Sustainability Report 2012

Join us on our journey
Table of Contents

04 An overview of KAEFER
04 Statement from the Chairman
05 Sustainability at KAEFER
A journey that makes us very proud!
06-07 All about KAEFER
08 International presence
Governance bodies
09 Communicating Sustainability
Analysis of KAEFER’s Sustainability performance

10 The Economic Dimension
11 Economic aspects
First employee survey in KAEFER’s history
12 Success of the MovIEE project
Ecofys study identifies large energy efficiency potential
13 The KAEFER Academy: KAEFER Excellence in Estimating Program
Apprentices at KAEFER
14 Bonn International Summer School
Cooperation with Jacobs University
Alberta Energy Efficiency Alliance

15 The Social Dimension
16 Helping people suffering from hunger
Our approach to fighting HIV and AIDS
17 Discover what mum and dad do at work!
Running for a good cause
18 Share your warmth
Supporting female students in South Africa
Giving in order to support people in need: U.A.E. Charity Fund
Support of schools in local communities
19 KAEFER Health & Safety Year 2012
Meet Max - our Health & Safety expert
20 KAEFER International Drawing and Painting Competition
Taking care for health and wellbeing
Marathon towards Safety
21 Health and safety at school
Slow down - your family is waiting
Very successful conclusion of the Health & Safety Year
22
The Environmental Dimension
23 Renewable energy
Think before you print!
24 Material and energy consumption at KAEFER
Green transformation at KAEFER
INSCAN KAEFER sustainable cups
25 Water consumption and waste
Reducing our carbon footprint
26 Eliminating the energy waste in Bremen’s branch office
Cork recycling

27
The Cultural Dimension
28 KAEFER in colours – Photo Competition 2012
KAEFER supports the "Theatre for One Smile"
ECHO Classical Award for the "Future Lab"
29 KAEFER’s international sports events
30 Entering into the spirit of giving
Books for Hogar de Niñas del Buen Pastor
CSR certificate awarded to KAEFER Saudi Arabia

31
About this report
32 Reporting details
33 Materiality
34 Index
Statement from the Chairman

Dear colleagues, partners, and friends of KAEFER:

Last year, KAEFER issued its first Sustainability Report and received very positive feedback. Not only was the report itself highly demanded - but, content-wise readers were amazed about the multitude of activities we conduct to convert the sustainable mindset that has always been an integral part of KAEFER’s self-concept into visible and sensible actions that are beneficial to the company’s world and the world at large.

KAEFER’s sustainable mindset integrates four dimensions: economic, social, environmental, and cultural. Living this mindset means that all our employees should think, act, and work in a sustainable way. What do we mean by this?

We are a family-owned company. We operate worldwide, but with a family spirit. Our strategic targets take us further than just to the next quarterly report. We deliver quality as a basis for our long-term customer relationships and our profitability. We work on getting even better each day and on finding and sharing best practices. Our finances have a solid base, our financial targets are realistically set and regularly reviewed.

This is what we call “the Economic Dimension of Sustainability at KAEFER”.

We care about people, and their health and safety. We are constantly raising the bar for our already high health and safety standards and we maintain an expert network. In different initiatives, we reach out to our employees and their families, making them aware, helping them, and empowering them to take responsibility for their physical and mental well-being in the challenging environment of our business. We encourage learning, provide training, and actively support career paths. Our people are the most valuable asset we have.

This is what we call “the Social Dimension of Sustainability at KAEFER”.

Our vision is to eliminate the energy waste. By delivering the most professional complete insulation solutions worldwide, we help our clients reduce their energy consumption and produce less CO2. In a world with rising energy demands, we focus on efficiency and saving. We go beyond customer requirements by leading the way to further optimization potential.

This is what we call “the Environmental Dimension of Sustainability at KAEFER”.

We employ over 20,000 men and women, coming from a variety of ages, nationalities, educational, economic, cultural, and religious backgrounds, and we enjoy every minute of working together. We do so in over 2,000 locations worldwide. We foster cross-border collaboration with both international as well as local colleagues – in the office as well as on site. We actively seek dialogue, input, and local spirit.

This is what we call “the Cultural Dimension of Sustainability at KAEFER”.

These four dimensions, translated into four core principles, are summarised in our Company Policy “The KAEFER Way”, which is available on our web page. From day one at KAEFER, our employees learn about this sustainable mindset. Our commitment is supported by global initiatives on the yearly “core principle campaigns” where we emphasize one of our core principles in particular.

“From day one at KAEFER, our employees learn about this sustainable mindset. Our commitment is supported by global initiatives on the yearly ‘core principle campaigns’ where we emphasize on one of the core principles in particular”

Peter Hoedemaker
Chairman

highlighting any of them here, I would only do an injustice to the unmentioned ones. I invite you to find out for yourself on the following pages!

Enjoy reading this report!
Sincerely yours

Peter Hoedemaker
Chairman of the Board of Directors
Sustainability at KAEFER

KAEFER’s sustainable mindset is not just a concept or a trend, but a part of “The KAEFER Way”. We at KAEFER are convinced that our activities today must have a positive impact on tomorrow for ourselves, for the generations to come, and the planet we live on. Therefore we need to use resources efficiently, focus on qualitative long-term growth, care for people and be proud of our diversity.

Sustainability at KAEFER has a long history. Working in the field of insulation, energy efficiency has been our daily business since the founding of the company back in 1918. However, we not only focus on how much energy clients can save through our professional insulation. We assume our wide-ranging responsibilities in all of the four Sustainability dimensions: economic, social, environmental, and cultural because we believe that these aspects are inseparable. Each of these dimensions is directly linked to our four core principles:

- Economic: “The quality of our work forms the basis for both our long-term customer relationships and profitability”
- Social: “We care for people and their health & safety”
- Environmental: “We take environmental responsibility”
- Cultural: “We respect cultural differences and promote value-based leadership”

We believe that the integration of our sustainable mindset into our daily business activities is essential for long-term growth and is the basis for acting sustainably. Furthermore, Sustainability is part of the corporate culture at KAEFER and to further spread the idea of Sustainability and our sustainable mindset, it is essential to involve all employees worldwide.

A journey that makes us very proud!

Have you already heard that Sustainability is a mindset at KAEFER, that our four core values are based on it, and we expect everyone at KAEFER to think, act, and work sustainably? If so, we can say, our message has really been spread all over the world and we are now on this journey together!

When the CSR department was created in 2008, many colleagues were looking at us and asking questions like “What has CSR, Corporate Social Responsibility, got to do with us?” “Are we becoming a charity?” “Why all of a sudden is everyone talking about CSR?” “Is it a fashion or a trend?” For sure it was not easy to make this mindset understood to everyone. Especially because at this point we were still trying to understand what impact a professional CSR strategy could have on the company and how we would be able to integrate this concept into our business strategy.

Maybe we were a little bit idealistic in the beginning, but idealism is sometimes the force that drives change and innovation, that makes us a little bit different from others and helps us to become better in a very competitive market. But pragmatism cannot not be forgotten and that is why we are always trying to keep our feet on the ground and find the correct balance between Sustainability and our core business.

Of course it helped that this core business has always been intrinsically sustainable and that over the last few years, insulation has been experiencing a “hype”, especially when addressing issues related to energy efficiency. So it was not only idealism, but also pragmatism and being in the right place at the right time, which helped us in the end to easily integrate the concept of sustainability in our business strategy. It just became part of KAEFER and is embodied by all of us.

It does not matter where you live or work, how old you are, whether you are a man or a woman - our diversity has probably been a key factor in becoming more sustainable every day: economically, socially, environmentally, and culturally.

Francisca Gorgodian
Head of Corporate Responsibility & Communications

Our diversity has probably been a key factor in becoming more sustainable every day: economically, socially, environmentally, and culturally

This Sustainability Report shows just an extract of what has been going on in 2012 in the area of Sustainability at KAEFER. And it demonstrates that, although our resources are limited, we can really move things and can change the world to make it a little bit better every day. And yes, a little bit of idealism needs to remain in each of us if we want to pursue a sustainable life!

Enjoy reading our Sustainability story! You will experience our diversity in each article as all of them have been written by different people instead of using professional writers. We think that by doing this, we are able to reflect who we are and what we do in a much better way. And keep telling us how you are living KAEFER’s sustainable mindset!
We are KAEFER

Every day more than 20,000 men and women in over 50 countries, speaking 30 different languages, join each other in one of the more than 2,000 KAEFER locations, spread over all continents. Together, we are KAEFER.

KAEFER is the world’s largest provider of complete insulation solutions, with the company’s core business activities being carried out in its Industry, Marine & Offshore and Construction divisions. KAEFER is a family-owned business with an annual turnover of around €1.4 billion.

It all started in 1918 when Carl Kaefer, a businessman from Bremen, Germany, had the idea of cladding the walls of ships’ cold stores with peat. His aim was to improve what we today call “energy efficiency”. Although a lot has changed over the years, this idea is still a key driver of KAEFER’s activities.

Over the course of nearly one hundred years, KAEFER has developed from being an insulation provider for the shipbuilding industry with just one office into an international company with numerous corporate locations and a clear strategic direction: eliminating the energy waste worldwide by offering the most professional complete insulation solutions available on the market. To achieve this target, KAEFER provides a full range of insulation and interior outfitting services, including scaffolding, surface protection, passive fire protection, and asbestos removal.

Our vision and mission

Acting sustainably and responsibly is an aim which has to be further elevated. That’s why KAEFER collaborates with institutions and associations, and considers it its responsibility to support on-going developments in that area. The active role in organisations like the European Industrial Insulation Foundation (EiIF) and research projects refines KAEFER’s skills and enables the company to support the worldwide insulation market.

