

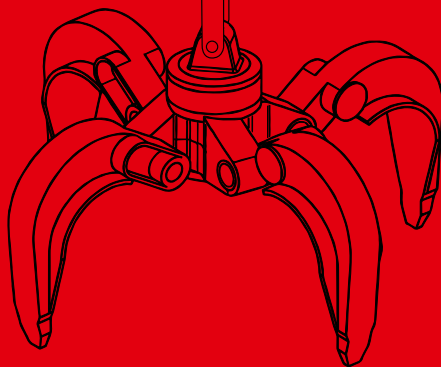


# SUSTAIN- ABILITY

REPORT 2017

# FACTS AND FIGURES.

2017/



Established

1962

Head Office: Duisburg, Germany

1.44

million metric tons in total

1.70

EUR billion turnover

1,278

employees

50

operations

20

countries

5

continents

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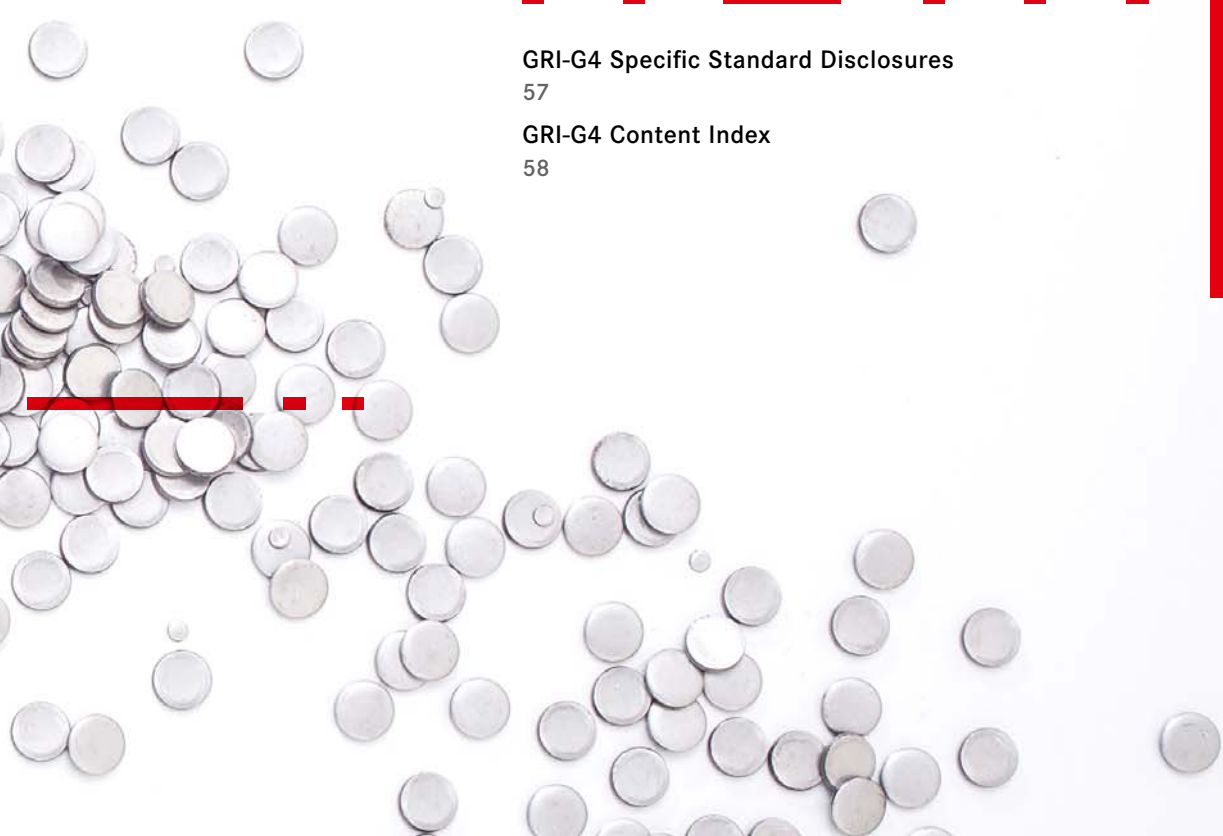
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## 01 / 1 What we want to achieve with this report

We are proud to say that ELG Haniel GmbH (“ELG”) brings to you its third full Sustainability Report. The content of this report shows ELG’s activities and measures taken over the past three years. It is based on our last update published in 2017 and contains all relevant

# INTRO- DUCTION /

key figures that ELG collects and communicates.

We trust that readers will know that

corporate responsibility (“CR”) and the understanding of sustainability have become increasingly important, in society, the corporate world, and politics alike over the past few years. In 2017, the German Parliament (“Deutscher Bundestag”) implemented a new European Corporate Social Responsibility (“CSR”) guideline for German companies (1) with more than 500 employees (annual average) (2) that are capital market-oriented as per article 264d of the Commercial Code or (3) under article 267, paragraph 3, sentence 1 of the Commercial Code. The new European CSR Directive came into force on April 19, 2017. It shall help ensure transparency regarding economic and social aspects in organizations within the EU. The CSR directive focuses on the following five aspects: Environment, Employees, Social Matters, Human Rights, and Corruption & Bribery. Although ELG is not subject to the abovementioned criteria, we will start to focus and report on the five aspects of the CSR directive in the future. For the purposes of this report, we will continue to illustrate our efforts, clustered into the four main areas Operational, Compliance, Employees, and Commercial.

As one of the leading recyclers of high-performance materials, we try every day to excel in our business – and by the same token in the impact we have on society and the environment.

ELG's full Sustainability Reports give you detailed insight into our daily business and how we have determined our core areas with respect to corporate responsibility. Our stakeholders have helped us with this.

As mentioned in our last full report, it is possible that some aspects appear familiar to you in light of previous publications. Our wish is to be transparent and consistent, so we pursue our goals and adjust them over time depending on our achievements.

ELG's Corporate Responsibility Team and the CR department of ELG's parent company Franz Haniel & Cie. GmbH ("HANIEL") are in a regular exchange. ELG's report and our four core issues are closely coordinated with HANIEL and can partly be found in their recently published Annual Report. For more details, see [www.haniel.de/en/responsibility](http://www.haniel.de/en/responsibility). HANIEL's affiliated companies are CWS-boco International GmbH ("CWS-boco") [www.cws-boco.com/en-US/home](http://www.cws-boco.com/en-US/home), TAKKT AG ("TAKKT") [www.takkt.de/en/sustainability](http://www.takkt.de/en/sustainability), METRO GROUP ("METRO") <https://reports.metroag.de/corporate-responsibility-report/2016-2017/> as well as Bekaert Deslee ("BD") [www.bekaertdeslee.com/en](http://www.bekaertdeslee.com/en). If you are interested in their activities, their CR reports are available for download on the respective websites. HANIEL's latest acquisitions at the end of 2017, ROVEMA [www.rovema.com/en/company/about-us/our-mission](http://www.rovema.com/en/company/about-us/our-mission) and OPTIMAR [www.optimar.no](http://www.optimar.no), are fully engaged to corporate responsibility as well.



## 01/2 Reporting standards and scopes

For the the last time, ELG will report in accordance with the GRI-G4 guidelines from the Global Reporting Initiative (GRI). Which has its headquarters in Amsterdam, the Netherlands. The report is “In Accordance” with the GRI-G4 Guidelines – Core option.

This report follows the structure stipulated by the latest sustainability reporting format to allow for maximum transparency and comparability. This structure aims to inform you about ELG in general and more specifically about subjects that have been identified as being vital to us, as the party reporting, and to the stakeholders that are affected or potentially impacted by our activities. At the end of this report, you will find the full Content Index according to GRI-G4. As with previous reports, ELG did not seek an external assessment of this report.

ELG publishes in alternating years a full report and an update, respectively. The next update on 2018 will be available in spring 2019, and the next full Sustainability Report on 2019 will be released in spring 2020. The report at hand comprises ELG's fiscal year 2017, which starts January 1, 2017 and ends with the date of December 31, 2017.

On the last page, you will find the contact details of our Corporate Responsibility Team, in case of any queries or valuable recommendations.

**Dear Reader,**

This ELG Sustainability Report 2017 shows how our Group has evolved since we first invited you to join us on our journey to continue shaping the future of steel recycling back in 2016.

Corporate Responsibility (“CR”) is inherent to everything ELG does, and we have chosen to intensify our reporting efforts. Our corporate values have long corresponded to those promoted by the United Nations, and, in order to cement this, ELG has joined the UN Global Compact, making the respective commitments to publish regular progress reports.

# KEYNOTE FROM THE ELG BOARD OF DIRECTORS /

In addition, we will, together with the other business units in the Haniel Group, adapt our sustainability reporting to the new “CSR Directive” legislation relevant to Europe from next year on.

As to the evolution of ELG in the operative and business sense, you will see on the following pages that we continue to build on our heritage as the environmentally-conscious and future-oriented recycling expert and are broadening our global reach, so that we, together with our suppliers and customers, can save even more precious resources.

## 02

In the innovation section of this report (see Commercial Focus), you will learn about the energy and passion with which our people are embracing the opportunities that digitization is opening up in our areas of business. “Stay bold, be confident, embrace and spearhead the future” – with this mission statement on our mind at all times, we will continue leading the industry toward an exciting future in the recycling of high-performance materials.





