KAEFER Sustainability Report 2019

WELCOME

Discover

KAEFER. When it counts, count on us.

KAEFER

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Welcome to the ninth edition of KAEFER's Sustainability Report. Around the world, more and more KAEFER people are integrating sustainable ways of thinking and working into their daily lives and business activities. By sharing their stories, we want to encourage even more people to get involved!

At KAEFER, our goal is to increase efficiency, reduce waste and drive engagement which is why the ninth edition of this Report is also the first we're publishing digitally. As a result of the impact of the COVID-19 pandemic, it's also shorter than previous editions, but the full-length report will be back in 2021 (for the year 2020) – and no doubt packed with inspiring stories of your courage and determination in the face of this global public health emergency.

Before you start reading, we'd like to take this opportunity to thank everyone at KAEFER for working so hard in these uniquely challenging times, maintaining continuity of service for our clients and ensuring a prosperous future for everyone connected to the company.

For more information on this report, and how we keep our stakeholders informed about sustainability at KAEFER, please see the „About this Report" section.

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Message from the Executive Board

SECURING OUR FUTURE

While preparing this report, the COVID-19 pandemic has turned our lives and our business upside down, with job sites around the world completely or partially closed, employees working from home, often on reduced hours, and supply chains interrupted by the closure of borders. Most unsettling of all, no one can say when – or how – life will return to normal. Given this uncertainty, it has been a truly humbling experience to see how courageously and creatively people around the KAEFER world have reacted to this unprecedented challenge.

What does sustainability mean in the present circumstances? In a word: everything! It is precisely KAEFER's long-standing commitment to sustainable thinking – demonstrated again in 2019 in everything from health and safety to the integration of new technologies – which has allowed us to implement new safety measures with relatively little fuss and continue functioning even with so many people working from home.

This is not to underestimate the challenges we continue to face, both as individuals and as a company. As always, the well-being of our employees remains our first priority. In addition to ensuring they have the training, support and equipment needed to carry out their work securely, we are also doing all we can to ensure that the pressures brought about by the pandemic are shared as equitably as possible.

Taken together, the stories collected here of sustainability at KAEFER in 2019, are both a source of inspiration and a cause for optimism. 2019 was a great year for KAEFER and the fundamentals of our business remain sound. Even now – and thanks in large part to our commitment to building long-term relationships with our clients – we are signing new contracts around the world. More encouragingly still, KAEFER people everywhere have responded to this terrible pandemic with dynamism and motivation to look for support and ideas across borders and disciplines. There can be no doubt that it will take time for KAEFER to recover from the impact of COVID-19. But nor should there be any doubt that we will regain our old strength and – if we continue working with the same inspiring spirit of togetherness – achieve an even stronger position in our markets.

The KAEFER Executive Board, June 2020

More information on KAEFER's Executive Board and Advisory Board can be found here:

Link KAEFER Website

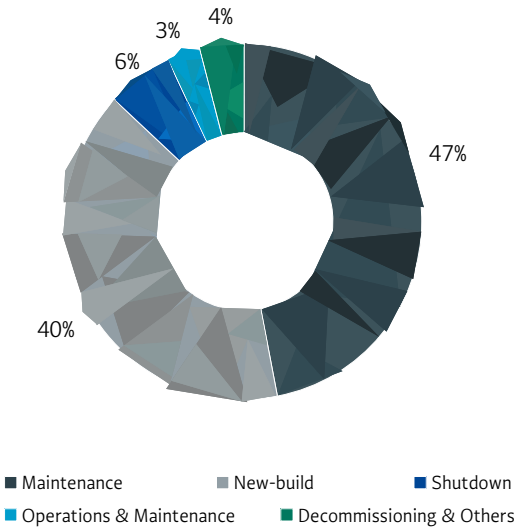
Introduction to KAEFER

WHEN IT COUNTS, COUNT ON US.

Since 1918, when businessman Carl Kaefer began improving the efficiency of cold stores on ships with peat cladding, KAEFER has grown from a niche insulation business to a global leader in technical industrial services and solutions with an annual turnover of € 1.7 billion.

