



MIXING GROUP



# Sustainability Report of Harburg-Freudenberger Maschinenbau GmbH

## Site: Freudenberg, Germany

Report period: 2017



## **Contents**

Statement from the Board of Management	3
Organisation profile of Harburg-Freudenberger Maschinenbau GmbH	4
Labour practices and human rights	6
Fair business practices	11
Environment and climate	12
Sustainable procurement	15



## Statement from the Board of Management

For the fourth time now, the report you are holding in your hands represents an overview by Harburg-Freudenberger Maschinenbau GmbH [HF] of the strategies, activities and key facts and figures of the company in the area of sustainability. The sustainability report is directed at customers, employees and suppliers, and all other stakeholders with a relation to our company, who would like information on the values and principles upon which our actions are based. The sustainability report is published annually. This report was written voluntarily and pertains to financial year 2017, corresponding to calendar year 2017.

Strategically, the company undertook plenty in 2017. HF set itself the goal of offering holistic and sustainable mixing room system solutions from a single source, and to this end has broadened its expertise in the field of compounding centre and automation solutions through strategic cooperation with B&K Wäge- & Anlagentechnik GmbH in Hamm, and by acquiring 100% of the shares of Mesabi Control Engineering, Ltd in Minnesota, USA. Furthermore, sales within the group has been restructured to satisfy the changed customer requirements made of system solutions, but also in response to the growth of the HF MIXING GROUP.

Read on the following pages how HF has developed, also in the areas of working practices and human rights, fair business practises, environment and climate, as well as sustainable procurement.

In case of questions about the sustainability report and its contents, please contact Ms. Nadine Massuard ([nadine.massuard@hf-group.com](mailto:nadine.massuard@hf-group.com)).

Prof.-Dr. Ing. Andreas Limper  
Geschäftsleitung

Mark Meulbroek  
Geschäftsleitung



**MIXING GROUP**

## **Organisation profile of Harburg-Freudenberger Maschinenbau GmbH**

Harburg-Freudenberger Maschinenbau GmbH (Freudenberg plant)

Asdorfer Straße 60

57258 Freudenberg Germany

Postcode 11 80

57251 Freudenberg Germany

Phone: +49 2734 491-0

Fax: +49 2734 491-150

Email: [mixing@hf-group.com](mailto:mixing@hf-group.com)

Internet: [www.hf-mixinggroup.com](http://www.hf-mixinggroup.com)

Board of Management:

Jens Beutelspacher, Prof. Dr.-Ing. Andreas Limper, Mark Meulbroek, Dr. Jörn Seevers

Chairman of the Supervisory Board: Dr. Joachim Brenk

Commercial Registry: Court of First Instance Hamburg, Dept. B No. 64651

Registered office: Hamburg

VAT ID No. DE811151610, Tax No. 21 22 290 0900 3



**MIXING GROUP**

## Locations

The place of business of Harburg-Freudenberger Maschinenbau GmbH [HF MIXING GROUP] is in Hamburg/Germany; the HF MIXING GROUP has premises all over the world.

Main commercial and production sites:

- Harburg-Freudenberger Maschinenbau GmbH, Germany
- Farrel Corporation, USA
- Farrel Ltd., GB
- POMINI Rubber & Plastics srl, Italy
- HF Rubber Machinery, Inc., USA
- HF NaJUS, a.s., Slovakia Global locations:
- Harburg-Freudenberger Machinery (China) Co., Ltd. • China
- HF France S.a.r.l. • France
- Farrel Sales Office Líbeznice • Czech Republic
- HF MIXING GROUP Sales Office Barcelona • Spain
- HF MIXING GROUP Services S.E.A. Sdn Bhd • Malaysia
- INDUS UTH HF MIXING SYSTEMS PVT LTD • India
- Farrel Asia Ltd. • Singapore
- Mesabi Control Engineering, USA

You will find sales partners as well as country and product responsibilities on the website <http://www.hf-mixinggroup.com/contact>

## Products

HF MIXING GROUP develops and produces machines and accessories for the rubber and plastics processing industry, with a high level of technical expertise. In particular, this includes mixers for manufacturers of technical rubber products and the tyre industry. HF also builds discharge units and special machines for these industrial sectors, as well as equipment for mixing rooms – right up to complete automation systems. All over the world, these future-proof products are used in the manufacture of tyre applications, sealing profiles, cables and friction linings, as well as for thermoplastic elastomers and special plastic mixtures.

