



SUSTAINABILITY REPORT

- 2018 -

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ABOUT THIS REPORT

We want to communicate the values and standards of the Biesterfeld Group with our annual reporting and set a clear sign for sustainability.

Our commitment at a global level is very important to us, which is why we continue to work to conserve resources and the environment and to ensure human and labour rights.

We provide our internal and external stakeholders as well as the interested public with transparent and comprehensive information on all data and key figures relevant to sustainability at the Biesterfeld Group. Our sustainability report applies to the entire group of companies. It includes the Communication on Progress as specified by the United Nations Global Compact, which we joined in 2014 and the principles of which we are have been committed to ever since. We have chosen to use the “core option” of the latest framework of the internationally recognised Global Reporting Initiative, known as the GRI Standards. This enables transparent presentation and ensures that data and

evaluations can be compared with others. We use the emission factors from the GEMIS database (GEMIS = Global Emission Model for Integrated Systems), which was prepared by the German Environment Agency (UBA) in cooperation with the Öko-Institut (Institute for Applied Ecology).

In this year’s report, which takes into account developments in 2018, we have documented our sustainability management and its extension to our branches in Austria, Poland and Switzerland. For a detailed list of our sites included in the 2018 report, see Chapter 1 – World Map.

We generally use the male form in this report when designating groups of persons and occupations for ease of readability. It goes without saying that we always address all sexes equally.

VALUE ADDED IS
THE FRUIT OF
VALUING OTHERS



Thomas Arnold, chairman of the board

FOREWORD

Dear reader,

I am pleased to present the 2018 Biesterfeld Group Sustainability Report.

Sustainability has long been an integral part of our business activities and is firmly anchored in all areas of the company. As a family-owned company, we attach great importance to aligning our economic goals with ecological and social aspects at all times.

As a key industry, chemicals provide a fundamental basis for progress and innovation. For this reason, this Sustainability Report conveys a message that is particularly close to my heart: we take responsibility – socially, ecologically and economically. We succeed in handling sensitive products in a safe, responsible and resource-conserving way by defining standards and specifications, which are in a constant state of development, throughout the company. It is and remains our goal to rigorously advance the concept of sustainability and to make our processes and structures more environmentally conscious and efficient.

In recent years, we have succeeded in further expanding our sustainability management thanks to a range of measures. For example, our Biesterfeld Plastic division supports the worldwide Operation Clean Sweep initiative. The objective of the initiative is to ensure that plastic particles do not end up in the marine environment. All companies in the plastics supply chain need to comply with strict storage site management and retention measures. In Malawi, the Biesterfeld Group also supports the overhaul of well systems. The affected region is one of the least developed countries in the world and about half the population lives with no access to clean drinking water. Together with local communities, this project identifies and repairs defective boreholes and wells to give the people in this region unrestricted access to clean drinking water.

We primarily have our employees to thank for the implementation and development of our sustainability activities as well as our renewed positive business development, for they work together across divisional and country boundaries to achieve our

sustainable and economic goals. Each individual plays a crucial role and contributes to our collective success through his or her individual strengths and qualities.

Ethical and responsible conduct is a core principle of our corporate culture as a family-owned company. Over the next few years, we will continue to expand our activities in line with all the aims of a sustainably operating company.

I hope you enjoy reading our Sustainability Report.

A handwritten signature in black ink, which appears to read 'Thomas Arnold'. The signature is written in a cursive, flowing style.

Thomas Arnold



COMPETENCE IN SOLUTIONS

WE ARE BIESTERFELD

OUR COMPANY PROFILE

The Biesterfeld Group has been a service and distribution company, as well as being active in the worldwide trade of raw materials, for more than 112 years.

Initially specialising only in the salt trade, today Biesterfeld thrives in the distribution of plastics, rubber, speciality chemical products and international trade in the sectors of industrial and agricultural chemicals, pharmaceutical raw materials and salts, with its four business divisions and more than 46 international subsidiaries.

Based on our many years of market and product experience, we have developed sound expert knowledge to provide our customers with comprehensive advice and support in finding the right products for their applications. Our extensive product portfolio is based on long-term and trusting partnerships with our many well-known suppliers. Biesterfeld Group's positive business development testifies to the success of this approach.

Our four operating divisions Biesterfeld Plastic, Biesterfeld Spezialchemie, Biesterfeld Performance Rubber and Biesterfeld International specialise in taking into account the latest market findings concerning economic, ecological, social and safety aspects and always incorporating the latest industry trends and

standards. These specialised sales and distribution organisations are supported by the Biesterfeld service companies, Biesterfeld ChemLogS GmbH and BIT-SERV GmbH. Together, all business divisions operate under the umbrella of Biesterfeld AG, which as a holding company, creates the framework for the overall development of the Biesterfeld Group.

This parent company assumes strategic tasks, central control functions for standards and processes, as well as overarching functions in finance, human resources, legal affairs, communications and controlling. More on this: a look at the details.

We regard advising and serving our customers and suppliers in a professional and customised manner as our responsibility. **Our in-depth market knowledge, comprehensive services and a specialised skills profile in the individual segments set us apart from the rest.** As the linchpin between producer and customer, we know exactly which products meet our customers' demands and expectations and can inform our suppliers about new

requirements and industry developments. Our technical experts work closely and in partnership with both sides, thus managing to exploit synergies and achieve added value for all stakeholders.

We achieve all this through direct customer and supplier contact, personal on-site support and our group-wide feeling of togetherness as "Biesterfelders". Close professional interaction between colleagues and a joint sense of purpose shape our everyday life and our way of working.

The demand for a sustainable corporate structure is firmly anchored in all divisions and levels of our company hierarchy. Our commitment to the United Nations Global Compact and our own Code of Conduct reflect the importance of sustainability for the Biesterfeld Group. The principles and requirements defined here are anchored in our business strategy. **Our economic success is always pursued in harmony with the needs of people and the environment.**

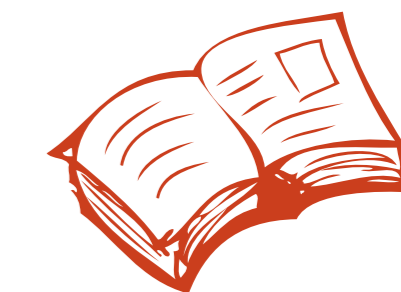


STRONG
INDIVIDUALLY,
UNBEATABLE
TOGETHER



A REVIEW OF OUR HISTORY

<p>1906 Wilhelm Ernst-Hinrich Biesterfeld moves into a small office in Hamburg and starts his salt trading business</p>	<p>1961 First European subsidiary founded in the Netherlands</p>	<p>1988 Founding of Biesterfeld Plastic GmbH as well as new subsidiaries in France, Italy, Poland and Spain</p>	<p>2007 Biesterfeld ChemLogS GmbH founded</p>
<p>1918 Flourishing trade in rock salt from northern Germany for the domestic and Scandinavian market</p>	<p>1964 Company founder Wilhelm Biesterfeld dies at the age of 84 years; steady growth of the business ensured by Walter Biesterfeld, his nephew and adopted son</p>	<p>1994 Joint venture Biesterfeld Scheibler Linssen GmbH & Co. KG with HQ in Hamburg</p>	<p>2008 Acquisition of Milar Sp. z o.o. in Poland</p>
<p>1930s Development of the three pillars of the company: trading in salt, chemicals and fertilisers</p>	<p>1970 Following the death of Walter Biesterfeld, his son Dirk J. Biesterfeld inherits the company as a personally liable partner</p>	<p>1998 Founding of Biesterfeld Spezialchemie GmbH</p>	<p>2013 Founding of Biesterfeld Nordic AB, Sweden, Acquisition of Küttner GmbH, Germany</p>
<p>1945 Takeover of the chemical plant Gunter, Schröder & Co. in Hamburg-Harburg with its own warehousing and transshipment facilities</p>	<p>1976 Founding of the subsidiaries Biesterfeld do Brasil Ltda. in Brazil and Biesterfeld U.S., Inc. in the USA</p>	<p>2000 Founding of BIT-SERV GmbH, Biesterfeld International GmbH and Interowa GmbH & Co. KG</p>	<p>2015 Founding of Biesterfeld Simko Distribuição S.A. joint venture, Brazil</p>
<p>From 1950 Own subsidiaries in the business divisions of importing/exporting chemicals, salt and fertilisers as well as chemical plants; Biesterfeld Packaging division founded</p>	<p>1981 Core areas of the new company Wilhelm E. H. Biesterfeld Group: chemical plants, import, export, packaging, salt, agrochemicals and international freight forwarding</p>	<p>2004 Transformation of parent company Wilhelm E. H. Biesterfeld GmbH & Co. KG into Biesterfeld AG</p>	<p>2016 Founding of Biesterfeld Performance Rubber GmbH, acquisition of Schütz & Co. (GmbH & Co. KG)</p>
<p>1956 Relocation to the centre of Hamburg, Ferdinandstrasse 41, the present headquarters of the company</p>	<p>1980s Expansion into Asia with subsidiaries in China, Hong Kong and Indonesia</p>	<p>2005 Full takeover of Biesterfeld Siemsglüss International GmbH</p>	<p>Today International distributor of plastics, rubber, base and special chemical products, with over 40 subsidiaries in more than 120 countries</p>
		<p>2006 The name Siemsglüss International GmbH changed to Biesterfeld International GmbH, founding of joint venture Biesterfeld Petroplas Ltd.</p>	



A LOOK AT THE DETAILS: OUR BUSINESS UNITS



Biesterfeld Plastic

As a leading distributor for plastics and additives in Europe, North Africa, Latin America and the CIS region, Biesterfeld Plastic maintains many long-standing, mostly exclusive sales partnerships with various global market leaders within the plastics industry. This division was founded in 1988 and is notable for its almost complete and homogeneous product portfolio in over 40 countries. Around 300 employees offer international customers comprehensive services such as development-related, technical consulting and tailor-made logistics solutions. This is made possible by a comprehensive, decentralised infrastructure complete with personal contact points on site. The product portfolio includes plastics and additives for industries such as automotive, healthcare, industrial and consumer goods, construction, toys, packaging, household appliances as well as electrics and electronics.

Biesterfeld Spezialchemie

Biesterfeld Spezialchemie is one of Europe's largest distributors of speciality chemicals needing explanation. With around 265 employees, it offers solution-oriented application technology expertise in the field of speciality chemicals and the food industry. The supporting pillars of their range of services are the development

of customer-specific problem solutions, the continuous supply capability from regional warehouse locations and their broad product range.

Our extensive product portfolio focuses on the needs of selected industries including personal care, healthcare, cleaning, paints and coatings, high-quality intermediates, polyurethanes, polymer additives, construction, adhesives and lubricants, composites, food, electrical, electronics and energy.

