



**CORPORATE  
REPORT**



**RESPONSIBILITY  
2018**

# DIVISIONS AND FINANCIAL INVESTMENTS

## DIVISIONS

### BEKAERTDESLEE



**100%**  
EQUITY INTEREST

BekaertDeslee is a globally leading specialist for the development and manufacturing of woven and knitted mattress textiles and ready-made mattress covers.  
[www.bekaertdeslee.com](http://www.bekaertdeslee.com)

### CWS



**82,19%**  
EQUITY INTEREST

CWS-boco ranks among the leading international full-service providers of individual washroom hygiene and textile solutions.  
[www.cws.com](http://www.cws.com)

### ELG



**100%**  
EQUITY INTEREST

ELG is a global leader in the trading, processing and recycling of raw materials for the stainless steel industry as well as high performance materials such as superalloys, titanium and carbon fibres.  
[www.elg.de/en](http://www.elg.de/en)

### OPTIMAR



**100%**  
EQUITY INTEREST

Optimar is a global leader for automated fish handling systems for use on ships, on land and for fish farms.  
[www.optimar.no](http://www.optimar.no)

### ROVEMA



**100%**  
EQUITY INTEREST

ROVEMA is a global leader in the manufacturing of packaging machines and equipment for a wide variety of products and applications.  
[www.rovema.com/en](http://www.rovema.com/en)

### TAKKT



**50,25%**  
EQUITY INTEREST

TAKKT bundles a portfolio of B2B direct marketing specialists for business equipment in Europe and North America in a single company.  
[www.takkt.de/en](http://www.takkt.de/en)

## FINANCIAL INVESTMENTS

### CECONOMY



**22,71%**  
EQUITY INTEREST

CECONOMY is Europe's leading platform for companies, concepts and brands in the sector of consumer electronics.  
[www.ceconomy.de/en](http://www.ceconomy.de/en)

### METRO



**15,20%**  
EQUITY INTEREST

METRO is one of the leading international companies in the wholesale and food service sector.  
[www.metroag.de/en](http://www.metroag.de/en)

THIS SECTION INCLUDES THE FOLLOWING GRI INDICATORS:



# FRANZ HANIEL & CIE. GMBH

# FAMILY-EQUITY

# SINCE 1756!



Franz Haniel & Cie. GmbH is a German family-equity company. Our approach combines the best of both worlds: We are building a diversified portfolio with the professionalism of a private equity investor. Yet at the same time, we are a family-owned enterprise that adheres to the values of the “honourable businessman”.

Haniel is building a diversified portfolio with the objective of increasing value. As a value developer, we pursue a long-term and sustainable investment strategy. This is possible due to equity provided for an unlimited term by the family shareholders. Haniel strives to achieve this economic goal in harmony with ecological and social goals.

We have been headquartered in Duisburg-Ruhrort since our founding in 1756. Here, new ideas have been conceived, realised and refined for more than 260 years, and will continue to mould the future. Thinking in generations, acting sustainably, shaping the future – these values are what define our objective of being “enkelfähig”.



## CONTENTS

<b>LETTER FROM THE CEO</b>	<b>02</b>	<b>CR CONSIDERATIONS FOR ACQUISITIONS</b>	<b>17</b>
<b>COMPANY</b>	<b>04</b>	<b>INTEGRATING CORPORATE VALUES</b>	<b>18</b>
<b>CR MANAGEMENT AND ORGANISATION</b>	<b>06</b>	<b>RESPONSIBILITY FOR EMPLOYEES</b>	<b>19</b>
<b>STAKEHOLDER DIALOGUE</b>	<b>07</b>	<b>OTHER TOPICS</b>	<b>21</b>
<b>MATERIALITY ANALYSIS</b>	<b>08</b>	<b>ABOUT THE CR REPORT</b>	<b>24</b>
<b>THE DIVISIONS' COMMITMENT TO CR</b>	<b>10</b>	<b>CONTACT / PUBLICATION DETAILS</b>	<b>25</b>
BekaertDeslee	11		
CWS	12		
ELG	13		
Optimar	14		
ROVEMA	15		
TAKKT	16		

# NEW PATHS TOWARDS A SUSTAINABLE FUTURE



**THOMAS  
SCHMIDT**  
Chairman of the  
Management Board

*Dear shareholders,*

As a family-owned company, we have been tasked by our shareholders to ensure through our business activities that future generations will still be able to thrive on the Planet Earth –

ideally under even better conditions than the ones we currently enjoy. This encompasses not only the financial element, but also social and environmental concerns as well. The values

that the family and the Company share are firmly rooted in the belief that the one thing – running a profitable business – goes hand-in-hand with the other – protecting the environment and engaging with the community.

A stance such as ours does not manifest itself through proclamation, but rather through action. Systematic, consistent action. As a family equity company, we adopt this approach at the earliest stages of value creation: we consider only those investments which already make a positive contribution to the environment and society, or will be able to do so in the future. We engage the companies in our portfolio in an earnest dialogue about sustainability. This report aims to show you just how we go about achieving this.

There are many ways in which Haniel can improve in the area of Corporate Responsibility. Yet running a business also means setting priorities. With that in mind, we again recently asked our stakeholders which issues they consider most urgent. Their opinion converges with our experience: as a portfolio manager, our greatest lever is the ability to set CR management requirements for our divisions and ensure that they are complied with. In this way, we also live up to the principles underpinning our membership

in the UN Global Compact. This is because we not only pledge to uphold recognised principles such as human rights, labour standards, environmental protection and the fight against corruption, we also help to propagate them within the Haniel Group.

This enables us to bring our divisions along in our quest for a future that is “enkelfähig” – i. e., sustainable. Our journey will require the courage to take unfamiliar paths. I hope you will join us along the way.

Duisburg, 1 July 2019



**THOMAS SCHMIDT**  
Chairman of the Management Board

# WE DEVELOP COMPANIES

As a family-equity company, Haniel is building a portfolio with market leading companies. The rule is: We combine the professionalism of a private equity investor with the understanding of values of a family business.

Haniel has set a goal of increasing the portfolio to up to ten equity investments. Only those investments that fit with the Company and its values are considered. An investment filter serves to assess the potential business models as to the extent to which they make a contribution to the diversification of the Haniel portfolio, are sustainable and viable for the future, and generate a reasonable value

contribution. Our goal is to find companies that can develop into market leaders with our help.

We support the growth of our portfolio companies. There is no blueprint for this; rather, we find an individual path for each division. We analyse precisely the current stage of the company's growth and identify the core strategic themes. For example, portfolio

companies on a dynamic growth path receive support through investment capital and know-how in financing, corporate governance, or HR. We can also offer mature companies targeted added value such as with respect to the digital transformation.

