



FOCUS REPORT

Sustainability and Mobility in the Körber Business Area Tobacco

Our vision:

As a worldwide technology and innovation leader we feel obliged to continually promote sustainability issues.

> The companies of the Körber Business Area Tobacco are committed to accepting this responsibility. This is expressed in the Business Area's sustainability program which has been at the core of our corporate strategy since 2010 and guides us in our daily work. Our sustainability program encompasses five action fields: Environment, Society, Products, Employees and Commitment. These cover a wide range of topics – from climate protection and our promise of quality to compliance with statutory requirements. We continuously adapt our sustainability program to current developments.

In the Sustainability Report 2016, the companies of the Business Area Tobacco reported publicly on their activities for implementing the sustainability program for the first time. The next detailed Sustainability Report will cover our activities in 2017 and 2018. In the meantime, this Focus Report focuses on a topic which is particularly important to us: mobility. The report outlines the long established commitment of companies in the Business Area to improving employee mobility, provides selected key figures for the respective activities in 2017, and dares to look ahead to mobility solutions of the future.

"WITH THIS FOCUS REPORT, WE WANT TO OFFER OUR EMPLOYEES FOOD FOR THOUGHT AS WELL AS A VARIETY OF INCENTIVES TO DISCOVER NEW FORMS OF MOBILITY AND TEST THEM FOR THEMSELVES."

JÜRGEN SPYKMAN

Chairman of the Business Area Management

RESPONSIBILITY FOR SUSTAINABLE EMPLOYEE MOBILITY

Mobility has become an integral part of our lives. Not just as a means of getting from A to B – but also as an expression of individuality and independence. 'Being mobile' has a high status as it stands for freedom and flexibility. However, this nearly unlimited mobility comes at a cost which is highlighted by critical debates on issues such as road tolls, nitrogen oxide pollution and overall climate protection. That is why it is important to make sustainable mobility more attractive. We must strive continuously to develop more efficient driving and traffic concepts as well as an improved infrastructure.

The companies in the Business Area Tobacco are part of a greater infrastructure. Our main location in Hamburg-Bergedorf is playing a pioneering role in testing new models for employee mobility. First and foremost, we are very well connected to the public transport networks. In addition, our employees have access to parking spaces for cars and bicycles as well as charging stations for electric vehicles. Our employees are not the sole beneficiaries of these schemes – the people who live around our location benefit from reduced noise and emissions. Our mobility is also important to our customers: they require our service and sales teams to be on-site for them quickly – sometimes a virtual presence is simply not enough. Efficient mobility structures are therefore crucial to our success. That is why we promote climate-friendly mobility and actively involve our employees in this process.

E-mobility, job tickets and inspiration

Our site in Hamburg-Bergedorf is the workplace for almost 2,000 employees and operates one of the oldest forms of car-sharing: a fleet of vehicles. For journeys between locations or to appointments with customers and suppliers, our employees have access to a flexible fleet of company vehicles. Back in 2014, we provided the first two low emission, climate-friendly electric cars for this purpose. Since then, we have expanded our fleet of climate-friendly vehicles. The site is currently undergoing further development as a pilot location for pioneering driving solutions and CO₂ reduction with the aim of inspiring other locations across the Business Area.

At our Hamburg-Bergedorf location, we also support our employees by offering a "job ticket". These tickets are issued by local public transport companies and co-financed by rents paid for employee parking spaces at the site – sending a clear signal in favor of public transport. This is ideal for sites where there are good connections to the urban transport networks. Both our sites in Bergedorf and Schwarzenbek are just a few minutes' walk from the next train stations.

We are convinced that environmentally- and climate-friendly mobility has many advantages for all companies in our Business Area. That is why we are constantly working to make our mobility solutions more sustainable. In 2017, we have already made some progress in this area and set in motion processes for achieving lower emissions in the long term.