Last but not least, we would like to inform you about changes in ELG’s Board structure and responsibilities in 2018. Due to extension of ELG’s Board by a new member in April 2018, the competencies of ELG’s Management Board are now split as follows:

Karsten Müller,  
Silke Landwehrmann,  
Detlef Drafz

Detlef Drafz, Chief Executive Manager (“CEO”) of ELG, is now responsible for ELG’s Corporate Development & Innovation, Sales & Marketing, Corporate Communication, Human Resources, and ELG’s Asia Stainless Development.

Dr. Silke Landwehrmann, Chief Financial Officer (“CFO”) of ELG, is responsible for Controlling & Accounting, Finance, Compliance & Legal as well as Internal Audit. She has been responsible for CR until 2018 and handed over this important topic to Karsten Müller, the new Chief Operating Officer (“COO”). Besides Corporate Responsibility, the COO is responsible for Operations, IT, and the global ERP System.

Enjoy the read and the ride – with ELG.


Detlef Drafz  
CEO  
ELG Haniel GmbH

Silke Landwehrmann  
CFO  
ELG Haniel GmbH

Karsten Müller  
COO  
ELG Haniel GmbH







03 / 1 ELG's business activities

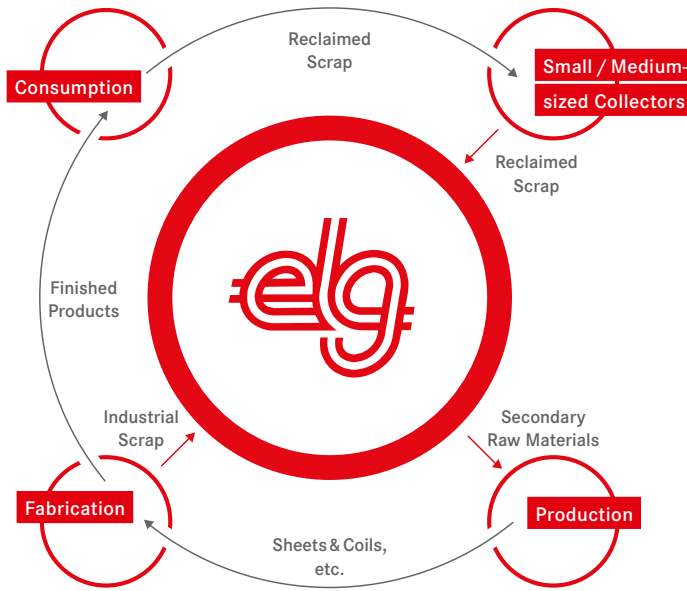
ELG is a global leader in the business of trading and processing raw materials. We endeavor to continuously provide our customers and suppliers with ELG's trusted materials and services in all market segments we work in. The raw materials we deal with mainly come from urban mining, i.e. various qualities of man-made scrap metal, which can be used and reused endlessly.

# CORPORATE STRUCTURE /

Our previous two full Sustainability Reports in 2013 and 2015 featured a detailed description of ELG's approach to the global recycling of high-performance materials. The following is an abstract of our business, including important facts about ELG as well as our products and services.

**Figure 01** on page 14 provides an overview of the stage in the metal life cycle that we help shape. To recycle this secondary raw material, ELG collects both industrial arisings and reclaimed materials at its yards worldwide, processes it to customer specifications, and provides it to steel mills across the globe. Via this method, the materials are re-introduced into the recycling cycle, see **Figure 02** on page 15. ELG works with thousands of trusted suppliers in order to source small- and medium-sized lots of material of manifold compositions and qualities.

Figure 01  
THE METAL LIFE CYCLE



Our suppliers, in turn, collect these and often other materials from their downstream trade partners, and so on. It is a characteristic of the scrap metal trade that supplier relationships are built on mutual trust.

At the same time, however, all traders of this raw material diligently keep their respective sources secret, as access to the source of arising constitutes a potential competitive advantage.

This may imply that it is impossible to oversee the full cycle of the material stream, yet our employees' years and years of experience paired with modern investigative tools ensure that our suppliers adhere to ELG's high standard of values.

It is this relationship between ELG's supplier base and our traders that safeguards the high volume of material that flows into ELG's yards across the globe.

Subsequently, ELG's value creation then consists of, to put it simply, transforming the heterogeneous collection of materials into a tailor-made, homogeneous, and constant stream of valuable raw material to be used by its global customers, see **Figure 03** on page 16: tonnages pertaining to stainless steel scrap.

Figure 02  
THE PROCESSING CHAIN IN METAL RECYCLING



At ELG, we contribute to reducing the stream of metal waste by turning it back into raw material, and we enable our customers to transform it into new products. Together, we serve to close the loop every day for what was formerly a limited resource.

Figure 03

KEY FIGURES FOR ELG**Total tonnage**

in million metric tons

**Alloys tonnage**

in million metric tons

**Turnover**

in EUR billion

**Profit before taxes**

in EUR million

**Employees**

as at Dec 31





### 03/2 ELG within the Haniel Group

ELG was founded in Germany in 1962. The company was acquired by HANIEL in two steps, the first in 1983 and the second in 1989. For more than 260 years, HANIEL has been a 100 percent family-owned company.

As reported in our previous full Sustainability Reports, HANIEL aims to constantly expand and develop its portfolio by maintaining and supporting lasting and sustainable investments.

Following HANIEL's purchase of BEKAERT Textiles in 2015 and subsequent addition of the Deslee Clama Group, which led to the formation of BEKAERT DESLEE, HANIEL has broadened its portfolio with two new acquisitions. In November 2017, the parent company added Germany-based ROVEMA to the mix, a leading manufacturer of packaging machines and systems for a wide range of products and applications. Just one month later, HANIEL closed another deal and took over Norwegian company OPTIMAR, a global leader in automated fish handling systems.

HANIEL's affiliated company METRO Group decided to formally split its two market segments (food and electronics) and founded a new company CECONOMY, now a leading European platform for consumer electronics. METRO is still one of the leading companies for wholesale and food service.

Alongside HANIEL's latest acquisitions, ELG's parent company also founded its own digital business structure, Schacht One, in Essen, Germany, in April 2016. Schacht One will act as the digital workbench of the HANIEL Group.

As of the end of 2017, HANIEL's portfolio of operational companies comprised six divisions, each of which holds a leading position in its field of expertise. One of these divisions is ELG. While supported by HANIEL through administrative advice and strategic feedback, ELG is in charge of operational management and strategy development and implementation.

Initially focused on recycling scrap metal for the stainless steel industry, ELG has expanded the scope of its services to include trading in primary raw materials and recycling of high-performance materials, in particular superalloys, titanium, and carbon fibers.

**Figure 04** on page 19 shows the sales contribution of the different business segments where ELG is active as well as ELG's main global brands.

As mentioned in our last two reports, ELG strengthened its standing in the superalloy market segment in 2013 by means of two acquisitions. ELG acquired the UK-based ABS Group (“ABS”) in February 2013 in order to enrich our global network for the benefit of our customers.

In July 2013, ELG acquired Metal Management Aerospace, Inc. (“MMA”), situated in Hartford, Connecticut, USA, allowing us to continue our growth strategy in aerospace scrap processing and revert management.

At ELG's superalloys division, ELG Utica Alloys (“EUA”), items such as nickel-based turnings are treated in a multi-step procedure in order to make the material ready for shipment. ELG has invented and enhanced specialized processing equipment to enable it to reliably deliver the appropriate results requested by its customers.

Figure 04

ELG'S BUSINESS SEGMENTS AND THEIR CONTRIBUTION TO ELG'S GLOBAL SALES



G4-4, G4-13,  
G4-17, G4-22,  
G4-23

Adherence to the highest degree of quality in terms of composition and purity is key to success in this industry segment. We achieve this by maintaining a strict focus on quality management and via our long-term and trust-based cooperation with our valued customers and suppliers.

By 2015, the Hartford facility and the former ABS operations had been successfully integrated into the ELG Group. Subsequently, they, along with the existing recycling activities for high nickel alloys and titanium, were merged together and renamed “ELG Utica Alloys Group” in order to emphasize the powerful unity of the Utica Division and demonstrate the strong connection with the ELG Group.

In April 2017, ELG founded a legal entity specifically designed to allow each individual within the ELG Group to engage in innovative ideas and embrace the opportunities of digitization. To ensure consistency, the entity was named EIE Services GmbH (“EIE”), alluding to the launch of the broad-based innovation approach. Innovators from every operation within the ELG Group can voice and present ideas and work on them together with the EIE team and their partners. EIE is there to provide the space and the necessary resources that will see promising ideas thrive and ensure that ELG spearheads the future in the recycling of high-performance materials.

### 03/3 ELG operations

In 2017, ELG benefitted from a significant easing of the market environment and was able to increase its outward tonnages at both divisions: Stainless Steel Scrap and Superalloys. In particular, higher raw material prices in the stainless steel sector and better scrap availability increased the ELG Group's sales.

China again had a major impact on the stainless steel market in 2017. In the US and European markets, which are particularly relevant for ELG, stainless steel production also increased as a result of the improved market environment. Compared to the previous year, higher raw material prices led to a relaxation in scrap availability on the procurement market. ELG Utica Alloys, the specialty superalloys division of ELG, also benefitted in 2017 from price and volume improvement in this market environment. Markets have shown a positive price trend upwards in the main base metals traded by ELG (nickel, chrome, iron, molybdenum) with chrome reaching its highest average price in the last ten years.