Our vision

To eliminate the energy waste

Our mission

To support our clients’ success
we deliver the most professional complete insulation solutions worldwide

Our strategic targets 2017

1. Possess a clear world market leading position in the field of complete insulation solutions
2. Have highly qualified, motivated and safety conscious employees
3. Improve operative margin (CM1b) by more than 25% (compared to 2012)
4. Reach a sustainable operating profit (CM4) > 5%
   - Hold a stable capital structure with equity of over € 250 million and equity ratio of at least 25%:
     - Return on capital employed > 15%
     - Return on equity > 20%
     - Turnover of more than € 2 billion

Our strategic goals

1. Ensure long-term profitable growth with the aim of becoming leader in complete insulation solutions within the targeted markets
2. Provide high quality, cost-effective and cutting-edge solutions with a clear focus on customer needs
3. Ensure highest standards for health, safety and environmental protection through all staff involvement
4. Offer an attractive working environment for qualified and highly motivated employees
5. Maintain a healthy balance between central, regional, and local decision power
6. Continuously improve our processes by implementing Lean Management and sharing best practices
7. Remain an independent, family-owned company to continue sustainable and long term development
Insulation: We are the experts in insulating and equipping industrial and offshore facilities, ships and buildings. We insulate pipelines and turbines; identify sources of noise, and muffle them.

Scaffolding: On construction sites access is a top priority. All contractors must be able to reach the areas where they are needed. To ensure they can, we provide innovative scaffolding solutions, abseiling techniques, and qualified staff which enables servicing, repairs, and inspection of the most hard-to-reach areas. We do this without accidents, on time and worldwide, offshore and on land – in short, we achieve a logistical achievement of the first order.

Surface Protection: Buildings need to be protected. Not only from fire, but also from wind and weather. That’s what our surface protections are for – they ensure that the structure remains intact for longer in case of fire and stops water and oxygen from getting in, so corrosion doesn’t stand a chance.

Interior Outfitting: We outfit interiors and design cabins so that people feel right at home. That’s how we provide optimal working and living conditions and comfortable travel.

Passive Fire Protection: To stop fire, smoke, and toxic gases eating their way from room to room, deck to deck, or floor to floor, our fire-protection systems stop these threats in their tracks. We line rooms with non-flammable, smoke-impermeable materials for example, so that walls, ceilings, and steel structure can resist the flames for longer and poisonous gases cannot disperse.

Asbestos Removal: We remove asbestos and carry out remedial work on buildings and industrial facilities using the latest equipment and appropriate techniques. The highest safety standards and local regulations are followed in all cases.

Insulation: We are the experts in insulating and equipping industrial and offshore facilities, ships and buildings. We insulate pipelines and turbines; identify sources of noise, and muffle them.

Scaffolding: On construction sites access is a top priority. All contractors must be able to reach the areas where they are needed. To ensure they can, we provide innovative scaffolding solutions, abseiling techniques, and qualified staff which enables servicing, repairs, and inspection of the most hard-to-reach areas. We do this without accidents, on time and worldwide, offshore and on land – in short, we achieve a logistical achievement of the first order.

Surface Protection: Buildings need to be protected. Not only from fire, but also from wind and weather. That’s what our surface protections are for – they ensure that the structure remains intact for longer in case of fire and stops water and oxygen from getting in, so corrosion doesn’t stand a chance.

Interior Outfitting: We outfit interiors and design cabins so that people feel right at home. That’s how we provide optimal working and living conditions and comfortable travel.

Passive Fire Protection: To stop fire, smoke, and toxic gases eating their way from room to room, deck to deck, or floor to floor, our fire-protection systems stop these threats in their tracks. We line rooms with non-flammable, smoke-impermeable materials for example, so that walls, ceilings, and steel structure can resist the flames for longer and poisonous gases cannot disperse.

Asbestos Removal: We remove asbestos and carry out remedial work on buildings and industrial facilities using the latest equipment and appropriate techniques. The highest safety standards and local regulations are followed in all cases.

Three divisions, four areas of activity

KAEFER’s complete insulation solutions make the company a sought-after partner for new build and maintenance projects all around the world. Our work is in demand for industry, marine and offshore facilities as well as in the construction sector.

Industry Division: The core business of the Industry Division lies within the areas of Insulation, Scaffolding, and Surface Protection, which is reflected in projects like the Ruwais petrochemical site in the United Arab Emirates, where KAEFER is responsible for insulation work, scaffolding, and painting. Everyday contracts for KAEFER include not only taking on demanding newbuild projects, like the thermal insulation and scaffolding works for the Moorbreg power plant in Germany and the Termosolar Moron solar power plant in Spain, but also long-term maintenance contracts, such as southern Africa’s largest oil refinery ‘SAPREF’.

Marine & Offshore Division: Ensuring that living and working on drilling platforms and ships is safe and comfortable is the job of the Marine & Offshore Division. Its core business includes sophisticated Interior Outfitting in addition to the classic Insulation business. KAEFER offers turnkey solutions for new builds and refits for a variety of vessels: from cruise liners and yachts to navy ships and special-purpose boats. On the cruise ships ‘MSC Divina’ and ‘Preziosa’, KAEFER installed more than 600 prefabricated cabins and associated corridors as well as all fire insulation screens and insulated pipes and ducts of the HVAC systems, thus ensuring safe cruising and comfortable living on board.

Construction Division: The core business of the Construction Division is as complex as it is diverse; covering Interior Outfitting, Passive Fire Protection, Acoustics, and Design. KAEFER’s work varies from the construction of production and office buildings in various industries, to the refurbishment and new build works in airports such as Frankfurt am Main. Furthermore, the German Antarctic Research Stations ‘Neumayer III’ and the Indian station ‘Bharati’ also bear the signature of KAEFER.

In addition to Interior Outfitting and Insulation, Surface Protection and Access Management are also an integral part of the offshore team’s portfolio of core competencies. All interior outfitting and insulation works on the two German offshore wind energy transformer platforms ‘BorWin’ and ‘HelWin’ were provided by KAEFER – another example of a very successful project.
International presence

Being active in more than 50 countries, KAEFER is currently the largest independent company in the global insulation business. The corporate headquarters are located in Bremen, in northern Germany where the company was founded in 1918. They are the centre for worldwide administration and technical support.

KAEFER Sustainability Report 2012

Governance bodies

The executive management of KAEFER is carried out by the Group Executive Committee (GEC*). The GEC is made up of Mr. Peter Hoedemaker (Chairman), Mr. Philipp Dalheimer, Mr. Karsten Gudmundset, Mr. Steen Hansen, and Mr. Robert Skrobisz. The GEC members are appointed by the Advisory Board and report directly to it. The Advisory Board consists of six independent non-executive members who meet a minimum of four times a year. The members of the GEC form the highest operational decision making body in the KAEFER Group. All fundamental or significantly important questions for the Group are handled by the GEC. Each member of the GEC is responsible for specific business activities. The board of directors of KAEFER Isoliertechnik GmbH & Co. KG is made up of Mr. Peter Hoedemaker (Chairman), Mr. Philipp Dalheimer, and Mr. Steen Hansen.

KAEFER Isoliertechnik GmbH & Co. KG’s governance bodies consist of the GEC and the Advisory Board which aims to mirror KAEFER’s international family. KAEFER takes pride in its diversity not just by having representatives with different nationalities. The share of women, who are working in a full range of jobs and responsibilities – including those considered as traditional male roles, is 9% which is considered high in comparison to other industrial companies. KAEFER thrives on the mix of ideas, vision, and knowledge such a combination of cultures creates.

Members of governance bodies according to age groups

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 years</td>
<td>0%</td>
</tr>
<tr>
<td>30 - 50 years</td>
<td>55%</td>
</tr>
<tr>
<td>&gt; 50 years</td>
<td>45%</td>
</tr>
</tbody>
</table>

Share of women in governance bodies

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>9%</td>
</tr>
<tr>
<td>Male</td>
<td>91%</td>
</tr>
</tbody>
</table>

Share of nationalities in governance bodies

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danish</td>
<td>9.1%</td>
</tr>
<tr>
<td>Dutch</td>
<td>9.1%</td>
</tr>
<tr>
<td>German</td>
<td>68.2%</td>
</tr>
<tr>
<td>Norwegian</td>
<td>9.1%</td>
</tr>
<tr>
<td>French</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

KAEFER employee breakdown worldwide

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>7.75%</td>
</tr>
<tr>
<td>Africa</td>
<td>12.66%</td>
</tr>
<tr>
<td>Asia &amp; Australia</td>
<td>14.66%</td>
</tr>
<tr>
<td>Middle East</td>
<td>16.14%</td>
</tr>
<tr>
<td>Europe</td>
<td>48.85%</td>
</tr>
</tbody>
</table>

As of 31.12.2012, without apprentices and temporary staff

Sustainability Champions – ambassadors for a more sustainable world

As the result of our search for a concept that would involve employees in the notion of Sustainability at KAEFER, the Sustainability Champions network was founded in 2011. Our nearly 40 Sustainability Champions work as ambassadors for this topic and serve as a local contact person. They are an important part of KAEFER's Sustainability management and play a crucial role in bringing the whole subject forward as they are responsible for implementing Sustainability on a regional level. Our champions discuss current topics in online meetings, provide input for our regular KAEFER-wide Sustainability newsletter, gather data for the Sustainability Report, and initiate projects on a local and regional level.

Apart from the Sustainability Champions Network, the Sustainability Working Group under the direction of the Chairman was introduced in 2010 to discuss all major subjects of Sustainability at KAEFER. Heads and representatives from different corporate departments, such as Corporate Technology and Research, Corporate Health and Safety, Corporate Supply Management, Corporate Controlling and Corporate Responsibility and Sustainability, meet regularly to discuss these topics and their relevance for KAEFER.
Communicating Sustainability

With the support of our Sustainability Champions, we are strongly focusing on the further communication of Sustainability at KAEFER. Internally, we are using our Sustainability Label for campaigns and initiatives to give the topic a “face”. The label can be found on posters and news that are related to a Sustainability initiative or project. The blue circle with the four sections represents the four equal dimensions of our sustainable mindset. The blue colour symbolizes that we are going further than green by considering all aspects of Sustainability – economic, social, environmental, and cultural.

Another key aspect of our communication efforts is our newsletter that is published four times a year and is available in five languages. It presents current initiatives and projects from all over the world. This newsletter is prepared by the Corporate Responsibility & Sustainability department which is located in the KAEFER Headquarters with the support of the Sustainability Champions.

In 2012, the Corporate Responsibility and Communications department introduced a new label for all kinds of documents that have not been mass printed. By doing so, we strongly believe that we can further increase the awareness for sustainable thinking, acting, and working. This label can also be found in the pdf version of this report.