Biesterfeld Performance Rubber

Biesterfeld Performance Rubber is the youngest division of the Biesterfeld Group and has been active as a distributor for the rubber processing industry since its foundation in 2016. It deals internationally in high-performance polymers, technical elastomers, silicone rubber compounds and additives. Business activities have focussed on application technology consulting and the development of innovative local customer solutions, carried out by around 40 qualified employees. As well as synthetic rubber, compounds of high-quality silicone and fluorosilicone rubbers and carbon black, the product range also includes high-performance polymers and the complete portfolio of corresponding additives.



Biesterfeld International

Biesterfeld International has specialised since its founding in 2005 in the trade of inorganic and organic industrial chemicals, salts, agricultural chemicals and pharmaceutical raw materials and active substances as well as additives for fodder and foodstuffs. Our worldwide sales department has approximately 100 employees at 14 locations offering expert and customer-focused services in the consulting, product development, logistics and financing fields of application. Its local presence near customers and suppliers as well as existing long-term partnerships are this division's distinguishing features.

Biesterfeld ChemLogS

The Biesterfeld ChemLogS team is responsible for compliance, sustainability, QSHE in the international chemicals trade, support of management systems, REACH as well as customs and export control throughout the entire Biesterfeld Group. It has been

supporting the operating divisions with its expertise and skills as an independent service company since 2007. This division also produces professional safety data sheets, which are vital when using our products as they provide important safety information and recommendations for proper handling of our products. Finally, the team of experts ensures day-to-day compliance with national and international standards, regulations and internal guidelines in order to guarantee smooth business transactions in all Biesterfeld processes while adhering to international legal standards.

BIT-SERV

BIT-SERV is a full-service provider offering high-quality IT services for the chemical, plastics, pharmaceutical and agricultural sectors. Specialised in SAP® ERP applications, CRM in-house developments, web developments and system technology, BIT-SERV provides active support to our business divisions. The employees here are specialists with many years of experience and comprehensive expertise in industry-specific applications. The principle objective of these employees, who are consultants, designers and project managers at the same time, is to offer a stable, solution-oriented and user-friendly IT service. Their range of services is tailored to the needs of medium-sized companies and is subject to strict security guidelines.



ALWAYS CLOSE TO CUSTOMERS AND SUPPLIERS



Biesterfeld AG

Hamburg, HQ (DE)

Biesterfeld Plastic

- Abingdon (GB)
- Athens (GR)
- Barcelona (ES)
- Culemborg (NL)
- Florianópolis (BR)
- Hamburg (DE)
- Istanbul (TR)
- Kiev (UA)
- Cologne (DE)
- Liestal (CH)
- Limhamn (SE)
- Milan (IT)
- Moscow (RU)
- Nuremberg (DE)
- Oporto (PT)
- Römerberg (DE)
- Rueil Malmaison (FR)
- São Paulo (BR)
- Warsaw (PL)
- Vienna (AT)

Biesterfeld Spezialchemie

- Barcelona (ES)
- Bratislava (SK)
- Budapest (HU)
- Bucharest (RO)
- Culemborg (NL)
- Grodzisk
- Mazowiecki (PL)
- Hamburg (DE)
- Istanbul (TR)
- Kiev (UA)
- Liestal (CH)
- Milan (IT)
- Moscow (RU)
- Prague (CZ)
- Rueil Malmaison (FR)
- Warsaw (PL)
- Vienna (AT)
- Zagreb (HR)

Biesterfeld International

- Bangkok (TH)
- Beijing (CN)
- Chongqing (CN)
- Guatemala City (GT)
- Hamburg (DE)
- Hong Kong (CN)
- Istanbul (TR)
- Jakarta (ID)
- Mexico (MX)
- Miami (US)
- Mumbai (IN)
- São Paulo (BR)
- Shanghai (CN)
- Warsaw (PL)

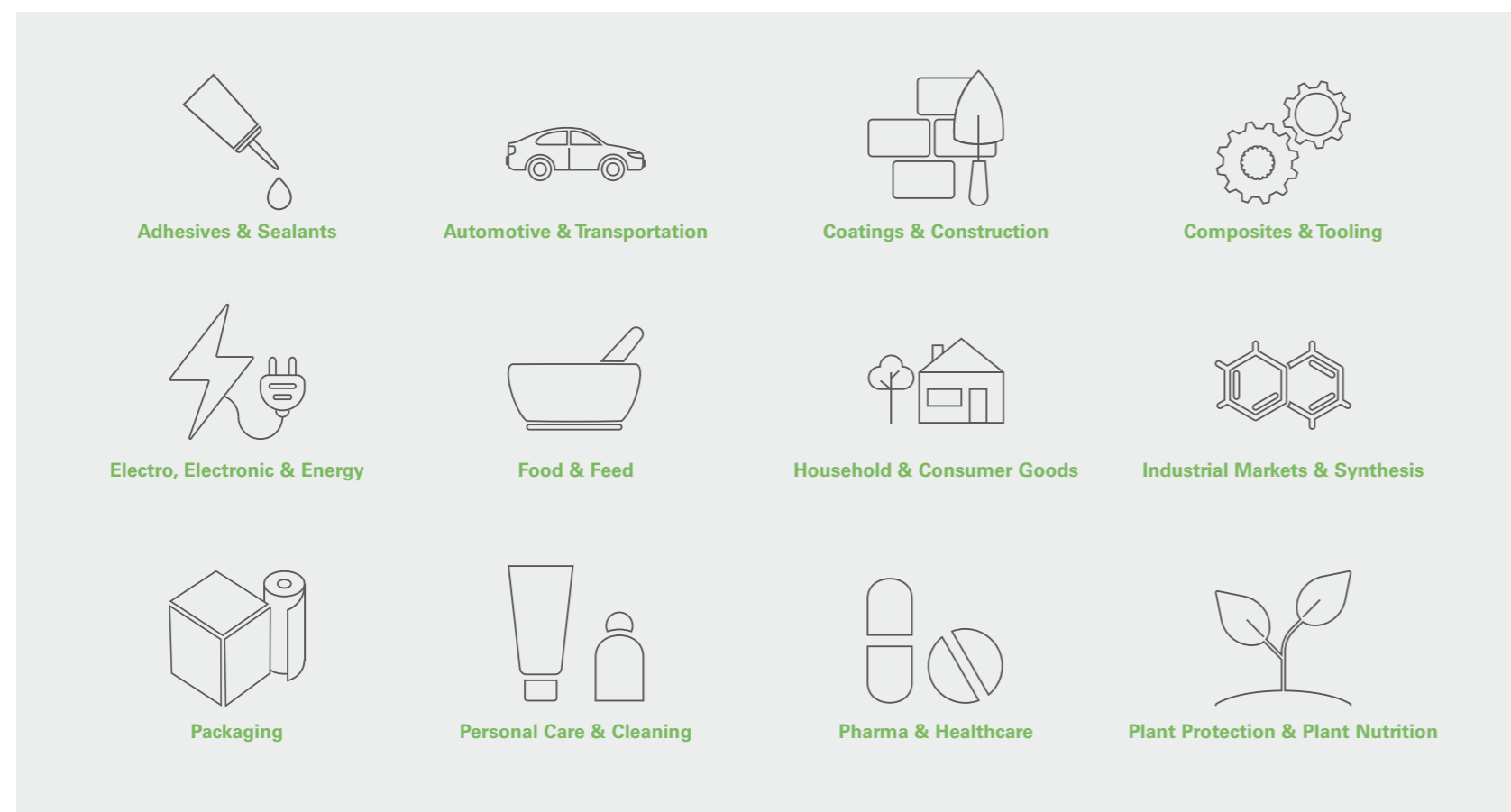
Biesterfeld Performance Rubber

- Abingdon (GB)
- Bangkok (TH)
- Barcelona (ES)
- Budapest (HU)
- Bucharest (RO)
- Culemborg (NL)
- Hamburg (DE)
- Istanbul (TR)
- Kiev (UA)
- Limhamn (SE)
- Milan (IT)
- Moscow (RU)
- Prague (CZ)
- Römerberg (DE)
- Rueil Malmaison (FR)
- Saint Ouen l'Aumone (FR)
- Chrisy (FR)
- São Paulo (BR)
- Warsaw (PL)
- Vienna (AT)
- Zagreb (HR)

Biesterfeld locations included in this year's Sustainability Report

OUR PRODUCT AND SERVICE PORTFOLIO

OUR CLIENT INDUSTRIES



As a family business, we are committed to sustainable development in our industry and to raising awareness in our partners so they will make their own contribution here.



Sustainable product solutions

We support our customers in producing sustainable products, improving their ecological footprint and implementing sustainable business practices.

We contribute to the development of more environmentally friendly products with our sustainable product solutions.

Biesterfeld Plastic, for example, sells compostable biopolymers made from renewable raw materials. These fully biodegradable polymers are a sustainable substitute for petroleum-based polymers. Due to their low processing temperatures, they are more environmentally friendly and sustainable during production, resulting in large energy savings.

Biesterfeld Spezialchemie's product portfolio includes halogen-free flame retardants based on functional polymers and especially developed for polyolefin-based plastics. In the event of fire, they trigger an endothermic cross-linking reaction which promotes charring while reducing smoke density and toxicity as well as the heat release rate. The flame retardants offered are easy to process as well as being compatible with UV stabilisers and other common additives.

In the personal care division, **Biesterfeld Spezialchemie** offers an alternative to traditional glycols such as propanediol derived from corn, which is used as a moisturizer as well as a preservative booster and is marketed under the trade name Zemea®. The portfolio also includes Genencare®, an active ingredient produced from sugar beet that naturally strengthens the skin barrier, improving the water balance in the cells. Biesterfeld Spezialchemie offers Saccharomyce Ferment DeoPlex® as a sustainable alternative for use as an odour absorber in detergents and cosmetic products.

Biesterfeld International also offers palm and soy wax as a natural alternative in candle production. Palm wax is extracted from oil palm fruits and is most commonly used to make pillar candles. Soy wax is made from soy bean oil. Soy wax is becoming increasingly popular in candle production as it is a renewable raw material.

SPECIALISED
IN A NUMBER
OF WAYS

EXPERIENCE,
KNOWLEDGE
AND CURIOSITY
CREATE NEW
POSSIBILITIES

One Biesterfeld Strategy

As a traditional business with a successful family history, we are constantly striving to find a good balance between long-standing proven methods and innovative approaches. Over the years, our business divisions have developed a variety of identical workflows that we aim to make the most of. Our One Biesterfeld strategy strives for closer integration of our business divisions in order to improve workflows, create synergies and centralise processes. This also includes merging companies, such as in France.