Based on this, ELG achieved a significant increase in operating profit compared to the previous year.

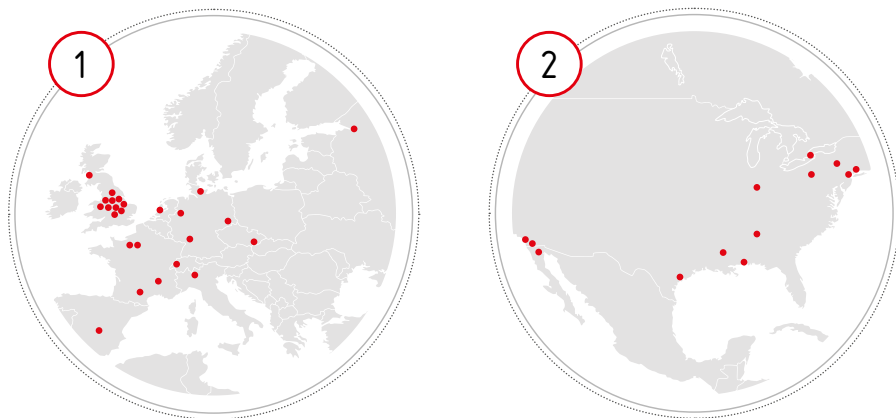
To find out more about ELG's activities and business situation, please see HANIEL's Annual Report 2017.

With currently 50 scrapyards worldwide, ELG is eager to further expand and optimize its network.

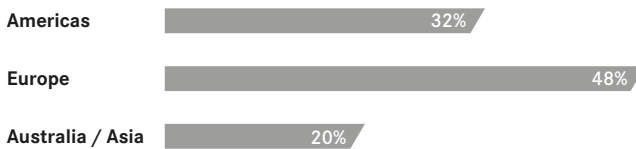
As shown, ELG is now represented in 20 countries and operates 50 operations worldwide, see **Figure 05** on pages 22 and 23.



Figure 05  
ELG OPERATIONS

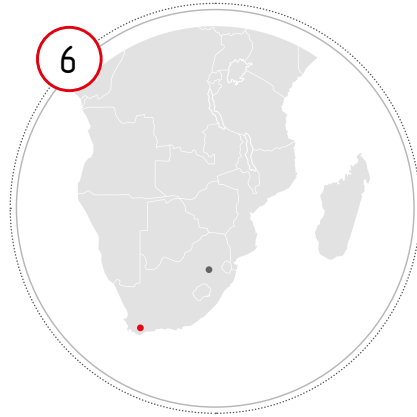
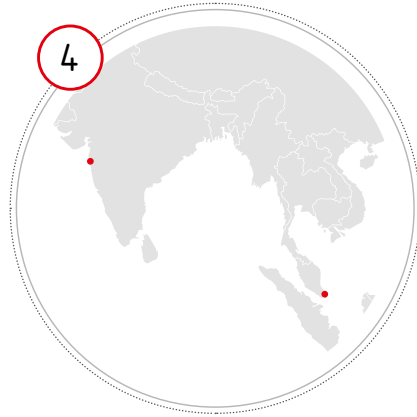


International sales 2017



**1 EUROPE** Duisburg, Karlsruhe, Dresden, Essen, Rotterdam, Irvine, Sheffield, Hyde, Darlaston, Gloucester, Barking, Rowley Regis (CSR), Mexborough, Manvers/Rotherham, Coseley, Limay, Lyon, Toulouse, Rodekro, Rogeno, Muttentz, Madrid, Brno, St. Petersburg **2 AMERICA** McKeesport, Houston, Mobile, Los Angeles, Chicago, Louisville, New York, Herkimer, Hartford, Monroe, Burlington, Mexico **3 & 4 ASIA** Shanghai, Xi'an City, Singapore, Mumbai, Oyama City, Osaka, Kita-Kyushu, Tokyo, Yokohama, Kaohsiung **5 AUSTRALIA** Melbourne, Sydney **6 AFRICA** Johannesburg

● ELG yard/office      ● ELG joint venture



### International sourcing 2017



04





## 04/1 Organizational structure and governance

A principle of ELG's concept of efficient and responsible governance is that of decentralization: While local executive management throughout the Group is empowered to optimize its scrap sourcing and operative footprint, the sub-holding companies and particularly ELG Haniel GmbH is to coordinate matters of group-wide relevance. In that sense, it is the responsibility of ELG's Group holding company, based in Duisburg, to control the key central administrative departments where information on such matters from ELG's subsidiaries worldwide converges. At the same time, ELG's shareholder requests and governance parameter are being served, attended to, and broken down by ELG's headquarters to suit the multinational group of companies in the raw materials sector.

# MANAGEMENT APPROACH /

ELG is led by a Board of Directors consisting of Detlef Drafz (Chief Executive Officer, CEO), Dr. Silke Landwehrmann (Chief Financial Officer, CFO), and Karsten Müller, who joined the Group shortly prior to publication of this report as Chief Operating Officer (COO).

Few levels of hierarchy and lean personnel structures provide for direct communication and swift decision-making all through ELG's organization. We take pride in the fact that our decentralized operations and headquarters alike are managed where we do business. Our global scrap processing hubs for stainless steel are located in Duisburg (Germany), Rotterdam (the Netherlands), Sheffield (UK), Pittsburgh (USA), Kaohsiung (Taiwan), as well as Connecticut (USA) and New York (USA) for superalloys and titanium. Our facilities are always close to the market and our management is always close to the shop floor – and that proximity is not only a physical one, but even more so a matter of mindset.

ELG's headquarters and its subsidiaries try to find a common understanding in terms of targets, values, and strategy. Several times per year, the leaders of our local operations attend management meetings involving ELG's top executives whereby cohesion and mutual knowledge transfer is fostered further.

The same holds true for the relationship between ELG and our colleagues at HANIEL, who work just around the corner from ELG's headquarters. Regular management meetings, round tables, and workshops safeguard constant interaction and strong relationships not only with our shareholders but also with our sister companies within the HANIEL Group.

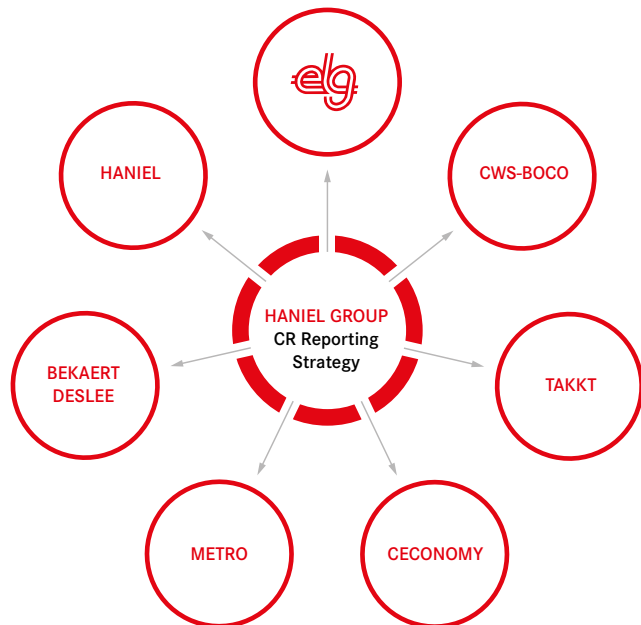
#### **04 / 2 Corporate responsibility throughout the organization**

We have deliberately designed ELG's sustainability management and reporting to be a joint effort between the departments headquartered in Duisburg and our decentralized operational units worldwide. We believe that sustainability only lives up to its name if and as long as it flows through the veins of the entire corporate organization. This is particularly important in an organization with operations as far-scattered as within ELG. We trust in the principle of small local units enjoying great entrepreneurial freedom paired with wide-ranging responsibilities for profits, compliance, and sustainable business conduct. At the same time, each operation forms part of the global ELG family, providing a great sense of unity. Thus, gathering all the necessary information for our previous reports as well as this one, defining appropriate goals to achieve, and ultimately changing ELG for the better is always an effort by people throughout the company.

In the past, sustainability was the direct responsibility of ELG's CFO, Dr. Silke Landwehrmann. This important topic is now more closely linked to where it can be influenced the most and will form a part of the operations organization headed by COO Karsten Müller, who is supported by a core Corporate Responsibility Team. As ELG's corporate responsibility is deeply rooted in our organization and naturally touches all businesses and projects, Detlef Drafz and Dr. Silke Landwehrmann, as well as our local executives are closely involved in all CR activities.

To align the targets identified by ELG's Corporate Responsibility Team with HANIEL's group corporate responsibility strategy and to always stay up to speed on sustainability trends, a formal exchange process has been established with the corporate responsibility teams of HANIEL, TAKKT, CWS-boco, BEKAERT DESLEE, and METRO Group (now divided into METRO + Ceconomy) since 2015, see **Figure 06**.

**Figure 06**  
**STARTING POINT AND HANIEL'S APPROACH**



### 04/3 Risk/Opportunity management

Corporate risks are commonly the flip side of business opportunities. Exploiting the latter to the benefit of ELG and its stakeholders is our management objective. At the same time, it is imperative to identify and, where possible, minimize threats to our business success. We do everything we can to keep potential risks as low as possible.