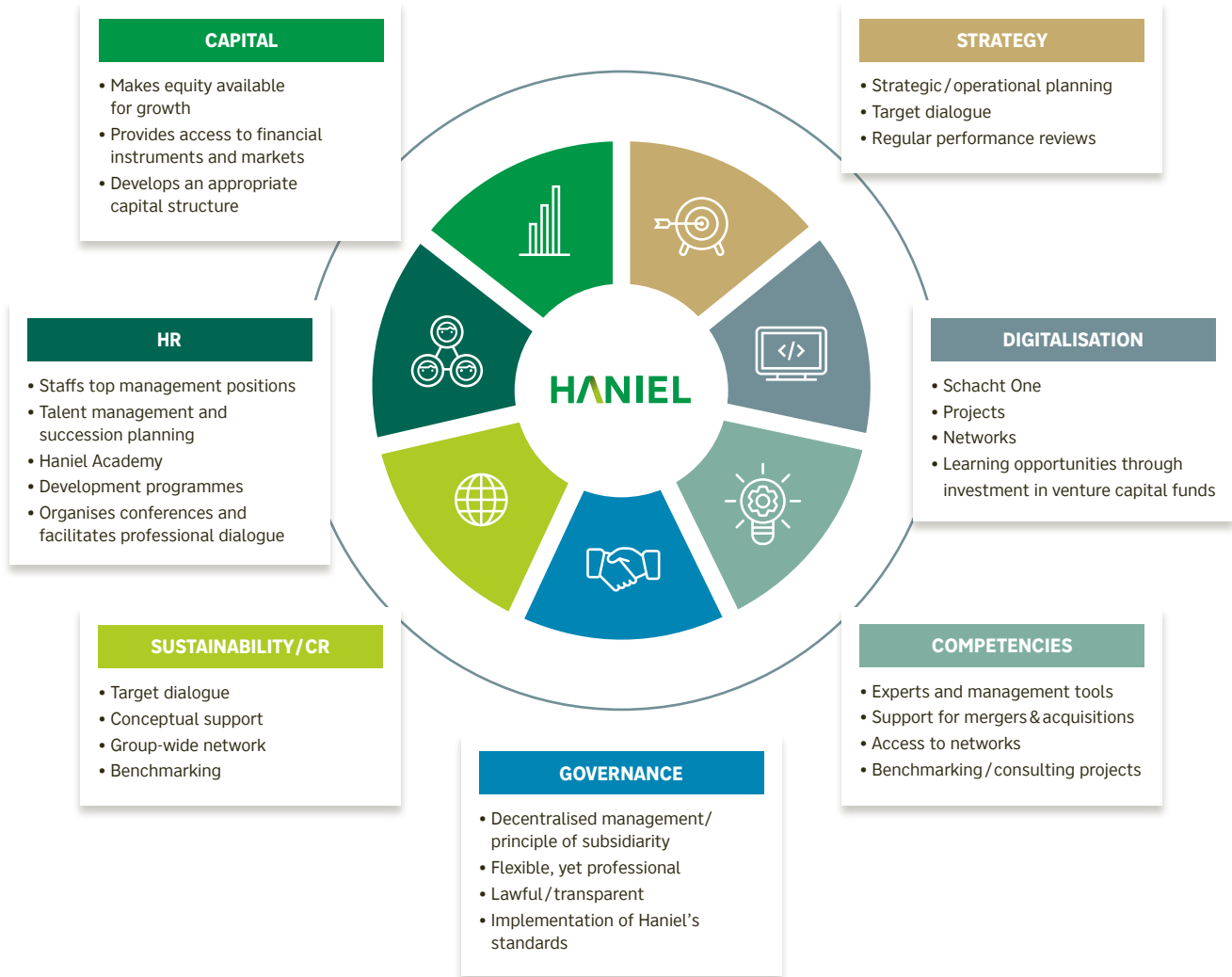


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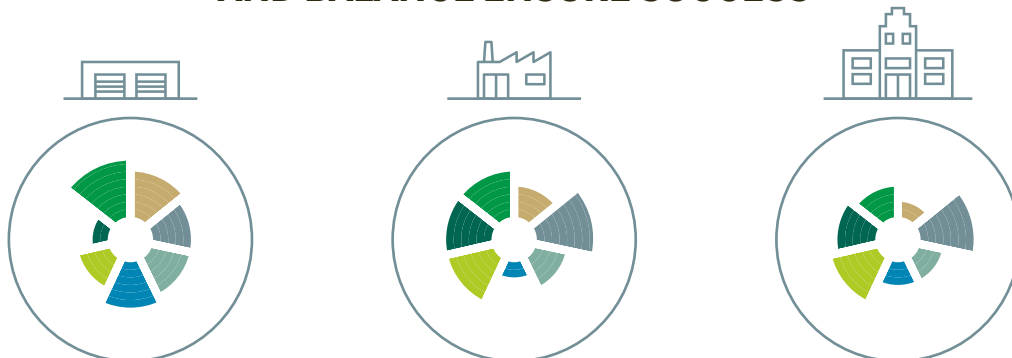


Learn more about  
Haniel as a company  
developer in the film.

## MANAGEMENT APPROACH AND INVESTMENT PORTFOLIO ADDED VALUE THROUGH FLEXIBLE PORTFOLIO MANAGEMENT



## INDIVIDUAL STRENGTH AND BALANCE ENSURE SUCCESS



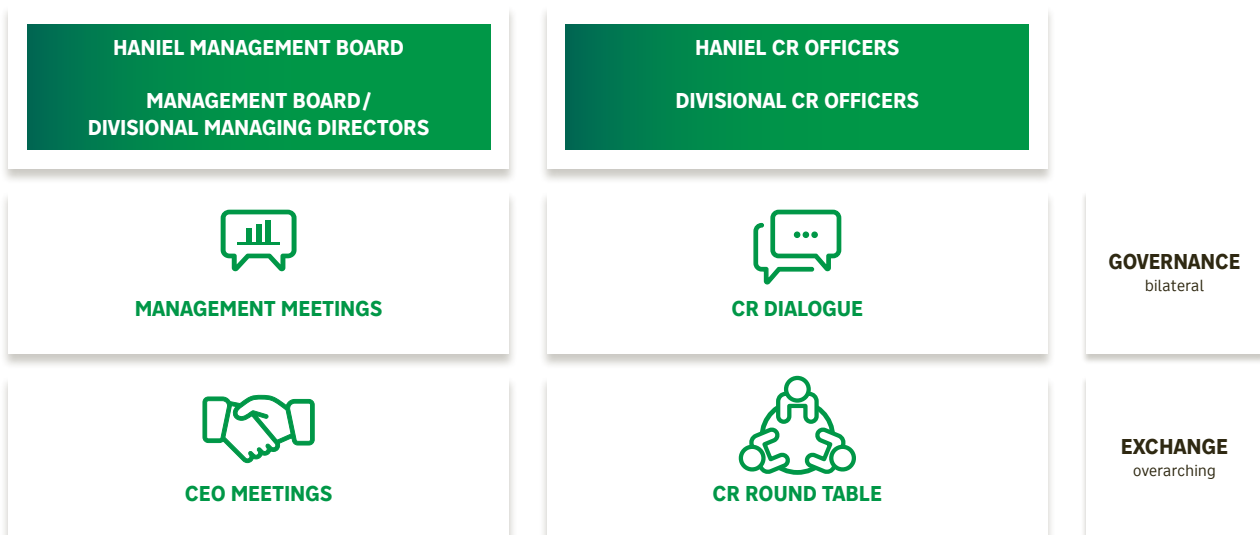
# CR MANAGEMENT AND ORGANISATION

As a value developer with a long-term investment strategy, Haniel pursues a holistic CR approach across the entire value chain, from the investment phase to portfolio management through to divestment. The aim is to systematically integrate Corporate Responsibility into every phase of value creation.

In addition to portfolio management, the Holding Company is also responsible for the strategic guidelines for the operating divisions – in this respect we consider ourselves to be a strategic catalyst. Strategic initiatives are agreed on in discussions with the divisions, and then implemented by the divisions under their own responsibility. The divisional management teams report regularly on progress to Haniel's Management Board. This also applies to corporate responsibility (CR). Our CR management approach was drawn up based on a systematic analysis of the [expectations](#)

of a variety of stakeholder groups. The Holding Company discusses individual initiatives with the divisions, taking into account Haniel's particular situation as a diversified group of companies with decentralised management. Haniel's Management Board and the management teams of the divisions agree on objectives and measures and discuss progress in regular management meetings. In addition, the Holding Company organises the Group CR Round Table, where CR experts exchange information and experience.

## CR ORGANISATION AT THE HANIEL GROUP



The results of CR management are presented in a transparent, regular CR report. The Holding Company and the divisions prepare this report on the basis of the internationally recognised guidelines of the Global Reporting Initiative (GRI). In addition, the Holding

Company has published a separate [Non-financial statement](#) since 2017. We do this in compliance with the requirements set out in the European Union's CSR Directive and the corresponding German act implementing the Directive.