This merger will simplify processes and place a stronger focus on business activities. The leaner structures increase the agility of the company, meaning that we can adapt more quickly to challenges presented by the market.

Export control

The Biesterfeld Group has a central cross-group department for export control which ensures that goods are traded with foreign countries in compliance with legal requirements and directives. This department screens deliveries with regard to national and international export control regimes, various other prohibitions and restrictions as well as our own internal Biesterfeld



commitments in order to ensure compliance with the law at all times. The introduction of an Internal Compliance Program as part of the compliance management system is a structure which is intended to ensure that all companies in the Biesterfeld Group act in accordance with legal and regulatory requirements in the field of logistics and that any processes and conduct that could potentially damage business are prevented from occurring in the first place.

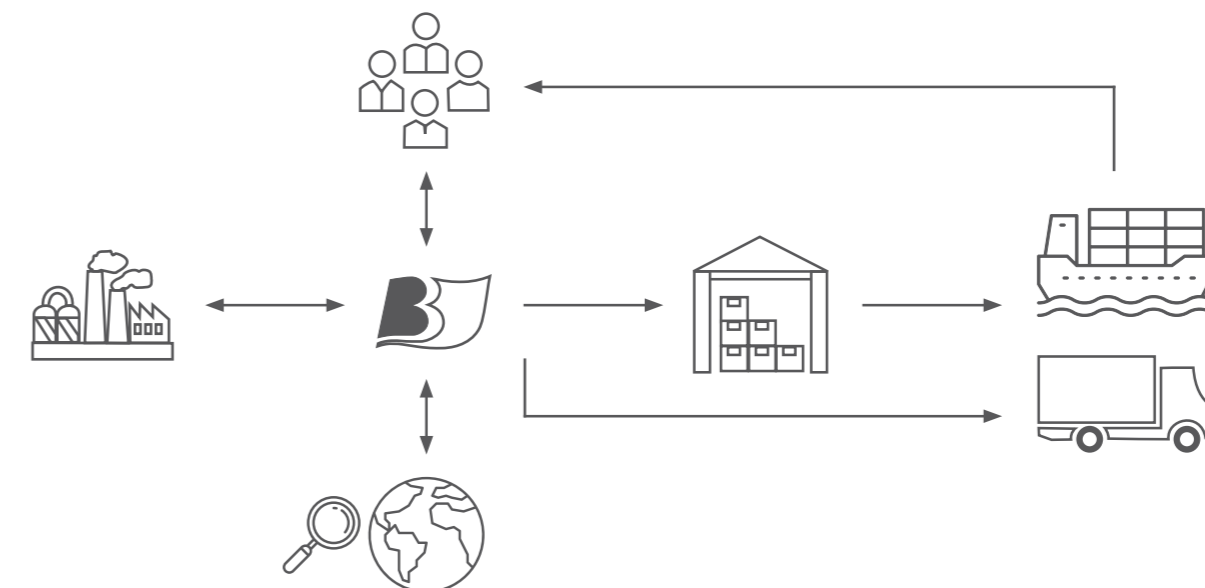
The Internal Compliance Program also ensures compliance with obligations and responsibilities arising from export controls.

Our supply chain

Our goal is to achieve long-term success along with our suppliers and customers. For this reason, we work closely with our producers and support them in developing and refining a sustainable product range. Our proximity to our customers creates valuable knowledge of customer needs, which we in turn share with our producers so as to target new market trends. This enables us to meet the wide-ranging needs of our customers and to continually expand our product range. In sales, we ensure that all legal and political requirements are complied with for all orders and deliveries.

Our business model

We offer our customers an extensive product portfolio of renowned and well-known producers and directly deliver the raw materials at the agreed time or temporarily store them accordingly. Our direct customer contact helps us to best respond to specific customer requirements. We see ourselves as idea generators, always managing to find customer-specific solutions and answers thanks to our development-related technical consulting.



The way we work and think

The combination of our skills in the individual business divisions distinguishes us and has made us what we are today: one of the leading international distributors of plastics, rubber, basic and speciality chemicals. Our corporate culture of teamwork and cooperation is based on trust and partnership. Our customers and suppliers are impressed by our transparent work processes, a high level of commitment and strict compliance with legal requirements.

Our highest goal is to live up to the trust placed in our company by our customers and partners. In doing this, we always ensure mutual respect and honesty in our dealings with others. Our experienced employees are always on hand to advise our customers, numbering around 20,000, supporting them in making the best selection and use of our products. Our long-term supplier relationships with well-known producers are testament to our open and honest cooperation. We attach great value to reliable and trusting partnerships.

The mutual insight and dialogue in questions of sustainable development and procurement in the chemical industry raises awareness of these important topics in a very special way. We demand compliance with social standards based on regular supplier surveys.



OUR STAKEHOLDERS

Lively and close interaction with our stakeholders is particularly important to us.

Only in this way can we ensure that we act in accordance with their expectations and fulfil all their requirements.

We give our stakeholders insights into our corporate structure using various means of communication and keep them informed on the latest developments, creating transparency and trust in our actions.

Open and honest communication is very important to us. This active exchange provides us with important assessments on ecological, economic and social challenges at an early stage and enables us to adapt to changes in good time and to exploit potential in a more targeted manner.





Direct stakeholders

Our Biesterfeld employees are among our most important stakeholders. In order to develop employees in the best possible way, to act in accordance with their needs and to understand what they expect from us as an employer, all managers conduct regular staff appraisals. In this way, both sides receive suggestions for possible improvement and can draw up formal targets. This means that we, as an employer, gain an overview of the satisfaction and motivation of our employees and support them in finding solutions, both professionally and personally. The long service records of our employees is testament to the fact that we are on the right track.

We also use customer surveys and evaluations as a regular dialogue tool. Consistent evaluation and subsequent remedial measures is essential for us, because we take every concern seriously. These evaluations gives us the opportunity to improve

and further develop our service. This close customer contact makes us well placed to provide targeted information about new products or the use of sustainable products that are best to meet customer needs. In addition, we gain valuable knowledge that we can share with our producers.

We also contribute to intensive communication with our stakeholders by publishing regular press releases and other news on our website, in the media and on social networks. To this end, our communications department prepares articles on up-to-date topics and publishes them. The newsletters that we send out to our customers also serve as a means of intensifying communication with our stakeholders.

We are also in close and regular contact with our financiers (owners, banks and investors). They are kept continuously informed about our financial status and the economic development of the Biesterfeld Group. Mutual trust is of utmost importance to us and is consistently cultivated.

Indirect stakeholders

Our presence at trade fairs and conferences helps us to maintain direct contact and dialogue with all stakeholders.

In 2018 we attended various national and international trade fairs and conferences and were available for questions, suggestions and requests. The Expobor in São Paulo, the SEPAWA Congress in Berlin and the international trade fair for plastics processing (Fakuma) are just a few examples.



Another link in the information chain is our membership in chemical associations and initiatives. This promotes mutual exchange of views, furthering sustainable development in chemical distribution.

For example, we regularly report our performance indicators to the German Chemical Distribution Association (VCH) and the German Chemical Industry Association (VCI) and actively participate in their Responsible Care programs. This encourages an active exchange of experiences and knowledge in relation to responsible action in the chemical industry.

Biesterfeld Plastic supports the international Operation Clean Sweep® initiative, launched by the American Chemistry Council in the United States. PlasticsEurope extended the licence for the programme in Europe. The initiative's objective is to ensure that plastic granules/pellets, flakes and powders do not end up in the marine environment. This can be achieved if all companies in the plastics supply chain – producers, distributors, logistics specialists and processors – comply with strict (storage) site management and retention measures. We are a responsible company and wholeheartedly support this initiative and inform and raise awareness among our partners along the supply chain.

Initiatives:

- AGA employers' association
- FECC (European Association of Chemical Distributors)
- ICTA (International Chemical Trade Association)
- United Nations Global Compact
- VCI Association of the Chemical Industry
- VCH Chemical Distribution Association
- PlasticsEurope e.V.
- Operation Clean Sweep®



WE LISTEN,
COMMUNICATE
OPENLY AND ARE
TRANSPARENT

OBJECTIVES AND STRATEGIES

We strive to maintain a strong market position, always with a watchful eye on sustainability.

We are successful because we set ourselves high standards and pursue our defined goals with dedication. Because we remain aware that there is always room for improvement.

In accordance with our guiding principle of **Competence in Solutions**, our employees proactively offer individual solutions and the best possible support for our products and services, because our goal is to be an expert and innovative partner for our suppliers and customers. It is particularly important to us to ensure that our actions are consistent with our corporate principles, and we take up the challenge of achieving all this from a sustainable point of view.

Ethical and responsible conduct is the principle of our corporate cultural values as a family business. We always strive to combine tradition and innovation. Our success lies in the hands of our employees, who embody Biesterfeld and our corporate culture on a daily basis. **Each individual plays a crucial role here and contributes to our collective success through their individual qualities.**

We pursue a common goal:

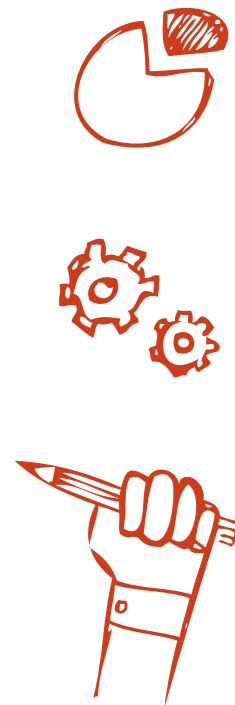
to grow sustainably and healthily in harmony with people and nature and to always act in accordance with corporate values and standards.

Given the increasing complexity and diverse challenges, we have established a Group-wide risk and crisis management system which gives us the structure to assist our employees quickly and at any time if necessary, and also to offer immediate help and support. As well as a continuous contact point in the event of possible crises and emergencies, our employees have access to all necessary checklists and schedules so that they can react appropriately and take quick and precise countermeasures. In addition, we offer regular training courses, because information on this topic is absolutely essential. The "Biesterfeld Emergency and Crisis Handbook" is available at each of our locations – as well as on our Intranet.



REPORTING METHOD

We are convinced that sustainability can only be achieved if all those involved work together.



That's why we give our suppliers and partners a strong impetus to launch their own initiatives with the aim of committing themselves to the environment and protection of resources as well as the upholding of human rights and compliance with labour laws just as we do. Regular communication and a proactive information policy on sustainable development are essential for the Biesterfeld Group because we want to act in a discerning and responsible manner.

As an international operating company, we see it as our obligation to act sustainably at both global and local level. We have therefore decided to commit ourselves to the voluntary and globally largest sustainability initiative, the **United Nations Global Compact** standards, annually reporting on our economic, environmental and social efforts – with complete success!