Opportunity management at ELG is aligned with our strategic direction. In a broad strategic planning process, our options are systematically assessed, and initiatives are developed. Such initiatives are further fleshed out in the operational planning process, which produces definite targets to strive for and measures to be taken. Both the strategic and operational planning processes are developed in close cooperation between the ELG Board of Directors and local management.

We see risk management as interlocking with the planning process, so the risks covered are not only of a financial nature but also comprise operational and external (market) risks. Risk management in the narrower sense is the responsibility of ELG's Internal Audit Department and comprises a periodic analysis of the risks identified as well as the definition, assessment, and monitoring of possible countermeasures.

Risk management reporting forms an integral part of our standardized planning and budgeting processes and is governed by guidelines and handbooks.

In accordance with long-term audit planning, all ELG subsidiaries are examined systematically by ELG's Internal Audit Department. As we follow a risk-oriented auditing approach, all subsidiaries of ELG are additionally subject to audits with varying focus areas; where appropriate, these are conducted in close cooperation with HANIEL's Internal Audit Department. The efficiency of the risk management system is supervised internally and assessed externally via annual auditing plans.

## 04/4 Memberships and initiatives

We are active members of several associations and initiatives, namely:

### Stainless Steel Business Segment

- Association for Iron & Steel Technology
- British Metals Recycling Association
- Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e.V.
- Bureau of International Recycling
- California Metals Coalition
- Canadian Association of Recycling Industries
- French Federation of Recycling Companies
- Institute of Scrap Recycling Industries, Inc.
- International Chromium Development Association
- International Precious Metal Institute
- Metal Recycling Association of India
- National Demolition Association
- Precision Metalforming Association
- Verband Deutscher Metallhändler e.V.

### Superalloys Business Segment

- Aircraft Fleet Recycling Association
- Bundesverband der Deutschen Luft- und Raumfahrtindustrie e.V.
- International Precious Metal Institute
- International Titanium Association
- Minor Metals Trade Association
- Tantalum-Niobium International Study Center

### ELG Carbon Fibre (“ELG CF”) is part of initiatives such as:


- British Plastics Federation
- Carbon Composites e.V.
- Composite UK – Trade Association
- Industrievereinigung Verstärkte Kunststoffe e.V.
- Institute for Advanced Manufacturing Innovation

ELG reports its sustainability efforts in accordance with the Global Reporting Initiative (GRI) guidelines and supports and promotes the Mission and Principles of the UN Global Compact. Beyond this, we are delighted to announce that we will join the UN Global Compact in 2018.<sup>1</sup>

<sup>1</sup> ELG will have already joined the UN Global Compact by the time of publication.

05





**05 / 1 Management approach to corporate responsibility**

For ELG, sustainability management is a permanent process of enhancement. Therefore, CR is not only inherent in our business model, it influences virtually all decisions made on a daily basis. In this sense, all employees within ELG, rather than just one distinct department are ambassadors of CR. **Figure 07** on page 32 shows how ELG's CR Department merely monitors, supports, and connects the corporate initiatives and takes a leading role in communication internally and externally.

# CORPORATE RESPON- SIBILITY /

Building on this approach, we conducted a formalized stakeholder dialogue in 2013, which was transformed into ELG's Sustainability Materiality Matrix, see **Figure 08** on page 33.

In our first full Sustainability Report in 2013, we reported in great detail on what the mechanics of our stakeholders were and how ELG's Sustainability Materiality Matrix evolved. In essence, we distilled a tentative ranking of 20 corporate responsibility topics and selected the groups of people and organizations that are connected with or have an interest in ELG. Next, we deemed it important to listen closely to the people inside our organization first and to find those who act as key contact persons to potential stakeholders. The identified contact persons were then asked to report on the nature and intensity of their relationship with the respective ELG stakeholder they serve. The list of stakeholders this elicited included our employees, customers, suppliers, banks, and our shareholder HANIEL. By means of this process, we were able to confirm that the stakeholders already spoke to their respective contact persons about many relevant topics on a frequent basis.

We feel it necessary to work on, respond to, and explain some of the issues and clusters that formed the most important quadrant of the ELG Sustainability Materiality Matrix.

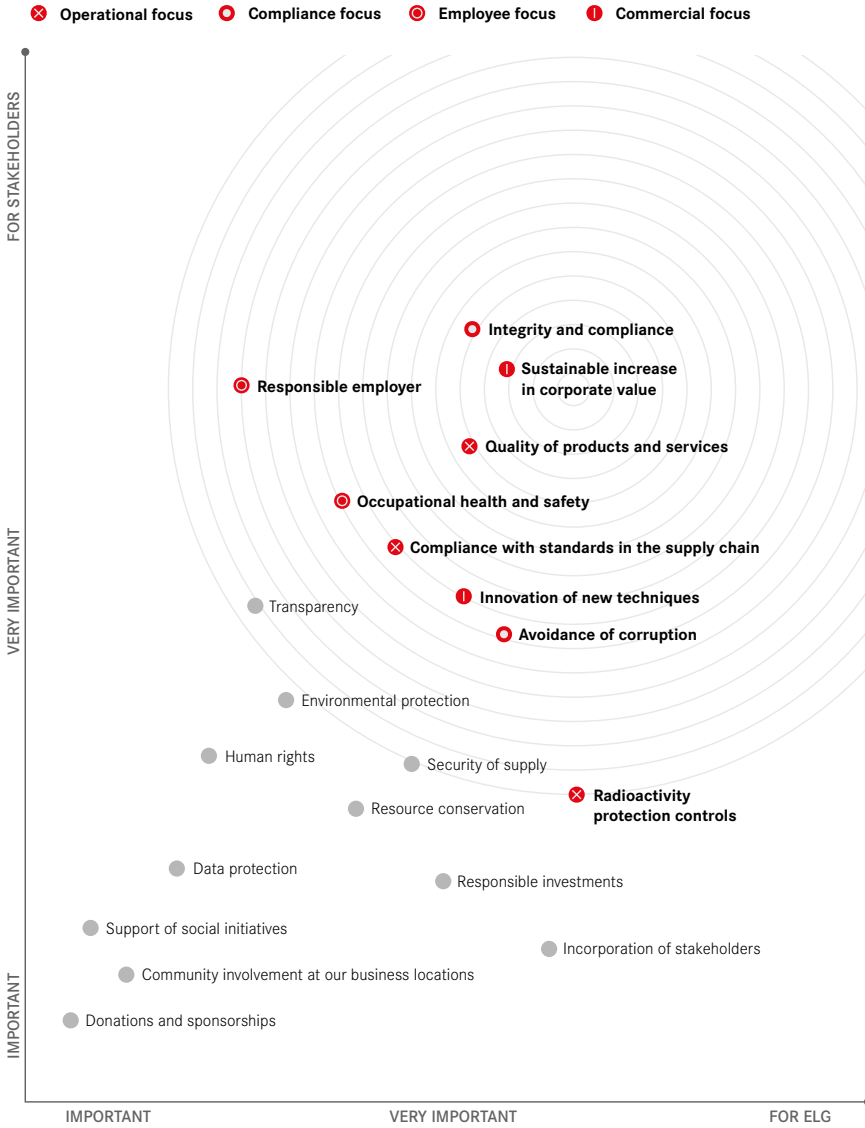
Figure 07  
STAKEHOLDER DIALOGUE



As we are in constant interaction with all our stakeholders on various topics, we were, again, able to derive from this interaction the key focus areas we wanted to work on.



Figure 08  
**SUSTAINABILITY MATERIALITY MATRIX AND CLUSTERS**





06



As a result of our stakeholder dialogue and analysis, we have defined the “Operational Focus”, “Compliance Focus”, “Employee Focus”, and “Commercial Focus” as the clusters for our main CR areas over the past years. This

# ELG'S KEY FOCUS AREAS /

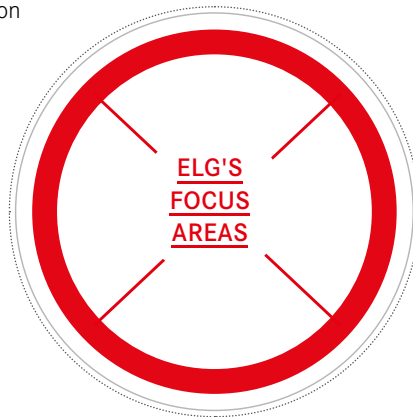
report will give you a comprehensive overview of 2017 in this traditional format. With respect to the European CSR Directive, we will, however, start to lean on the five aspects outlined in the Directive beginning with our next full report.

On the following pages, you will find a detailed insight into the activities pursued in 2017 within the respective focus area.

Figure 09  
ELG'S FOCUS AREAS

OPERATIONAL FOCUS  
ELG's carbon footprint

COMPLIANCE FOCUS  
Collective participation worldwide



EMPLOYEE FOCUS  
Expanding health and safety measures at ELG

COMMERCIAL FOCUS  
Carbon fiber recycling

## 06 / 1 OPERATIONAL FOCUS

### ELG's carbon footprint

Recognizing the fundamental role that recycling service providers play in the value chain, ELG's approach to sustainability is to go beyond material collection and trading and place a specifically high emphasis on environmental protection, transparency, and innovation.