# DIALOGUE WITH STAKEHOLDERS

An open, trusting and regular dialogue with advocates and interest groups forms the basis for Haniel’s CR strategy as well as for society’s acceptance of business decisions. At the same time, the exchange provides vital inspiration for the continued development of sustainability management.

Not only the Holding Company, but also the divisions are involved in a constant dialogue with their stakeholders. The Management Board regularly reports to the Supervisory Board – which is composed in equal part of shareholder representatives and employee representatives – on the state of the Holding Company and the various divisions. The Advisory Board is elected by the Shareholders’ Meeting and helps to facilitate communication between the Company’s governing bodies and the family. Owners receive timely information in the “Family Call”. In addition to one-on-one meetings, the Holding Company has also established the “Investor Call” to offer a similar format for its lenders. Moreover, the corporate website also offers a broad communications platform to address all interest groups. Among other things, the annual press conference to discuss the financial statements is also broadcast via website. Employees can find basic and current information about the Company on an internal communications and work platform. Moreover, the annual employee review, management conferences, dialogue

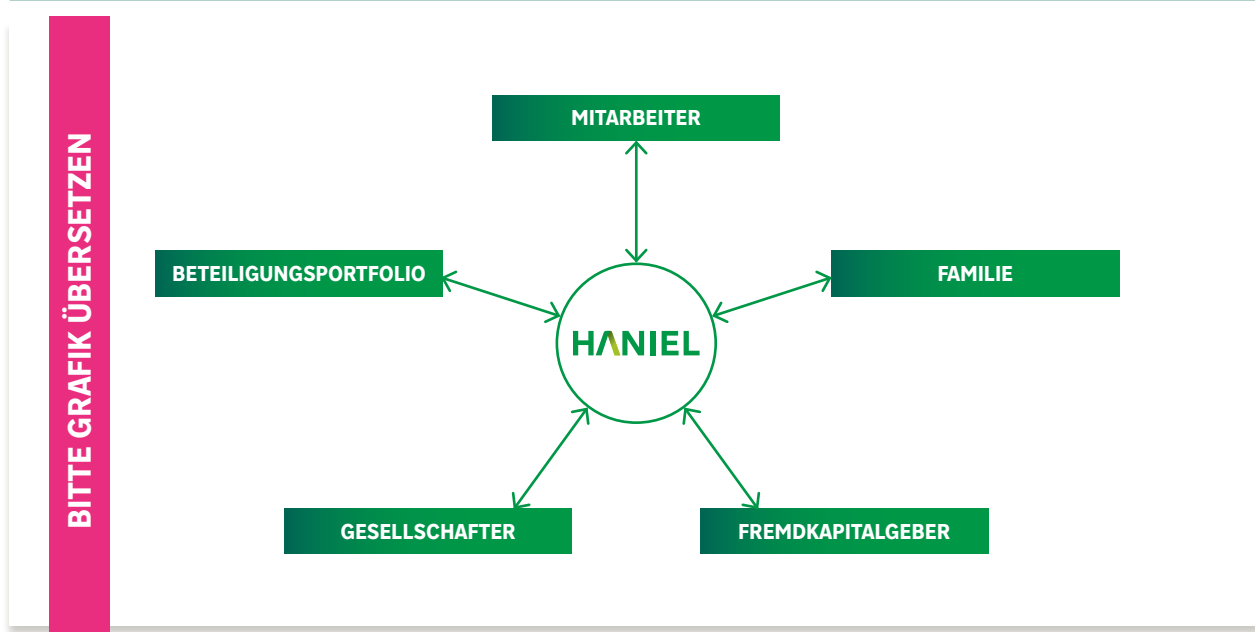
events and employee survey which is regularly conducted by the Holding Company offer opportunities for constant exchange.

### SYSTEMATIC DIALOGUE WITH STAKEHOLDERS

The inspiration provided through the various formats gives us constant insight into what stakeholders expect and need from the Holding Company. In addition, we carry out systematic analyses in the form of surveys. In the course of reviewing our **Materiality Matrix** we sought out structured dialogue with our stakeholders in the beginning of 2019. How satisfied are they with the Holding Company’s efforts to enhance sustainability thus far? What do they like in particular and where is there potential for improvement? In addition, we asked participants how they would prioritise relevant topics for the Haniel Holding Company in an online survey.

In advance of the survey, we identified five key stakeholder groups based on our business model as a strategic management holding company.

## SYSTEMATISCHER STAKEHOLDER-DIALOG



For the Haniel Holding Company, the divisions play a key role because they are responsible for their own operations and they interact with many other players, such as customers and suppliers, in their respective markets. The survey covered executives from each division as representatives of the investment portfolio. From the employees' perspective, the opinions of selected executive and non-executive staff and prospective Holding Company employees were surveyed. The investor side of our survey covered members of the Haniel family, who have pledged to uphold the same **values** as the Company. Banks and rating agencies completed the picture as lenders. Standing in for society as a whole, media representatives and local and regional organisations were invited to express their opinions on the Haniel Holding Company.

### STAKEHOLDER EXPECTATIONS

More than 80 per cent of those surveyed are satisfied with the Haniel Holding Company's efforts to ensure sustainability. Stakeholders expect us to keep working to develop the **divisions' commitment to CR**. In addition, they expect us to continue to factor in not only the financial and strategic aspects when acquiring and selling companies but also **environmental and social concerns**. Stakeholders also consider it vital that we structure our business activities in line with the **Haniel Values**, which need to be integrated into the divisions' respective codes of conduct. Stakeholders also consider the Holding Company to be very important as an employer: with respect to professional and personal **HR development**. The results of the most recent stakeholder survey were compiled into a new **Materiality Matrix**.

#### THIS SECTION INCLUDES THE FOLLOWING GRI INDICATORS:



# MATERIALITY ANALYSIS

**The Haniel Holding Company defines strategic requirements that serve as focal points for Corporate Responsibility. Each division is responsible for implementing its own CR management apparatus, which is tailored to suit each company.**

The current Materiality Matrix for the Haniel Holding Company was developed in the beginning of 2019 through **dialogue with stakeholders**: We asked survey participants how they would prioritise a series of issues by their significance. Content was selected based on leading standards for sustainability reporting and the European Union's CSR Directive. In addition, experience and developments since the most recent materiality analysis were taken into account in the selection of topics covered, including changes in the Holding Company's CR organisation.

After analysing the responses to the stakeholder survey, the findings were subjected to an internal assessment by executives and CR experts from the Holding Company, who weighted each topic to account for

their economic, environmental and social impact. This resulted in four focal points standing out from both the stakeholders' and the Company's perspective:

### THE DIVISIONS' COMMITMENT TO CR

The Haniel Holding Company also develops the divisions in the area of Corporate Responsibility through strategic guidelines and principles: requirements imposed on CR management and organisation at the individual companies – taking into consideration their size and maturity – are an established component of portfolio management. We leave it up to the divisions to implement CR into their operating business, in line with our role as a strategic management holding company.

**CR CONSIDERATIONS FOR ACQUISITIONS**

The core responsibility of the Haniel Holding Company is to search for new business segments. Potential acquisition targets must be in a position to contribute value to the area of Corporate Responsibility. This is because it is only when entrepreneurial growth is aligned with social and environmental interests that we are able to sustainably increase the value of our portfolio without eroding the foundations of our very existence.