MOBILITY

SETTING COURSE FOR SUSTAINABLE MOBILITY

Amongst other options, electro mobility continues to gain momentum for the Business Area Tobacco. A large part of the fleet at the Hamburg-Bergedorf location has already been converted to electric and hybrid technology, and the premises have been upgraded with fast charging stations. In addition, we have installed charging stations for the private electric cars and electric bicycles (e-bikes) of our employees. This allows them to experience the ways that innovative technologies can improve our lives every day first-hand. In addition, Hauni supports a reforestation project to offset the CO₂ emissions of the company fleet in Hamburg-Bergedorf.

Fleet goes electric

Four compact electric cars have been the new heart of the company fleet in Hamburg-Bergedorf since the beginning of 2017. The energy consumption of electric cars is extremely low at 12.7 kWh per 100 km. The electric cars in the fleet have a range of more than 200 km with a cargo under real-world conditions. To enable employees to travel with low CO_2 emissions on longer journeys, Hauni has also purchased four hybrid vehicles. On urban routes, the electric motor does most of the work. During longer trips, the internal combustion engine takes over and recharges the batteries. Energy reclaimed from braking is also used for charging.

The electric cars and the hybrid vehicles are "refueled" at state-of-the-art, fast charging stations on the premises in Hamburg-Bergedorf and Schwarzenbek. Charging takes a maximum of six hours. The fleet's electric cars can also be charged at the Hauni Technical Training Centre in Hamburg-Bergedorf.



12.7 kWh

The power required by the Business Area Tobacco's new electric vehicles to travel 100 km.



Electric is ideal for short journeys

An internal analysis of business trips at the Hamburg-Bergedorf location in 2017 revealed that around 70 percent of these were shorter than 100 km. Most journeys were made within the greater Hamburg region and to Schwarzenbek in Schleswig-Holstein.



"HAUNI'S OFFER TO PROVIDE CHARGING STATIONS FOR EMPLOYEES' PRIVATE ELECTRIC CARS AND E-BIKES IS EXCELLENT. IT CREATES SUSTAINABLE STRUCTURES FOR THE DRIVING TECHNOLOGIES OF THE FUTURE AND REDUCING CO₂ EMISSIONS."

ANDREAS KIRK

Head of Central Order Management, Hauni Maschinenbau GmbH

"IF YOU RIDE A BIKE TO WORK, YOU ARE TAKING ACTION TO IMPROVE YOUR HEALTH AND PROTECT THE ENVIRONMENT. IT DOESN'T MATTER HOW FAR YOU HAVE TO TRAVEL. SOME COMMUTERS TRAVEL BY BIKE TO THEIR LOCAL STATION OR BUS STOP. THE RESULT IS A HEALTHY START TO THE WORKING DAY AND HIGHER LEVEL OF FITNESS IN THE LONG TERM."

BERNHARD WACHTER

Quality Assurance employee in Assembly, Hauni Maschinenbau GmbH





Supporting employees with e-mobility

At the same time as modernizing its fleet of vehicles, the Business Area equipped parking spaces on the employee car park in Hamburg-Bergedorf with fast charging stations for privately-owned electric cars. Four of the eight places have been booked as of June 2018. The availability of parking spaces with a charging station makes using private electric cars for daily commutes more attractive. All employees were informed about the offer and invited to take it into consideration in case they were planning to buy a new vehicle.

MOBILITY

Charging cabinet for e-bike batteries

In 2017, 20 charging stations for e-bikes were installed in the covered parking space for bicycles on the Hamburg-Bergedorf employee car park. It features lockable "charging pods" – each incorporating a charging cable – where e-bike owners can recharge their cycle batteries. The idea goes back to an improvement suggested by our colleague, Bernhard Wachter, from Quality Assurance in Assembly. The charging stations encourage our employees to travel longer distances by bike – improving their fitness while protecting the environment.





20

e-bike charging stations provided for employees in the Hamburg-Bergedorf bike shed.