Specialising in Insulation, Access, Surface Protection, Passive Fire Protection, and Interior Outfitting, in 2019 more than 30,000 KAEFER employees served a global client base across 5,500 individual jobsites. Our operational units around the world are committed to continuous improvement and supported by central departments dedicated to operational and technical excellence, innovation, and the implementation of a LEAN culture.

Total output by end market 2019



A recognised partner on new-build and maintenance projects

Organised to address project-specific needs in industry, construction and shipbuilding, we offer – planning and development, manufacturing, material supply and delivery, assembly and installation, service and maintenance, project and quality management, general contracting services, inspection and testing, and auditing services – across each of our core services:

Insulation

Developing, creating and fitting insulation for industrial and high-tech applications lies at the heart of everything KAEFER does. We provide innovative solutions, products and services that protect, conserve and maximise efficiency and performance.

Access

From scaffolding to rope access and elevated platforms, KAEFER offers the full spectrum of access solutions. Innovations such as our dedicated Scaffolding Management Software ensure efficient and professional site management.

Surface Protection

Surfaces in industrial facilities need protection from wind, weather, water, process temperatures and chemical stress. KAEFER is ideally placed to deliver services, solutions and ideas that increase efficiency and life-expectancy.

Passive Fire Protection

KAEFER develops and implements passive fire protection systems that guarantee the highest possible safety levels – and protect the people who live and work inside industrial facilities and other buildings.

Related Services*

Among others, mechanical work, design & engineering, industrial cleaning, offshore and industry maintenance complete the portfolio.
Also specialising in the interior outfitting of a wide range of facilities including offshore oil platforms, cruise ships, office buildings, hotels and airports, KAEFER's expertise covers modular accommodation, catering, noise protection, and engineering and technical services.

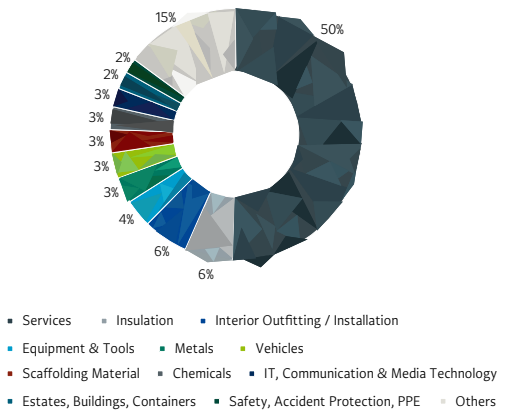
* incl. Interior Outfitting & Design

The KAEFER Supply Chain

A service provider rather than a manufacturer or producer, KAEFER offers an extremely broad range of complex works and services within an extensive community of organisations, clients, sub-contractors, consultants and suppliers, in sectors ranging from industry to marine and offshore and construction.

Projects vary, of course, but it's safe to say our clients are invariably businesses, and that the work we carry out on their behalf can be characterised as 'labour-intensive'.

Purchased services and materials according to spend 2019



Securing the future – LIFT2023

In July 2019, KAEFER launched a new corporate strategy designed to cement our position as the world's most reliable and efficient provider of technical industrial services. With a focus on operations excellence, digitalisation, and structural streamlining to further empower our people, the LIFT2023 strategy will deliver profitable growth and entrepreneurial independence. As global pressure on natural resources continues to grow, it will also ensure we continue to play an important role in building a sustainable, energy-efficient future. More information can be found in the next sections.

Growing the KAEFER family!

Around the world, KAEFER pursues a strategy of sustainable growth. We were delighted to welcome two new members of the family. In Spain, KAEFER Servicios Industriales SAU acquired Bilfinger Industrial Services Spain SA in 2019 and – in the UK – KAEFER completed the acquisition of Wood's industrial services business from the John Wood Group PLC early 2020. Both of these new relationships will help us address specific strategic opportunities in their respective markets.

KAEFER in motion

KAEFER employees are people of action. Every day, you'll find our teams working tirelessly on challenging projects around the world, making sure industrial processes and facilities run as they should. Our new image film shows our people in action and is dedicated to the hard work they do on the projects that count. And it features all of the unique voices that make us who we are: KAEFER.