**INTEGRATING CORPORATE VALUES**

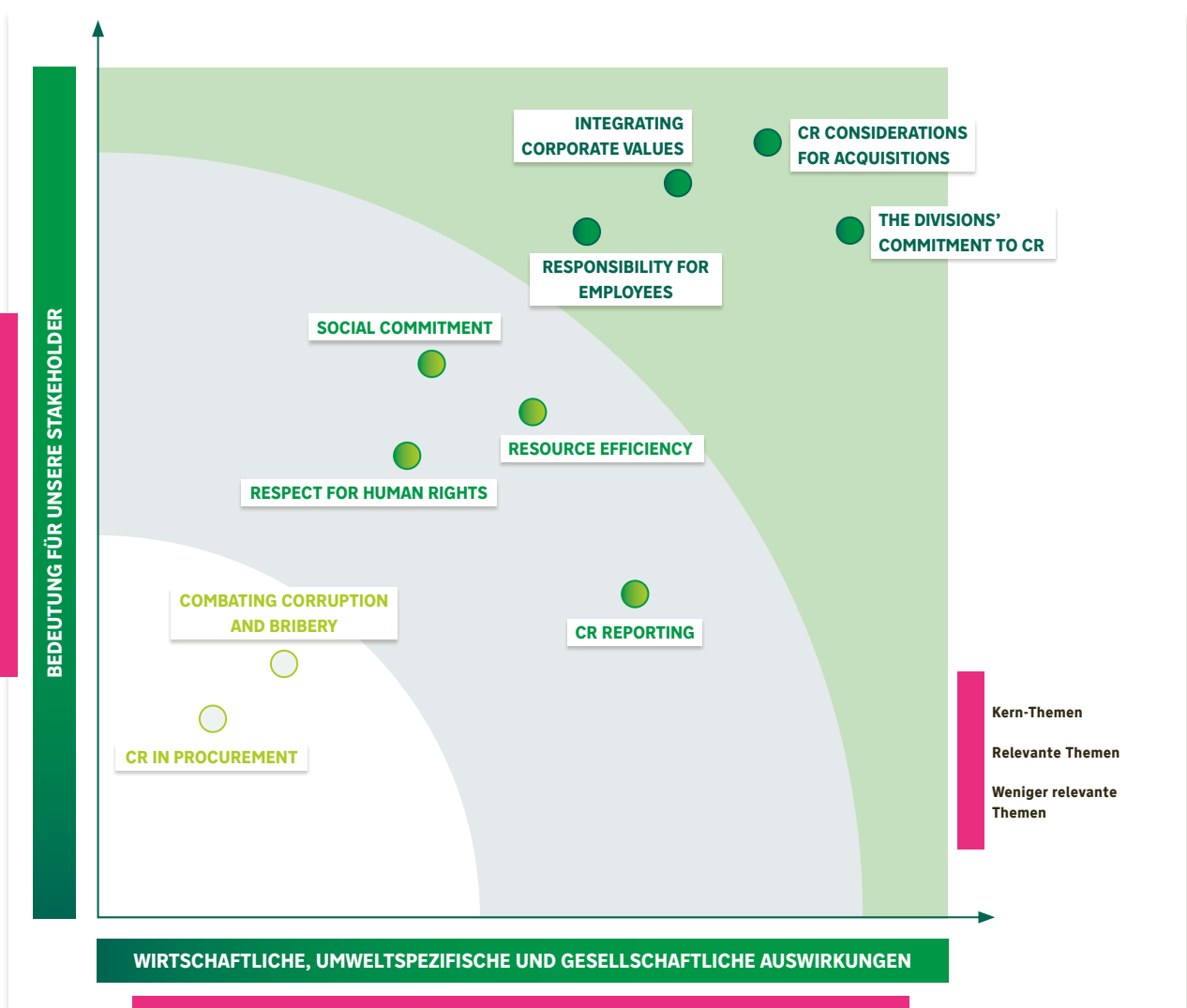
The Haniel Holding Company has combined entrepreneurial dynamism with stable values for more than 260 years. Accordingly, Corporate Responsibility is

firmly anchored in the Company’s DNA and is embodied in equal part by the owner family as well as by the management and the employees. The aim is to combine economic success with social and environmental responsibility, thereby creating value for generations.

**RESPONSIBILITY FOR EMPLOYEES**

The Haniel Holding Company devises solutions to changing labour conditions which are in the interest of the Company and its employees. We thereby ensure that we meet the basic prerequisites for competitiveness, innovation and long-term success. This enables us to offer employees the basis for employment, engagement with their community and quality of life.

**MATERIALITY MATRIX OF THE HANIEL HOLDING COMPANY**



THIS SECTION INCLUDES THE FOLLOWING GRI INDICATORS:



# THE DIVISIONS' COMMITMENT TO CR

The Holding Company places its focus where it has the greatest leverage: in developing and managing the divisions. Haniel lays down guidelines and principles for CR management.

Rules of procedure which set out the framework for collaboration on the basis of statutory provisions stipulate that the Holding Company be involved in the development of the divisions' CR strategies. This is because we have an interest in all divisions prioritising those CR issues which are relevant to them on the basis of stakeholder expectations, developing on that basis an individual CR programme for each business model with objectives and measures, and implementing them by establishing a CR organisation. [Link zur Seite CR-Management und -Organisation] At the management

and departmental levels, there are Corporate Responsibility officers and a regular CR dialogue between the Holding Company and the divisions. In addition, we organise the Group CR Round Table, where CR experts exchange information and experience. Responsibility for coordinating CR activities at the Holding Company and within the Haniel Group lies with Strategic Investment Controlling.

The following sections show in detail the extent to which the divisions live by our CR standards:

# BEKAERTDESLEE

BekaertDeslee is a globally leading specialist for the development and manufacturing of mattress textiles. From its headquarters in Belgium, the company oversees a global network of 27 production locations in 19 countries.

Its product range primarily consists of woven and knitted textiles that are sold to mattress manufacturers in the Americas, Europe and the Asia-Pacific region. BekaertDeslee works together with its customers to develop and produce mattress textiles to the customers' standard of quality in terms of both design and product features.

Assuming sustainability means offering safe, high-quality products and ensuring that business activities are environmentally friendly and socially responsible, it is an essential part of BekaertDeslee's basic values and deeply rooted in the corporate culture through the following four guiding principles: 1. The conformity principle; 2. The prevention principle; 3. The Zero-defect principle; 4. The principle of measuring. In 2017, the division also defined its CR focus areas after conducting a stakeholder survey. At the conclusion of this process, the activities were aligned accordingly and a roadmap was drawn up: Under the leadership of the top management, an interdisciplinary team prioritises and initiates sustainability projects along the entire value chain.

**Find out more at**  
[www.bekaertdeslee.com/en/about/cr](http://www.bekaertdeslee.com/en/about/cr)

## BEKAERTDESLEE'S MATERIAL CR TOPICS

<p><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• Resource efficiency</li> <li>• Product development</li> </ul>	<p><b>HEALTH &amp; SAFETY MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Reduction of incidents and lost working days</li> </ul>
<p><b>EMPLOYEES</b></p> <ul style="list-style-type: none"> <li>• BD coach, the employee engagement barometer</li> </ul>	<p><b>HUMAN RIGHTS</b></p> <ul style="list-style-type: none"> <li>• Supplier commitment to comply</li> <li>• Employee commitment to comply</li> </ul>
<p><b>SOCIAL MATTERS</b></p> <ul style="list-style-type: none"> <li>• Product responsibility</li> </ul>	<p><b>ANTI-CORRUPTION &amp; BRIBERY</b></p> <ul style="list-style-type: none"> <li>• Compliance Management</li> </ul>

# CWS

CWS offers professional hygiene and workwear solutions. The division is one of the international leaders in this field with activities in 16 European countries.