Our first Sustainability Report, which was published in summer 2012, further supported our efforts in communicating Sustainability – both internally and externally. The Sustainability Reporting at KAEFER aims to show our commitment, the progress we have made so far, and an overview about our goals, projects, and initiatives.

In this second report for the year 2012, you will find Sustainability facts, figures, and stories from KAEFER all over the world. We are proud of our achievements so far, even though we know there is so much more to do. The focus of this year’s report is Health & Safety at KAEFER and the Safety First! campaign.

For 2013, in particular, we will be keeping a close eye on the consumption of natural resources, health, and safety and quality. However, a lot of new initiatives will also be introduced. The overview on the right presents some of the projects for the year 2013.

Our goal is to present our individual approach by showing what Sustainability means for us as a company – locally and globally. We aim at presenting how we integrate economic, social, environmental, and cultural responsibility into our daily business and how opportunities and risks are addressed.

Looking ahead: 2013

<table>
<thead>
<tr>
<th>Running events</th>
<th>In 2013 there are many opportunities to take part in charity and company runs in different countries</th>
<th>Whole year</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAEFER Foundation</td>
<td>The foundation is a non-profit organization and offers support in the prevention of diseases and support for victims of these diseases, education, apprenticeships and training, science and research, protection of the environment and ecosystem; especially climate protection and energy efficiency, as well as the development of projects for younger generations</td>
<td>Whole year</td>
</tr>
<tr>
<td>Support of “Saving Grace” in South Africa</td>
<td>The Preschool and Caretaking Centre provides at least two meals for up to 250 needy children per day through a nutritional scheme</td>
<td>January</td>
</tr>
<tr>
<td>Family Day at KAEFER SA in Poland</td>
<td>Employees and their families meet for the KAEFER sleigh ride 2013</td>
<td>February</td>
</tr>
<tr>
<td>Scholarships</td>
<td>For the second time two KAEFER apprentices are getting the chance to travel to Durban, South Africa and actively support the development of the iSithumba Sportgarten project</td>
<td>February</td>
</tr>
<tr>
<td>Think Quality</td>
<td>Our worldwide quality campaign, focusing on planning, administration, communication and technical aspects starts</td>
<td>March</td>
</tr>
<tr>
<td>“Faces of Sustainability”</td>
<td>Exhibition in the Wilhelm Wagenfeld Haus, a design museum in Bremen which presents employees from KAEFER and other local companies and their views on Sustainability</td>
<td>March – May</td>
</tr>
<tr>
<td>World Environment Day</td>
<td>On 5 June 2013, KAEFER U.A.E. will conduct a tree planting in the desert</td>
<td>June</td>
</tr>
<tr>
<td>MovIEE</td>
<td>The project “Moving India’s SMEs towards Energy Efficiency” (MovIEE) in India will end in September</td>
<td>September</td>
</tr>
<tr>
<td>KAEFER Trophy</td>
<td>Soccer tournament in Bremen which focuses also on the topic of apprenticeships at KAEFER</td>
<td>September</td>
</tr>
<tr>
<td>World AIDS Day</td>
<td>When World AIDS Day takes place on 1 December KAEFER is again taking the opportunity to raise awareness about HIV and AIDS and to think of those affected</td>
<td>December</td>
</tr>
</tbody>
</table>

Analysis of KAEFER’s Sustainability performance

In 2012, KAEFER applied for the CSR award from the German government. The aim of this award is to identify German best practice companies that are conducting business in an environmental, economic, and social sustainable way. One part of the process was to fill out a questionnaire within the categories of “governance”, “market”, “work place”, “environment”, and “community”. Although we did not win the award in our category of companies with more than 5,000 employees, the analysis is of great interest for us as it shows our current position compared to other organisations. We achieved our best result in the category “community” with a score of 51.2 points out of 60. Overall, we scored the average number of points, except for the category “governance” where there is room for improvement, for example concerning stakeholder dialogue.

We will use these results to think about new projects and initiatives and we are convinced that this will help us improve and further spread our sustainable mindset to think, act, and work in a sustainable manner.
Our first stop of the journey: The Economic Dimension

“The quality of work forms the basis for both our long-term customer relationships and profitability”

As presented in our core principle, quality, a long-term view and profitability are fundamental parts of economic Sustainability. Our aim at KAEFER is to ensure sound economic growth, the delivery of high-quality services to our customers, as well as long-term competitiveness and financial success.

The main aspects of our approach are strengthening our profit margin, climate change, training and further education of employees, improving workplace satisfaction, cooperation with universities, and associations.
Economic aspects

KAEFER has grown strongly over the past two decades and today is the world’s largest provider of complete insulation solutions, with a turnover increase from €1.3 billion in 2011 to €1.4 billion in 2012. In 2012, new markets such as Algeria, Morocco, and Turkmenistan were entered, and KAEFER achieved further growth in countries like Brazil and Peru. Moreover, INSCAN KAEFER in Canada joined the group early in 2012 and KAEFER C&D in the UK is now fully owned by KAEFER.

To strengthen KAEFER’s position as a major company with one common brand, common values and processes, “The KAEFER Way” was introduced. “The KAEFER Way” symbolises everything that represents KAEFER – the way we do business, the principles we share, the processes and systems we have, and what we want to achieve as a company. The goal for 2013 is to reinforce our management structure by adapting our Group Management Structure, thereby increasing the empowerment and responsibilities of the regions.

After promoting Health & Safety during 2012, Quality is the focus for the next years. We define quality not only as project-related “technical quality”. Quality is reflected in one of our four core principles and refers to planning, administration, communication, and technical quality. Our aim is to work according to a set of targets and standards in the most professional and efficient way; the result of this will be the strengthening of our profit margin.

Being active globally, we also need a common set of standards and rules that deal with the topics of good governance, lawful and responsible behavior, and the fight against all forms of corruption. In 2011, the KAEFER Code of Business Conduct was introduced. It serves as a guideline that defines correct and responsible business conduct and is a binding internal standard that is based on all relevant laws and applies to all transactions and business activities at KAEFER. In 2012, it was translated into more languages, so that the document is now available in 10 different languages. The main parts refer to dealing correctly with business partners, conflict of interests, relationships with authorities, data protection, sideline work and internal control systems. Queries and uncertainties should be discussed with managers and superiors and can be reported to a specially created email address where the inquiry is treated confidentially, if requested. In 2012, no violations were reported.

Another aspect that is important for us is climate change as the predicted effects that may arise will have an influence on our business. We therefore take this topic very seriously. On the one hand, severe weather conditions, higher risks of flooding and heat waves will have a negative impact on our business activities worldwide. To measure our own CO2 index, we started to set up a carbon template which was developed as part of our Junior Leadership Programme in 2011. This serves as a common standard at KAEFER and ensures that similar data gets collected in all countries. In 2011, the carbon footprint for KAEFER SA in Poland was calculated. Our aim is to spread the usage of the template further, as well as to set targets to reduce our emissions.

On the other hand, in an effort to mitigate the consequences that are likely to occur due to climate change, new standards and rules may come into effect that focus on energy efficiency and carbon emission reduction. In this case, there is great potential for the application of professional insulation, which will lead to good business opportunities for us. We are committed to supporting our clients in increasing energy efficiency in their projects. One way to achieve this is through energy audits like TIPCHECK. The aim of the TIPCHECK programme, which was established by the European Industrial Insulation Foundation (EiiF), is to provide the industry with a standardized thermal energy audit tool. Currently, there are 14 certified TIPCHECK engineers at KAEFER.

First employee survey in KAEFER's history

KAEFER has been growing fast over recent years. We are proud to be seen as a strong and reliable partner worldwide. Our employees are KAEFER’s most important asset. For this reason it is vital for us to ensure that every single one is in good hands and feels at ease within the KAEFER family.

To improve ourselves even further, we were looking for feedback. Therefore, for the first time in KAEFER’s history a worldwide employee survey was set up under the message: “Your opinion counts.” Corporate Human Resources worked closely together with an experienced international service provider and with 35 local KAEFER coordinators worldwide to achieve a very satisfying response rate of 70%.

The results showed that more than half of all employees (58%) are satisfied with the actions KAEFER is taking to be socially responsible.

The KAEFER employee survey will be repeated on a regular basis to guarantee an up-to-date evaluation and to monitor further developments. Our aim is to further improve the results in the years to come to stay an employer of choice.
Success of the MovlEE project

Our MovlEE project (Moving India’s SMEs towards Energy Efficiency) has been running as a development partnership with the Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH since 2009 in the framework of the developPPP programme of the German Ministry of Economic Cooperation and Development (BMZ). A variety of different methods have been used to raise awareness, including five university lectures, nine project publications in the media, 12 presentations at major conferences and summits as well as 22 technical trainings and audits. Currently, more than 2,000 people have received training on energy efficiency using professional insulation and ten industries, both big and small, replicated insulation activities after seeing the successful demonstration of pilot case insulation. This high number of participants shows that people are becoming more aware of the importance of energy efficiency in India.

At the workshops, the KAEFER project manager Yogesh Pandey explained the significance of energy efficiency using professional insulation and introduced our Energy Bus: a mobile communication tool for demonstration and training purposes with direct access to the small and medium enterprises (SMEs) all over the country.

We are convinced that these workshops will enable more SMEs to move towards energy efficiency and to integrate sustainability into their business.

Ecofys study identifies large energy efficiency potential

“Climate protection with rapid payback” is the title of the report prepared by Ecofys and the European Industrial Insulation Foundation, which was published in 2012. The report identifies the large energy and CO2 savings potential of industrial insulation, which is currently untapped. In fact, European industry is losing energy and money every day, emitting tonnes of avoidable CO2 emissions. “With just better maintenance and consistent insulation of industrial applications, about two-thirds of the energy and emission saving potential could be tapped,” says Kornelis Blok, Director of Science at Ecofys. And since insulation investments will usually be paid back in less than one year, this is also a great business opportunity. In light of the aim of reducing the EU’s energy consumption by 20% by 2020, industrial insulation can make its contribution towards reaching this goal. KAEFER is a founding member of the EiiF.
Apprentices at KAEFER

Vocational training plays a key role in KAEFER’s personnel development and is an essential factor of our company’s success. KAEFER offers various commercial and technical vocational training courses and, moreover, a central apprenticeship scheme for the professional insulation fitters or drywall installers in order to satisfy our future demand for experts and skilled workers.