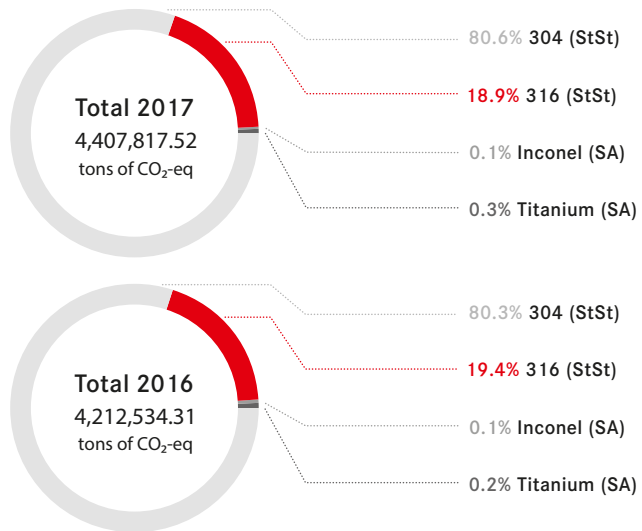
Our last full Sustainability Report in 2015 detailed the greenhouse gas emissions saved per material in the ELG product portfolio – inconel, titanium, carbon fibers, and stainless steels – based on data from a study that ELG conducted in cooperation with environmental experts from Fraunhofer UMSICHT. The study also identified areas with greenhouse gas emission savings potential, and these insights are supporting our efforts to pinpoint the processes and areas within ELG's operations where we can further increase emissions savings.

ELG's direct influence on the carbon emitted during production of high-performance materials is minimal, yet our commitment to reducing their carbon footprint is unshaken. Convincing customers to increase the scrap ratio within their production process is the biggest lever here, and our customers' efforts to make their work even less carbon intensive are impressive. Parallel to this, we are dedicated to optimizing energy and resource efficiency in our own operations. In this Sustainability Report, we outline the measures being realized to reduce ELG's carbon footprint.

### The carbon footprint of ELG's product portfolio

In line with the aforementioned study, ELG calculates its greenhouse gas emissions savings annually for all major material groups. As part of this, the amount of recycled products produced from scraps is multiplied by the specific greenhouse gas emissions savings of each material, totaling 4,407,817 tons of CO<sub>2</sub>-eq saved by ELG in 2017; of this, stainless steel represents the largest share, see **Figure 10** on page 37.

**Figure 10**  
**DISTRIBUTION OF GHG SAVINGS PER MATERIAL**



ELG's data collection is substantial and the processing and handling of titanium and inconel vary at ELG's sites. Thus, we decided to extend our carbon footprint study of 2015 and plan to launch a new study into ELG's different superalloys materials worldwide in cooperation with the environmental experts at Fraunhofer UMSICHT in 2018.

### Identifying areas of influence

The Fraunhofer UMSICHT study demonstrates the significant, positive impact that recycling service providers such as ELG can have when their recouped material is used in the production process instead of primary resources. It must be noted, however, that their influence on reducing the absolute CO<sub>2</sub> footprint of a ton of manufactured stainless steel remains comparatively small even if a theoretical ratio of 100% recycled material is used. This is due to the fact that the preparation of scrap by processors like ELG – i. e. checking it for quality and radioactivity, cutting, burning, blending, and packaging – accounts for only 2% of the total greenhouse gases emitted when manufacturing one ton of high-performance material.

We are conscious of the impact that products made from materials ELG works with have on the environment, and to this end, we are committed to saving emissions during scrap preparation itself across all our operations, encouraging partners and customers to raise their scrap ratio, and increasing our overall recycling volume.

### More tonnage means more emissions saved

The amount of CO<sub>2</sub> saved in 2017 (4,407,817 tons) was 5% higher than in 2016. This is mainly the result of increased tonnage, which grew from 1.41 million tons in 2016 to 1.44 million tons in 2017. The amount of CO<sub>2</sub> saved per year is, thus, strongly dependent on the market environment and the availability and valuation of raw materials, inevitably leading to a certain degree of volatility from year to year, see **Figure 11**.

Figure 11

#### ELG TONNAGE IN 2016 AND 2017



### Initiating sustainable measures

ELG is pursuing an even lower CO<sub>2</sub> contribution per ton by implementing initiatives that promote sustainability within company practices, prioritizing the use of smart technologies and increasing resource and energy efficiency.

**New electric cranes** are replacing a number of diesel cranes at various locations where we use stationary cranes, with an additional three to be introduced in 2018. These emission-free models result in 5,275 gallons (19,968 liters) of diesel fuel saved per crane per year, resulting in a total saving of 52 t CO<sub>2</sub> per crane per year. With less heat produced by the motor and diesel fuel eliminated, they also substantially reduce fire hazards.

**Air source heat pumps** are being installed at ELG's new feeder yard in the Midlands, UK. These inverter-driven pumps extract energy from the air in one area (i. e. outside a building) and convert it into heat in another (i. e. the building's interior, radiators, and hot

water systems). Compared with direct electrical heating, air source heat pumps can lead to a 40% saving in greenhouse gas emissions<sup>2</sup>.

**Solar photovoltaic panels** will help power the new Midlands building and charge company cars. Such panels are already in use in Duisburg. In 2017, ELG saved 369 t CO<sub>2</sub> due to renewable energies. Shifting toward renewable energy sources demonstrably reduces greenhouse gas emissions. An eight-year study by the Lawrence Berkeley National Laboratory found that using wind and solar energy cut emissions of CO<sub>2</sub>, sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NOx), and fine particulate matter (PM2.5) by 20%, 72%, 50%, and 46% respectively<sup>3</sup>.

#### **Working toward higher customer and partner scrap ratios**

The lion's share of ELG's carbon footprint derives from the large scope of a material's end uses on the customer or in- and out-bound logistics side – in other words, the CO<sub>2</sub> emitted for each ton of material produced as a finished product. With this in mind, ELG is committed to helping its customers increase their scrap ratios and works with steel plants that place the highest value on sustainability.

#### **The road ahead: plans for 2018 and beyond**

ELG will continue to work on bringing about emission savings on each ton of material handled. The orchestration of our UK operations, for instance, will be improved: Once the new Midlands site is finished in summer 2018, the majority of its deliveries will go directly to Outokumpu in Sheffield, instead of first being tipped and loaded at ELG's Templeborough yard. This will eliminate emissions that would otherwise result from trucks transporting the material and cranes unloading, sorting, and reloading it.

Beginning in 2018, the new ELG yard in Houston will reduce internal transport needs between the yard and the harbor. As soon as ELG's Houston site goes into operation, it will result in approximately 82 t CO<sub>2</sub> savings for 2019.

<sup>2</sup> Mattinen, Maija; Nissinen, Ari; Sampsa, Hyysalo; Juntunen, Jouni K., 2014, "Energy Use and Greenhouse Gas Emissions of Air-Source Heat Pump and Innovative Ground-Source Air Heat Pump in a Cold Climate", *Journal of Industrial Ecology* 19. 10.1111/jiec.12166.

<sup>3</sup> Millstein, Dev; Wiser, Ryan; Bolinger, Mark; Barbose, Galen, 14 August 2017, "The climate and air-quality benefits of wind and solar power in the United States", *Nature Energy*, Vol. 2, Article No. 17134.

ELG is constantly striving to develop and improve its approach to sustainability. To monitor the effect the measures outlined in this chapter have on our carbon footprint, we will, in 2018, launch an update to the 2015 study. The objective here will be to determine the influence these internal procedures have had, and thus provide insight into how we can meet our environmental targets and ensure our efforts have the most positive impact possible.

### Radioactivity alarms

As one of the first companies in the industry, ELG has, over the last two decades, introduced state-of-the-art radiation detection devices and made it imperative to use them at our yards across the globe. By using detection devices on inbound and outbound material as well as on material that is being moved in the yard, we are aiming to consistently apply ELG's Triple Validation Scheme. To measure success, we monitor radioactivity alarms in accordance with ELG's Radiation Guideline. The purpose of this guideline is to minimize the risk of radioactively contaminated material entering the production process of ELG's customers. No company within the ELG Group is to receive, accept, process, or sell material that has not been duly checked for radioactivity. ELG's measuring instruments are set up to detect and alert personnel at extremely low levels of radioactivity, which are generally very small deviations from the background radiation and harmless to health, and upwards. The responsible ELG employees are trained to act according to ELG's own radiation principles and procedures in case of an alarm.

Since 2012, we have had an average of ten alarms per year, mainly owing to the improved measuring equipment, which is very sensitive and shows radiation more precisely. In 2015, we reported an alarm number of 13, but over the past two years, the number has decreased from 11 in 2016 to 10 alarms last year, see **Figure 12** on page 41. ELG's total tonnage increased from 2016 to 2017, and we were able to reduce the alarms per ton. Ideally, we would like to see "zero" alarms at our customers' facilities. The detectors are very sensitive, and the exact cause that set the alarm off can be tracked.



We know that our efforts in the area of radiation have tangible benefits, and we aspire to make our goal of zero alarms a reality.

**Figure 12**  
**TOTAL TONNAGE**

in million metric tons



**ALARMS**

number



**ALARMS**

per ton



## 06/2 COMPLIANCE FOCUS

### Collective participation worldwide

In our last full Sustainability Report 2015, we outlined in great detail ELG's Compliance Management System ("ECMS"); the report at hand presents once again the main facts of the ECMS.