Climate-neutral fleet of vehicles

Since the beginning of 2018, all vehicles in the Hamburg-Bergedorf fleet have been climate-neutral. Their CO₂ emissions are offset by tree donations to our partner project "Reforestation of the Tunari National Park" in Bolivia, South America. As they grow, the trees planted on behalf of the Business Area as part of the project will absorb carbon equal to the vehicle emissions of our fleet over the coming years. The Tunari National Park encompasses an area of 3,000 km² and is home to around 80,000 people, mostly small farmers. Despite its status as a National Park and the introduction of a reforestation law, the region still suffers from logging activities and slash and burn clearances to create new agricultural land. The nature conservation project funded by the Business Area helps farming families to survive without damaging the environment by converting their farms into dynamic agroforestry businesses. This reforestation and agriculture technique quickly regenerates forests and produces higher yields. Another aim is to create new sources of family income through sustainable, ecological products.

MOBILITY FOR TOMORROW

Technological innovations are changing our lives. One of the fastest changing fields is mobility. How will mobility change over the next ten years and what will that mean for our daily routines? Innovative technologies have always been one of the cornerstones of companies in our Business Area. We plan ahead and closely monitor emerging trends – including those for mobility. One thing is clear: we need a more sustainable, more efficient and smarter mobility structure. Together with our employees, we want to make our contribution.

QUALITY

DECARBONIZATION

NETWORKING

Quality: How we can travel better in future

In the future, the quality of transportation will become increasingly important. It will no longer simply be about discovering ever faster ways to reach your destination but increasingly about finding the best way to get there. When time is a luxury, it makes sense to use travelling time productively – and this is generally easier and safer on a bus or train than behind the wheel. As a result, the car is increasingly losing its appeal as the most important means of transport – especially in urban areas. Overcrowded roads, stress, traffic jams and a lack of parking space are leading more and more people to seek and use alternative means of transport. Another reason is that more and more people want to contribute something positive for the environment or their health: if you get on your bike or walk, you can use your daily commute for exercise and stress reduction. New technologies, such as virtual reality, remote maintenance systems or video conferencing also complement the physical presence of employees in the office or on the customer's premises. This reduces business travel and working in your home office also allows you to cut the time you spend commuting. In the long term, this increases quality of life for our employees.



"BY OFFERING EFFICIENT, SUSTAINABLE MOBILITY SOLUTIONS, WE CAN FURTHER INCREASE OUR ATTRACTIVENESS IN THE EMPLOYMENT MARKETPLACE. WE OFFER OUR EMPLOYEES AN ATTRACTIVE RANGE OF MOBILITY OPTIONS TO REDUCE THE STRESS OF COMMUTING, BUSINESS JOURNEYS OR SERVICE CALL-OUTS."

STEFAN HONSBERG Head of Human Resources and Social A

Decarbonization: Reducing the footprint

Technological innovation is not the only factor affecting the development of our mobility systems. Social and environmental challenges, such as noise or pollutant emissions, are also playing a key role. Political objectives, e.g. concerning greenhouse gas emissions or electro mobility quotas, and specific measures, such as bans on diesel vehicles, are changing the framework of the mobility market fundamentally. The race to develop the technologies with the lowest possible emissions has only just begun. Both pure electro mobility and battery and fuel cell technologies will continue to evolve rapidly, significantly expanding the ranges of low carbon cars and e-bikes, i.e. bicycles with auxiliary electric motors. State subsidies and falling prices due to economies of scale, e.g. with batteries, will continue to fuel the trend. The interaction of technology and infrastructure will be decisive in ensuring the success of decarbonization. A steady expansion in the number of charging stations and fuel pumps for electric and fuel cell cars will be essential to make these vehicles suitable for everyday use. Pedestrians and cyclists will also play an important role. Above all, they need safe, high quality networks of regional cycle and walking paths as well as traffic light systems that give them priority. These are already in operation in cities such as Amsterdam or Copenhagen.

40%

The European Union has set itself ambitious climate protection targets: by 2030, it aims to reduce annual greenhouse gas emissions by 40 percent compared to the level in 1990.

"AS A COMPANY, WE ONLY HAVE LIMITED INFLUENCE ON URBAN INFRASTRUCTURE DECISIONS. THAT IS WHY WE ARE CON-TINUING TO DEVELOP OUR OWN SUSTAIN-ABLE INFRASTRUCTURE AND OFFER OUR EMPLOYEES A VARIETY OF MOBILITY OP-TIONS AND STRUCTURES ON OUR COM-PANY PREMISES. THESE ARE PRACTICAL WAYS ALLOWING US TO CONTRIBUTE TO THE DEVELOPMENT OF A MODERN MOBILITY INFRASTRUCTURE."

