon egg)

For four years now, the apprentices and dual study students of the fischer group of companies have been supporting the DrachenEi with great enthusiasm. With the money gained from independently organised campaigns, they support children from the district, who because of their financial situation, do not have the possibility, to learn in clubs and courses, or to participate in musical, sporting and cultural offers.

Projects for employees' children

- "My daddy reads": The project is addressed to all working fathers and mothers with children aged up to twelve. The aim is to give the parents, especially the fathers, the possibility to act as reading role models more strongly

ly for their children and to perform their role as pioneering (reading) supporters. Every Friday the employees receive a new story from the Stiftung Lesen with additional tips for reading (aloud).

- "Where mummy and daddy work": The company opens its doors to employees' children on these campaign days. They can find out where their parents work and what tasks they perform. A colourful accompanying programme rounds off the day.
- "Discover cooking with fischer": Employees' children find out how much fun preparing a delicious and healthy menu can be as part of the "Discover cooking with fischer" initiative. The team from the company's own works restaurant give them a look behind the scenes and in various child-friendly cookery courses the employees find out more about the subject and get involved themselves.

Local clubs

fischer regularly supports the voluntary activities of local clubs with material and cash donations.

Local fire services

For many years, fischer has supported the fire services in the area around its headquarters in Waldachtal and at other German locations. In 2015 and 2016 fischer equipped the Voluntary Fire Services Horb and Waldachtal with a fire engine each. At the suggestion of the Freudenstadt District Fire Service Association, in September 2016 the group was awarded the "Volunteer-friendly employer in civil protection" prize from the State of Baden-Württemberg.

Sponsoring

fischer supports three regional football clubs and other sports clubs as well as individuals. For example, the three-times Olympic champion, World and European champion in eventing, Michael Jung from Horb-Altheim, is intensively supported.

Research and education

fischer supports endowed professorships in cooperation with universities. The aim is to promote research and development at universities and to arrange the implementation in knowledge transfer. In 2015 fischer provided almost Euro 1.6 million to the University of Stuttgart over a period of six years. The establishment of a junior professorship in "Innovative strengthening methods with fixings" including equipment can be realised with this. The endowed junior professorship is conceived as an interdisciplinary professorship in order to combine the areas of materials science, fixing technology and building surveying. It is based in the Faculty of Construction and Engineering Sciences at the Institute for Materials in Construction (Institut für Werkstoffe im Bauwesen - IWB). Globally there is currently no other professorship with an equivalent orientation. An essential requirement for human life is the sustainable use of our natural resources. However, we still do not know enough about the technical possibilities that can be realised from the ecological and economic use of many materials. Using nature as a role model is therefore

also the task of a new professorship at the Institute for Constructive Civil Engineering at the Vienna University of Natural Resources and Life Sciences. The professorship "Bio-based construction" endowed by Prof. Klaus Fischer in spring 2017 for four years researches carrier systems and structures based on forms in nature. The interdisciplinary professorship should cover the areas of constructive design, creative design of buildings and resource-preserving building.

In addition, fischer provides both financial and content-related support for the new founding of the Campus Nordschwarzwald in Freudenstadt. The company provides lecturers and lecture scripts in the subjects of digitalisation and sustainability for the Master's degree in Mechanical Engineering.

Luftikus (happy-go-lucky)

fischer supported the project Luftikus, in which a children's house was built in the region where long-term ventilated children are looked after. The project was completed in 2015. The former Morlok ski factory in Baiersbronn was cleverly converted into an attractive and sensitively designed house for ventilated children and their families. Prof. Klaus Fischer, as a member of the board of trustees, was personally involved in the project and also provided material support. fischer helped here both with fixing technology for the individual trades and with donations. This exemplary conduct

was the impetus for many other companies to drive forwards the project with services and donations.