Starting with the publication of our first Sustainability Report in 2014, we have continued to make our corporate identity statement and now communicate continuously and transparently with our stakeholders in this way too. We use this instrument

to communicate essential aspects of our convictions, such as, for example, respect for and observance of human rights, the responsible and respectful treatment of employees and the efficient use of technology for an effective reduction of our CO₂ footprint.

The Biesterfeld Sustainability Report is based on the guidelines of the world's foremost sustainability reporting instrument, the **Global Reporting Initiative** (GRI). The GRI enables transparent information handling with clearly defined indicators and constant comparability against a worldwide standard. The core option we selected contains all the important elements and indicators that a company has to include and report in order to ensure sustainable corporate governance. This information outlines the economic, environmental, social and management performance of a company. We take account of the ten principles of the United Nations here in the areas of human rights, labour standards, environmental protection and the fight against corruption. Our last report covers the 2017 financial year.

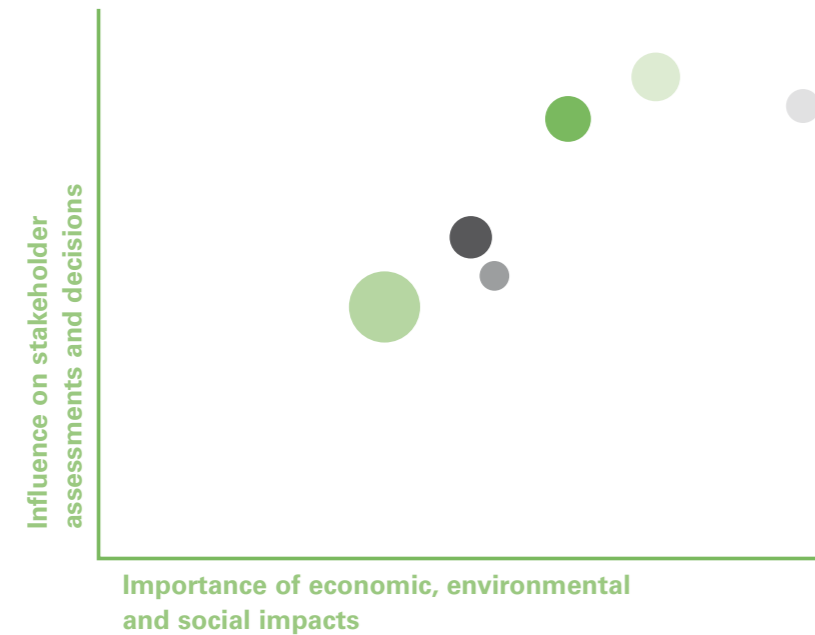
LISTING OF THE 10 PRINCIPLES

United Nations Global Compact Principles

PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights and
PRINCIPLE 2	make sure that they are not complicit in human rights abuses.
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
PRINCIPLE 4	the elimination of all forms of forced and compulsory labour;
PRINCIPLE 5	the effective abolition of child labour; and
PRINCIPLE 6	the elimination of discrimination in respect of employment and occupation.
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges,
PRINCIPLE 8	undertake initiatives to promote greater environmental responsibility,
PRINCIPLE 9	encourage the development and diffusion of environmentally friendly technologies.
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery.



MATERIALITY ANALYSIS



The materiality analysis clearly illustrates the indicators that underwent individual assessment. These indicators are summarised in categories. Here the circles reflect the number of indicators in each category. The x-axis shows the significance of the category in terms of its economic, environmental and social impact. The y-axis indicates the extent to which the category influences the assessment made by our stakeholders. The x and y values of the categories are determined from the average value of the indicators individually assessed by ourselves. Hence, for example, we assess that the “Labour practices and decent work” category has significant influence on our stakeholders’ evaluation because it was relatively highly valued in spite of the modest amount of indicators. Furthermore, product stewardship has a high impact on our stakeholders, but is also of great importance in terms of economic, ecological and social impacts.

LIST OF SPECIFIC FIGURES

ECONOMIC	
GRI 201: Economic performance	
201-1	Direct economic value generated and distributed
201-2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change
ENVIRONMENTAL	
GRI 302: Energy	
302-1	Energy consumption within the organisation
302-3	Energy intensity
302-4	Reduction of energy consumption
GRI 305: Emissions	
305-3	Further indirect emissions
GRI 307: Environmental Compliance	
307-1	Monetary value, fines and total number of non-monetary sanctions for non-compliance with environmental laws/regulations
GRI 308: Supplier environmental assessment	
308-1	Percentage of new suppliers that were screened using environmental criteria

SOCIAL	
Subcategory: Labour practices and decent work	
GRI 401:	
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region
401-2	Benefits provided to full-time employees
401-3	Return to work and retention rates after parental leave, by gender
GRI 404: Training and further development	
404-2	Programmes for skills management and lifelong learning
GRI 414: Supplier assessment for labour practices	
414-1	Percentage of new suppliers that were screened using labour practices criteria
414-2	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken



COMMITTED TO SUSTAINABILITY

OUR SUSTAINABILITY CONCEPT

SUSTAINABILITY PROGRESS

We contribute to making the world that little bit more sustainable.

We have been communicating our commitment to sustainability to our stakeholders for more than five years and are actively committed to anchoring the sustainability concept throughout the Biesterfeld Group. For instance, we are working on making existing processes and structures more environmentally conscious, more efficient and more sustainable. On top of this, we regularly inform and train all employees on the important topic of sustainability.

In recent years, we have observed increased demands and requirements from our customers and suppliers on sustainability issues. Particular attention has been paid, for example, to products made from sustainable raw materials or manufactured in a way that conserves resources. The company's commitment to social standards and sustainable development is playing an increasingly important role.

It's abundantly clear to us: **forward-looking action only happens if sustainable action is the standard default within the company.** Establishing this is a process that takes many years and which is associated with opportunities and risks. However, the goal we

have set ourselves is not only to welcome opportunities, but also to see potential risks as opportunities, with the aim of learning from them and becoming better.

The pace of climate change, the associated effects and the question of how to deal with non-renewable raw materials all present us with challenges that we can face together with innovative solutions and responsible action. For this reason, we strive to make our supply chain more secure for the future and to regularly and intensively draw our partners' and customers' attention to the positive effects of sustainable, conscious action.

Sustainability begins at home

We set great store by the conservation of resources and support the Brundtland Commission in its understanding of fair conduct towards other generations: "Sustainable development is development that meets the needs of the present without compromising the needs of future generations."

(Taken from the Brundtland Commission's "Our Common Future" report from 1987: "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.")

Operation Clean Sweep®

Plastic has no place in nature – especially not in the sea. We can only protect our environment by using all available resources conscientiously and sparingly. This includes first and foremost the proper disposal of plastics and effective recycling.

Our commitment to the international Operation Clean Sweep® initiative demonstrates how important this topic is to us. Our Biesterfeld Plastic division has joined the commitment to actively support the worldwide initiative. The objective is to ensure that plastic granules/pellets, flakes and powders do not end up in the marine environment. Among other things, this can be achieved if all companies in the plastics supply chain (producers, distributors, logistics specialists and processors) comply with strict (storage) site management and retention measures. For example, floors and storage areas must be diligently cleaned so that no surplus plastic granulate can be washed into the water or the surrounding environment. The raw material, which can be collected through consistent cleaning, is then disposed of properly or – if possible – even recycled.

We have made it our mission to inform our international logistics partners about this and to convince them to participate in the Operation Clean Sweep® initiative.

For more information please visit www.opcleansweep.eu



WHAT ARE WE DOING IN...?

At our **company headquarters** in Hamburg, we regularly introduce additional processes and programmes in order to minimise resources. For example, we are currently working on introducing a new travel expense tool which will present a completely paperless real-time process from capture to booking and effectively reduce our consumption of paper.

In addition, we have introduced a new ventilation system with refrigeration technology that can be used more efficiently and therefore has lower energy consumption.

From Hamburg into the world

Our location in **Austria** volunteered and prepared meals for 200 homeless people. The employees took part in this campaign voluntarily and set up the meal plan together, bought the ingredients, prepared the food and were directly involved in distributing the meals. The project created an awareness of social emergencies and our volunteers got a deeper insight into the life situation of the homeless through this exchange.



A waste separation system was introduced at our **Russian** site, which is also available to neighbouring companies. They can all dispose of used batteries and bottle caps in the building at our site, which we then dispose of properly. The funds received from disposing of bottle caps are donated to selected organisations.

For more than five years now, our **Swiss** branch has been supporting two clubs that offer sports activities for people with disabilities. Adapted training programmes and sporting competitions promote sporting strength and boost self-confidence for everyday life.

Climate protection project in Malawi

We are introducing targeted measures to meet our responsibility towards the environment by protecting the climate and reducing our CO₂ footprint. Our sustainability monitoring revealed that we could only reduce our CO₂ emissions on our business travel to a limited extent, as travel is directly linked to the expansion of our business. In 2016, we therefore decided to offset our air travel and make targeted investments in forest and species conservation in Brazil.

We would like to offset our air travel this year too. We have selected a certified climate protection project in Malawi that offers a wide range of extra benefits for people and the environment. The project will identify and repair defective boreholes and wells in Malawi. In addition to repairing the damaged municipal water points, local people will be trained to carry out this construction, maintenance and operation of the boreholes on their own in the future. The water will then be drinkable without needing further treatment. These measures mean that the Malawian villagers will no longer have to constantly boil their water, so that the risk of illnesses is reduced by not consuming fuel to boil it or by the spread of germs and pathogens in the water.

The modern water pipes and the provision of fresh drinking water will reduce emissions by 10,000 tonnes of CO₂ per year. In addition, the project is countering deforestation and desertification in large parts of Malawi by reducing the use of firewood.

We hope that this offsetting will enable us to make our contribution to sustainably improving the living conditions of local people.



COMPLIANCE

Conduct with integrity has top priority in the Biesterfeld Group.

With this in mind, we have added another element to our overall corporate responsibility: compliance. The Compliance department at Biesterfeld ensures that all Biesterfeld employees consistently comply with and implement applicable laws and internal company guidelines. Our compliance management system monitors all business activities and processes and is an essential component of conscientious corporate management. In doing this, we ensure that we operate transparently and sustainably.

Using our compliance management system, new legislative changes or internal requirements can be introduced and implemented promptly in the appropriate Biesterfeld branches. This requires an active communication with all branches and a regular review of new legislation relevant to our industry and activities. All legislative changes are discussed at management level with regard to their relevance to our company and disseminated to all employees.