KAEFER entered completely new territory when introducing the central apprenticeship scheme in 2001 with the goal to achieve standardised and high quality apprenticeship courses throughout Germany. This training model consists of three parts: theory classes at the professional school, training of practical skills at specific training centres for all apprentices of the different KAEFER locations in the greater Bremen area, as well as practical application of the learned material on constructions sites of the relevant KAEFER location in Germany.

KAEFER is actively committed to vocational training and has received numerous awards for successful apprenticeship courses. Over the last years, KAEFER has achieved an average apprenticeship quota of approx. 5 % in Germany.

### KAEFER employee gender structure

<table>
<thead>
<tr>
<th>Category</th>
<th>Males</th>
<th>Females</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue collar</td>
<td>93%</td>
<td>7%</td>
<td>93.19%</td>
</tr>
<tr>
<td>White collar</td>
<td>98.61%</td>
<td>1.39%</td>
<td>98.23%</td>
</tr>
<tr>
<td>Management</td>
<td>67.98%</td>
<td>32.02%</td>
<td>68.74%</td>
</tr>
<tr>
<td>Total</td>
<td>87.66%</td>
<td>12.34%</td>
<td>87.72%</td>
</tr>
</tbody>
</table>
Alberta Energy Efficiency Alliance

ALBRICO KAEFER in Canada has been recognised for its support of the Alberta Energy Efficiency Alliance (AEEA) discussion paper on Energy Efficiency opportunities. The AEEA, formed in 2006, is a non-profit organisation that works to promote and develop energy efficiency initiatives in Alberta. We would like to thank our employees for their enthusiastic engagement with the AEEA and their contribution to Alberta on its way to becoming more energy efficient.

Cooperation with Jacobs University

KAEFER has been funding the chair for Renewable Energy and Environmental Politics at Jacobs University in Bremen since 2011. Prof. Karen Smith Stegen, an expert in geopolitics and renewable energy, currently holds the chair. Peter Hoedemaker, underlines the relevance of KAEFER’s involvement: “A professorship that focuses on renewable energy and environmental policy is not only a logical step for KAEFER, but for me personally it is also a necessary investment in shaping a sustainable future.” Ms. Smith Stegen focuses her research and teaching on sustainable energy policy, energy supply security, global warming, and transnational political movements.

Bonn International Summer School

Under the direction of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the accounting firm Ernst & Young, KAEFER joined the first Bonn International Summer School on Responsible Business (BISS), a meeting of 45 international young managers from 24 countries.

During this one-week event in Bonn, Germany, KAEFER took the opportunity to exchange ideas and best practices and to participate in discussions on how to integrate sustainability in business activities. Prominent speakers like Björn Stigson, former president of the World Business Council for Sustainable Development (WBCSD), as well as experts from academic and international organisations enriched the discussions. On the last day, Peter Hoedemaker also joined the event to take part in the open discussions with CEOs from other companies and to have a look at the results.
Our second stop: The Social Dimension

“We care for people and their health & safety”

We have earmarked 2012 as a year for Health & Safety to raise awareness of important aspects of health and safety within KAEFER and to further reduce incident and accident rates. We are a people-intensive company with more than 20,000 employees worldwide and our aim is to provide healthy and safe working environments, to increase the quality of life, and to improve living conditions in local communities.

This focus on health and safety is also reflected in our initiatives and projects worldwide. Other key aspects include helping people suffering from hunger, HIV or AIDS.
Our approach to fighting HIV and AIDS

KARP, the KAEFER AIDS Relief Programme, is one of our longest-running corporate social responsibility initiatives. Originally set up in 2007 in coordination with the German organisation Gesellschaft für Internationale Zusammenarbeit (GIZ), the programme aims to raise awareness about HIV/AIDS as well as to offer testing, training, and counselling to prevent further spread of the disease. The results are remarkable: In 2012, on average of 82% the KAEFER employees in South Africa participated in the voluntary HIV counselling and testing. 11% tested positive.

KAEFER has run KARP independently since 2009 and, as part of our activities, every year on 1 December KAEFER companies worldwide hold events in recognition of World AIDS Day. In 2012, we again vowed to get to Zero: “Zero new HIV infections, Zero discrimination, and Zero AIDS related deaths”.

At the KAEFER Headquarters in Bremen, toys of the Health & Safety mascot Max were sold at the reception which successfully raised a total of €328 euros to be donated to KARP. KAEFER in the U.A.E. invited employees to donate to KARP, distributed red ribbons, and held a special “Toolbox Talk” to raise HIV/AIDS awareness.

KAEFER in South Africa used the occasion to promote general health and held a “Discovery Health Wellness Day” on 26 November. This involved an online questionnaire to help employees learn about their health as well as assessments including HIV screening, Body Mass Index (BMI) measurements, an glucose and cholesterol level checks. Red HIV/AIDS ribbons were handed out to employees who got tested.

The collected money has been transferred to the German World Hunger Aid in order to make other projects of the organisation possible.

Helping hungry people and communities was also the wish of KAEFER in South Africa. On 19 November, KAEFER Energy Projects in South Africa distributed over 500 packages containing portions of meat across four of the most needy communities and charities in Lephalale, located in the Limpopo province of South Africa. The worthy causes receiving the meat included charities and feeding distribution schemes. The packages ensured that over 500 people avoided hunger, at least for a short period. These initiatives demonstrate KAEFER’s dedication to giving to local communities worldwide.

Helping people suffering from hunger

On 28 March 2012, KAEFER supported the donation campaign “1 hour against hunger”. The initiative was organised by the World Hunger Aid organisation on its 50th anniversary. Since its foundation in 1962, the World Hunger Aid, based in Germany, has been supporting around 6,600 projects in 70 countries all over the world. But despite all efforts, more than 6,000 children still die every day as a result of malnutrition.

That is why KAEFER in Bremen as well as Saudi Arabia enthusiastically took part in the initiative to support World Hunger Aid activities.

With the slogan “Donate with each mug”, the Bremen colleagues at the headquarters and the branch office were invited to contribute towards the campaign with every cup of coffee or tea they drank from our coffee machines between 8 am and 9 am.

Saudi Arabia also made a big contribution to the campaign by selling tea cups to their employees on the day. A total of 115 employees dedicated in the initiative by buying tea cups with the inscription “1 hour against hunger”, which were designed and produced especially for this campaign.

The collected money has been transferred to the German World Hunger Aid in order to make other projects of the organisation possible.

Helping hungry people and communities was also the wish of KAEFER in South Africa. On 19 November, KAEFER Energy Projects in South Africa distributed over 500 packages containing portions of meat across four of the most needy communities and charities in Lephalale, located in the Limpopo province of South Africa. The worthy causes receiving the meat included charities and feeding distribution schemes. The packages ensured that over 500 people avoided hunger, at least for a short period. These initiatives demonstrate KAEFER’s dedication to giving to local communities worldwide.
A family day at the head office of KAEFER ENERGY in Stavanger was held in April. Around 100 excited adults and children gathered in the main building for the first ever Family Day.

Family members of KAEFER ENERGY employees enjoyed a guided tour through the prefabrication workshop - one of Europe’s most modern and well-run sheet metal workshops. Children learned about their parents’ workplace through play as the workshop turned into a mini-golf course and spinning room. Other activities included face painting and sack races.

KAEFER ENERGY CEO Bard Bjørshol enjoyed the day along with his family and is convinced of the importance of this event: “We hope that through the inclusion of spouses and children, job satisfaction can be increased and thus build employee loyalty”.

Running for a good cause

One thing that often unites KAEFER employees worldwide is their desire to help those less fortunate than themselves. Although this desire can be seen throughout KAEFER in various shapes and forms, a favourite way for teams to raise money for good causes is by running. Moreover, running not only allows KAEFER employees to support charities; it is also a great way to stay fit, keep healthy and promote teamwork.

The first team to put on their trainers in the hope of raising money was a group of enthusiastic runners from KAEFER Construction who took part in Düsseldorf’s B2Run on 5 July. The charity partner for this run is the hospice “Rainbow Land”, which offers much needed care and support for terminally ill children and their families. Next up it was Thailand’s turn, as 25 keen athletes ran a 10.5km race at the King’s Cup Pattaya Marathon, one of the country’s largest sporting events. Also in July, KAEFERites in Bremen entered the Company Run and sprinted to the finish line for the “Special Olympics Bremen”. This charity is dedicated to providing sporting opportunities for people living with mental disabilities.

September saw a team enter the 4.2km “Wien Energie Business Run 2012” in Vienna, and at the end of the month three more extremely dedicated KAEFER runners, this time from the UK and Poland, completed the Warsaw marathon. The events from 2012 illustrate a variety of occasions for running and helping. In these races alone our participants together ran over 1,200km.

LA 15: Parental leave

<table>
<thead>
<tr>
<th>Men who took parental leave</th>
<th>135</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women who took parental leave</td>
<td>28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of persons who returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
</tr>
<tr>
<td>Woman</td>
</tr>
</tbody>
</table>

Based on data from France, Spain, Australia, Brazil, Canada (INSCAN KAEFER), Mexico, UK, Austria, Poland and Vietnam
Share your warmth

There are around 100,000 homeless people living across the New Delhi Capital Region in India. There is no good time of year to be living on the streets, but the months from November through to February are arguably the worst. With harsh winter conditions and temperatures as low with a lack of shelter and improper clothing result in many deaths every year. In response to this distressing fact, KAEFER in India launched an immediate social initiative from 10 to 20 December called “Share Your Warmth” and appealed to employees to bring in old, warm winter clothes to be donated to the homeless. From the old jumpers lying at the back of the wardrobe to the woolly hats that hadn’t been worn for years, donations flooded in and the campaign was a resounding success.

Supporting female students in South Africa

Developing talents and supporting local communities, are key to KAEFER. In South Africa, some families find it difficult to finance their children’s education. Therefore, in 2011, KAEFER Energy Projects launched the Mathari Trust Bursary Programme to help academically deserving and financially disadvantaged black women to further their studies. Admission criteria include academic achievements, financial need, and the candidate’s attitude toward continued learning. Five women received a KAEFER bursary since the initiative began in 2011.