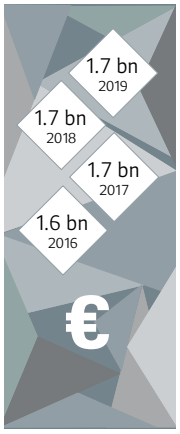
Learn more about our business

Link KAEFER Website

STRATEGY & ECONOMIC DEVELOPMENT

Just as it was a year ago – when we launched KAEFER's new LIFT2023 global strategy – our goal today is to serve our clients to the best of our ability and secure a prosperous future for our employees. The global impact of COVID-19 is substantial. Despite the hardship so many people are now facing, there is still ample reason to feel optimistic about KAEFER's future. A brief selection of our work in 2019 – in becoming leaner, more efficient, and more innovative – shows a company sufficiently forward thinking and robust to cope with any global challenge.

Turnover KAEFER Group 2016- 2019



LEAN Update

At KAEFER, LEAN is about empowering people. The Global LEAN Team now carries out more than 15 different training formats without external support. Since 2014, KAEFER has invested in over 76,000 LEAN training days to the benefit of over 4,500 employees.

The next step on our LEAN Journey is achieving our target of 80% of turnover covered by LEAN. This is supported by KAEFER's digital LEAN approach in combination with Digital Project Management Solutions (DPMS).

2013 Start of the KAEFER LEAN Journey with 7 successful pilot projects.

2014 Implemented a global Lean Leader organisation and LEAN was introduced in over 100 projects.

2015 Start of Lean Development Programme and LEAN was introduced in over 150 projects.

2016 Over 1.100 employees were trained in 35 countries in LEAN.

2017 Covered 37% of global turnover with LEAN and trained a total of 1.500 employees overall.

2018 Introduction of Training Within Industry (TWI) and successful Hoshin Kanri & KATA pilots.

2019 Digitalization of LEAN Journey and LEAN coverage of the entire Project Lifecycle.

2020 Kick-off Distance Learning and 1st Lean Professionals (second highest LEAN certifications).

Contributing to the fight against Climate Change

KAEFER's commitment to increasing efficiency in energy generation plants extends beyond insulation. The battle to avert a climate catastrophe will only be won through the development and deployment of new technologies – one of which might well be KAEFER's Power Induced Catalytic Combustor (PICC) system: an innovative new gas turbine system which enables the efficient conversion of sustainable energy sources into electrical and thermal energy – and could also represent a key-breakthrough in recycling waste plastics!

Having completed development - a modular design based on robust standard components – KAEFER is now actively looking for a strong commercial partner to help us bring the PICC to market.

Other 2019 highlights from around the KAEFER world include:

One initiative proving its value in the present crisis is the transition to digital working, given new impetus in 2019 with the launch of KAEFER's Digital Roadmap. The Roadmap – refined by 25 participants from around the KAEFER world at a three-day workshop – aims to create a unified digital vision for KAEFER. In the short-term it also meant we already had much of the necessary technology in place to adjust to the 'new normal' relatively smoothly, including a cloud-based IT infrastructure, access to reliable online collaboration tools, and DPMS – our bespoke Digital Project Management Solution which provides measurement and scoping features as well as remote access to planned daily tasks, pictures, progress reports and document inspection results.

South Africa: Conducted over two years, a technical and commercial analysis of abrasive blasting across a range of different surfaces revealed substantial potential savings, mostly through improved training. Insights from pilot projects in Norway, Saudi Arabia, Oman, Australia and Spain have been combined to create a brand new Train the Trainer programme – officially launched in South Africa in September 2019.

Australia: In late 2019, KAEFER Integrated Services in Australia pioneered an innovative coating application technique (known as 'wet on wet') as part of a major, multi-disciplinary project – achieving an average unit rate 4.5 times better than predicted industry norms!

SUSTAINABILITY AT KAEFER

For a sustainable future

KAEFER's commitment to sustainability has never been more important than now.

”

"If we've learned one thing since founding KAEFER's Corporate Responsibility and Sustainability department in 2008, it's that people at KAEFER, wherever they're based, are bound by a shared desire to make a positive contribution to a sustainable future."