Information on the products can be found on the webpage:

<http://www.hf-mixinggroup.com/products/>



**MIXING GROUP**

## **Labour practices and human rights**

**A clear commitment to sustainable and responsible corporate governance**

HF distinguishes itself for its high level of overall technical and procedural competence developed over 150 years, its corporate philosophy which focuses on long-term sustainability and its conscious close cooperation with clients and business partners. The result: common and lasting success. The central component of the company's value system is sustainability; an expression of the forward-thinking actions of the group. One logical addition to and continuation of the company's sustainability activities is the signing of the letter of commitment of the Global Compact initiative of the United Nations (UN) in early May 2015.





### The ten principles of the UN Global Compact initiative:

- 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; and
- 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.

[www.unglobalcompact.org](http://www.unglobalcompact.org) | [www.globalcompact.de](http://www.globalcompact.de)



HF integrates the ten principles of the UN Global Compact initiative in its daily activities. At the same time, the company commits to ensuring that its business partners also conduct their business activities in a manner consistent with the ten universally recognised principles in the areas of human rights, labour standards, protection of the environment and fight against corruption. You can read details on how HF achieves all this on the following pages.



## Personnel work

One focus of personnel work at HF is training. The company was again at the apprenticeship and training fair of the Chamber of Commerce and the business-engineers day with the aim of continually being able to train excellently qualified specialists.



Furthermore, cooperation with local schools was strengthened by bringing closer on-the-job training to students who took part in several company visits. At schools too, HF was active and took part in various career information events.

In addition to the activities at schools, the players and parents of HF cooperation partner SV Fortuna Freudenberg-Büschergrund e.V. underwent applicant training.

The success of these actions is backed up by the fact that four of the five new apprentices taken on in 2017 for 2018 found out about the training programs through the cooperation events or placements. Specifically, one qualified IT specialist for application development, one mechatronics engineer, one cutting machine operator and two industrial mechanics were taken on for 2018.





MIXING GROUP

## Diakonie in Südwestfalen

In terms of health management, cooperation with the social hotline of the Diakonisches Werk charitable organisation has been extended. The social hotline enables employees and their relatives to use the hotline anonymously for all care, support, social and medical matters. In addition to the phone hotline, there is also an online portal for employees to submit their concerns outside hotline hours. Employees at the Diakonisches Werk will then get back to them as soon as possible. The Diakonisches Werk also holds different presentation events on different subjects, to which employees are warmly welcome.

On the request of employees, a variety of workout equipment has been added to the company's own STARK fitness studio.





In addition, HF remains committed to the “Luxembourg Declaration for Workplace Health Promotion in the European Union” that it has already signed in 2014, and which is meant to promote and maintain the health of employees.

## Luxembourg Declaration

### for Workplace Health Promotion in the European Union

Since 2013, in light of changes to the Employment Protection Act, the trade association has stipulated that mental stresses at the workplace be included in addition to classic physical risk assessments.

So at the end of 2016, a start was made with compiling a survey covering mental stress specific to fields of work. The process is being developed in collaboration with the safety office at Arbeitsmedizinisches Zentrum Siegerland e.V (Occupational Health Centre).

The survey was conducted at the start of 2017 in all departments. 88.6% of the workforce took part. Increased stress was ascertained in production in particular. Departments affected were then asked more specific questions for actions to be derived. Actions were developed in 2018 together with the Occupational Health Centre.



### Fair business practices

2017 saw a check performed into whether all employees had already undergone training in anti-corruption and code of conduct. It turned out that some employees in Service and Sales were not able to attend the training held at a previous point in time. Training is planned in 2018 for the employees in question.

In 2017, there were no reports of breaches of the HF anti-corruption guidelines. There were also no reports of breaches pertaining to the code of conduct.

Compliance self-assessments, stipulated by HF from customers in 2017, were accepted without any problems.