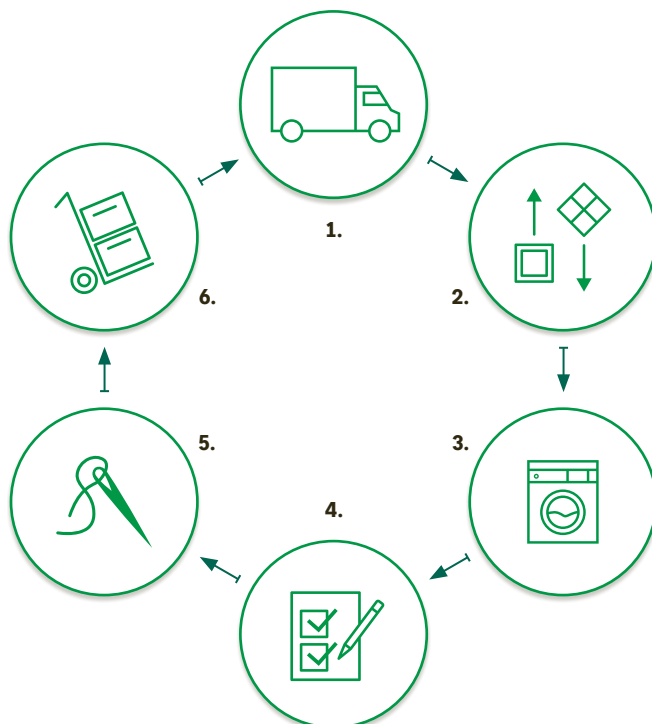
Reusability is part of the company's corporate philosophy. This is because CWS stands for products offered through a rental service – the circular economy is an essential component of its business model. Hygienic recycling is just as important as a long useful life for products. The offerings range primarily from collections of workwear to protective and safety clothing, modern hygiene solutions such as towel, soap and fragrance dispensers, as well as dust control mats. The textiles are properly prepared in the division's own laundries using environmentally friendly processes under long-term service contracts.

CWS is committed to sustainable business practices, to making efficient use of resources and respect for people and the environment. A systematic stakeholder management serves to ascertain the most important issues around sustainability. The results are evaluated from a strategic viewpoint and approved by management. In mid-2017, Rentokil Initial formed a joint venture with the CWS Group, rendering it necessary to review and update the division's CR strategy. The division defined focus areas in the course of an international stakeholder survey, set corresponding action areas and derived appropriate KPIs. It also established an overarching governance structure: all departments are represented on the CR Council, which was founded in 2018, and actively work to develop and implement the CR strategy. The Council worked with the management to develop recommendations on updating the CR objectives in line with the new corporate strategy.

**Find out more at**

[www.cws.com/en-IE/sustainability](http://www.cws.com/en-IE/sustainability)

## THE CWS SERVICE CYCLE



### 1. COLLECTION

Rental textiles are collected from our customers for reprocessing at our laundries.

### 2. SORTING

The textiles are sorted so that each item gets precisely the type of cleaning it requires.

### 3. WASHING AND DRYING

Around 174,000 tonnes of textiles per year get washed by CWS, always focusing on maximum resource efficiency.

### 4. QUALITY CONTROL

The quality of our products is under the constant scrutiny of our staff.

### 5. REPAIR OR REPLACEMENT

Areas affected by wear are repaired at the laundry. If repair is not possible, the item is replaced.

### 6. DELIVERY

The items our service drivers return to customers are freshly washed, dried and quality controlled.

# ELG

ELG is a global leader in the trading, processing and recycling of raw materials for the stainless steel industry as well as high performance materials such as superalloys, titanium and carbon fibres with 53 locations in North America, Europe, Asia and Australia.

ELG delivers secondary raw materials that are checked for quality and adapted to the customer's needs. The recycling business is a material part of the service spectrum: production waste is recycled and returned to the customer in the desired quality.

As a recycling business, sustainability is by nature anchored in ELG's business model and corporate philosophy. Promoting responsibility among employees, ethical business practices and strong partnerships with stakeholders are also a focal point of operations. ELG therefore carried out a stakeholder dialogue, which demonstrated which sustainability issues are of particular importance for the company and its stakeholders, as well as for employees, customers, suppliers, banks and Haniel as a shareholder. The various topics were brought together under four priority areas. Many of the measures carried out under these priority areas were initiated by local management, with CR officers in head office coordinating, monitoring progress and communicating developments.

**Find out more at**

[www.elg.de/en/sustainability.html](http://www.elg.de/en/sustainability.html)

## SIX PRINCIPLES OF ELG



# OPTIMAR

Optimar is a global leader for automated fish processing systems for use on ships, on land and in fish farms. These systems are installed as turnkey projects, either independently or in connection with third-party components. As a full-service provider, Optimar also offers complementary products and services. The company delivers to international customers in more than 30 countries.

Careful fish handling – this is Optimar's corporate philosophy, which pursues two guiding principles: animal welfare and food safety of fish products. The division has recognised a strong correlation between

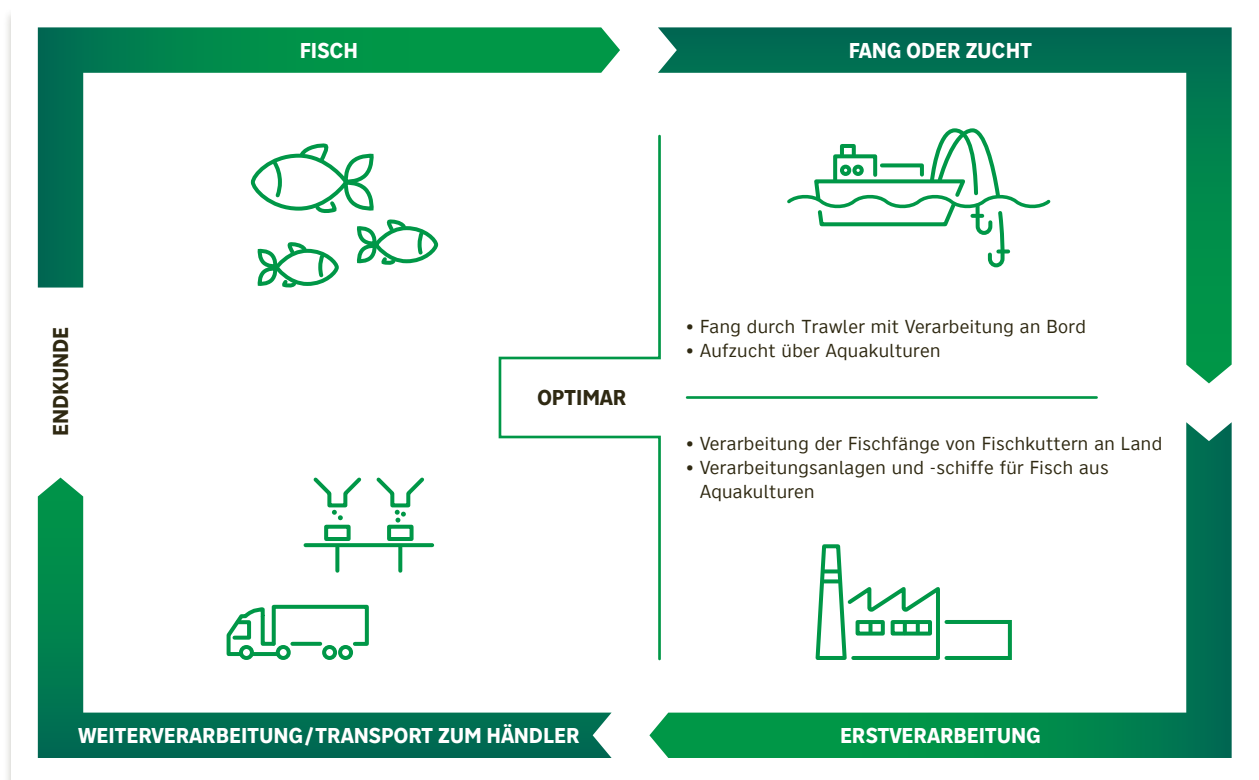
sustainable profitability and responsible business practices. This attitude is also reflected in the company's ESG (environmental, social and governance) standards. In addition to complying with regulations, Optimar places great store in loyalty, teamwork, openness and participation.

Optimar has been a part of the Haniel portfolio since December 2017 and is establishing a professional CR management system that is tailored to its own business model and is appropriate given the size of the company. A CR Officer has coordinated various activities since 2018.