Francisca Gorgodian, Head of Corporate Responsibility & Communication

At KAEFER, sustainability is more than just a concept or a series of initiatives – it extends to everything we do across each of the following areas: Economic, Social, Environmental and Cultural. As priorities vary from place to place, we work closely with a network of more than 20 KAEFER Sustainability Champions, located in different departments and KAEFER countries around the world. In addition to their regular tasks, Sustainability Champions organise campaigns on issues related to sustainability, support the preparation of the yearly Sustainability Report, and gather information for KAEFER's sustainability newsletter.

Our role in the CRS department is to set the framework, define the next steps and targets on mid- and long-term level in order to integrate sustainability in day-to-day activities. To further develop this strategy, we are setting up a cross-departmental working group in 2020 to combine topics from different business areas in order to broaden our approach to sustainability and corporate responsibility.
Of course, we will also continue to support local management and help ensure that the environmental, charitable and community-based efforts of our employees around the world are integrated, properly resourced and effective.

17 PARTNERSHIPS FOR THE GOALS

The Sustainability Report and its Stakeholder Survey

Even in its present, shortened form, the topics covered in this Report are chosen by our stakeholders. In early 2019, we received a record number of responses to our regular Sustainability Survey. In all, a total of 903 people from 28 countries took part – a 65% increase on the previous survey (in 2017).

By a considerable margin, the sustainability topic identified as the most important by our employees, stakeholders and partners is occupational health and safety, followed by training and education, economic performance, and compliance. In order, the next five topics were: Diversity, equal opportunity, and non-discrimination; Labour/management relations; Employment; Market presence; and Energy.

The KAEFER FOUNDATION – DON'T QUIT!

CHANGE LIVES
KAEFER FOUNDATION

Created ten years ago as a non-profit organization, the KAEFER FOUNDATION exists to help KAEFER employees, their families as well as communities across a range of issues, including:

> Prevention of diseases such as HIV/AIDS, Tuberculosis, and support for victims of these illnesses
> Education, apprenticeships, and training
> Science and research
> Protection of the environment and ecosystem; especially climate protection and energy efficiency
> Development projects for younger generations
> Natural disasters and catastrophes

Co-ordinating initiatives in emergency situations (including to help mitigate the impact of the COVID-19 pandemic) and over the long-term (for example in South Africa with the KAEFER Aids Relief Program), the Foundation also supports initiatives and research projects for a sustainable future. The team's focus on health care in 2019 included an internal registration event for potential stem cell donors in Bremen (with ‚DKMS - Deutsche Knochenmarkspenderdatei' / German Database of Bone Marrow Donators).

If you would like to volunteer or make a donation, please do get in touch with us at Foundation@kaefer.com.

Together, we can make a difference.

Learn more about the KAEFER FOUNDATION

Link Foundation Website

PEOPLE

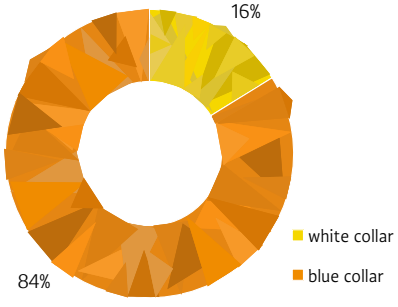
As a global company, KAEFER's continued success rests on the ability to integrate people with different backgrounds, languages, skill sets and working methods into a single group, greater than the sum of its parts.

Our approach to employment

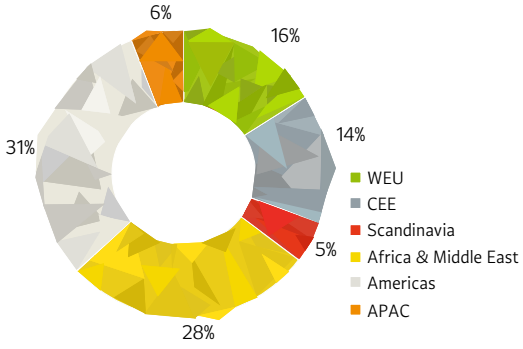
Developing and retaining highly skilled employees – making sure that KAEFER is a place where people feel valued and confident they will find the opportunities they need to develop their talents – is the best way to ensure we remain competitive in the future. While the Corporate Human Resources department is always there to assist, our goal is to encourage strong, knowledgeable and independent local and regional entities.