E-learning

We have established an in-house e-learning tool to provide regular training for all employees worldwide. This means the Compliance department can offer web-based training which can be completed flexibly over a specified period of time to a large target group. These training courses are offered in German and English. Where there may be language barriers, the training courses will also be translated into other required languages.

With the help of web-based training, we ensure that all employees have read and understood the legally binding stipulations and voluntary undertakings. This gives us the opportunity to communicate information to all employees within a short period of time and to check and track participation by all employees using electronically generated feedback.

We attach great importance to offering regular refresher courses on specific training topics, such as antitrust law or the Biesterfeld Code of Conduct. The Compliance department's web-based training courses are sorted by topic and sent to the employees concerned. This ensures that all employees receive only the training they need.

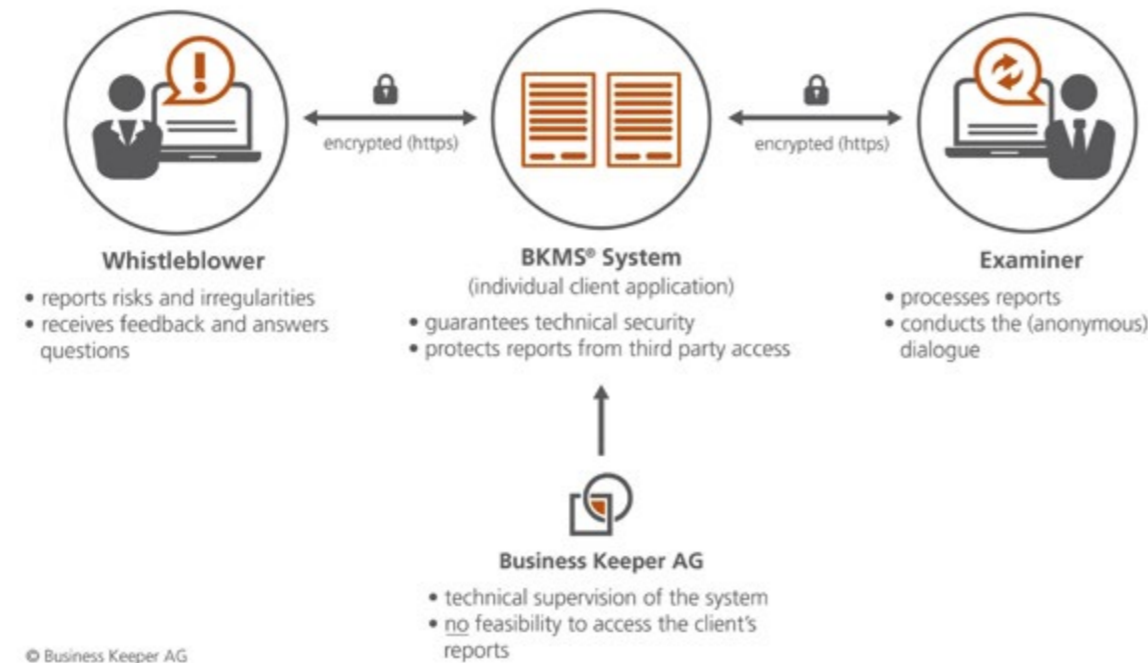


Compliance training courses are mandatory for all Biesterfeld employees – regardless of position or level of responsibility. For this reason, we regularly achieve a participation rate of approximately 98% in our training courses.

Whistleblower system

As an additional tool to combat compliance risks, Biesterfeld has consciously decided to introduce a whistleblower system. In doing so, we are pursuing the goal of strengthening and expanding our compliance system and complaints management. For this reason, a whistleblower system that guarantees absolute anonymity can be accessed via our website. Biesterfeld has sourced its whistleblower system to Business Keeper AG, the world's only certified data protection provider, which guarantees the use of state-of-the-art security and encryption technologies.

We intend our whistleblower system to help protect ourselves from behaviour that could harm the company, helping to minimise possible risks. Anyone – whether employees or external partners – can draw attention to any grievances, punishable conduct or any special risks. The system is anonymous and encrypts the data. It is monitored by our Compliance department, which immediately checks and processes every report. If a report proves to be correct, immediate measures are initiated and any processes improved accordingly.



Code of Conduct

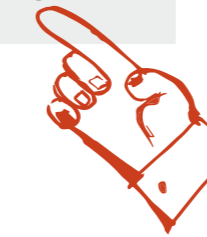
Our Code of Conduct serves as the basis for our daily interaction and as a focus for our activities. It regulates dealings with business partners and customers and contains Group-wide standards and guidelines. The Code of Conduct is mandatory for the entire Biesterfeld Group and is a prerequisite for any activity within the company. It is based on the core labour standards of the **International Labour Organisation** (ILO) and international guidelines such as the **OECD** and the **United Nations**. In addition, our Code of Conduct underpins our compliance with the law and prohibits any form of corruption, granting or gaining advantage. As our Code of Conduct sets out framework guidelines for our employees and they are required to adhere to these standards in their business dealings, violations of any of the principles are immediately appropriately sanctioned compliant with labour law.

Every employee receives regular training on the Code of Conduct and has direct access to the current version in German and English via the Group-wide Intranet. Our Code of Conduct is also freely accessible on our Group homepage so that partners and customers can also read our business code.

www.biesterfeld.com

Information can be given on the following topics:

- Corruption/competition offences
- Incorrect accounting
- Money laundering
- Fraud/Fidelity/Subversion
- Violation of data protection law
- Risk/violation of environmental regulations
- Discrimination or harassment
- Violations of occupational health and safety regulations



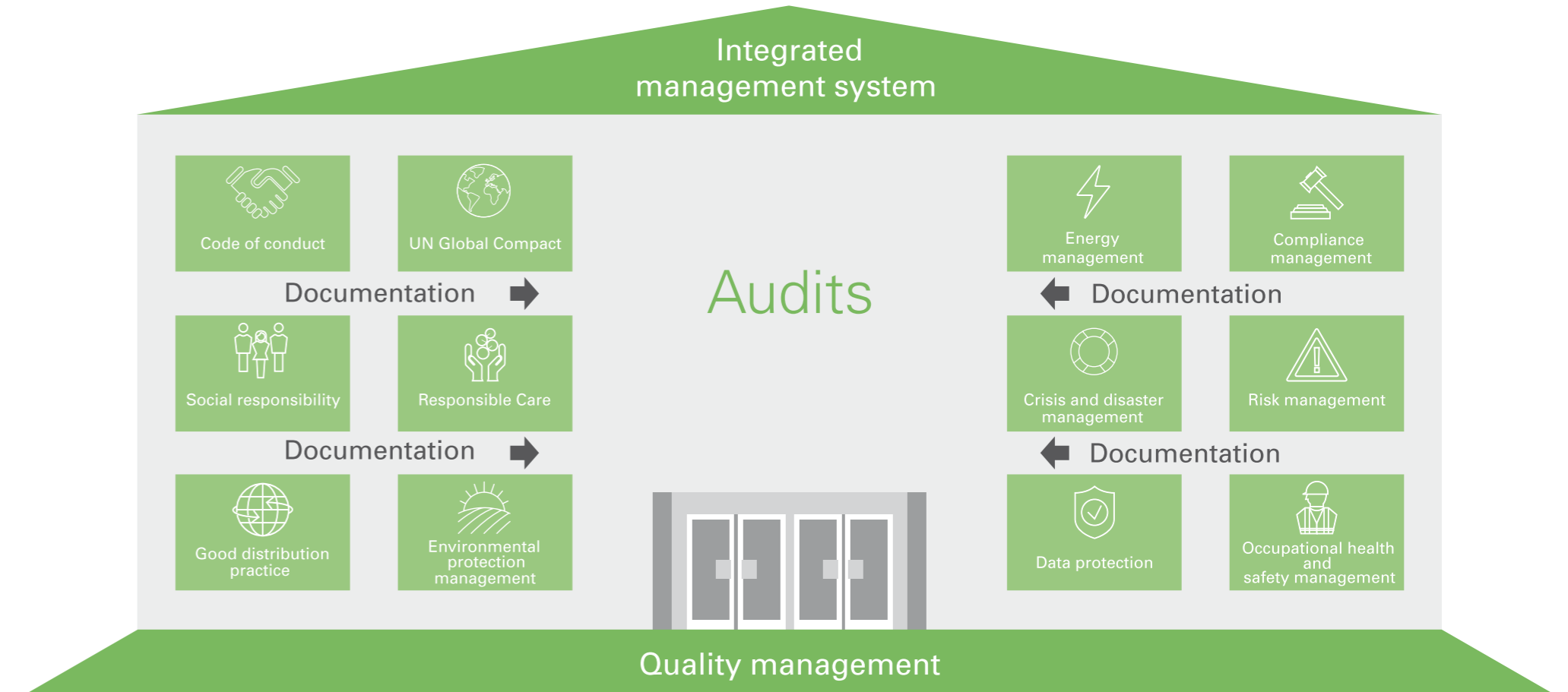
Integrated management system

Our work and our performance are characterised by the high standards we set ourselves and which we achieve as a group. Our continuous **ISO-9001 certification** and the associated internal and external audits bear witness to the multifarious and above-board way we conduct ourselves. The entire activities of the Biesterfeld Group are therefore in a constant process of improvement and are consistently revised. Comprehensive documentation and review of the work steps ensure compliance with all regulations, promote a more efficient process design and act in accordance with requirements of customer and supplier.

All management systems relevant to us, such as quality, environmental, occupational, health, data protection, risk and crisis management, are integrated and consolidated within our company. When doing so, we refer to the international DIN EN ISO 9000 ff standard. Overall responsibility for our integrated management system remains with our management board. Supervisors in each business area are responsible for ensuring compliance. In this way, they ensure that all employees understand and implement the system.

As quality has top priority within our organisation, we therefore attach the highest value to our integrated management system. Our central quality officers work continuously on documenting the processes in the company. We monitor our processes and the implementation of our management system in accordance with its standards through internal and external audits.

The results of all audits, quality procedures and customer reviews are summarised in the annual Management Report. Finally, the system is assessed to ensure its efficacy for the strategic direction taken by the organisation.





GROWING SUSTAINABLY!

OUR ECONOMIC RESPONSIBILITY

OUR ECONOMIC RESPONSIBILITY

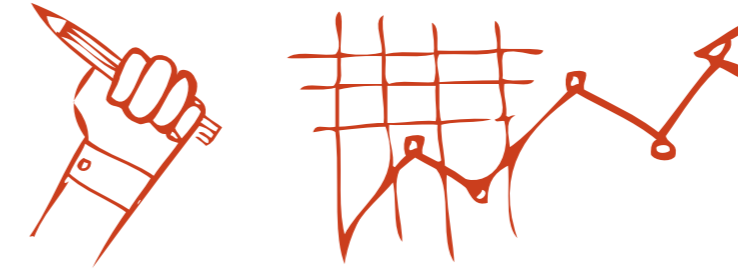
Our company has been writing its success story for more than 112 years now and is growing steadily.