Giving in order to support people in need: U.A.E. Charity Fund

Caring about people and communities is a core aspect of our sustainability approach. In November 2012, in response to suggestions made through the KAEFER Employee Survey, KAEFER U.A.E. launched a charity fund to support people in need. Employees of the Mussafah Office, the Ruwais Camp, and all other sites have been invited to donate to those less fortunate than themselves as and when they can. Collection boxes have been placed at various locations and money is removed regularly. A committee, with ideas from all employees, collectively suggests and decides where help is needed most. Many employees have already made contributions and are delighted to be able to help others on a more regular basis. And the result is overwhelming; when the boxes were emptied at the beginning of 2013, a total of AED 27,000 (around € 5,600) had been collected. The committee decided to support the family of an employee of KAEFER U.A.E. who passed away recently.

Support of schools in local communities

In 2012, KAEFER KOSTEC (Peru) began working as subcontractors for KAEFER SOUYET (Chile) on a project in south Peru, KAEFER SOUYET’s first overseas project. Whilst undertaking this engineering and thermal insulation work, the company started to support the Sagrada Familia School in the community of Espinar. The Sagrada Familia School is a school for children with special needs and, in order to contribute to this cause and help improve the quality of life for these children, KAEFER SOUYET donated 14 therapy mats, a wheelchair and 2 canes for the blind. Thanks to these contributions, lots of children have benefited and the support was very welcomed and thanked by the children through a variety of performances including dancing and poetry.

KAEFER in New Caledonia is also committed to serving the local community by helping in schools and supporting education. It already started in May 2011 when KAEFER employees assisted the local Oundjo School by renovating the buildings. In 2012, following on from the project’s success, KAEFER donated a computer to the school, which will allow the children to acquire vital PC skills and improve their knowledge about computer technology, which is becoming ever more important in today’s working world. The children were delighted to receive such a gift and the donation further enhanced KAEFER’s highly valued presence in the local community.
KAEFER Health & Safety Year 2012

Health and safety is not just about rules but also about attitude and behaviour for working together towards making a healthy and safe environment while being committed to improvements at all times. Health and safety has always been a focus topic at KAEFER and will remain so, as a safe and good working environment is a fundamental pre-requisite for sustainable growth. The notion of this is also expressed in one of our four core principles: “We care for people and their health and safety”.

KAEFER has earmarked 2012 as the year for Health & Safety to raise awareness of important aspects of health and safety within our organisation and further reduce incident and accident rates. The plan for this year was to ensure that we emphasise five key topics to all our employees:

- Risk assessment
- Training
- Health
- Work at height
- Manual handling

These topics were addressed in bi-monthly campaigns starting in March 2012. All activities were supported by different communication tools such as short clips, posters, letters, and a calendar. Moreover, with the help of the Health & Safety expert Max, and his friends, different initiatives and projects have been launched all over the world. There is also a notable difference in the frequency with which health and safety topics are discussed at KAEFER. Our aim is to keep this up and to follow our way of achieving a 20% reduction in the Lost Time Injury Frequency (LTIF) rate every year.

The Health & Safety campaign was a huge success; both the Lost Time Injury Frequency reduced by 26% and Total Recordable Cases Frequency (TRCF) reduced by 25%, even exceeding our 20% reduction target year on year.

However, there is still room for progress! By continuing to increase awareness of Health & Safety at all levels at KAEFER, we can pursue to decrease incident rates, with the ultimate goal of achieving zero.

Meet Max - our Health & Safety expert

In 2012 we started our first global campaign, which focused on one of our four core principles: We care for people and their health and safety. To spread the message of Health & Safety around the entire KAEFER world, a new outstanding colleague appeared on the KAEFER sites and in the offices worldwide: Max.

It was Max’s major task to support the campaign and to remind all employees worldwide of the core message: SAFETY FIRST! Doing this, he raised awareness in numerous ways. On one hand, Max loved spreading the message by being featured in movies and displayed on posters or by distributing little Max toys. On the other hand Max, liked to take part in our events and activities. Attending the KAEFER International Soccer Cup, Max enjoyed meeting KAEFER fellow colleagues from different countries and experienced a great commitment. Another journey led Max to Middle East, where he took the opportunity to show to his colleagues his appreciation for the tremendous support he received by raising awareness for health and safety. We want to thank Max for doing such a great job in supporting the Health & Safety campaign worldwide.

Health & Safety achievement calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 January 2012</td>
<td>Start of the KAEFER Health &amp; Safety campaign</td>
</tr>
<tr>
<td>01 February 2012</td>
<td>KAEFER SOLUYET (Chile) achieved the best possible local rating regarding health and safety after a sustained reduction in the incidents’ rate</td>
</tr>
<tr>
<td>10 February 2012</td>
<td>Implementation of the corporate HSEQ policy starts</td>
</tr>
<tr>
<td>March 2012</td>
<td>KAEFER KOSTEC, (Peru) successfully completed 25,000 man hours with no lost time injuries on the Cemento Andino (CASA) project</td>
</tr>
</tbody>
</table>
Within the KAEFER Health & Safety Year, one of the focus topics was “Health”. It is our priority as a company to protect the health and well-being of all employees through the prevention of any kind of illness. In India, KAEFER organised an “Employee Wellness Camp” offering free health check-ups for the head office in Gurgaon. For this occasion KAEFER Punj Lloyd Ltd. and KAEFER Engineering India cooperated with a renowned local hospital.

The services were not only open to our employees but also to sub-contractors working in this office. In Chile, on 10 August KAEFER SOUYET organised a “Health Day” including a healthy breakfast aiming to promote the consumption of healthy food. Moreover, on 31 August a health check was offered to all employees.

KAEFER International Drawing and Painting Competition

Thinking and acting on a long-term basis means involving the next generations in our health & safety efforts. KAEFER children from all over the world supported the Health & Safety campaign by taking part in our International Drawing and Painting competition. Over 120 entries were received from children using their artistic skills to advocate their parents’ health and safety in the work place. Entries ranged from portraits of Max to thoughtful safety slogans. The strength of the entries made choosing winners very difficult, and we are proud to announce the winners from different countries in each age category: Shalck Mohan (6), Angel Shibu (9), Faiza Hafeez (10), and Namita Annie Ninam (15).

The “Marathon towards Safety” was part of KAEFER U.A.E.’s mission to make safety a personal priority for all employees and to encourage them to be accountable for their own safety and for the safety of those around them - 24 hours a day, 7 days a week, 365 days a year.

KAEFER encourages all employees to take care of their health and the well-being of others.

In keeping with the idea that health is an essential topic for us, KAEFER encourages all employees to take care of their health and the well-being of others.

Taking care for health and well-being

Marathon towards Safety
Health and safety at school

Community engagement and involvement of young people was also part of the Health & Safety Year 2012. KAEFER C&D went back to school and got involved in a project to promote Health & Safety at work among 14-19-year-old students in schools in the UK. The company supports the work of the British Safety Council (BSC) as they provide a eight hours of structured training per student that covers topics such as safety signs, fire safety, hazard awareness and protective equipment. After having completed this course, KAEFER visited the schools for half a day, offering an interactive training session involving quizzes, presentations as well as handing over certificates to all those who attended.

In September, KAEFER in Abu Dhabi carried out a different programme at Sunrise English Private School. This time, the focus was on educating the teachers about the importance of health & safety. Also, they raised awareness about the topic in general through an outreach workshop to ensure that the knowledge can be shared with students year after year.

Together with the Health & Safety Drawing Competition, we want to share our enthusiasm and commitment towards health & safety with the next generation.

Slow down - your family is waiting

In Australia, KAEFER NOVACOAT invited all employees to a creative competition to find a catchy and thought-provoking slogan that reminds everyone to follow the car-park speed limit of 10km/h. Now, the winner’s slogan SLOW DOWN - YOUR FAMILY IS WAITING FOR YOU is written in large red letters across one of the buildings. This is a different take on safety, one that was also recognized in the local newspaper. The whole initiative shows that this message has a huge impact on KAEFER - both internally and externally. And by writing something a little unusual and by being a little bit more creative, KAEFER NOVACOAT has really made everyone think about the reasons behind rules and regulations.

Very successful conclusion of the Health & Safety Year

Health and safety even played a role at the KAEFER U.A.E. annual staff party, which was held on 27 December 2012. In an effort to conclude the successful Health & Safety Year in a memorable way, the company’s Safety Manager walked on stage with four children of KAEFER employees, all wearing Max costumes.

Each Max represented one of the five stages of the Health and Safety Year, namely: risk assessment, training, health, work at height, and manual handling. A short show was performed as each of the stages were again identified and explained to remind all employees of the importance of every aspect.

The performance really illustrated how deeply the messages of the Health & Safety Year had been rooted not only in the employees’ working lives, but also how the ideas had been taken back to their families and become part of their everyday life.

LA 7: KAEFER’s health and safety statistics 2012

| LTIF | 25.19% improvement |
| TRCF | 25.34% improvement |

- LTIF: Lost Time Injury Frequency per million work hours
- TRCF: Total Recordable Case Frequency per million work hours

---

**September 2012**

Congratulations to KAEFER C&D for achieving 1,500,000 man hours without a lost time incident the Ratcliffe Power Station

**October 2012**

The KAEFER ISOBRAZIL, José Janilson Nunes Walfré (project manager) was awarded with a prize for “Excellence in Health & Safety” by Karsten Gudmundset

**November 2012**

PKO ORLEN, a major oil refiner and petrol retailer based in Poland, awarded KAEFER SA with the “Safe Contractor for Renovation 2012” for the company’s work and commitment to the safe renovation of ORLEN’s production installations
Our third stop: The Environmental Dimension

“We take environmental responsibility”

At KAEFER, we strongly believe that we are responsible for our environment and we take this task very seriously. The Environmental Dimension is of great interest for us as we work hard towards the fulfilment of our vision “to eliminate the energy waste”.

On the one hand, our services allow our customers to save energy and reduce emissions. On the other hand it is about how we reduce our ecological footprint in our offices, on-site, and in communities, and how we deal with topics like scarce resources, energy efficiency, renewable energy, material consumption, and recycling.
Think before you print!