We try and play our part. KAEFER's success is built on finding the best people and making sure they're able to fulfil their potential. From vocational and educational training to management and leadership development, our goal is to ensure that each generation of leaders is succeeded by another – true experts in their fields, willing to show initiative and steeped in KAEFER values.

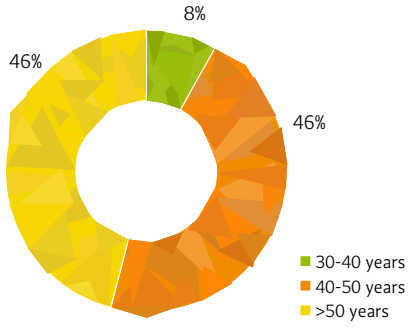
Employees
Blue collar / white collar split



Employees
by region



Top Management
Age Groups



Abbreviations: APAC - Asia Pacific, CEE - Central & Eastern Europe, WEU - Western Europe

At KAEFER, "Top Management" refers to members of the Executive Board, Heads of Corporate Departments and Managing Directors. This group of 37 people – of whom 8.1% are women – come from 17 different countries.

Our values

A family-owned company, KAEFER runs on common values with trust as the foundation of all our business activities. Respect for the individual, collaboration, collegiality and a culture of continuous improvement combine to help us make the right decisions in complex situations. We take pride in our reliability, and a focus on results which allows us to exceed the expectations of our clients. At the same time, we remain modest, never forgetting that there is always room for improvement.

KAEFER's diverse scope of services is paired with a defined sustainability mindset – economically, socially, environmentally, and culturally. Clients, business partners, subcontractors and stakeholders can expect KAEFER to do business to the highest ethical standards, fulfil its obligations, and act as a fair and lawful partner.

At KAEFER we empower our employees and they empower KAEFER. Career development paths around the world are tailor-made, ensuring that all employees are well trained and motivated.

Our focus on the future

Around the world, the next generation of KAEFER people are constantly exceeding our expectations. People like Thomas Olsen, honoured as Germany's best insulator technician and industrial insulator apprentice in 2019, and Jasmine Scaife, an apprentice in the UK who masterminded an Easter fundraising event to raise money for family support groups, or 19-year-old Jana Franz, who designed a new system enabling 3D modelling of acoustic hoods while on a work placement. Jana's mother has been at KAEFER for the last 21 years and we very much hope Jana will join her as soon as she completes her studies in mechanical engineering.

Perhaps it's because KAEFER is a family-owned company, but this sense of community is part of what makes it such a rewarding place to work. That was certainly trainee Steffen Müller's impression as he travelled from Bremen to the shipbuilding yards in Turku, Finland in 2019. A junior project manager, Steffen is one of the first KAEFER recruits to experience our new Training on the Job program involving stints at headquarters and operational branches. The program has been designed to forge lasting relationships and new synergies between different KAEFER locations and disciplines.

KAEFER in Australia were also looking for the best young prospects in 2019 when they hosted the Trainees and Apprentices program for blue and white-collar roles in the Gladstone Region. The team are committed to promoting diversity and maximising opportunities for Aboriginal and Torres Strait Islanders in the country – a theme emphasised again during the company's National Aborigines and Islanders Day Observance Committee (NAIDOC) Week celebrations, held to honour the history, culture and achievements of Australia's Indigenous people.

Finally, we were delighted to hear that KAEFER in Poland is more than doubling the number of students at its legendary vocational school in Tarnów and launching a new scaffolding qualification to sit alongside existing classes for Industrial Insulation Fitters and Tinsmiths.

At KAEFER, we feel extraordinarily lucky to have so many engaged and dynamic people at the company. It feels good to know our future is in such capable hands!