In 2018, we were again able to increase our sales figures compared to the previous year. This was made possible thanks to our Group-wide, powerful network within the organisation as well as the expertise and commitment of our employees. Their knowledge and in-depth expertise ensure that they are in a position to identify risks in the market at an early stage and, based on this, to target their efforts to adapt and optimise our product and service portfolio. The very close teamwork of all employees within the entire group of companies creates important synergies, which we use effectively.

We measure our performance and success by the levels of satisfaction among our employees, customers and suppliers. Meeting and exceeding these expectations is our daily goal. Acting in a trustworthy and responsible manner are important characteristics that we as a traditional family business have always upheld and firmly anchored in our corporate culture.

We successfully achieved our goals in 2018 thanks to our sustainable business model and our specific strategies on the development of our business activities. To this end, we draw up an adjusted five-year plan each year, which defines the goals and activities of our business units. This planning is mandatory for all executive-level staff in the Biesterfeld Group and is communicated throughout the Group. The opportunities and risks identified in the plan are based on the business development of our company in previous years. This annual forecast helps us to make any adjustments required and expand our business activities if necessary.

Every quarter, we inform our employees about the development of our business. They also receive all relevant information about the entire Biesterfeld Group via our Intranet. It is very important to us to actively involve our employees in the planning process and provide them with all the necessary information; after all,



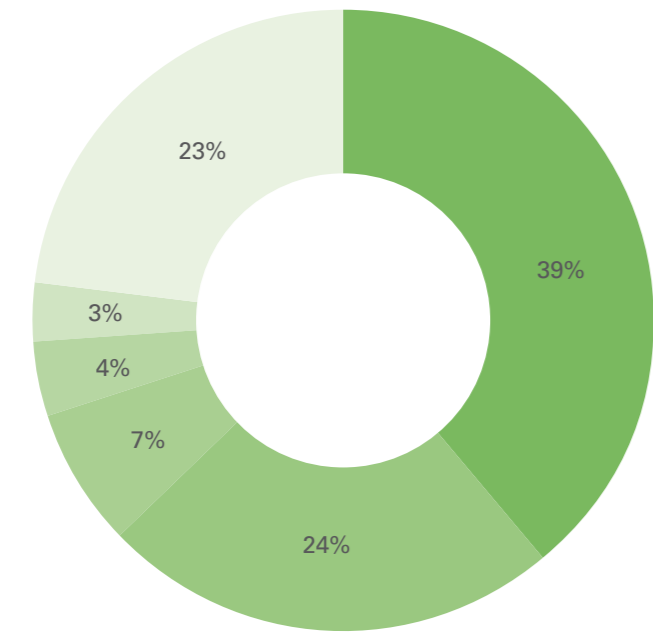
our workforce is the most important key to our company's success. Their ideas and suggestions for improvement are what makes us successful together.

It goes without saying that we inform all investors comprehensively and regularly about our development and publish the business results of the Biesterfeld Group in the Bundesanzeiger (Federal Gazette) in accordance with German commercial legislation.

We intensified, expanded and extended various partnerships in the 2018 financial year and, thanks to new cooperation agreements with suppliers, significantly developed and expanded our product portfolio. This all means that in 2018, we were not only able to increase sales, but also show significant profits.

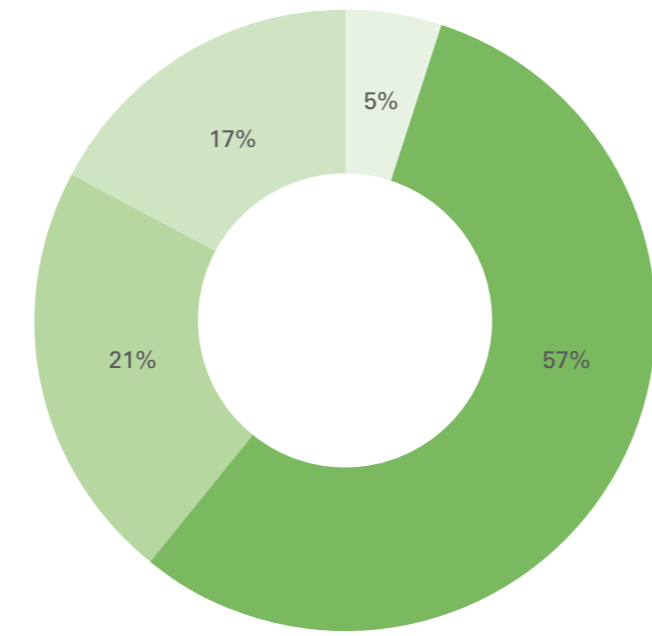


SALES BY REGION, 2018



- WESTERN EUROPE (EXCL. GERMANY)
- EASTERN EUROPE
- AMERICA
- ASIA
- OTHER
- GERMANY

SALES SEGMENTATION OF THE FOUR BUSINESS UNITS, 2018

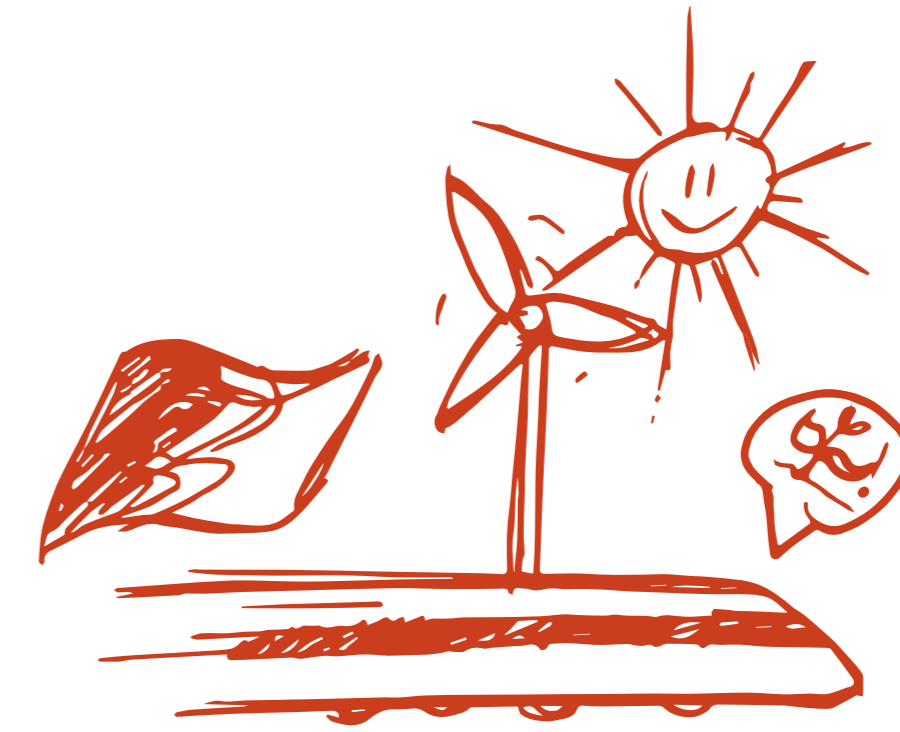


- BIESTERFELD PLASTIC
- BIESTERFELD SPEZIALCHEMIE
- BIESTERFELD INTERNATIONAL
- BIESTERFELD PERFORMANCE RUBBER

ECONOMIC INDICATORS FOR THE BIESTERFELD GROUP, 2016-2018*

	2018	2017	2016
Turnover	1,220,652	1,174,604	1,077,448
Operating costs	1,104,198	1,063,289	974,913
Wages and other company benefits	62,574	60,070	56,409
Payments to financial backers	25,793	23,067	17,118
Payments to government (taxes)	13,469	12,588	11,168

* Figures in thousands of euros; there is no detailed profit and loss account; further economic data are presented in the Bundesanzeiger (Federal Gazette).



HAND IN HAND FOR A FUTURE WORTH LIVING

OUR ENVIRONMENTAL RESPONSIBILITY

OUR ENVIRONMENTAL RESPONSIBILITY

We all have a common responsibility to protect our planet and to use the resources available to us conscientiously. Even the smallest things can make a difference and have positive results.

DO WHAT'S RIGHT
AND DO IT IN TIME
TO REALLY MAKE
A DIFFERENCE

To do this, we are concentrating strongly on the areas in which we can bring about change through our direct influence and which support our sustainable direction. For this reason, we remain aware of our corporate consumption and consistently monitor it. Both energy consumption within our organisation and direct and indirect emissions play a fundamental role.

The transparent presentation of these figures confirms our intention and our aspiration to reduce our need for energy, water, paper and other raw materials to the absolute minimum in order to reduce our ecological footprint. It is now possible for us to reduce our consumption of energy and paper with the help of advanced technologies and by digitalizing processes.

Learn from each other, develop together!

In terms of our customer and product responsibility, we consider it our duty to provide information on the proper and safe handling

of our products. This also includes information on proper waste disposal. In this context, safety data sheets play an important role. They provide information and a precise recommendation on the handling of any products purchased from us. Our trained employees are always available to answer questions. Close cooperation with our suppliers enables us to help to develop environmentally friendly products that we can then offer directly to our customers. Our proximity to our customers means we can get a different take on the global market. In this way, we can weigh up where the demand for sustainable products is increasing and work specifically on customer requirements.

If there is the slightest suspicion of possible hazards that may arise indirectly or directly from our products, we immediately inform our customers and suppliers in order to offer appropriate alternatives and eliminate possible risks.

ENERGY CONSUMPTION

In order to derive suitable energy-saving measures, it is important to know where most energy is consumed. As a service company, we have predominantly office activities in our company, so the largest energy consumption is lighting, air conditioning and ventilation systems as well as small devices and office electrical appliances.

Energy consumption at company locations in Hamburg, 2018*

We purchase green electricity for our energy supply at our two locations in Hamburg. By using climate-friendly energy from 100% environmentally friendly sources, we avoid 158.7 tonnes of attributable CO₂ emissions annually compared with traditional electricity suppliers.

Energy consumption amounts to about 2,122 kWh per employee. In comparison with the previous year, we have achieved a reduction of -15%.

Energy sources	FY	kWh	CO ₂ emissions in t
Electricity	1,221	339,152	174
District heating (for heating purposes)	1,537	427,022	112
Total	2,758	766,174	286

* Figures have been rounded off.



Energy consumption at the sites listed in the Sustainability Report, 2018*

Employee energy consumption at the specified sites is approx. 3,707 kWh.