The printing concept of the headquarters in Bremen is mainly focusing on having one to two printers per floor instead of a high number of printers for every user. This helps us to save energy and precious resources. In the U.A.E. this concept was also implemented by IT in 2012, which is not only energy efficient but also allows analysis of the paper consumption.

As reported last year, the KAEFER Headquarters already monitors its paper consumption and aims to continually reduce the amount of paper used for printing. KAEFER Headquarters has decreased its annual paper consumption by 2% between 2011 and 2012.

This decrease in consumption of paper corresponds to a 104kg reduction in waste paper, a 390kWh reduction in water consumption and an 83kg reduction in CO2 emissions.*

Our aim is to further decrease paper consumption in 2013.

Total number of prints

<table>
<thead>
<tr>
<th>Year</th>
<th>B/W prints</th>
<th>Colour prints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>236,891</td>
<td>756,086</td>
</tr>
<tr>
<td>2012</td>
<td>245,207</td>
<td>749,118</td>
</tr>
</tbody>
</table>

*Source: http://www.initiative-papier.de/docs/Nachhaltigkeitsrechner_aktiv.pdf

Renewable energy

Implementing renewable energy resources to successfully and sustainably tackle the depletion of the earth’s resources, the growing pollution and global warming challenges people worldwide to implement mature technologies such as Wind Turbines, Geothermal, Photovoltaic and Hydropower Plants and to shape new and innovative solutions such as Concentrated Solar Power.

The future of Concentrated Solar Power technology strongly depends on achieving higher temperatures and overall plant efficiency for reducing its levelized cost of energy. For this purpose, KAEFER is committed to implementing its experience and competencies to work in developing this technology and contributing to our environment.

However, it is not only what we can do for our customers, it is also what we can do at our locations. One best practice is KAEFER C&D where two wind-driven turbines have been installed on the grounds of the Riverside House Site in Jarrow.

The steel turbines, which were installed on 4 September 2012, after a two-year negotiation and discussion period, stand 20 metres tall, can be raised and lowered within two hours and are easily dismantled. They are capable of producing 15 kilowatts each and are the world’s most robust small scale wind turbines. They stand out from all other small-scale wind turbines due to their unique blade and hinge design which allows them to regulate their rotational speed and therefore maximise output. They will not only supply sufficient energy to power both the office block and the fabrication workshop, but also enough so that there is some left over. This excess electricity can be sold to the National UK Power Grid, thus providing the company with a profit in the long run. It is estimated that the turbines will take about seven years to pay back their initial costs.

A Wind Power Electronic Display monitor has also been installed in the office reception which shows the power output, total energy generated, and carbon emissions avoided. The power output figure changes throughout the day depending on the strength of the wind. Each unit is fitted with an internal safety system which means that, should the wind strength become dangerous during continuous operation, the wind turbine will shut down.

Between the months of September and November, the turbines generated over 8,000 kWh of power and there have been some significant reductions, with 5,000 KG currently having been saved. Installing these turbines in the UK, where there is the capacity to generate a great amount of wind energy, highlights KAEFER’s commitment to using renewable resources and corresponds with KAEFER C&D’s mission to reduce their carbon footprint.

The KAEFER offices in Bremen are also using energy from renewable sources that is produced and fed into the European grid by hydro power plants in Norway. Moreover, a photovoltaic system with 75 modules has been installed on the rooftop of the corporate headquarters in Bremen, Germany. The system has an overall performance of 14.25 kWp¹ and its current performance can be tracked using an online tool.

¹ kWp indicates the output power of a solar module under full solar radiation.
Material and energy consumption at KÄFER

Our core business is insulation. As insulation has multiple applications in a wide range of industries, a great variety of materials are used in our daily business. Insulation components and materials are key elements of a reliable and professional insulation system and they therefore form the basis of our work.

The main materials used at KÄFER worldwide are various insulation materials, metals like aluminum, galvanized steel and stainless steel, as well as coatings and scaffolds.

EN 3: Direct energy use - total reporting period 2012

In some countries, diesel generators are used to produce energy. This consumption is reported under EN3.

EN 4: Electricity consumption in kWh per capita

The chart shows the electricity consumption per capita. When comparing the results of 2011 with this year’s figures, deviations occurred which require an in-depth analysis. This will be assessed in 2013.

Compared to 2011, the percentage of different energy sources varies in 2012 as more countries joined the reporting. The share of diesel dropped and the percentage of gasoline and oil increased significantly.

Consumption reported from Australia, India, Brazil, Canada, Mexico, Qatar, South Africa, Saudi Arabia, Austria, Germany, Poland, Abu Dhabi, Spain and UK

Green transformation at KÄFER

KÄFER is one of the 10 best practice companies within the German initiative “green transformation” from the non-profit agency “energiekonsens”. The participating companies present their individual approach and success stories regarding climate protection and implementing energy efficiency strategies. KÄFER’s presentation shows the role of our Sustainability Champions as change agents and how the topic is linked to our business.

In general, the non-profit project aims to support managers in Germany to integrate processes that help to protect the climate within their daily business operations and work towards a climate protection friendly corporate culture.

INSCAN KÄFER sustainable cups

INSCAN KÄFER in Canada, which joined KÄFER in 2012, has replaced its traditional polystyrene cups with new cups made from corn, thereby avoiding the shocking negative impacts associated with polystyrene production and waste.

The new corn cups don’t just avoid damaging substances, such as benzene and styrene, but they are also completely compostable and will not contribute to growing landfill sites.
Water consumption and waste

For the year 2012, information on water withdrawal and waste was collected among those countries that have already been part of the Sustainability Report 2011. As these are the first data on water and waste, a comparison is not possible.

The water withdrawal refers to the head offices in the different countries. Within the next years the number of countries that report on water and waste should be increased to enable a comparison and detailed analysis on both aspects.

EN 8: Water withdrawal in m³ per capita

<table>
<thead>
<tr>
<th>Country</th>
<th>Water Withdrawal (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>20</td>
</tr>
<tr>
<td>Austria</td>
<td>15.96</td>
</tr>
<tr>
<td>Australia</td>
<td>14.71</td>
</tr>
<tr>
<td>Germany</td>
<td>12.85</td>
</tr>
<tr>
<td>India</td>
<td>10.07</td>
</tr>
<tr>
<td>UK</td>
<td>8.48</td>
</tr>
<tr>
<td>Qatar</td>
<td>8.13</td>
</tr>
</tbody>
</table>

For the countries India, France, Germany, Poland, Spain and the UK.

Reducing our carbon footprint

Reducing emissions by saving energy consumption and implementing waste management will improve cost efficiency and bring savings. By measuring its carbon footprint, KAEFER will be prepared to meet the clients’ expectations in this area, which is becoming more and more important. There are also many regulations that aim to reduce emissions, and in future, these could become mandatory for many KAEFER companies worldwide. As a consequence, a team within the KAEFER Academy’s Junior Leadership Programme developed an Excel-based template to calculate and compare CO2 emissions at KAEFER worldwide. The template includes data regarding fleet consumption and other fuels, electricity and heating, water consumption, paper usage, waste production, and travelling. Measuring and analysing these results helps us to understand our impact and work on decreasing our emissions.

In line with this commitment to reduce the impact of our CO2 emissions, the Green Car Policy in Germany was adapted in 2012. This policy was introduced in 2010 to improve the carbon footprint of the fleet. The aim is to reduce the emissions and to harmonise the fleet policy step-by-step. In 2012, the maximum limits for CO2 emissions were decreased by an average of 12% compared to 2010.

Carbon Template

In the text above, we presented the carbon footprint calculation project as part of the Junior Leadership Programme of the KAEFER Academy. The team developed a globally applicable template for calculating the carbon footprint at KAEFER. Our plan was to complete this template for all countries that reported data for the Sustainability Report in 2012. Due to the varying information available at some locations and different quality of data, we noticed that there are still some hurdles to overcome. Only four countries Germany, Poland, Spain, and UK reported enough information to be considered as representative. They totalled a consumption of 11,669.55 t CO2eqv. However this does not cover all their operations, as we discovered that some information required to fill the KAEFER Carbon Template is exclusively collected for the administrative offices, others are combined in lump sums, and some are only available for the whole company. Therefore, it is currently impossible to calculate consumption per capita or compare the countries with each other. Our plan for 2013 is to gain more experience in collecting information and increase data availability and quality. This will enable us to complete the Carbon Template for more countries and compare the different consumptions with each other.
Cork recycling

In 2011, KAEFER WANNNER in France launched an initiative to collect corks to recycle them as insulation material. Cork was already discovered for this purpose by the ancient Greek and Romans. As industrialisation took place, cork was used as insulation for icehouses and when mechanical refrigeration was developed, it was used to insulate pipes and equipment as well.

Within the cork recycling initiative, employees are encouraged to collect corks at home and bring them to work where containers are available. These containers are collected by an association called “The chain of cork”, a non-profit association that recycles cork into insulation material intended for subsequent resale. The profit is used to support the ADEPHA (Assistance Association for Disabled) centre by buying equipment like wheel chairs, for disabled people.

Furthermore, KAEFER WANNNER employees participated in a solidarity day to sort natural corks from plastic ones.

The initiative of KAEFER WANNNER is sustainable in many ways. The recycling helps to preserve natural resources by giving the corks a second life. Moreover, insulation increases energy efficiency and additionally, a good cause is supported which shows KAEFER’s multifaceted approach to include all dimensions of our sustainable mindset in our activities.

Eliminating the energy waste in Bremen’s branch office

KAEFER has renovated one of its office blocks in Bremen in order to improve energy efficiency. The implementation of the energy saving measures at the Getreidestrasse site began in June and the work was completed in November 2012, taking a total of five months to fully implement. The renovation process involved a variety of procedures, from the fitting of new electricity cables to replacing the windows and doors, all of which capture KAEFER’s vision “to eliminate the energy waste”.