Our career webpage

Link KAEFER Website

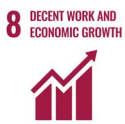
OCCUPATIONAL HEALTH & SAFETY

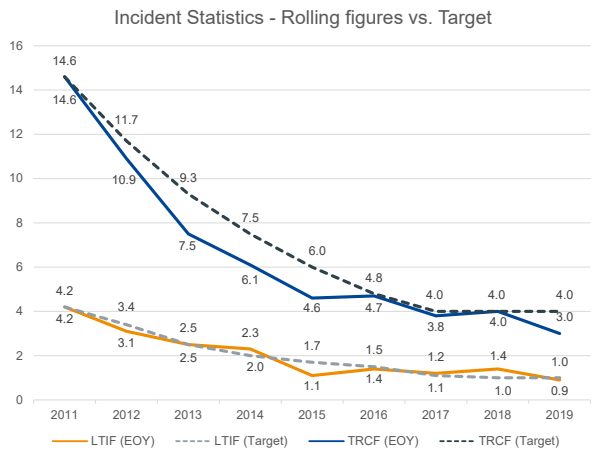
Now, more than ever, the marginal gains delivered by a Safety Culture are clear to see!

First and foremost, sustainability is an exercise in making sure our employees work in safe and well-managed environments. Without KAEFER people, there is no KAEFER – and our safety record is something in which we take great pride. Against figures which are already impressive, our goal remains a zero-tolerance attitude to lost time accidents across all of the countries in which we operate.A health and safety culture rests on everyone taking responsibility for their own safety – and for the safety of those around them. As the world adjusts to an unprecedented public health emergency, it might help to reflect on how much KAEFER achieved in 2019 on its journey to becoming a company in which every employee thinks, talks and lives health and safety. Our goal is to deliver continuous improvement and our success in implementing a true Safety Culture is playing a crucial role in helping us maintain continuity of service at work sites around the world, working hand in hand with clients on protocols to minimise or eliminate the risk of COVID-19 transmission.

Launched in 2015, developed by Thomas Eickhoff (Head of Corporate HSE) with external support from Oliver Vibrans (MIT GmbH), implemented with the worldwide support of HSE colleagues, and inspired by our vision of a KAEFER world without occupational accidents, KAEFER's Safety Culture campaign is already showing impressive results. In 2019, for the first time ever, the company as a whole succeeded in keeping the aggregate number of LTIF's 'under 1'!

Awareness is about more than just staying physically safe on the construction site, however. As Thomas Eickhoff makes clear, "mental health is as important as physical health. We take a holistic approach to the well-being of all of our colleagues, breaking it down to one central idea: if you're aware of it, take care of it."





Abbreviations: EOY - End-of-year, LTIF - 'Lost Time Incident Frequency' meaning the so-called lost time incidents per one million man-hours. 'Lost time' is described as a situation where a worker needs to stay home following the injury. TRCF - Total Recordable Cases Frequency' and consists of all incidents that have to be included in the statistics and is also counted per one million man-hours.

CHSE would like to thank all employees and managers around the world for their outstanding performance in helping us reach this milestone – and salute a number of notable initiatives from 2019:

Benelux

Health and safety improvements start with rigorous analysis. When KAEFER in Benelux investigated all incidents from the previous 5 years, they discovered that 80% were related to common risks such as tripping, falling, falling objects, or the incorrect use of Personal Protective Equipment (PPE). To prevent these accidents from happening in future, the HSEQ team created ARA (Always Risk Analysis), a series of daily mental exercises designed to dramatically raise awareness of potential risks.

Poland & Brazil

Awareness was also the key message at Poland's inaugural Safety Training Week and the reason why Max, KAEFER's safety-loving mascot, spent 2019 attending up to 20 training sessions a day at sites across Brazil.

UK

In case of accidents, first-aiders know what to do. Mental health first aid can provide similar benefits for people in the aftermath of a traumatic event. KAEFER's first employee training sessions for mental health first aid were held in the UK in March 2019. The feedback was excellent and plans are underway to hold similar sessions in other KAEFER countries with CHSE already scheduled to take part in a training course in Germany in September.

PPE saves lives

Safety is something to take very seriously. Nevertheless, sometimes it's neglected. Henryk Karwowski did not, and he's alive to tell the story which is now used as a training video to raise awareness. The idea came from Wojciech Michalec, HSEQ Manager, who wanted to share a true story with KAEFER employees, rather than the standard safety reminders. Especially the image of his completely molten helmet stuck in the minds of the viewers for a long time to come. The video is available on KAEFER's youtube channel.