**Find out more at**  
[www.optimar.no](http://www.optimar.no)

## BITTE GRAFIK ÜBERSETZEN

### OPTIMAR BIETET SYSTEME FÜR FISCH-VERARBEITUNG





# ROVEMA

ROVEMA is a premium provider of packaging machines and equipment. The company's product portfolio includes solutions for the entire spectrum of primary and secondary packaging: dosing, vertical form fill and seal (VFFS), cartoning and final packaging machines. The offering is supplemented by a variety of different services. The company operates at eleven locations and is present in more than 50 countries.

Since its acquisition by Haniel in November 2017, based on the corporate strategy, the division identified its core sustainability issues under the leadership of the management, which it summarised into four focal points: Save Energy, Save Food, Sustainable Packaging

and Supply Chain. The activities under these focal points are aimed at promoting the sparing use of resources and protecting the quality of food. Progress in the four sustainability action areas is tracked and communicated at the department level by a CR Officer.

Sustainable economic, ecological and social conduct is an indispensable element of ROVEMA's entrepreneurial culture. A code of conduct based on the corporate values of the company and the UN Global Compact's ten principles serves as a guideline for all employees. Compliance rules have also been set out for suppliers in a code of conduct.

**Find out more at**

[www.rovema.com/en/engineering/sustainability](http://www.rovema.com/en/engineering/sustainability)

## FOUR SUSTAINABILITY ACTION AREAS OF ROVEMA



# TAKKT

TAKKT brings together a portfolio of B2B mail-order specialists for business equipment in Europe and North America. Each company follows an essentially comparable business model, but with a different focus with respect to customer groups, product lines, regions or distribution channels.

The sales brands concentrate mainly on the sale of durable, price-stable equipment as well as special items for recurring use to corporate customers. The product range comprises operating and warehouse equipment, office furniture, transport packaging, display products as well as equipment for the restaurant sector and retail grocery trade.

At TAKKT profitable growth and sustainability go hand in hand. The company-wide SCORE 'Sustainable Corporate Responsibility' programme lays the foundation for coordinating sustainable business management measures across all segments and for implementing those measures in day-to-day operations. TAKKT has developed a sustainability strategy for the years to come: the core issues were identified in a stakeholder dialogue, assigned weightings and corresponding measures were initiated to implement them and achieve goals. Having an established system of indicators is an important instrument to ensure that progress is measurable and transparent.

**Find out more at**

[www.takkt.de/en/sustainability](http://www.takkt.de/en/sustainability)

## TAKKT FOCUS AREAS



### CORE BUSINESS

SOURCING

MARKETING

LOGISTICS



### ENVIRONMENT

RESOURCES & CLIMATE



### COMMITMENT

EMPLOYEES

SOCIETY

# CR CONSIDERATIONS FOR ACQUISITIONS

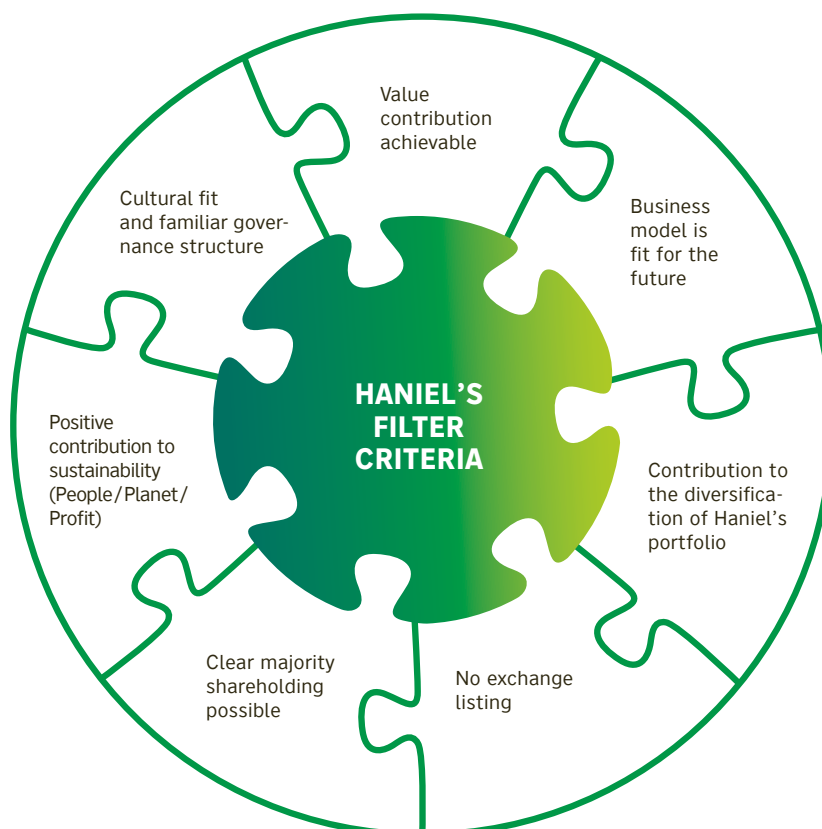
When looking into potential acquisition targets, social and environmental factors are also examined using Haniel’s investment filter to assess the candidate’s CR profile.

Only those investments which fit with Haniel’s values are considered. For instance, companies which profit off of weapons manufacturing or dealing, gambling and narcotics are not considered. Nor are we interested in companies whose products are harmful to consumers’ health. In general, we review potential investments in an early phase to see whether they meet our sustainability criteria. During due diligence, it is analysed to what extent the business model of the company concerned can make a positive contribution to sustainability in the future. Once the company has been successfully acquired – and depending on

the size and maturity of the respective division – structures and processes are developed to anchor CR into the core business.

We also exercise caution when investing in ventures other than new divisions: The Holding Company also analyses the CR implications of divisions’ investments and acquisitions which are subject to approval. The Holding Company’s decision-making process for investment of available financial resources in financial assets also takes CR considerations into account. For instance, there is a general ban on investing in debt securities in certain sectors.

## HANIEL’S FILTER CRITERIA



# INTEGRATING CORPORATE VALUES

Franz Haniel & Cie. GmbH has been owned by the Haniel family for more than 260 years – and has been successfully shaping change for just as long: launched as a Ruhrort-based grocer in 1756, today it manages a diversified portfolio from its headquarters in Duisburg. Firmly rooted principles provide orientation despite the rapid pace of change and ensure that all companies in the Haniel Group remain in balance.

The Haniel values, which guide the owner family just as they do the management and employees, stand for that which made Haniel successful in the past, and

that which shapes its actions today – the ability to combine generations of economic success with responsibility for employees, society and the environment.

## SHARED CANON OF VALUES

### THINKING IN GENERATIONS



Our history as a family enterprise that has been successful for centuries shapes our long-term thoughts and actions.

### CREATING VALUE



Our sustained value-enhancing corporate management ensures our economic success – which both obliges and enables us to create social value.

### ASSUMING RESPONSIBILITY



We consider it our duty to bring economic, environmental and social objectives into harmony.

### ACTING IN AN ENTREPRENEURIAL MANNER



We stand out at all corporate levels by acting in a forward-looking manner with a pronounced desire to create.

### SHAPING CHANGE



We see change as an opportunity for sustained growth – but instead of allowing ourselves to be led by events, we actively shape markets.

### SUPPORT OUR STAFF



To enable our staff to contribute their creativity and skills to corporate success in the best possible manner, we both challenge and encourage them by means of trusting dialogue.

Companies and employees at all levels undertake to live by Haniel's values: they serve as a compass and show the way ahead for Haniel to continue growing. This is why it is important for employees to have a shared understanding of our values and to be guided by the same codes of conduct. These principles are set out in the [Code of Conduct](#). In its Code, Haniel commits among other things to fair and safe working conditions, combating corruption and to compliance with internationally recognised human rights. This

serves as a foundation on which to build the divisions' own codes of conduct which are tailored to suit their business models.

In addition, we adhere to the principles set out in the [UN Global Compact](#). As a signatory to the United Nations initiative, the Holding Company has committed to uphold and spread the principles and ensure transparent reporting. The divisions are also members of the UN Global Compact or adhere to the principles underpinning it.