In September, as one part of the renovation work to make the Getreidestrasse building more green and energy efficient, 150 neon lights were replaced by LED lights. LED lights are cheaper and easier to maintain, flicker-free and, most importantly, use far less power than neon lights. Moreover they have a higher life expectancy meaning that fewer resources are required in the long run. Each LED light provides power savings of approximately 45W, leading to CO2 savings per light of 58kg per year, and therefore, total CO2 savings of around 8,700kg per year. The replacement of the windows, and the installation of roller blinds in the apprentice classroom will also help the Getreidestrasse save energy and money with yearly savings of 5,000kWh and 300 Euros.

Overall, the renovations will provide yearly gas reductions worth roughly € 16,980 s and electricity reductions of € 5,460. In total, the Getreidestrasse site will lower its energy requirement by around 320,000kWh per year, resulting in savings of approximately 22,000 Euros.

Further energy saving measures are also planned for 2013: 30 neon lights will be replaced by LED lights and 280 old neon lights will be replaced by TL5 lights. These planned changes will reduce the yearly energy requirement by approximately 21,000kWh and save a further 3,000 Euros per year.

This project illustrates the benefits of small changes which can lead to impressive savings in both energy and money and which will have a positive impact on the environment.
Our fourth stop: The Cultural Dimension

“We respect cultural differences and promote value-based leadership”

With more than 20,000 people in over 50 countries speaking 30 different languages, we are in touch with many cultures, languages, and traditions every day. Culture not only includes aspects such as music and arts but also lifestyles, values, and traditions that have an impact on who we are and how we act. Therefore, culture is seen as a separate, equal dimension within our sustainable mindset.

In this year’s report, the initiatives and projects from all over the world focus on topics like photography, traditions, theatre and literature.
**KAEFER in colours – Photo Competition 2012**

As a result of the great success of the KAEFER International Photo Competition in 2010, as well as the many requests we received, the KAEFER photo competition, which focuses on KAEFER’s culture, was repeated in 2012.

The second competition was launched with the motto “KAEFER in colours” showing our diversity around the globe. Within three months, 238 enthusiastic participants from 23 countries handed in 631 photos showing their interpretation of our value of “common spirit – local diversity” by capturing anything which crossed their lenses. The most important goal of strengthening the identification of our employees with our company was a great success. Several projects profited from this great selection of photos, for example, a 3x3m Microsorber photo wall has been created on the fifth floor staircase in the Bremen headquarters, and an exhibition in Bremen that is planned for 2013. The photos have also been used for the cover and different chapters of this report.

---

**KAEFER supports the “Theatre for One Smile”**

On 17 May, KAEFER SA Poland continued its support of “The Theatre for One Smile” – a nonprofit organisation, which aims to give sick and lonely children in Polish orphanages, care institutions and hospitals a few moments of joy. Actors performed “The Story of the Old Clock” for around 30 young patients of the Silesian Centre for Heart Disease in Zabrze. Afterwards, the children played with the actors and received presents purchased with the support of KAEFER SA.

---

**ECHO Classical Award for the “Future Lab” of the Deutsche Kammerphilharmonie Bremen**

One of KAEFER’s long running corporate responsibility projects is the ongoing sponsorship of the Deutsche Kammerphilharmonie Bremen, an orchestra with many different aspects. On one hand this orchestra has held world class, often sold-out concerts and is a very highly valued aspect of Bremen’s culture scene. On the other hand, unconventional paths and ambitious plans reflect the spirit of the Deutsche Kammerphilharmonie Bremen.

“Follow your dreams and make them come to life, be guided by curiosity” – this principle has often opened the doors to personal development for the musicians. These are experiences that the orchestra constantly endeavours to pass on. This spirit is also reflected in the “Future Lab”, a project which aims to engage young people from all cultures, backgrounds, and religions in the world of music and to make music accessible in a variety of ways.

In recognition of such an inspirational initiative, the “Future Lab” was awarded with the ECHO Classic Prize 2012 in the category “Promoting Young Talents”.

---
KAEFER’s international sports events

On the surface, playing sports may just seem like a great way to stay fit and healthy but more often than not, it is about a lot more. KAEFER companies worldwide have regularly organised or participated in large sporting events as a way to promote teamwork, to meet employees from different countries, and even to just have some fun.

Two such events from 2012 were the KAEFER Middle East Cricket Tournament in Abu Dhabi and the KAEFER International Soccer Cup which was held in Berlin, Germany.

On 29 and 30 March 2012 KAEFER Abu Dhabi, KAEFER Qatar, and KAEFER Saudi Arabia entered teams for the first KAEFER Middle East Cricket Tournament at Abu Dhabi’s Mirfa Cricket Ground. The first round of matches saw Abu Dhabi’s and Qatar’s teams beat Saudi Arabia’s. The final took place on the following day and KAEFER Abu Dhabi soared to victory as they beat KAEFER Qatar. The victorious team very proudly received the champions trophy but the fun, new friendships, and high-spirits were shared by all participants. The two days of cheer and charm were witnessed by Middle East Management and hundreds of employees from various KAEFER projects in the region.

Six months later on a completely different continent, KAEFER employees came together once again. On 7 September 2012, 16 KAEFER teams from across Europe travelled to Berlin to compete for the prestigious KAEFER International Soccer Cup. The tournament, which celebrated its 10 year anniversary, takes place every two years and is a great opportunity to meet fellow KAEFER employees from different countries and share an exciting weekend.

With the first matches kicking off on the Friday afternoon, the tournament spread across the entire weekend and comprised of 44 matches in total. The majority of the teams started into the tournament with the very clear objective of winning the cup and it was immediately obvious, that all teams would have to do more than just their best to be in with a chance of going home with the trophy.

As defending champions and the host team, KAEFER Construction was under a lot of pressure to perform well and, following some grueling games, the team managed to push its way to the final for a second year running, this time against Team Germany. And, just like last time, the tournament was to be decided by an exciting penalty shoot-out. All participants gathered around the pitch to watch it together and the atmosphere was fantastic. It was a thrilling shoot-out and in the end, the champion of the former cup defended its title – indeed for the first time in the KAEFER Soccer Cup history.

The winner of the KAEFER International Soccer Cup 2012 was Team Construction! Team Germany I won second place and Team Poland II came third.

All the other teams finally stepped back from their objective to win and collectively agreed on another great attitude towards the event; they played for fun and showed that it’s just the taking part that counts.

During the award ceremony Saturday evening, Team Poland I was announced as the winner of the Fair Play award. But at the end of the day, it was not about winners or losers, it was about team spirit, about friendship, about sharing a moment – about the KAEFER Way!

In addition to all of these fantastic results, at the heart of the entire weekend, were the themes Health & Safety, sustainability, fairplay and sportsmanship.

As no serious injuries occured, all the hard work paid off. And, thanks to the CRS water station, all players stayed hydrated as they were provided with refillable bottles to ensure that they drank enough without producing unnecessary waste.

After such a great few days, no matter who won or lost, everyone agreed, that it was another great tournament. In the end there was just one big question left to be answered: When and where will the next KAEFER International Soccer Cup take place? Although the place is not defined yet, one thing is for sure: The next Soccer Cup which will take place in 2014.
Entering into the spirit of giving

Christmas is not only a religious holiday but it is also the time for giving and caring about those who are in need.

In Poland, KAEFER SA cooperates with Nobel Package, a unique charity activity that aims to “bring the Christmas spirit to those in need it”. The organisation of volunteers partner families in need with companies and individuals willing and able to help. In 2012, KAEFER in Poland took part in this initiative for the fourth time and partnered with a young family desperately in need of a renovated kitchen. KAEFER collected 15 packages of material aid and organised a company-wide cash collection for the renovation. Thanks to the commitment of the Construction Department, the new kitchen was a complete success and the family was able to celebrate Christmas with smiles on their faces.

In Spain, KAEFER Servicios Industriales donated to UNICEF in their main customers’ names and sent a card with a video link to show how the donation helped. UNICEF (United Nations Children’s Fund) is the largest organisation in the world for matters concerning children. One of its focus areas is on developing water supplies to help improve and even save the lives of children.

KAEFER Thermal in South Africa supported the Fountain of Love Orphanage which provides care for children who have HIV or have lost both their parents through HIV/AIDS. On the 5 December 2012, KAEFER employees handed over a pile of Christmas presents and even KAEFER’s Santa Claus made an appearance. The children at the orphanage danced for the crowd of volunteers and prepared a poem for KAEFER to show their appreciation.

In Bremen, for the second year in a row, the KAEFER Headquarters building magically transformed into an advent calendar. Each of the 24 windows on the front of the building contained a large red package with a number on the front and every morning a different department had the opportunity to open the parcel for the day. Each parcel contained a letter telling us that a small amount of money had been donated to a local charity, good-cause or initiative which meant that 24 different welfare organisations in Bremen were supported by KAEFER.

All of these initiatives are festive examples of KAEFER’s year-round commitment to helping people who are in need.

Books for Hogar de Niñas del Buen Pastor

As part of its engagement with local communities and future generations, KAEFER SOUYET (Chile) has been supporting Hogar de Niñas del Buen Pastor for over three years. This is a foster home in Chile that aims to provide care to young girls that have been referred due to difficult social backgrounds.

From 4 to 14 December 2012, employees were invited to donate old and new books and the collection point was soon overflowing. More than 800 books of all genres were donated – a great support for the children at the girls’ home Hogar de Niñas del Buen Pastor.

CSR certificate awarded to KAEFER Saudi Arabia

In recognition of its ongoing efforts to support people with disabilities, KAEFER Saudi Arabia has been awarded a corporate social responsibility certificate by The Muder Charitable Trust. Around the world, people with disabilities often face difficulties and discrimination in their everyday lives. KAEFER Saudi Arabia’s efforts to provide equal opportunities, by actively hiring employees irrespective of any disability, have resulted in disabled people holding roles in various areas including administration, translation and Arabic document preparation. This initiative really makes a difference and serves as a best practice within KAEFER.

LA13: Nationalities - 10 most common nationalities

1. Indian
2. French
3. Polish
4. German
5. British
6. Spanish
7. Nepalese
8. Norwegian
9. Brazilian
10. Mexican

Based on data from Australia, Brazil, India, Vietnam, Germany, Norway, Poland, France, Mexico, Austria, Saudi Arabia, Norway, Spain, UK, Canada, Qatar
Our last stop: About this report

The Sustainability Reporting at KAEFER aims to show our commitment, the progress we have made so far, and to share our ideas, projects, and initiatives that are related to Sustainability.