For more information:

Link KAEFER Website

Compliance, anti-corruption and anti-competitive behaviour

COMPLIANCE – ONE GROUP. ONE SET OF VALUES. ONE CODE.

From the workforce on a construction site to project management, administration and group management, everyone at KAEFER is legally and morally responsible for their actions. As a global company, it's vital that we have a suitable and comprehensive compliance management system – and equally vital that all KAEFER employees understand their responsibilities and feel supported in their decision-making.

Since 2018, not only has the Corporate Compliance team launched an all new Code of Business Conduct, but also accompanying rules and guidelines, a group-wide whistleblowing system, training for all employees, and a global communication campaign.

Highlights from 2019 include:

- The KAEFER Compliance Helpline: Launched and introduced in 2018, this web-based platform was opened to external users in April 2019.
- The roll-out of two further group-wide e-learning modules – designed to develop and expand understanding of related topics and their importance in day-to-day operations.
- An International Compliance Video competition: To reinforce the message, the compliance team ran a video competition in the second half of 2019. Ten prize-winning short films were selected by a jury and edited into one, longer educational film.
- The launch of an Integrity training program in Brazil with content tailored for different audiences, including for all blue collar employees and white collar employees on specific sites. The Integrity training program was backed by a communication campaign on the potential harm caused by gossip and the importance of treating all colleagues with respect.

Compliance Training – update

As of the end of December 2019, 95% of all employees with a company e-mail account had completed KAEFER's Code of Business Conduct e-learning module. 93% of all employees who have contact with third parties had completed the Anti-corruption module. Code of Business Conduct training is not only carried out via e-learning modules. For employees such as blue collar workers without a company e-mail account, the training took place in person (usually as part of regular 'toolbox' meetings), using Compliance booklets produced for the purpose.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

KAEFER Code of Conduct

Link KAEFER Website

KAEFER Code of Conduct

Link KAEFER Website

ENVIRONMENT

Working for an energy efficient future

For more than 100 years, KAEFER has pioneered new and innovative ways of assisting in the production, storage and distribution of energy. We believe our expertise means we have an important role to play in mitigating the impact of the climate crisis, ensuring that our children – and theirs – inherit a liveable world and a prosperous future.

We help our clients reduce energy waste – and encourage our staff to do the same! Internally as well as externally, KAEFER attaches high importance to environmental protection and green initiatives, including the transition to paperless construction sites with our bespoke Digital Project Management Solution (DPMS).
A significant number of individual KAEFER companies have successfully acquired ISO 14001 certificates and maintained them for many years.

Alongside the continuous improvement processes demanded by the ISO 14001 system, numerous global and local initiatives were launched in 2019:

WK Bikes

In July 2019, a WK bike share station was opened at KAEFER's branch office in Getreidestrasse, Bremen. WK Bikes is part of nextbike, a public bike rental scheme operating in 27 countries around the world.a training course in Germany in September.

11 SUSTAINABLE CITIES AND COMMUNITIES

„I sign in"

KAEFER KOSTEC in Peru initiated a new program called „Me apunto" in Spanish encouraging all employees to take part in projects to help protect the environment.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Planting initiative

In June, the RIP Serviços Industriais team from Indaiatuba helped plant 100 seedlings in a newly laid out city square.
At our Brazil headquarters, every employee received a new coffee mug as part of a drive to eliminate the use of disposable cups.

15 LIFE ON LAND

All in for Bremen

Rubbish has a huge negative impact on the urban environment, which is why KAEFER was happy to sponsor this city-wide campaign: „Not everything is in the bin – all in for Bremen!"

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

KAEFER – campaigning for an energy efficient future!

KAEFER has been a proud founding partner of the European Industrial Insulation Foundation since 2009. The EiiF is a non-profit institution dedicated to raising awareness of the benefits – both in terms of potential savings and CO_2 mitigation – of thermal insulation in industrial plants. In addition to campaigning, the Foundation also advises an increasing number of companies on how to conduct effective energy audits.