Designed to safeguard a constant awareness and a uniform understanding of compliance at ELG, ECMS helps to control compliance risks to ensure that internal and external rules are being adhered to by the entire ELG staff, see **Figure 13**. In case of abuse, and especially in cases where there is uncertainty as to how a situation should be judged or handled, ELG's Group Compliance Officer ("GCO") shall be informed immediately. The ELG Board of Directors, the GCO, and the Head of Internal Audit work very closely with one another to assess potential cases and the risks involved. Together, they form ELG's Compliance Committee.

Figure 13

#### ELG COMPLIANCE MANAGEMENT SYSTEM ("ECMS")



Thanks to the strength of the ECMS, ELG is an industry forerunner in compliance management. ELG has continually developed the system over the past few years, implementing specific measures such as “Tone from the Top” trainings, capturing and rolling out the “6 Principles of ELG”, creating new “Rules of Procedure”, conducting regular local management trainings worldwide, as well as annual compliance workshops with all business divisions of HANIEL, alongside delivering several E-Learning trainings on compliance topics.

### **Employee e-learning**

ELG has been organizing online trainings on compliance-related issues for all employees worldwide with online access since 2015. As announced in our Sustainability Update 2016, we carried out our second module, “Anti-Discrimination”, at the end of 2016 with all employees worldwide; the module was completed in February 2017. ELG's Legal Department ensures that every registered new employee who joins the ELG Group receives training in “Prevention of Corruption” and “Anti-Discrimination”. The intention behind the trainings is to create awareness and build knowledge of the respective compliance topic at hand.

Via this model, ELG has trained more than 600 employees per module over the last few years and plans to roll out the third module, “Antitrust Law”, in Q2/2018.

### Local Compliance Trainings

Local Compliance Trainings take place at suitable ELG Group locations in accordance with ELG's internal compliance risk matrices. Accompanied by specialized compliance experts, the ELG Group CEO, Detlef Drafz, and ELG's GCO trained and updated all US Managers and Executives within the ELG Utica Alloys Division in all compliance matters during a two-day workshop on-site.

In November 2017, the key executives of ELG's Asian undertakings, ELG Taiwan and ELG Japan, took part in a training about Antitrust Law, Anti-Corruption/Bribery, and Property Crimes.

In our last full Sustainability Report 2015, we explained in detail the procedure of our Local Compliance trainings. Conveying rules and values personally and directly to teams on the ground forms one important cornerstone of the ECMS.

### Shared\_Matters@ELG

In 2015, ELG launched "Shared\_Matters@ELG", a project designed to inform about acute issues at ELG entities that are bound to be of importance for other operations, too. Every employee, officer, or manager is free and, in fact, asked to inform the ELG Board of Directors, Corporate Communications, or the Group GCO about a current issue that might be also of significance to other branches of the company. Topics may be of an operational, financial, legal, compliance- or audit-related, or other nature. To foster communication and knowledge exchange, an e-mail is shared among ELG's Executive Managers worldwide. In accordance with the ELG Principles "Independence" and "Empowerment", each manager then decides whether the information is relevant for his/her area of responsibility and whether it gives rise to action or not.

The Shared\_Matter@ELG e-mail is, by nature, concise: It provides information about the incident or issue in question, which areas of our business are concerned, offers some words of advice, and names the relevant people to contact on the specific matter. As such, Shared\_Matters@ELG makes use of our global, connected footprint and serves to spread learnings and signal early warnings across the ELG Group swiftly.

### **A strong ECMS via collaboration between legal, compliance, and audit departments**

The concerted effort undertaken by responsible ELG Departments and Executive Managers to constantly enhance the ECMS is reflected in the “ELG 6 Principles” – Empowerment, Innovation, Integrity, Independence, Responsibility, and Mutuality – see **Figure 14** on page 46: The principles were drafted by ELG Legal and the ELG Board of Directors to serve as ELG's code of conduct, and it is the responsibility of the Local Executives and, in fact, every single employee to interpret and apply the Principles in the context of the relevant operation. The GCO is the guiding force here; as previously mentioned, the GCO is responsible for ELG Local Compliance Trainings worldwide. The 6 Principles are an essential part of the Rules of Procedure (RoP) and are reinforced in every training conducted.

To instill the values captured therein in colleagues working in the yard, ELG has implemented a “6 Principles” poster campaign and has distributed the posters in eight different languages to all 50 operations worldwide.

It is ELG Internal Audit's job to point out weaknesses, check awareness of, and implement the ECMS, and, in the course of this, help make ELG's systems even more robust. In that sense, colleagues from Internal Audit also make sure that every legal entity has put up the "6 Principles" poster in a spot that ensures maximum visibility.

Figure 14

**6 PRINCIPLES OF ELG:**



### **New Terms & Conditions and “Know Your Supplier” policy**

Due to the ever-evolving nature of legal frameworks, ELG Corporate Legal and Compliance has initiated a global project to streamline and standardize our Terms & Conditions (“T & Cs”) of Purchase and Sale. In close collaboration with local management, standard T & Cs have been adapted to the legal requirements of each country-specific jurisdiction, while particular provisions that reflect the individual local business and material were included.

True to our ELG Principle “Integrity” and our desire to integrate the topic of corporate responsibility further into our daily business, we have supplemented a paragraph in the T & Cs with information including minimum wage law, law on the posting of workers (Arbeitnehmer-Entsendegesetz “AEntG”), prohibition of illegal employment, compliance etc., see <http://www.elg.de/en/locations/europe/germany/duisburg.html>.

To facilitate the exclusion of blacklisted business partners, including suppliers, ELG has rolled out the IT tool “ID.prove”. The tool is also part of full scope audits, and it is used in conjunction with ELG's “Know Your Supplier” policy, a checklist that provides guidance to assess potential counterparty risks. Country, product, business partner, and transaction risks are part of the checklist, which serves as a support tool to validate the long-term experience and “gut feeling test” of our trusted employees.

### Compliance update calls and compliance workshop

The company's Chief Compliance Officers gather for bi-monthly conference calls, allowing them to exchange feedback and ideas and thus support the spread of knowledge and best practices across HANIEL's diverse business units.

Each year, relevant compliance personnel within ELG and all HANIEL divisions meet for a Compliance Workshop at the Haniel Academy. This workshop is initiated by the HANIEL Chief Compliance Officer. The divisions discuss current legal and compliance issues. To encourage new ideas and ways of thinking, HANIEL concentrates on current concerns and invites guest speakers from national and international law firms to educate participants on pertinent compliance issues and cases. In 2017, the workshop focused on the European General Data Protection Regulation, antitrust, and the challenges involved with digitization.





### Expanding health and safety measures at ELG

For the past three years, ELG has been building on its Health & Safety PLUS Project to minimize future accidents and employee absences. As a result, we were able to collect data and find and establish measures to reduce the risk of accidents and absences. We take the health and safety (H&S) of our employees very seriously and strive toward a goal of “zero” accidents. As can be seen in ELG's Sustainability Materiality Matrix, “Occupational Health & Safety” and “Being a Responsible Employer” rank very highly and are two of the most important values, both for us and for our stakeholders.

After collecting and evaluating relevant data in 2015, we introduced measures in 2016 and 2017 in all ELG locations worldwide to further ensure that employees work even more carefully and cautiously. We had no fatalities in 2017 or in recent years, and the number of serious workplace accidents at any of ELG's sites across the world continues to be low. Most injuries are cuts and bruises that result from the physical handling of scrap. ELG's target to keep the number of accidents at work at an average of 15 per one million working hours was narrowly missed in 2017, with the average at ELG's yards being 18 accidents per one million working hours. The number of employee absence days per FTE is consistently lower than ELG's target of 7.5; in 2017, the overall average was 6.5 days per FTE.

While we are conscious that our aim of zero accidents may be overly ambitious, we have recognized a positive trend and can report that since 2015, the number of employee absence days has decreased.

H&S is a mandatory part of the agenda in all management meetings, which take place twice a year with the ELG Board of Directors. Here, ELG's top executives discuss the relevant H&S key performance indicators as well as tailor-made measures for the respective ELG companies to meet them. As a result, both centralized and decentralized measures have been taken throughout the whole ELG Group such as information campaigns, Industrial Safety Committee meetings, Board of Directors and Officer Instructions at all sites, as well as special trainings for all employees in areas such as how to use a defibrillator, First Aid, and more.

ELG's headquarters and ELG's local management units worldwide take the Health & Safety PLUS Project very seriously and work tirelessly to improve employee well-being every day.

In 2017, ELG implemented technical, organizational, and behavioral measures to minimize and improve the number of accidents and absences. In cooperation with an external work safety specialist, ELG's Superalloys yard manager and the technical audit company DEKRA carried out a new comprehensive risk assessment at ELG's Duisburg site. The individual measures are sorted by high, medium, and low and are processed one after the other.

As temporary workers suffer from accidents and/or absences strongly above average, the German Management at Eisenlegierungen Handelsgesellschaft mbH decided to reduce temporary work as much as possible. Thus, many temporary workers receive a permanent employment or fixed-term contract with ELG companies. Overall, 20 temporary workers were taken on as permanent employees in 2017.

It must be noted that the companies within ELG abide by relevant trade union agreements, as and when applicable. Temporary workers are utilized on an occasional basis by some operations within ELG in line with all pertinent regulations. There are no relevant seasonal implications for the composition of ELG's workforce.