## Environment and climate

### Environmental management

Protection of environment and climate have high significance when we manufacture our products. Besides cost-effectiveness, sparing use of resources and conservative handling of environment-related issues are significant factors in HF's corporate actions.

Management of Harburg-Freudenberger Maschinenbau GmbH is responsible for protection of the environment. This transfer of corporate responsibilities is guaranteed by the fact that every manager is informed about the responsibility of complying with environmental protection in the organisation.

Application and maintenance of the environment management system is the responsibility of the officer appointed for environmental management by the company's management. This officer advises the managers in the company when implementing legal and official requirements and promotes employee motivation and training. He ensures that deadlines for statutorily required measures are complied with and supports in testing and releasing new raw materials and additives under environmental aspects before using them in production. Training and continuing education of agents and managers helps keep their knowledge of environmental education updated on a regular basis.





Sustainability Certificate 2017



IM AUFTRAG DER ZUKUNFT

# Sustainability Certificate

**Harburg-Freudenberger Maschinenbau GmbH, Freudenberg**

contributed significantly towards protecting the environment via its collaboration with the REMONDIS Group in 2017.\*

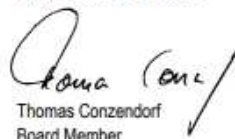
- Consumption of primary raw materials was reduced by 156.3 tonnes
- Energy was generated and energy consumption reduced by 865.5 MWh
- Carbon emissions were cut by 91.1 tonnes of CO<sub>2</sub> equivalents

According to our waste statistics for 2017, the following waste streams were collected separately and included in the evaluation process:

mixed waste for recycling // paper, card, cardboard // plastic film, plastics // wood // mixed building & demolition waste materials contaminated with oil // paint & varnish waste // spray cans.

On behalf of the environment, we would like to thank you for your cooperation.

REMONDIS SE & Co. KG

  
 Thomas Conzendorf  
 Board Member

REMONDIS Assets & Services GmbH & Co. KG

  
 Herwart Wilms  
 Managing Director

\* These figures were calculated by the REMONDIS Group using a scientific evaluation tool developed by the Fraunhofer-Institut für Umwelt-, Sicherheits- und Energietechnik UMSICHT, Institutsteil Sutzbach-Rosenberg.



### HF Energy Management

In view of rising prices and globally dwindling resources, responsible handling of energy is becoming increasingly more important. Growing energy demand with limited natural resources poses the challenge of using energy as efficiently and sparingly as possible in an eco-friendly manner. An Energy Management System is practised in the company as per the standard DIN EN ISO 50001 applicable worldwide, in order to live up to this responsibility.





## Sustainable Procurement

The principle of sustainable procurement is adherence to the social and ecological requirements over the entire supply chain, on the basis of economic actions. This includes planning, implementing and monitoring the instruments and processes necessary for enforcing sustainability standards at suppliers.

Against this backdrop, the annual supplier self-assessments were also conducted in 2017 in regard to supplier progression. This analysis now covers 163 suppliers, who are being appraised by Harburg-Freudenberger Maschinenbau GmbH in terms of CSR, and are being helped as necessary.

The highest numbers of points attainable:

- Part I: Environment 90 points
- Part II: Occupational health & safety 70 points
- Part III: Energy management 30 points
- Part IV: Company and business practises 50 points

The following average results were attained from the questionnaires assessed:

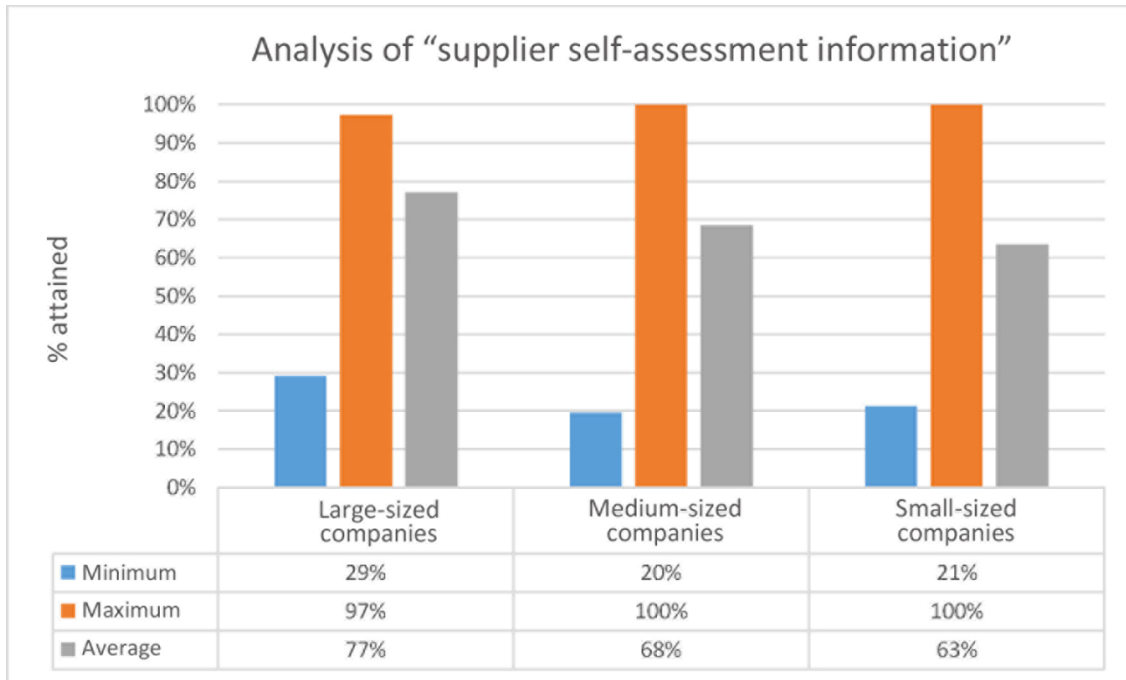
	Part I:	Part II:	Part III:	Part IV:
Average number of points:	48.5	49.0	16.0	37.2
Average percentage:	54%	70 %	53 %	74 %

The following weighting factors were used for a fairer assessment of the overall result for the individual suppliers:

<u>Large-sized companies</u>	<u>Medium-sized companies</u>	<u>Small-sized companies</u>
Employee count >= 250	Employee count 50 to 249	Employee count <= 49
Factor x 1	Factor x 1.1	Factor x 1.2



This gave the following results:



The breakdown of company sizes was as follows:

- Large-sized companies: 58
- Medium-sized companies: 59
- Small-sized companies: 46

So the assessment for 2017 firms up the positive results attained in previous years. Overall, an average mark of 1.61 was attained. In addition to the CSR criteria, quality, price levels, on-schedule deliveries and general order processing were also appraised. These results were also very positive.

Some improvements were also realised as part of the supplier audits. Firstly, a start was made with using the web-based EcoWebDesk software. Besides environmental, energy and occupation health & safety management, this software enables sustainability to be organised in a perfect, goal-oriented manner. 2017 saw the first audit conducted at a supplier using this software. The goal should be to organise, conduct and manage all audits with EcoWebDesk. An important aspect here is that the actions derived in audits can be followed up in a structured and efficient manner, thereby guaranteeing a permanent and





controllable overview of the activities on the part of our suppliers, and continual, sustainable supplier progression from economic, ecological and sociological viewpoints.

By the end of 2017, 13 suppliers to Harburg-Freudenberger Maschinenbau GmbH in Freudenberg underwent auditing into their organisation and technical processes, and productive efficiency. In addition, two employees from the Procurement department underwent certified supplier auditor training over several days, held by TÜV Saarland.

In 2017, Remondis was commissioned (for the third time) to provide a sustainability certificate and detailed waste balance. The following savings in primary materials as well as energy recovery and CO<sup>2</sup> emissions have been added to the list.

	2015	2016	2017
Primary material savings (in tons)	87	155	156
Energy recovery and savings (in MWh)	310	752	866
CO <sup>2</sup> reductions (in tons of CO <sup>2</sup> equivalent)	55	101	91

In terms of environmental and energy management, these figures constitute an elementary part of key analyses and actions that continually serve the purposes of improvement and raising efficiency levels over the entire production cycle.

Methodically, the calculation model is based upon ecobalancing in DIN EN ISO 14040. The model factors in the following process steps:

- Recording
- Transportation
- Pretreatment
- Recycling/utilisation