Energy sources	FY	kWh	CO ₂ emissions in t
Electricity	5,306	1,473,890	757
District heating (for heating purposes)	2,219	616,385	162
Natural gas (for heating purposes)	789	219,294	44
Total	8,314	2,309,559	963

* Figures have been rounded off. Heating costs for Great Britain are included in the costs of electricity as heating is via the air-conditioning system.





GREENHOUSE GAS EMISSIONS

When voluntarily undertaking in 2014 to publish an annual sustainability report, we decided to calculate our corporate CO₂ emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol*) and the DIN EN ISO 14064 standard and compare these with the previous years.

Greenhouse gas emissions are divided into the following categories:

- **Scope 1:** all emissions arising directly in the company
- **Scope 2:** all indirect emissions that companies incur by purchasing energy
- **Scope 3:** all indirect emissions resulting from business activities but not associated with the procurement of energy. This includes the following areas: freight transport, business trips, employee travel to the workplace

Scopes 2 and 3 are relevant for our company and our activities, which we determine with the help of information from the GEMIS database.

* Global standard for quantification, management and reporting of greenhouse gas emissions.

Biesterfeld Group fleet, 2018*

The Biesterfeld Group fleet comprises 83 company vehicles that meet the latest standards.



Fuel type	Total consumption in litres	Total consumption in megajoules	CO ₂ emissions in t
Diesel	150,773	5,575,570	496
Petrol	17,530	580,873	50
Total consumption	168,303	6,156,442	546

* Figures have been rounded off; all vehicles registered to the Hamburg headquarters.

Means of transport by which employees travelled to work in Hamburg, 2018

The emission consumption of employees on their journey to the workplace amounts to approx. 0.8 tons of CO₂ per working year. Compared to the previous year...

Means of transport	Journey to/from work in km per workday and employee*	CO ₂ emissions in t per working year**
Bicycle	14	0
Long-distance train	102	10
Car	60	154
Local public transport	21	136
Total	–	300

* Figures have been rounded off and specify the average distance per workday per employee.
 ** The emission values are calculated by multiplying the number of kilometres travelled.

Business trips across the Biesterfeld Group, 2018*

Aeroplane	Distance in km	CO ₂ emissions in t per year
International flights	3,718,689	229
Domestic flights	974,174	567
Total	4,692,864	796

*Figures have been rounded off.

Transport of goods across the Biesterfeld Group, 2018*

Mode of transport	Amount in t	Average distance in km	CO ₂ emissions in t per year
Road	182,532	530	4,857
Inland navigation vessels	35,009	11,111	13,300
Seagoing vessels	82,044	18,724	18,602
Air freight	166	9,000	1,164
Rail	8,414	760	241

* Figures have been rounded off; quantity and distances determined from the ERP system; the values are based on Germany-related deliveries (incoming and outgoing).



Environmental indicators, 2018

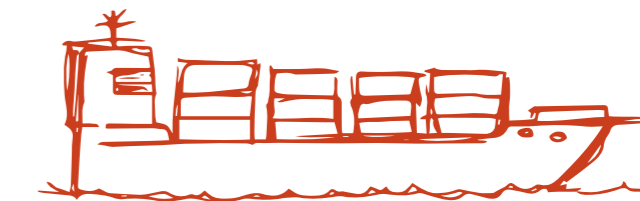
Compared to the previous year 2017 and the base year 2014

Type of emissions	CO ₂ in t, 2018	CO ₂ in t, 2017	CO ₂ in t, 2014
Scope 2			
Energy consumption at the company headquarters	286	283	307
Scope 3			
Vehicle fleet	546	586	436
Employees' journeys to work in Hamburg	300	261	287
Business trips	796	636	614
Transport of goods	38,164	49,755	19,169



We strive to keep our energy and emission consumption low. We achieve this by using the latest technologies and continuously optimising our logistics departments, among other things. As an internationally active company that has integrated sustainability into its corporate structure, we are constantly striving to maintain

a good balance between ecological and economic behaviour. In order to always offer our customers and suppliers the best solutions and handle emissions consciously at the same time, we have decided to offset our emissions caused by business travel. More on this: Climate protection project in Malawi.





WE ARE HONEST AND FAIR!

OUR SOCIAL RESPONSIBILITY

WE AT BIESTERFELD

Our employees form the core of our company.

Their teamwork and commitment are prerequisites for the sustainable economic growth of the Biesterfeld Group. They embody our company and act according to the corporate values and the Biesterfeld culture. It goes without saying that everyone acts in a morally and ethically responsible way and lives up to the Biesterfeld Group's social responsibility.

Diversity as an integral component at Biesterfeld

We can only maintain the satisfaction and trust of our employees by continuing to create a pleasant and safe working environment. We do not tolerate discrimination in any form and see it as our duty to respect and promote the diversity of our employees. Their individuality makes us unique together.

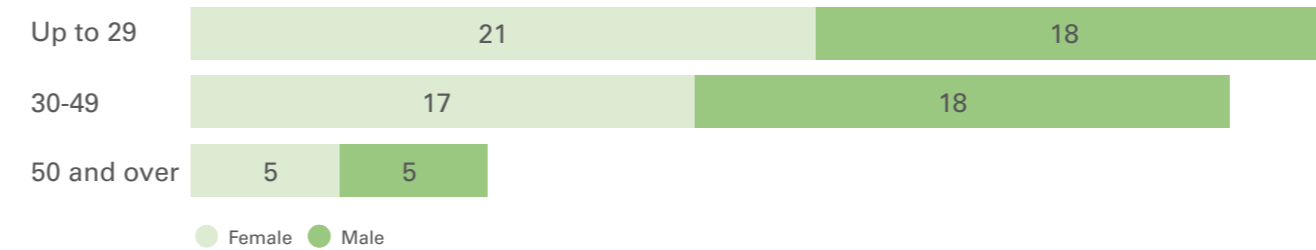
Mutual respect and integrity are the cornerstones of Biesterfeld's corporate management. Because only through a healthy employee

relationship can we convince our partners of our capabilities and our professionalism as a well-rehearsed team. For this reason, our employees are at the forefront of all future plans of the Biesterfeld Group because one of our core tasks as an employer is to retain their experience and skills in the company and to maintain this knowledge.

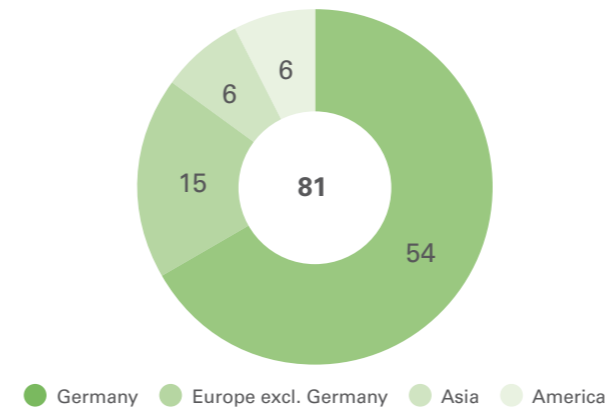
As a family business, we build on respectful cooperation. We offer our employees attractive and performance-related remuneration as well as a large number of voluntary social benefits. Extensive further training offers and comprehensive company health management round off our responsible personnel management. We make no distinction between full-time and part-time employees or fixed-term and open-ended contracts, because each company employee should feel comfortable and highly valued.

FOR US, EVERY
EMPLOYEE IS
UNIQUE IN
THEIR OWN WAY

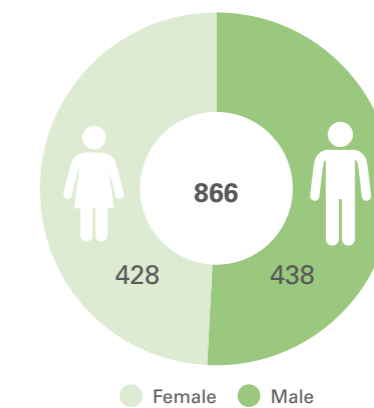
New hires by age group, 2018*



New hires by region, 2018*



Workforce by gender, 2018*



* Headcount: Number of employees.

TRAINING AND FURTHER DEVELOPMENT

Working together and learning from each other.

We promote the specialist and personal skills of our employees and support them in pursuing their interests and abilities. All managers regularly exchange information with their employees in the form of staff appraisals, and can thus determine their individual training needs. We offer a wide range of training opportunities to meet all needs. This includes in-house training courses, departmental training courses or workshops with external providers. Independent to the development interviews, our internal training catalogue is available to all employees to offer them the opportunity to participate in training courses and workshops. There is a wide range of internal training topics. For example, specialist training courses such as Compliance or Sales Management are offered, or IT training courses on the correct use of MS Excel and SAP. In addition, there are many methodology training courses, for example on successful teamwork or on correct feedback techniques. Depending on the field of activity, the training courses are delivered either by our experienced employees or external instructors.

The Biesterfeld Group attaches great importance to training and further education. We always strive to ensure that experience and expertise acquired is retained within the organisation and passed on to new employees.

In addition to classroom training, we offer our employees online training. With the help of our e-learning tool, we can train employees specifically and ensure that all target groups are adequately informed. A major advantage of this training offer is that employees can complete their training flexibly, whatever their location.

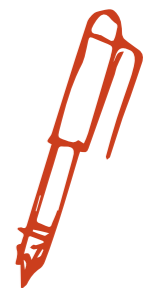
We are there every step of the way

We attach particular importance to the support and promotion of young talent to ensure sustainable development of our company. For this reason, we offer junior staff joining us with opportunities such as in-house training, dual courses of study or scholarships. Our trainees are fully integrated into all our work processes right from the start. This is what sets us apart as a training company. This gives them the best possible overview of the activities and



functions of an international company and teaches them step-by-step how to assume responsibility. During their training, they will work in various fields and will be able to consolidate and apply their theoretical knowledge. We always strive to ensure that our trainees see themselves as an important part of the Biesterfeld Group.

The enthusiasm that young people show in starting their careers with us is testament to how good we are as a training company and to our solid reputation for nurturing junior staff. Taken as an annual average, we had 15 apprentices in the company in 2018. Six graduates began their careers in our company.



BIESTERFELD SOCIAL BENEFITS

As satisfaction increases, so does productivity.



A GOOD
BALANCE IS
AN ABSOLUTE
MUST

The value we give to our employees is demonstrated by the many services we offer and continually expand. We consistently strive to create an environment in which our employees feel comfortable and enjoy their work. Fairness, openness and mutual respect play an important role in this.

With this in mind, we have a wide range on offer:

Taking care of people's physical well-being

Biesterfeld employees at our company headquarters have a canteen with fresh, healthy and varied dishes for different tastes. A 50% subsidy allows employees to eat cheaply and return to work well nourished.