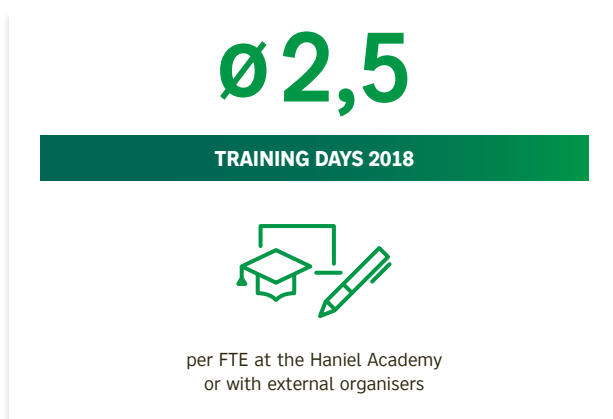
# RESPONSIBILITY FOR EMPLOYEES

**Haniel considers challenges such as globalisation, demographic change and digitalisation as issues to be tackled jointly by the Company and its employees. We devise solutions to changing labour market conditions which are in the mutual interest of and agreed on by the Company and its employees.**

Haniel employees are supported in developing their technical and personal skills and in reaching their full potential. The Company's own management centre, the Haniel Academy, offers a broad range of training courses. In 2018, Holding Company employees attended an average of 2.5 training days per FTE at the Haniel Academy or with external organisers.

The Holding Company also has the responsibility of selecting and developing senior management for the divisions. We therefore foster professionalisation, continued professional development and networking throughout the entire Group. The Haniel Academy makes a core contribution in this respect with its annual programme comprising training sessions, workshops and qualification courses which enable attendees to develop their personal qualifications. This offering is available to specialists and executives at the Haniel Group and addresses internal requirements and current management trends.

## DEVELOPING SKILLS

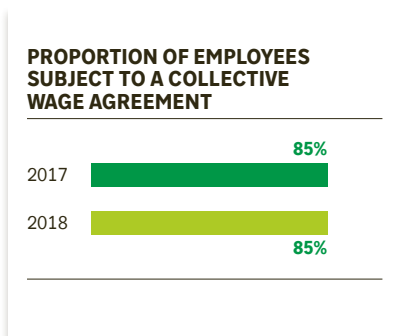
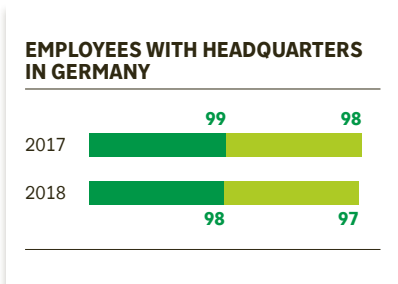
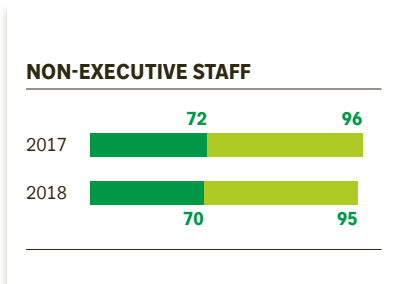
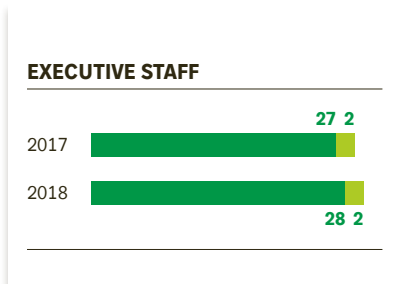
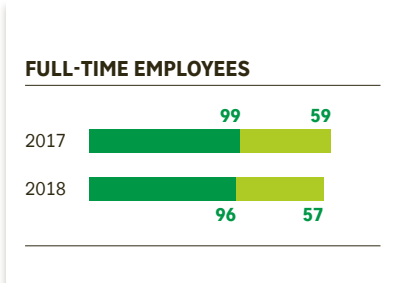
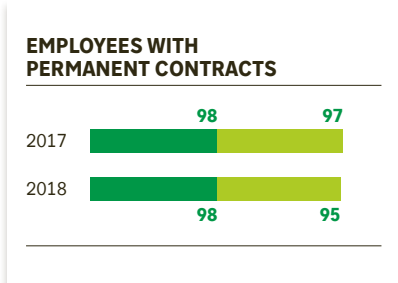
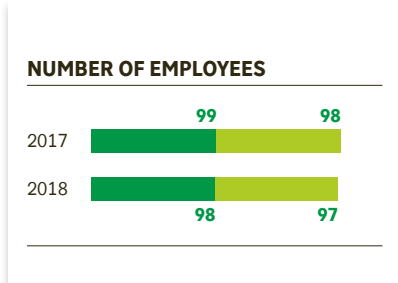


In addition to an attractive remuneration package, Haniel offers employees of the Holding Company a number of additional benefits, including childcare allowances and an employer-funded pension. To provide for a better work-life balance, our staff can work flexible hours. In terms of healthcare services, a range of check-ups and sport offerings are organised, some of which are free of charge. The Haniel Academy also offers training on health and stress management. To receive support in dealing with especially difficult changes in their personal or professional life, all Holding Company employees can make use of a family advice service.

## EMPLOYEES OF THE HANIEL HOLDING COMPANY

■ MALE ■ FEMALE

REPORTING DATE: 31.12.2018 (HEADCOUNT)



THIS SECTION INCLUDES THE FOLLOWING GRI INDICATORS:

102-41

# OTHER TOPICS

As a portfolio manager, Haniel controls the largest lever for reducing the environmental and social impacts of the divisions, which are in charge of their own operations. At the same time, the Holding Company is committed – in keeping with the Haniel values – to protecting the environment and society above and beyond its core business.

## SOCIAL COMMITMENT

As a corporate citizen, Haniel provides financial, material and conceptual support to individual initiatives and projects at its location in Duisburg, with the aim of improving the city’s standard of living and creating long-term benefit for the region. In order to join forces to achieve more and bundle competences, we are working together with strong partners.

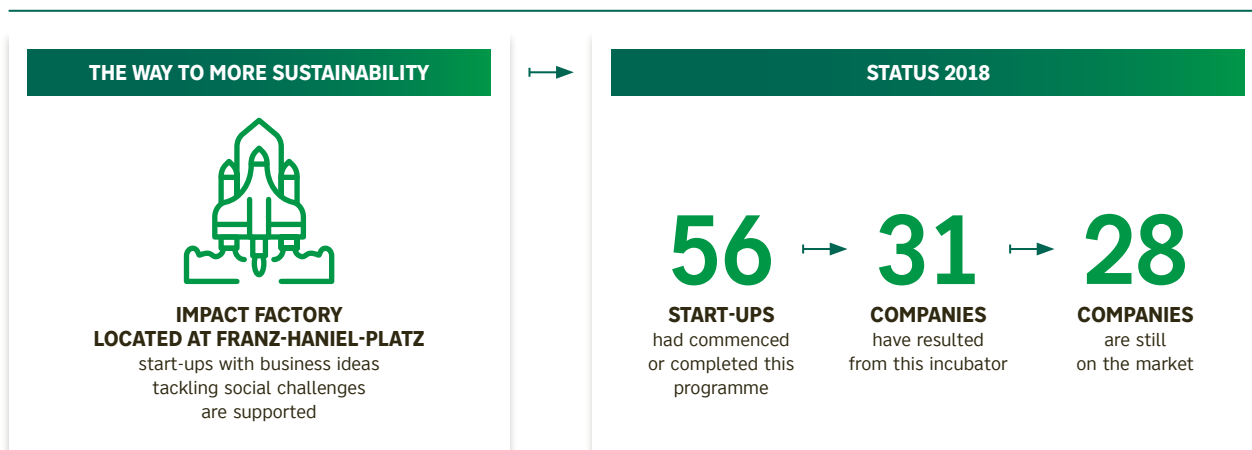
For instance, in 2015, in cooperation with non-profit organisation Social Impact gGmbH, the Beisheim Foundation and the KfW Foundation, Haniel set up an start-up lab for social entrepreneurs. At 31 December 2018, 56 start-ups had already completed the eight-month programme. 31 companies have resulted from this incubator, 28 of which are still on the market. There was a realignment at the end of 2018: The previous team re-founded the start-up incubator at

Franz-Haniel-Platz under the name “Impact Factory”. The goal is a further professionalisation of the start-up lab for companies that want to use their ideas to counter pressing social challenges. In addition, promising start-ups will be assisted in the formation and growth phases in order to ensure that sustainable social business models are also able to thrive financially.