MATTHIAS WINGERATH

Head of Facility Management



OUTLOOK



NETWORKING

"OUR EMPLOYEES ARE VERY KEEN TO ADOPT DIGITALLY NETWORKED TECHNOL-OGIES. WE SHOULD TRY TO USE NEW, EMERGING OPPORTUNITIES TO OPTIMIZE THE PROCESS OF TRAVELLING TO WORK OR MEETINGS AS WELL AS BUSINESS TRIPS IN THE FUTURE. AT THE SAME TIME, WE CAN INCREASE THE QUALITY OF TRANSPORTATION AND REDUCE OUR 'CO₂ TIRE TRACK' IN THE LONG TERM.""

DR. BERND PAPE Head of Digitization

Mobile intelligence: How we individualize transport

Networking all road users and their vehicles will be at the heart of the mobility structures of the future. Networked structures support sharing and the multimodal use of different means of transport. People who used to rely on one mode of transport can reach their destinations in several different ways and have access to real-time information about the best connections already today. For example, innovative navigation systems enable drivers to exchange information about available parking spaces or developing traffic jams. Public transport delays are communicated in real time by the service operators. Based on the available information from these services, travelers can choose the optimum mix of transport options, including car and bike-sharing services or simply walking quickly to the next train station. Digital traffic information systems optimize traffic flows while increasing comfort and safety. For this to succeed, however, it will be essential that as many people as possible – including those outside large urban areas – use multimodal services. It is therefore important to make them attractive and easily accessible to all users of transport systems. Only then will the mass transportation of individuals become individualized mass transportation.

INTERPRETATION OF KEY FIGURES

TRANSPARENCY IN SUSTAINABILITY

As a company, we can only operate sustainably if our employees share our goal and act responsibly, too. We motivate them by making our performance transparent. To do this, companies in the Business Area Tobacco use key figures from their environmental management. Greenhouse gas emissions and our energy consumption, as their principal cause, play a key role here.

CO₂ emissions: Clearly ahead of our reduction target

Compared to the previous year, total CO_2 emissions in the Business Area fell by 108 tons to 24,088 tons in 2017. Since 2010, this value has fallen by 4,603 tons or 16 percent. This means that we have exceeded our reduction target for 2020 (see info box) even more clearly than in 2016. Our aim is not simply to maintain this value until the end of 2020 but to reduce it as much as possible.

16%

reduction in CO_2 emissions in the entire Business Area since 2010.



CO, EMISSIONS IN TONS AND ENERGY CONSUMPTION IN MWH | 2015-2017

75,273

megawatt hours (MWh) combined energy consumption by all companies in the Business Area in 2017.

Energy consumption at the sites: Primary emission sources of CO_2

Most of the CO_2 emissions from the Business Area are related to the use of electricity, oil and gas in production and administration at the sites. In 2017, our companies consumed a combined total of 75,273 MWh of energy. This was 441 MWh (0.58 percent) lower than in the previous year. The reduction we achieved in 2017 was the first since 2014. However, emissions are still around 1 percent higher than in the reference year 2010 (74,898 MWh). This means we are still a long way from reaching our 2020 target. Nevertheless, the Hamburg-Bergedorf location – despite its persistently high consumption figures – was able to significantly reduce its impact on the climate by increasing the use of low CO_2 energy sources (especially natural gas) in its own CHP plant.

The locations in the Business Area decide for themselves which measures they consider useful for reducing their energy and CO_2 emissions. In some cases, they generate their own power while many also use renewable energies. In 2017, the companies in the Business Area generated 6,700 MWh of energy.