In 2016, we reported on the "Biggest Loser Competition" in ELG's US operations, which aimed to improve employees' overall fitness. The competition was not only helpful; it was also fun for the employees. Consequently, the ELG Metals management team decided to start a new competition in 2017 called "FitBit challenge", another initiative to encourage employees to get active. A fitness watch tracks employees' steps and distances walked/run/biked,

their calories burned, active minutes, and so on. The management incentivized employees to join the challenge by offering the device itself as well as prize money. The steps were tracked over a period of four months, and the employee at each ELG location with the most steps won. Supported by our insurer, the goal of this challenge was to continue our journey to becoming a healthier company and to boost team spirit. Monthly “salad bar” luncheons have also been in place since 2016 and are very popular.

**Other local initiatives include the following:**

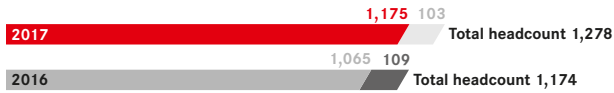
- Implementation of International QHSE Standards at all UK divisions (“Quality, Health, Safety & Environment”): OHSAS 18001 – H & S, ISO 14001 – Environment and ISO 9001 – Quality. The QHSE systems are regularly audited by BSI (British Standards Institute), who decides whether ELG meets the criteria set in each of the standards
- Insurance healthcare program for all US locations, resulting in a reduction in the number of absence days
- Preventive medical checkups such as complimentary annual flu vaccinations offered to all employees at the Duisburg branch
- Cooperation with the Employer's Liability Insurance Association: Hand-out with instructions for drivers of company vehicles. The instructions include the main rules and international traffic rules (e. g. taking medications, drugs, premeditation, insurance coverage, etc.)
- Monthly reporting of HR key performance indicators by the Head of HR to the ELG Board

Figure 15

**EMPLOYEE STATISTICS**

**Employee figures**

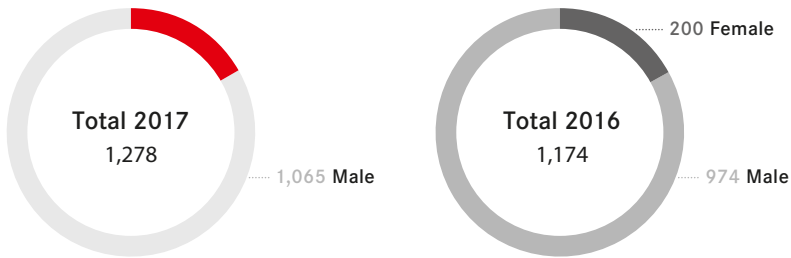
Headcount



2017: ■ Regular employees ■ Executive staff  
 2016: ■ Regular employees ■ Executive staff

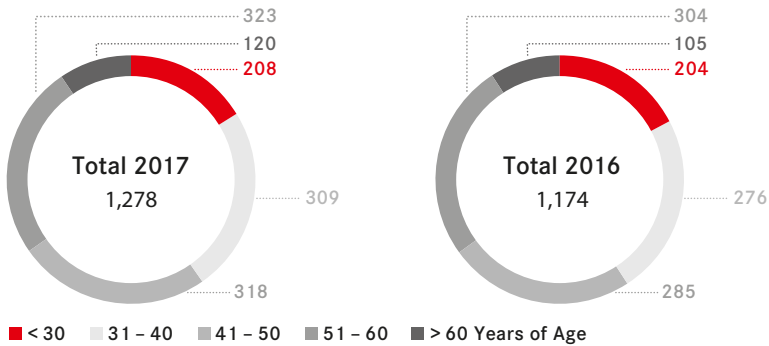
**Gender structure (total)**

Headcount



**Age structure**

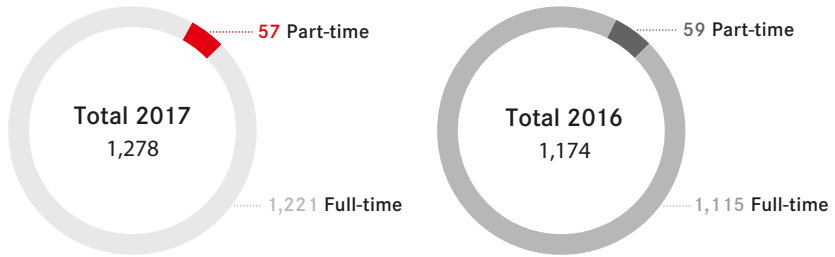
Headcount



■ < 30 ■ 31 - 40 ■ 41 - 50 ■ 51 - 60 ■ > 60 Years of Age

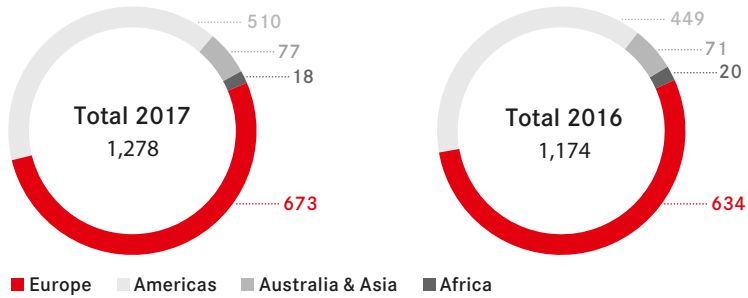
## Structure by type of contract

Headcount



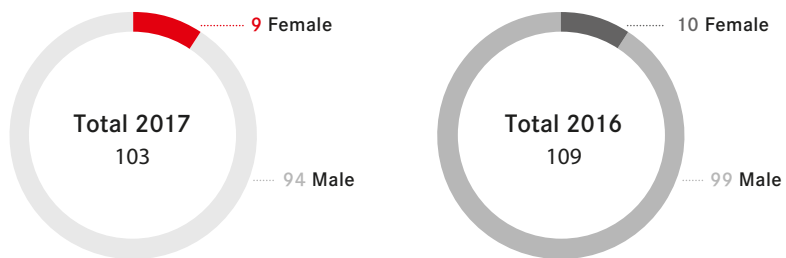
## Regional structure

Headcount



## Executive staff: gender structure

Headcount



G4-10, G4-11,  
 G4-20, G4-21

## 06/4 COMMERCIAL FOCUS

### Carbon fiber recycling

In 2015, we reported and explained in great detail about ELG's carbon fiber recycling activities: ELG Carbon Fibre, the world's first and largest commercial carbon fiber recovery plant located in Coseley, West Midlands UK.

The key focus is to develop and industrialize the conversion technologies to manufacture recycled carbon fiber products that can be re-introduced to the composites and compounding industries.

In cooperation with Formula One Designers Gordon Murray Design ("GMD"), a range of recycled carbon mats were produced in 2017 to test and qualify the material to be used in volume production. ELG and GMD work together to develop panels for the iStream Carbon vehicle. The iStream® Carbon process is derived directly from Gordon Murray Design's iStream® Manufacturing System. It is the world's first affordable high-volume carbon fiber chassis structure brings Formula One materials and technology within reach of the everyday motorist.

ELG continues to expand the product range and developed a mass-effective product for the manufacture of structural parts for the automotive industry.

The TVR Griffith, a sports car that uses iStream technology and features ELG's materials, was unveiled to the public at the Goodwood Revival in September 2017. Besides this, several prototype vehicles will start going through the various automotive approval processes, and the supply chain for the production vehicles will be established.

To provide GMD with the ability to manufacture prototype and production vehicles, Gordon Murray Automotive put up a special building on the Dunsfold Aerodrome in 2017. ELG's recycled carbon fiber mats continue to be a mainstay for both structural and body panels on many of the iStream vehicles.

The ELG team continues to work with GMD's engineers to optimize the construction of the carbon fiber mats and the production process. Building on this work, ELG's non-woven carbon fiber mats

will be used on several electric commercial vehicles that are in development. This includes high-volume vehicles in both the US and Europe, where prototype vehicles are being evaluated by customers such as the US Postal Service and Royal Mail.

As manufacturers continue to demand the most advanced material innovations to promote lightweight structures, ELG CF has responded with the development of a unique range of isotropic recycled carbon fiber products, in particular Carbiso™ Milled CF, Carbiso™ Chopped CF, and Carbiso™ Non-Woven Mats.

In 2017, ELG CF and the UK's Rail Safety Standards Board (RSSB) entered into a partnership that is funded by the UK government, with £1.25 million dedicated to development of the Alstom bogie frame for the next two years. The aim is to reduce weight and improve vertical and transverse rigidity to decrease environmental impact, costs, and infrastructure damage.

### **ELG Innovation Experience**

Using innovative technology, the team at ELG CF is on its way to shaping the future market of reusable fibers. Parallel to this, our stainless steel and superalloys divisions have been leading their market segments for several years. We view it as our duty and as an opportunity, however, to stay innovative and groundbreaking in these areas, too.

For this purpose, we gathered, in January 2016, a diverse group of participants from all parts of the world and from different departments and hierarchy levels for the ELG Innovation Experience (“EIE”) in Berlin. The objective of this three-day moderated workshop was to reflect on how we do business, which (mega) trends have an impact on ELG's core and adjacent markets, and what opportunities are out there to be seized. To showcase which creative and digital energy is already working in the operative units the team around Jewometaal and Eisenlegierungen presented their new “My-ELG App”, developed to lift scrap trading and information sharing with suppliers to a new level.