This is the second report for KAEFER which covers the year 2012. In the summer of 2012 the first report for KAEFER was published. Collecting the data, writing the report, and gathering the feedback proved to be a huge learning curve for us, which has added great value to our business.
Reporting details

The Sustainability Reporting at KAEFER aims to show our commitment, the progress we have made so far, and to share our ideas, projects, and initiatives that are related to Sustainability.

This is the second annual report for KAEFER which covers the year 2012. In the summer of 2012 the first report for KAEFER was published for the year 2011. Collecting the data, writing the report, and gathering the feedback proved to be a huge learning curve for us, which has added great value to the business of KAEFER.

We have chosen to apply the internationally accepted Guidelines in version 3.1 of the Global Reporting Initiative (GRI) to report at application level C. The information contained in this Sustainability Report has not been audited by a third party, but we strongly believe that the given information and data along with the KAEFER website is sufficient to meet the requirements of GRI for level C. The provided data refers to 17 countries:

> Australia
> Austria
> Brazil
> Canada
> Germany
> France
> India
> Mexico
> Norway
> Poland
> Qatar
> Saudi Arabia
> South Africa
> Spain
> U.A.E
> United Kingdom
> Vietnam

In our second report we have expanded our scope by including more locations and indicators in our Sustainability Report. In accordance with the GRI Guidelines, we defined the topics that are material for KAEFER by conducting an internal materiality survey in close cooperation with the Sustainability Working Group and the Sustainability Champions Network. Due to commercial sensitivity, KAEFER’s Health & Safety figures have been excluded from this report. Although we took great care when collecting and analysing the data, mistakes cannot be excluded with absolute certainty.

The articles have been created by the members of the Corporate Responsibility & Communications department. They are not professional writers but they participated in some of the projects and initiatives presented in the report and therefore have a different view on these topics than an external journalist may have. At the same time, this also shows the diversity of KAEFER which is reflected in their different writing styles.

And the photos that can be found on the cover as well as on the introduction pages of the different chapters have been taken by KAEFER employees. They have been handed in within the KAEFER International Photo Competitions in 2010 and 2012.

For more information please do not hesitate to contact us at crs@kaefer.com.
Materiality

KAEFER operates within a complex and diverse network of partnerships. Our key stakeholders are our employees worldwide, our customers, and our competitors as well as local communities.

These groups are influenced by all of our activities. Determining materiality for us means identifying key topics that are essential to us and our stakeholders. Our first step included making an analysis of the key issues relating to Sustainability with regard to customers and competitors. In the next step, the members of the Sustainability Working Group and the Sustainability Champions Network took part in a survey about priorities. Due to their different backgrounds, working environments, and locations, we received a full picture about major topics worldwide. These were ranked to identify the most important indicators for KAEFER.
<table>
<thead>
<tr>
<th>Index</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vision and Strategy</td>
<td></td>
</tr>
<tr>
<td>1.1 Statement from the most senior decisionmaker of the organisation</td>
<td>4</td>
</tr>
<tr>
<td>2. Organisational Profile</td>
<td></td>
</tr>
<tr>
<td>2.1 Name of the organisation</td>
<td>6, rear cover</td>
</tr>
<tr>
<td>2.2 Primary brands, products, and/or services</td>
<td>6, 7</td>
</tr>
<tr>
<td>2.3 Operational structure of the organisation</td>
<td>8</td>
</tr>
<tr>
<td>2.4 Location of organisation’s headquarters</td>
<td>8</td>
</tr>
<tr>
<td>2.5 Number of countries, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report</td>
<td>6, 11, 32</td>
</tr>
<tr>
<td>2.6 Nature of ownership and legal form</td>
<td>8</td>
</tr>
<tr>
<td>2.7 Markets served</td>
<td>7</td>
</tr>
<tr>
<td>2.8 Scale of the organization</td>
<td>6, 8</td>
</tr>
<tr>
<td>2.9 Significant changes during the reporting period</td>
<td>11</td>
</tr>
<tr>
<td>2.10 Awards received in the reporting period</td>
<td>20, 21, 30</td>
</tr>
<tr>
<td>3. Report Parameters</td>
<td></td>
</tr>
<tr>
<td>3.1 Reporting period</td>
<td>32</td>
</tr>
<tr>
<td>3.2 Date of most recent previous report</td>
<td>32</td>
</tr>
<tr>
<td>3.3 Reporting cycle</td>
<td>32</td>
</tr>
<tr>
<td>3.4 Contact point for questions regarding the report or its contents</td>
<td>32</td>
</tr>
<tr>
<td>3.5 Process for defining report content</td>
<td>8, 32, 33</td>
</tr>
<tr>
<td>3.6 Boundary of the report</td>
<td>32</td>
</tr>
<tr>
<td>3.7 Limitations on the scope or boundary of the report</td>
<td>32</td>
</tr>
<tr>
<td>3.8 Joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities</td>
<td>n.a.</td>
</tr>
<tr>
<td>3.10 Explanation of the effect of any re-statements of information provided in earlier reports</td>
<td>n.a.</td>
</tr>
<tr>
<td>3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods</td>
<td>11, 32, 33</td>
</tr>
<tr>
<td>3.12 Table identifying the location of the Standard Disclosures in the report</td>
<td>34</td>
</tr>
<tr>
<td>4. Governance, Commitments, and Engagement</td>
<td></td>
</tr>
<tr>
<td>4.1 Governance structure of the organisation</td>
<td>8</td>
</tr>
<tr>
<td>4.2 Indicate whether the Chair of the highest governance body is also an executive officer</td>
<td>8</td>
</tr>
<tr>
<td>4.3 Number and gender of members of the highest governance body that are independent and/or non-executive members</td>
<td>8</td>
</tr>
<tr>
<td>4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body</td>
<td>n.a.</td>
</tr>
<tr>
<td>4.14 List of stakeholder groups engaged by the organisation</td>
<td>n.a.</td>
</tr>
<tr>
<td>4.15 Basis for identification and selection of stakeholders with whom to engage</td>
<td>n.a.</td>
</tr>
<tr>
<td>5. Performance Indicators</td>
<td></td>
</tr>
<tr>
<td>Economic</td>
<td></td>
</tr>
<tr>
<td>EC 2 Financial implications and other risks and opportunities for the organization’s activities due to climate change</td>
<td>11</td>
</tr>
<tr>
<td>EC 3 Coverage of the organization’s defined benefit plan obligations</td>
<td>24</td>
</tr>
<tr>
<td>Environmental</td>
<td></td>
</tr>
<tr>
<td>EN 1 Materials used by weight or volume</td>
<td>24</td>
</tr>
<tr>
<td>EN 3 Direct energy consumption by primary energy source</td>
<td>24</td>
</tr>
<tr>
<td>EN 4 Indirect energy consumption by primary source</td>
<td>24</td>
</tr>
<tr>
<td>EN 5 Energy saved due to conservation and efficiency improvements</td>
<td>12, 23, 26</td>
</tr>
<tr>
<td>EN 6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</td>
<td>23</td>
</tr>
<tr>
<td>EN 7 Initiatives to reduce indirect energy consumption and reductions achieved</td>
<td>23</td>
</tr>
<tr>
<td>EN 16 Total direct and indirect greenhouse gas emissions by weight</td>
<td>25</td>
</tr>
<tr>
<td>EN 18 Initiatives to reduce greenhouse gas emissions and reductions achieved</td>
<td>12, 23, 26</td>
</tr>
<tr>
<td>Social</td>
<td></td>
</tr>
<tr>
<td>LA 1 Total workforce</td>
<td>6</td>
</tr>
<tr>
<td>LA 7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities</td>
<td>21</td>
</tr>
<tr>
<td>LA 8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases</td>
<td>19-21</td>
</tr>
<tr>
<td>LA 10 Average hours of training</td>
<td>13</td>
</tr>
<tr>
<td>LA 13 Composition of governance bodies and breakdown of employees</td>
<td>8, 13</td>
</tr>
<tr>
<td>LA15 Return to work and retention rates after parental leave</td>
<td>17</td>
</tr>
<tr>
<td>SO 2 Percentage and total number of business units analyzed for risks related to corruption</td>
<td>11</td>
</tr>
<tr>
<td>SO 4 Actions taken in response to incidents of corruption</td>
<td>11</td>
</tr>
</tbody>
</table>
Publication details: Sustainability Report 2012

Published by:
KAEFER Isoliertechnik GmbH & Co. KG
Marktstraße 2, 28195 Bremen, Germany
Phone +49 421 3055 0
Fax +49 421 18251
crs@kaefer.com | www.kaefer.com

Editor:
Julia Kasparek
(Corporate Responsibility & Sustainability)

Concept & design:
Anshuman Chakravarty
(Corporate Communications)

Final responsibility:
Francisca Gorgodian
(Corporate Responsibility & Communications)

Picture credits:
KAEFER archive
P. 5 © H&K+S / Agentur für Werbung Catharina Sachs, Santiago Lopez (Ausstellung "Gesichter der Nachhaltigkeit"), 2013
P. 14 "Summer school" © Deutsche Gesellschaft für Internationale Zusammenarbeit (giz) GmbH
P. 14 © Jacobs University
KAEFER locations worldwide

America
- Brazil
- Canada
- Chile
- Mexico
- Peru
- United States of America

Africa
- Algeria
- Egypt
- Morocco
- South Africa
- Tunisia

Europe
- Austria
- Belgium
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Hungary
- Ireland
- Latvia
- Lithuania
- Luxembourg
- Netherlands
- Norway
- Poland
- Romania
- Spain
- Sweden
- Switzerland
- Ukraine
- United Kingdom

Asia & Oceania
- Australia
- Azerbaijan
- Bahrain
- China
- India
- Indonesia
- Kazakhstan
- Kuwait
- Malaysia
- New Caledonia
- New Zealand
- Oman
- Papua New Guinea
- Qatar
- Russia
- Saudi Arabia
- Singapore
- South Korea
- Taiwan
- Thailand
- Turkmenistan
- United Arab Emirates
- Vietnam