Employee mobility: Significant potential for CO₂ reductions

The CO₂ values used here are calculated using the methods described in the Greenhouse Gas (GHG) Protocol. However, fuel consumption by company vehicles and due to business travel are not included in the CO₂ statistics. Travel, including a significant proportion of air travel, is an important factor in the success of the Business Area. Numerous sales and service processes require the presence of our employees onsite. This has led to further intensification of our travel activities. Employees at the Business Area's German locations made a total of 16,374 business trips in 2017 compared to 14,970 in the previous year. For effective climate protection, it is important to reduce the greenhouse gas emissions associated with these activities as well. Air travel alone generated more than 10,000 tonnes of CO₂ emissions. This corresponds to 42% of all emissions for the whole Business Area. That is why our internal travel regulations encourage employees to use state-of-the-art communication systems - such as video conferencing - particularly to reduce domestic air travel to an absolute minimum in future.



16,374

business trips taken by employees at the German locations in 2017.

OUR GOALS BY 2020

- Reduce energy consumption (electricity, gas and heating oil) throughout the Business Area by ten percent¹
- Reduce CO₂ emissions throughout the Business Area by ten percent¹
- Reduce specific water consumption per employee by ten percent¹
- Reduce waste by ten percent^{*}

KEY PERFORMANCE INDICATORS

EMPLOYEES	
0 0	

	2015	2016	2017		2016	2017	2016	2017
Energy consumption (MWh)	65,738	75,714	75,273	R	45,411	42,647	3,388	3,194
Electricity consumption (MWh)	33,123	32,869	33,576	R	16,573	16,110	1,498	1,488
Gas consumption (MWh)	31,267	41,578	39,966	Ы	28,838	26,537	1,891	1,706
Oil consumption (MWh)	1,348	1,266	1,731	я	0	0	0	0
Compressed air consumption (1,000 m ³)	16,388	15,552	13,513	Ы	7,830	6,785	316	347
CO ₂ total	25,167	24,196	24,088	К	11,898	10,851	1,247	1,204
CO ₂ from electricity (t)	18,422	15,393	15,486	Я	6,029	5,450	861	855
CO ₂ from gas (t)	6,346	8,428	8,101	Ы	5,854	5,387	384	346
CO ₂ from oil (t)	359	337	460	7	0	0	0	0
CO ₂ from water (t)	41	38	41	Я	14	14	2	3
Water consumption (m ³)	56,458	53,046	56,253	7	20,117	19,023	3,000	3,511
Specific water consumption (m ^s /employee)	13.5	13.2	11.6	Ы	11.3	9.7	6.7	7.0
Volume of waste (t)	4,527	4,430	5,781	7	1,842	2,612	373	513
Employees total	4 377	4 295	4 848	7	1 788	1 967	449	505
of which fulltime	4 186	3 884	4 143	7	1 641	1 687	376	407
of which parttime	124	139	157	7	71	92	25	23
of which temporary	67	272	548	7	76	188	48	75
Employees (excluding temporary staff)	4 310	4 023	4 300	7	1 712	1 779	401	430
of which male	3.647	3.408	3.643	7	1.413	1,454	354	380
of which female	663	615	657	7	299	325	47	50
of which female in %	15.4	15.3	15.3	→	17.5	18.3	11.7	11.6
Managers	445	413	426	7	153	149	38	41
of which male	370	338	356	7	135	132	36	39
of which female	75	75	70	К	18	17	2	2
of which female in %	16.9	18.2	16.4	К	11.8	11.4	5.3	4.9
Number of apprentices	240	283	216	К	156	147	-	-
of which male	186	225	183	К	117	118	-	-
of which female	54	58	33	Ы	39	29	-	-
of which female in %	22.5	20.5	15.3	К	25.0	19.7	-	-
Ø age in years	43.8	45.0	44.0	Ы	46.8	45.7	42.7	46.2
Ø years with the company	14.9	15.4	14.1	Ы	20.3	19.1	13.6	14.3
Number of training participants	2,266	2,855	3,356	7	1,457	1,485	165	259
Participations in professional development courses per employee	0.5	0.7	0.8	7	1.4	0.8	0.6	0.6
Number of work and commute related accidents	68	81	107	Я	47	47	3	5
of which work accidents	50	63	69	я	33	33	2	3
of which commute-related accidents	18	18	25	Я	14	14	1	2
Hours lost	8,632	13,415	17,580	Я	5,978	5,978	523	576
due to work accidents	6,702	9,838	11,313	Я	3,878	3,878	502	387
due to commute-related accidents	1,930	3,577	4,469	Я	2,100	2,100	21	189