Personal commitment

Prof. Klaus Fischer, owner and chairman of the board of the fischer group of companies is particularly committed to education measures and social institutions. In spring 2015 he established the Klaus-Fischer-Stiftung for promoting children's and young people's education. His generous financial commitment can be seen in numerous projects such as the Kinderhaus in Waldachtal. But also schools and day nurseries in the district profit from Prof. Fischer's donations, along with clubs and organisations, which have made supporting children and young people their aim. On his birthday, he donated Euro 100,000 in Germany for young people's education and in Italy, the foreign country with the largest fischer subsidiary he donated Euro 65,000 for schools, nurseries and children with cancer.





Guiding principle 12 – Incentives for rethinking

The subjects of sustainability management are a component of the strategic objectives of the fischer group of companies and are adjusted to the individual divisions. Challenges such as digitalisation and Industry 4.0 are treated as sub-projects of the sustainability management.

In 2017, the fischer sustainability academy was founded in cooperation with the Steinbeis-University Berlin (SHB). The purpose of the institution is to develop the competence of suppliers, customers and service providers, as well as that of our own workforce in sustainability. The participants of the fischer sustainability academy defined sustainability projects that have to be undertaken within a reasonable period. A permanent (competence) development process is triggered with this consistent teaching and learning approach alongside basic teaching of knowledge and qualification. Senior managers and specific disseminators such as the fischer ProcessSystem managers and the energy team are trained by fischer. The sustainability training and qualification is a continuous process.

The subject of sustainability is also an integral component of the qualification matrix of the employees. Apart from the company's own preserving use of resources, examples should be highlighted, which can be applied to everyday life.

The principle of the lean company continuously avoids waste and increases added-value, according to the fischer philosophy. The fischer ProcessSystem (fPS) aims for a lean and flexible company that includes all the employees. Targeted employee development and qualification form the basis of the fischer ProcessSystem. Qualified employees act as disseminators within the group, such as in the implementation of the sustainability management.

Every employee should be integrated here. The fischer ProcessSystem (fPS) is a significant success factor for the fischer group of companies. It serves the continuous improvement of the processes both in an economic and ecological respect. The fPS prize, donated by the chairman Prof. Klaus Fischer, is awarded

every autumn. Particularly innovative services of the internal continuous improvement system are rewarded within this framework. The winning projects act as examples of newly defined standards, which can have an impact ecologically, economically and socially (for example through improved working conditions).

Required fPS competences are trained in a need-oriented qualification programme developed in 2016 so that fPS continues to be implemented daily, consistently, continuously and sustainably by all managers and employees.

As an innovative company, fischer is very interested in recording and realising the many ideas of its employees. There are various ways ideas can be submitted: the fischer IdeasProcess (measurable suggested improvements from one's own or another working field), the fischer ProductProcess (suggested products or improvement potential) and the imaginative idea (smallest idea). One goal is that every employee will submit at least three imaginative ideas every year. The condition for

imaginative idea is that it must be implemented within ten days of submission.

Since the start of 2016, the cooperation between the various departments can be assessed individually. The participating colleagues use the quality mirror to express how the cross-functional cooperation has worked. This evaluation system has a voluntary basis and depending on the number of projects can be used individually in order to permanently increase the satisfaction of the cooperation and the process quality. The goal here is to optimise the respective processes or projects consistently so that a smooth process without delays can be guaranteed. Schedule overruns and similar should be reduced to a minimum and can only be overcome through communication. The quality mirror provides the ideal opportunity for discussing the problems arising and for avoiding repetitions.

The Klaus Fischer Bildungs-Zentrum (BiZ) is a voluntary education centre. It gives employees the chance to participate in various events free of charge. The offer

ranges from general educational seminars and presentations to language courses and PC courses. Among other things, the subject "Sustainability - a term with many definitions and what we should understand by it" is taught by speakers from the Umweltakademie Baden-Württemberg.

Outlook

The fischer sustainability management 2017 is the result of an interdepartmental, continuous improvement process. The project status from 2016 is thus ended. In order to keep the sustainability activities up to date going forward, the sustainability performance by fischer will continue to be adjusted to the current and future general conditions. The resulting modifications are integrated, with the involvement of the stakeholders, into the company's target concept. Sustainability is therefore a fixed component of the fischer corporate strategy.





As at 07-2017

Legal notice

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