Haniel also believes that corporate responsibility means enabling staff to make a productive contribution to society through their know-how and skills. Specialist staff and managers can therefore volunteer as mentors in the start-up lab and support beneficiaries with their advice and expertise.

To learn more about the Impact Factory, go to the [website](#).

## SOCIAL IMPACT LAB

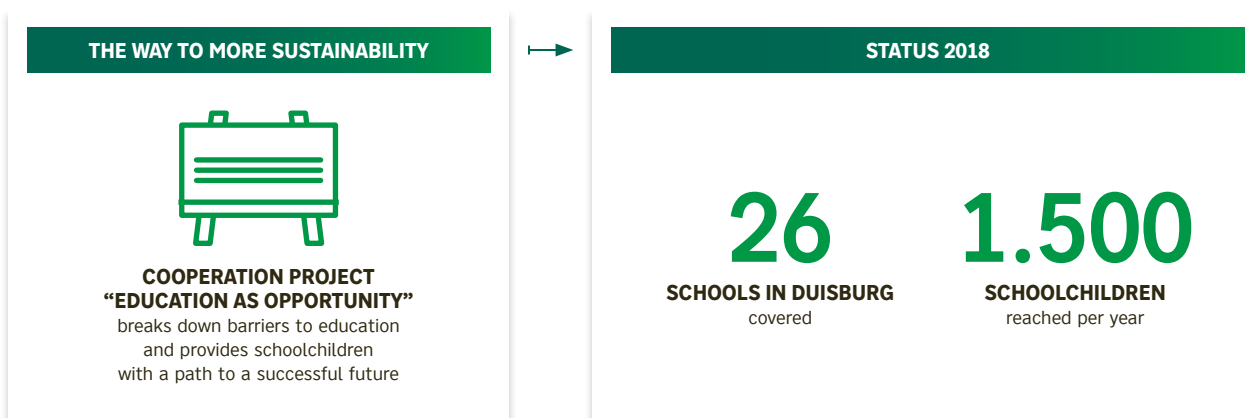


The Company and the Haniel Foundation in Duisburg work hand in hand in promoting education: in 2010 the cooperation project “Bildung als Chance” (“Education as Opportunity”) was established together with Ashoka Deutschland and the three social entrepreneurs apeiros e. V., Chancenwerk e. V. and Teach First Deutschland. All three initiatives pursue the same objective with their individual approaches: to break down barriers to education and to provide schoolchildren with a path to a successful future. The project now covers 26 schools in Duisburg, reaching around 1,500 schoolchildren per year. It will also be launched

in Hamburg for the 2019/20 school year. In addition to its focus on educational opportunities, the Haniel Foundation also concentrates on supporting young people by providing a variety of bursary programmes to talented future leaders, to help change society through sustainable ideas and creative approaches and to foster ethical entrepreneurship. More than 1,600 future leaders have been supported with bursaries thus far.

To learn more about the Haniel Foundation’s commitment, go to the [website](#).

## PROMOTING EDUCATION



## RESOURCE EFFICIENCY

The Haniel Holding Company uses natural resources expediently and economically to ensure that its operations have as little impact on the environment as possible. Accordingly, awareness among the employees of the importance of this principle is raised accordingly. We are also committed to disseminating and applying

environmentally friendly technologies. For instance, a heating and cooling system has been installed at the Company headquarters which since 2016 has consumed at least 15 per cent less energy annually compared to 2014. In addition, the Holding Company introduced a green car policy which takes CO<sub>2</sub> limits into account when new vehicles are purchased.

## ENERGY CONSUMPTION





### RESPECT FOR HUMAN RIGHTS

Haniel's [Code of Conduct](#) lays out principles for carrying out business activities at every level; these principles are based on those set out in the [UN Global Compact](#). As a signatory to the United Nations initiative, the Haniel Holding Company has committed to uphold and spread the ten principles in the areas of human rights, working conditions, environmental protection and combating corruption, and to ensure transparent reporting. The divisions are also members of the UN Global Compact or adhere to the principles underpinning it; they have also issued their own codes of conduct in keeping with their own business models.

### CR REPORTING

Our CR management efforts culminate in a transparent, regular CR Report in accordance with the recognised standards of the Global Reporting Initiative (GRI). In addition, the Holding Company provides transparent reporting on progress made with its CR reporting in the annual report and in the separate Non-financial statement. Once they have reached certain milestones, we generally expect our divisions to also provide transparent reports of the outcomes of its CR management activities in CR reports in line with the GRI standards.

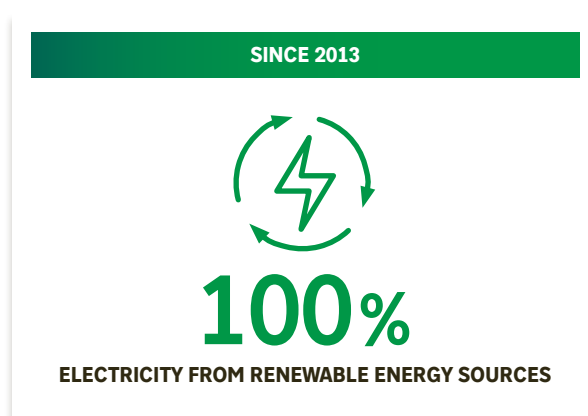
### COMBATING CORRUPTION AND BRIBERY

The Haniel Holding Company's business activities are subject to statutory and internal rules and regulations. A comprehensive compliance management system has been established to effectively mitigate the risk of non-compliance with rules and regulations which might jeopardise the Company's reputation and economic success. We also set minimum standards for the divisions in the form of Compliance Guidelines. The divisions themselves are responsible for the specific form of the guidelines. The Holding Company's Compliance Officer coordinates compliance activities throughout the Group.

### CR IN PROCUREMENT

As a strategic management holding company, Franz Haniel & Cie. GmbH procures materials solely for non-commercial purposes, i. e., office supplies, IT equipment and company cars. Our procurement guidelines ensure that minimum requirements for procurement and tender processes are complied with. In addition, consideration is given to environmental protection and the sparing use of resources – for instance, when selecting our electricity supplier: the Holding Company obtains 100 per cent of its electricity from renewable sources.

### ACQUISITION OF GREEN ELECTRICITY



# ABOUT THIS REPORT

This is Haniel's fourth Corporate Responsibility Report prepared in accordance with the GRI Standards. The reporting period is the 2018 calendar year, and data was collected as at 31 December 2018.

Additional information from financial year 2019 received by the editorial deadline in the second quarter was also included in this report. This report has not been reviewed by an external auditor. Haniel's first CR Report "Wertepapier" was published in print on 28 April 2014. In accordance with the GRI Standards, the report is regularly published every two years.

If you have any questions about Corporate Responsibility at Haniel, please contact [responsibility@haniel.de](mailto:responsibility@haniel.de).

This Report was prepared "in accordance" with the GRI Standards – "Core" option. This report was submitted to the GRI Materiality Disclosure Service. The GRI has confirmed the accuracy of the position and correct and clear referencing of the GRI Materiality Disclosure as well as the GRI Content Index (GRI 102-55) is included into the report.

[GRI-Content Index](#)



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You also find the Haniel  
Corporate Responsibility Report online:  
<http://haniel-cr2018.corporate-report.com/en>

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