In addition, our employees receive snacks at Easter and Christmas as well as cool drinks, fruit or ice cream by way of refreshment on hot summer days.

Working flexibly and progressively

We trust our employees and offer them the freedom they need to go about their work. Flexible working hours and working from home options are part of our working models. Our working parents in particular benefit from this. We promote the compatibility of work and family and believe that there are many opportunities, especially in today's world, to achieve a work-life balance without neglecting the family.

Health first

The health of our employees is very important to us. We therefore always take care to prevent possible risks that could arise from working activities.

Our office spaces are equipped with state-of-the-art technology which meet the latest safety standards. We regularly inspect the workplace to maintain these standards.

We offer ergonomic office furniture, such as height-adjustable tables and back-supporting chairs. We also pay the cost of screen-working glasses if these are required after an eye test. We offer annual eye tests and flu vaccinations at our Hamburg headquarters.

Every employee has the option to take advantage of these offers free of charge.

Our employees can benefit from a massage service for relaxation and to reduce stress. Every week, external masseurs come in to offer their services at our Hamburg sites.

We are not only sporting in work hours

There are many activities outside the daily office routine to encourage social contact between Biesterfeld employees. Our employees can prove their team spirit and face challenges together at various sporting events. Whether at running events such as the Hamburg MOPO Team Relay Race, the Hamburg Triathlon or the annual Hamburg EuroEyes CYCLASSICS. In addition to this, we have an arrangement with a fitness studio meaning our employees in Germany have the opportunity to balance out their daily work routine in a fitness studio at a reduced monthly fee.

Our social benefits at a glance



OUR SOCIAL COMMITMENT

We are committed to stretching the boundaries of our own business activities.



Along these lines, we support a number of carefully selected organisations and sponsor charitable projects. We donate the profits from our annual golf tournament to children's aid organisations.

Here, the donations go towards helping children from disadvantaged families and preventing them from being marginalised by society, for example by providing clothing or paying for trips and excursions.

We also took part in this year's Dragon Boat Race. The proceeds from this event will be donated to two Hamburg clubs that support needy children in the Hamburg metropolitan region.

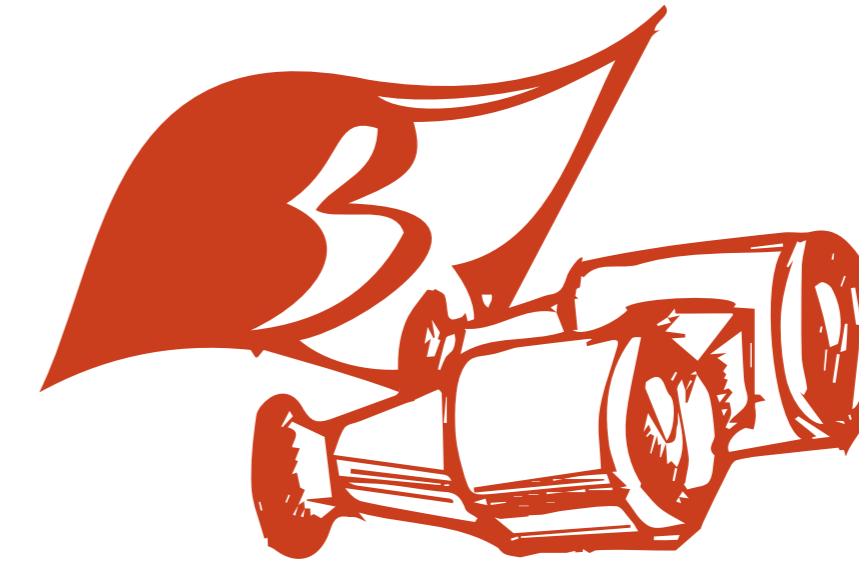
In addition, instead of sending customers Christmas presents, we divert the money we would have spent to our chosen causes.

KEY EMPLOYEE FIGURES, 2018

By employment contract*	Female	Male	Total	Headcount in %
Temporary contract	6	8	14	2.3
Permanent contract	300	291	591	97.7
Parental leave*	Female	Male	Total	Headcount in %
Entitled to parental leave	18	10	28	4.6
Actually took it	19	7	26	4.3
Returned to work with a period of employment of at least 12 months	15	7	22	3.6
Return rate in reporting period	79 %	100 %	85 %	
Trainees**	Female	Male	Total	
Apprentices offered positions	4	2	6	

* Figures apply to the locations considered in the report.
 ** Values only apply to Germany.





TODAY WE ARE ALREADY THINKING OF TOMORROW

OUR FUTURE PERSPECTIVE

OUR FUTURE PERSPECTIVE

To recognise what's important today, you need to look to tomorrow. For this reason, sustainable business practice is very important to us and is the focus of our interest.

We aim to gradually introduce further measures in the future with the aim of reducing our ecological footprint. This includes, for example, digitizing processes in order to reduce our paper consumption and waste. In addition, we want to save energy and emissions with innovative and efficient technologies.

We must preserve what is good and venture something new in order to be able to take Biesterfeld successfully into the future. We will involve our employees even more actively in the future planning of the Biesterfeld Group through a large number of projects and surveys, because their ideas and suggestions help us to improve process flows and the design of the working environment.

We will continue to pursue our One Biesterfeld strategy with the aim of creating valuable synergies and promoting the convergence of our business divisions. This will enable us to achieve better cooperation and initiate numerous innovative projects across business divisions. This also includes simplifying

our IT structure within the organisation. For example, all company locations will receive a uniform SAP system. We plan to expand our E-learning tool further in order to train our employees on company-relevant topics such as compliance, sustainability and product-specific information. We want to make the training process simpler and clearer using single sign-on and hierarchy assignment. In future, we will also be able to use this E-learning tool to inform and train external partners such as suppliers or customers.

Furthermore, we will become more involved in sustainable initiatives while contributing to a healthier environment with our commitment. It is our intention to find a healthy balance between long-standing proven methods and innovative approaches.

The future in our sights, family tradition in our hearts.

Our next sustainability report will be published in 2020.



GRI CONTENT INDEX



GRI content index in accordance with the “Core” option. The Sustainability Report was checked internally and not submitted for external review.

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. The service was performed on the German version of the report.

GRI standard	Disclosures	Page/URL	Omission	Comments
GRI 101: Foundation 2016				
GENERAL DISCLOSURES				
GRI 102: General Disclosures 2016	102-1 Name of the organisation	P. 5		
	102-2 Activities, brands, products and services	P. 14-15 P. 18-19		
	102-3 Location of HQ	P. 17		
	102-4 Location of operations	P. 16-17		
	102-5 Nature of ownership and legal form	P. 10 P. 12-13 P. 80		
	102-6 Markets served	P. 14-19		
	102-7 Scale of the organisation	P. 4 P. 14-17		
	102-8 Information on permanent employees and other employees	P. 4 P. 14-15 P. 61-63 P. 67		
	102-9 Supply chain	P. 21		

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GRI standard	Disclosures	Page/URL	Omission	Comments
Continued GRI 102: General Disclosures 2016	102-10 Significant changes in the organisation and its supply chain	P. 12-13 P. 20-21		
	102-11 Precautionary approach and precautionary principle	P. 25-27 P. 34-35		
	102-12 External initiatives	P. 25 P. 28 P. 35		
	102-13 Membership in associations and interest groups	P. 35		
	102-14 Statement from the senior decision-maker	P. 6-7		
	102-16 Values, principles, standards and codes of conduct	P. 6-7 P. 10-11 P. 20 P. 22 P. 26-27 P. 38-43		
	102-18 Governance structure	P. 10-11		
	102-40 List of stakeholder groups	P. 23		
	102-41 Collective labour agreements	P. 60		
	102-42 Identification and selection of stakeholders	P. 23-25		
	102-43 Approach to stakeholder commitment	P. 23-25		

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GRI standard	Disclosures	Page/URL	Omission	Comments
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	102-45 Entities included in the consolidated financial statements	P. 16-17 P. 48-49		
	102-46 Procedure for determining the content of the report and the delimitation of topics	P. 5 P. 28-31		
	102-47 List of material themes	P. 30-31		
	102-48 Restatement of information	P. 5 P. 28-31		
	102-49 Changes in reporting	P. 5 P. 28-31		
	102-50 Reporting period	P. 5 P. 28-31		
	102-51 Date of most recent report	P. 5 P. 28-31		
	102-52 Reporting cycle	P. 5 P. 28-31		
	102-53 Contact person for any questions on the report	P. 80		
	102-54 Declaration on reporting in accordance with GRI standards	P. 28		
	102-55 GRI content index	P. 72-77		
	102-56 External audit	P. 72		

GRI standard	Disclosures	Page/URL	Omission	Comments
KEY TOPICS				
Economic Standard				
GRI 103: Management approach 2016	103-1 Explanation of the main topic and its delimitation	P. 46-47		
	103-2 The management approach and its components	P. 46-47		
	103-3 Assessment of the management approach	P. 46-47		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	P. 49		
	201-2 Financial implications of climate change for the organisation and other risks and opportunities associated with climate change	P. 34-35 P. 46-49		
Environmental Standard				
GRI 103: Management approach 2016	103-1 Explanation of the main topic and its delimitation	P. 52 P. 54		
	103-2 The management approach and its components	P. 52 P. 54		
	103-3 Assessment of the management approach	P. 52 P. 54		



GRI standard	Disclosures	Page/URL	Omission	Comments
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	P. 53		
	302-3 Energy intensity	P. 53		
	302-4 Reduction of energy consumption	P. 19 P. 36 P. 52-53		
	302-5 Reduction of energy requirements for products and services	P. 19 P. 36 P. 52-53		
GRI 305: Emissions 2016	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	P. 54-57		
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers that were screened using environmental criteria	P. 34 P. 42		
Social Standards				
GRI 103: Management approach 2016	103-1 Explanation of the main topic and its delimitation	P. 60		
	103-2 The management approach and its components	P. 60		
	103-3 Assessment of the management approach	P. 60		
GRI 401: Employment 2016	401-1 New hires and employee turnover	P. 61		



GRI standard	Disclosures	Page/URL	Omission	Comments
Continued GRI 401: Employment 2016	401-2 Company benefits offered only to full-time employees but not to temporary or part-time employees	P. 60 P. 62-65		
	401-3 Parental leave	P. 67		
GRI 404: Education and training 2016	404-2 Programmes to improve the skills of employees and to provide transitional assistance	P. 60-65		
GRI 414: Social evaluation of suppliers 2016	414-1 New suppliers assessed on the basis of social criteria	P. 34 P. 42		
	414-2 Negative social impacts in the supply chain and measures taken	P. 34-41		

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Responsible care
Responsible handling of chemicals

Further information is available on our
website at: www.biesterfeld.com

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