Inspired from the creative and constructive atmosphere, several concepts were derived, transformed into projects manned with international colleagues of suitable occupations and driven forward. The project team members did this with dedication and energy albeit often on top of their normal workload. To build on the projects and to spark others to involve more and more ELG employees, we founded EIE Services GmbH in April 2017. This separate entity is located close to Duisburg in the heart of Düsseldorf<sup>4</sup>, which has become a hotspot for Europe's digital economy, thanks to the city's unique cluster of mobile communication firms, start-ups, and industrial manufacturing companies.

EIE is home to a team of ELG natives, young entrepreneurs, and external experts and is meant to be a hub for every ELG employee with an innovative drive. The core idea behind a dedicated unit is to assist our operative teams in maintaining their respective leading roles and to foster their great initiatives in digitization and beyond while also allowing them to focus on their daily business at the same time.

Ultimately, it is ELG's aspiration to provide each and every employee of the ELG family with a distinct lasting and true self-conception: "Stay bold, be confident, embrace and spearhead the future." This means entrepreneurial daring in the implementation of innovative ideas, a basic trust in the future viability of ELG, an eye for the great opportunities of digitization, and the certainty of the ELG Group staying at the top at all times and in all respects.

EIE Services is a vehicle to ensure the implementation of this strategy, i.e. to create or reinforce the defined self-image and thus make ELG a team of "Innovators". The claim "Your idea - Your project!" displays how close we want the relationship between EIE and operative units to be: whoever sees an opportunity which ELG should pick up on, is asked to speak up and take ownership of the idea. EIE is designed to act as a sounding board and to provide the necessary resources to act quickly to tackle the challenge at hand or develop the idea into possible future business.

<sup>4</sup> Moving from Essen to Düsseldorf in 2018.





# GRI-G4 SPECIFIC STANDARD DISCLOSURES

Material Aspects	Page	DMA, Indicators and Targets	Timeline	External Assurance
<b>Operational Focus</b>				
“Compliance with standards in the supplier chain”, “Quality of products and services”	36 – 40	Target: Quantification of CO <sub>2</sub> savings at the customer through the use of recycled material in comparison to the use of primary raw materials; the target is to obtain an increase in CO <sub>2</sub> savings of 5% for each product category.	By the end of 2017	NONE
<b>Compliance Focus</b>				
“Integrity and compliance”, “Avoidance of corruption”	42 – 48	Global rollout of the second online training on compliance-related issues worldwide, focusing on “Anti-Discrimination”. The aim was to create awareness and build knowledge of the respective compliance topic at hand.  Global rollout of new Terms & Conditions (“T&Cs”) of Purchase and Sale.	By the end of 2017	NONE
<b>Employee Focus</b>				
“Responsible employer”, “Occupational health & safety”	49 – 53	Assessment & verification of the collected data; 2. Analyzing data; 3. Identifying appropriate countermeasures; 4. Optimizing reporting and measures to reduce.	By the end of 2017	NONE
<b>Commercial Focus</b>				
“Innovation of new techniques”, “Sustainable increase in corporate value”	54 – 56	Development and introduction of recycled isotropic mat into automated production process.	By the end of 2017	NONE



# GRI-G4 CONTENT INDEX



Material Aspects	Page	Comments and Cross-References	External Assurance
<b>STRATEGY AND ANALYSIS</b>			
G4-1	10 – 11		NONE
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	7 – 8		NONE
G4-4	13, 19		NONE
G4-5	25		NONE
G4-6	21 – 23		NONE
G4-7	17 – 18, 20		NONE
G4-8	13, 21 – 23		NONE
G4-9	14 – 16	<a href="http://www.haniel.de/en/creditor-relations/financial-reports/consolidated-financial-statements">www.haniel.de/en/creditor-relations/financial-reports/consolidated-financial-statements</a> for details	NONE
G4-10	52 – 53		NONE
G4-11	52 – 53		NONE
G4-12	13 – 15		NONE
G4-13	17 – 20		NONE
G4-14	28	<a href="http://haniel.corporate-report.com/2017/en">haniel.corporate-report.com/2017/en</a> (pages 52 f. of the Annual Financial Report) for details	NONE
G4-15	29		NONE
G4-16	29		NONE
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	19	<a href="http://www.haniel.de/en/creditor-relations/financial-reports/consolidated-financial-statements">www.haniel.de/en/creditor-relations/financial-reports/consolidated-financial-statements</a> for details	NONE
G4-18	7 – 9, 26 – 27, 31 – 32		NONE
G4-19	33		NONE
G4-20	35, 36 – 41, 42 – 48, 49 – 53, 54 – 56		NONE
G4-21	35, 36 – 41, 42 – 48, 49 – 53, 54 – 56		NONE
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G4-23	17 – 20		NONE
<b>STAKEHOLDER ENGAGEMENT</b>			
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G4-25	31 – 32		NONE
G4-26	25 – 26, 31 – 32		NONE
G4-27	33		NONE
<b>REPORT PROFILE</b>			
G4-28	9		NONE
G4-29	7		NONE
G4-30	9		NONE
G4-31	9, 59		NONE
G4-32	9		NONE
G4-33	9	ELG did not seek external assessment for this report	NONE
<b>GOVERNANCE</b>			
G4-34	25		NONE
<b>ETHICS AND INTEGRITY</b>			
G4-56	42 – 48		

**ACKNOWLEDGMENTS**

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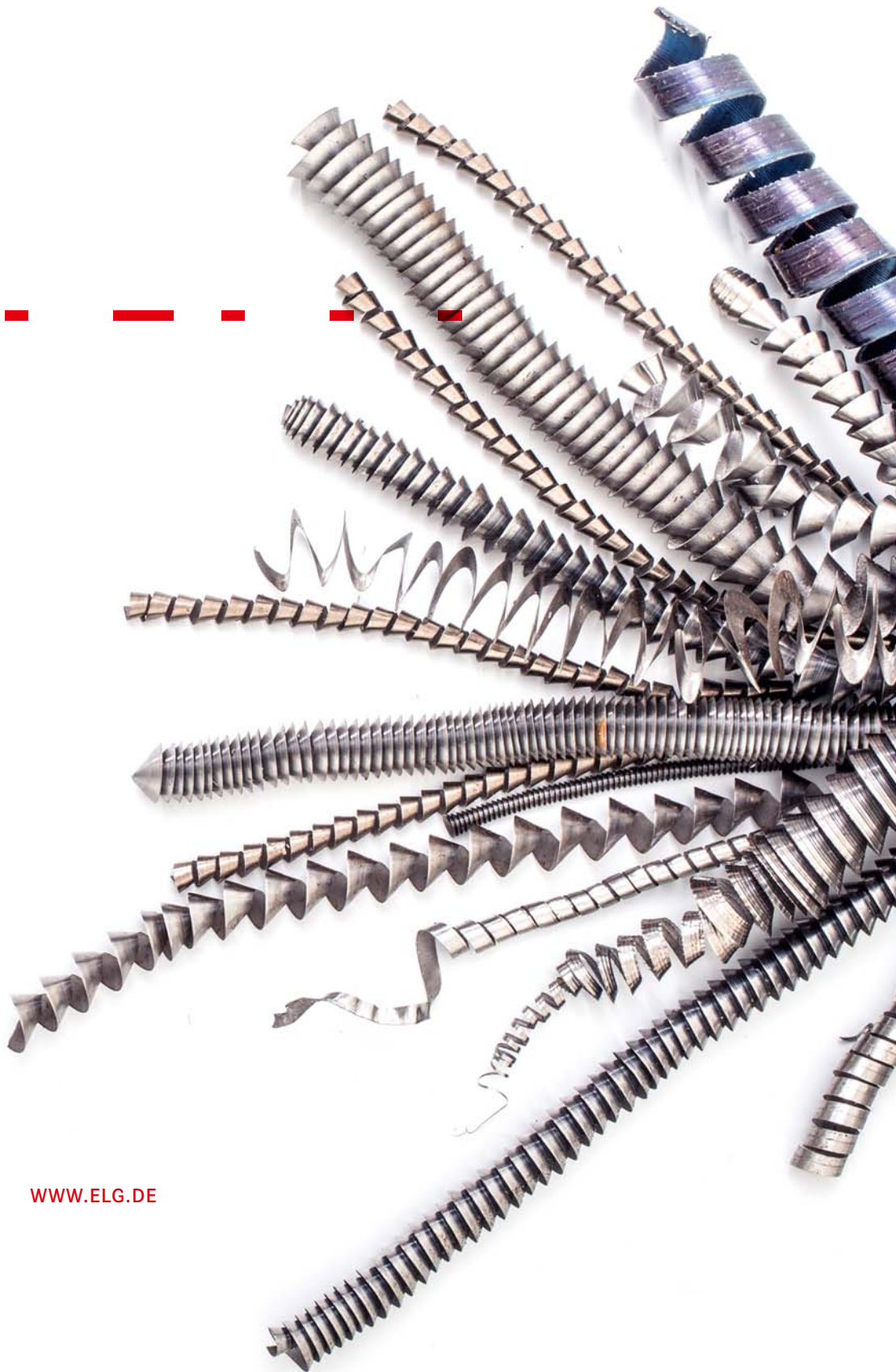
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