BUSINESS AREA TOBACCO

OVERALL

HAMBURG-

BERGEDORF

SCHWARZENBEK



HAUNI GAI HUNGARIA CO		GARBUIO COMPANY		HAUNI MALAYSIA		HAUNI RICHMOND		BORGWALDT COMPANY		DECOUFLÉ		OTHERS AND SALES COMPANIES	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
15,109	17,180	2,823	2,771	1,787	2,078	3,302	3,378	1,074	853	2,110	2,508	709	664
7,835	8,830	1,140	1,162	1,787	2,078	2,293	2,320	396	291	853	829	494	468
7,274	8,350	1,683	1,609	-	-	1,009	1,058	678	562	58	5	148	139
0	0	0	0	0	0	0	0	0	0	1,199	1,674	68	57
6,337	5,195	457	579	246	242	29	29	-	-	337	336	-	-
5,980	6,772	994	991	1,032	1,201	1,524	1,550	367	283	822	924	332	312
4,505	5,077	650	662	1,028	1,195	1,318	1,334	228	167	491	477	284	269
1,465	1,684	341	326	-	-	205	215	138	114	12	1	30	28
0	0	0	0	0	0	0	0	0	0	319	445	18	15
10	11	3	3	5	6	1	1	2	2	1	1	-	-
13,787	15,370	4,077	3,832	6,859	8,800	1,500	1,500	2,672	3,230	1,034	987	-	-
13.3	12.1	14.5	13.3	66.6	44.0	9.9	9.5	24.1	32.3	10.1	10.2	-	-
1,770	2,110	151	148	99	184	43	43	65	68	56	71	31	32
4.005	1.070						150		100	(00		0.47	050
1,035	1,273	281	289	131	200	151	158	111	100	102	97	247	259
912	1,047	261	258	126	1/2	135	141	90	83	98	95	245	253
9	/	10	8	0	0	3	2	1/	1/	2	2	2	6
114	219	10	23	5	28	13	15	4	-	2	-	-	-
921	1,054	2/1	200	126	107	138	143	107	100	100	97	247	259
70	977	247	241	99	137	121	120	41	40	10	10	70	190
70	70	24	20	21	20.2	10.9	11.0	41	40	19.0	10.6	10	09
05	104	0.9	9.4	12	16	12.3	19	10	10	20	19.0	20.3	20.0
90	05	23	10	6	0	11	10	10	19	16	15	19	20
12	90	A	13	7	7	2	2	7	8	4	10 Д	10	17
12.6	87	16.0	17.4	53.8	43.8	15.4	11 1	36.8	42.1	20.0	211	51.4	45.9
114	54	1	1	5	6	0	0	6	5	0	2	1	1
101	54	1	1	3	5	0	0	3	3	0	2	0	0
13	0	-	-	2	1	0	0	3	2	0	0	1	1
11.4	0.0	0.0	0.0	40.0	16.7	-	-	50.0	40.0	-	0.0	100.0	100.0
42.3	41.2	42.9	43.5	37.0	35.9	48.6	48.6	46.1	45.9	47.3	47.0	40.7	41.2
11.1	10.0	12.4	12.4	5.8	4.7	13.8	9.4	12.6	11.7	16.2	16.3	7.2	6.5
632	843	172	251	37	33	34	43	63	66	81	64	214	312
0.7	0.8	0.6	0.9	0.3	0.2	0.2	0.3	0.6	0.7	0.8	0.7	1.5	1.2
24	32	0	2	0	0	1	0	3	4	2	4	1	0
22	25	0	1	0	0	1	0	2	3	2	4	1	0
2	7	0	1	0	0	0	0	1	1	0	0	0	0
5,848	6,376	0	848	0	0	0	0	660	170	406	259	0	1,575
4,528	4,288	0	800	0	0	0	0	524	126	406	259	0	1,575
1,320	2,088	0	48	0	0	0	0	136	44	0	0	0	0

Legal Notice & Contact

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