Independent estimates suggest the need for improved industrial insulation is substantial. In the EU alone, 50 million tons of CO_2 and 600 PJ of energy are wasted each year as a result of insufficient or missing insulation (equal to the annual emissions of 15 million cars and the energy use of 10 million households).

The EiiF supports the EU's Green Deal (to become carbon neutral by 2050) and actively campaigns for practical measures to help make this a reality. Currently, the Foundation is advocating for a change in EU industrial plant regulations similar like the existing building regulations. This should lead towards an application on uninsulated pipes and vessels and/or increase of existing – the payback time for plant operations is extremely short, making this, is a relatively simple, win-win: for industry, the environment, and society as a whole.

For more information on the EiiF and its work, please click here.

ABOUT THIS REPORT

This report is intended to inform our stakeholders about sustainability at KAEFER and enable them to support our work. Published in a digital format for the first time as part of our efforts to reduce paper use, this report provides information on our performance for the year 2019 (1 January – 31 December 2019). Prior editions, as well as additional information on Corporate Responsibility and Sustainability, can be found on our website www.kaefer.com.

Produced following the guidelines for core GRI (Global Reporting Initiative) Standards, compilation of this report is a collaborative effort between the CRS department, the central functions of the headquarters and our global network of Sustainability Champions. As a result of the Coronavirus pandemic, however, we have taken the decision to publish a shorter report than in previous years. Our intention is to return to a full-length report for 2020 (to be published in 2021). To help our stakeholders find necessary information easily, we have mapped the topics in the GRI Index.

External assurance was not obtained for the development of this report. However, we strongly believe that the data, along with earlier reports and the KAEFER website, is sufficient to meet GRI requirements. As always, we have tried to cover all KAEFER entities worldwide. A note can be found next to indicators where it has not been possible to obtain complete data. Although we have taken great care when collecting and analysing the data, mistakes cannot be excluded with absolute certainty. We are confident that as we learn and progress, we will continue to improve our approach and performance regarding our responsibilities as a company and our sustainability strategy and activities. Our aim is to share best practices and to communicate effectively in order to get an accurate picture of sustainability at KAEFER. We would also like to take this opportunity to thank everyone involved in the creation of this report. Now, more than ever, we are aware of the dedication, support, time and creative ideas shown by our Sustainability Champions – they volunteer for this role and perform it alongside their day-to-day activities.

In early 2019, we carried out a comprehensive Stakeholder Survey. This has given us a better understanding of the expectations and perspectives of those with whom we engage. We offer a wide range of services and operate in multiple markets, meaning that our work takes place in a complex business environment with a diverse network of partners. Our principal stakeholders are our employees, clients, suppliers, competitors and the local communities where we have operations. To give as many people as possible the chance to participate, survey questionnaires were available on the KAEFER website for 3 weeks in 6 different languages. In total, 903 employees, clients, suppliers, shareholders and other business partners from 28 countries provided us with valuable feedback. Their input enables us to determine the focus areas that will help us to sharpen our sustainability strategy. These include:

- Occupational health and safety
- Training and education
- Economic performance
- Compliance and anti-competitive behaviour
- Diversity, equal opportunity and non-discrimination
- Labour-management relations
- Employment
- Market presence
- Energy.

We continuously strive to contribute to the reduction of energy waste through our main field of work – insulation. Subsequent decision-making steps included choosing which indicators correspond to “core” GRI options. Our progress so far, as well as detailed information on the material topics, is addressed within this report.

We always seek to fulfil the expectations of our stakeholders by integrating their feedback into planning for the next edition of the Sustainability Report and invite everyone to join the conversation at crs@kaefer.com. We’d love to hear from you!

Sustainable Development Goals

In 2019, KAEFER began integrating the United Nations’ Sustainable Development Goals (SDGs) into our LIFT2023 corporate strategy. These goals, set out by the United Nations in their 2030 Agenda for Sustainable Development, range from gender equality to responsible consumption and climate action. Only through integrated strategies designed to improve health and education, reduce inequality, spur economic growth, and protect our environment, can we hope to end poverty. This Sustainability Report is also intended to show how our sustainability activities are linked to this goal.

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103 Management Approach

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