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Statement from the chairman

Dear colleagues, partners, and friends,

On a regular basis I meet with the Sustainability Working Group that monitors local efforts and steers group-wide activities in our world-spanning company. These meetings are always very motivating. There are so many ideas about activities KAEFER can perform in the field of sustainability. However, whenever a current or future initiative is discussed, we often ask ourselves ‘Is this really sustainability?’

What is sustainability, anyway?
‘Sustainable’ is an adjective that describes an action or business that is designed, set up, and performed in such a way to endure for a very long time. Thus, for a company that wants to be ‘sustainable’, an overview that goes beyond short business cycles, even beyond years, with a long-term perspective across generations is required. This demands personal integrity and responsibility on the part of all employees at all levels and in all functions.

A sustainable company must not be self-sufficient but offer products or services that benefit society as a whole in some way. Customer relationships must be aimed at long-term collaboration and at the mutual desire to continuously conduct business with each other. Growth is a precondition for stability and as such must not be limited to financial volume, but also to ever-increasing safety and quality. Financial responsibility and sound profitability are sufficient conditions.

Thus, sustainability requires economic responsibility.
A sustainable company cares for its employees and values them as its most important resource. The employees’ health and safety and their physical and mental well-being are the primary focus. Job satisfaction, a high level of training, and career support are considered necessary pillars of a company’s success.

Thus, sustainability requires social responsibility.
A sustainable company must minimise use and waste of resources, avoid CO2 emissions by all means, and actively look for less resource-consuming alternatives to daily routines. Resources must also be available for generations to come, and the environment must be jeopardized as little as possible.

Thus, sustainability requires environmental responsibility.
A sustainable company interacts with the local community it works in, embraces diversity, and must not tolerate any form of discrimination. International collaboration, intercultural teams, and respect for local peculiarities must be daily practice.

Thus, sustainability requires cultural responsibility.

At KAEFER, we are responsible, and we strive for sustainable thinking, acting, and working. With our core values, we embrace a sustainable mindset. Each and every one of our employees learns about our sustainable KAEFER way of doing business from the very beginning. This includes caring for people and their health & safety; having long-term, profitable customer relationships based on excellence in quality and continuous improvement, taking environmental responsibility, respecting cultural differences, and promoting value-based leadership.

Our joint vision that guides our daily work – ‘to eliminate the energy waste’ – has again been confirmed in our recent annual strategy round. It is the right vision for a company that focuses on industrial insulation as its core business and which wants to contribute to society and motivate its employees every day.

We are very proud that despite our often challenging business area, despite the difficult infrastructural conditions we often work in, and despite the strong competition that mostly puts the price focus first, we have been and will be able to further promote our sustainable mindset, keep our integrity, and maintain our status of being in high demand both as a business partner and as an employer. In 2013, through joint efforts we were again able to improve our leading health and safety indicators by over 20% for the second year in a row, which is a huge success. Furthermore, last year we embarked on our Lean Journey that addresses many facets of sustainability on a group-wide level, by making our business safer on a daily basis, by being more productive, and by delivering even higher quality to our clients.

On the following pages you will see many more examples of how KAEFER has again successfully tackled the challenge of becoming more sustainable. This report has become a cherished tradition, and I am very happy to be able to present KAEFER’s great variety of activities promoting our sustainable mindset for the third year in a row.

I invite you to find out for yourself and wish you a delightful reading!

Yours sincerely,

Peter Hoedemaker
Chairman of the Board of Directors
An overview of KAEFER Insulation: Environmental protection made simple

The importance of insulation has been recognised by humans since the beginning of civilisation. Man clothed himself with wool and skins from animals. He built homes out of wood, stone, earth and other materials for protection from the cold winter and the heat of summer. The harshness of the climate and the environment created the need for protection through insulation materials.

Modern materials manufactured from fiberglass, ceramics, mineral wool, calcium silicate, foamed plastic, glass and other substances are used in many shapes and forms as insulation materials in different sectors. The importance of insulation has increased in recent years as a method for improving energy efficiency in times of scarce or expensive resources, especially non-renewable sources such as oil and gas. Technological developments in insulation have brought more applications and generated more accessibility for different types of users.

To today, insulation is well recognised for its multiple applications in a wide range of industries. Insulation can be usually found in production processes and facilities with transport, storage, handling of materials at specific temperatures, whether high or low, as well as in environments where temperatures are controlled in order to make them habitable. The correct application of insulation materials can increase overall efficiency of processes, save energy and reduce emissions.

Be(e)ing sustainable

Can we always consider the impact of economic, environmental, social, and cultural issues when we perform our daily work? Well, we should be realistic: Sometimes we have to make quick decisions that leave us no time to analyse all the consequences in detail; sometimes we are under pressure; sometimes our activities are influenced by others. So more often than not we can find an explanation as to why we might not be acting as sustainably as we would like. But having a sustainable mindset and challenging ourselves whenever we realise that this or that activity is not really sustainable, is a great step that confirms that we have understood the impact our actions may have on a sustainable future.

Again in 2013, KAEFER employees from all over the world embraced this sustainable mindset and demonstrated that it really matters. This is why we chose to use bees to support our sustainability story and the design of our 2013 Sustainability Report. The role of bees is very often neglected, but our world would not be the same without them from an economic, environmental, social, and cultural perspective. You will experience this when you read this report.

This year an amazing initiative came to a very successful conclusion, namely MovIIE, the Public Private Partnership in India in cooperation with the German Federal Ministry for Economic Cooperation and Development. We also improved our health & safety performance, planted trees, introduced electrical cars, reduced our paper consumption, and supported many social projects in different parts of the world. In difficult economic times, this dimension has become even more important as we need to keep an eye on our results in an effort to remain a sustainable place to work.

In this sense, I can only remind everyone of you to keep asking the same question again and again: ‘Can I think, act, and work in a sustainable way?’ And, if so: ‘How can I be even more sustainable?’ I am convinced that with many little steps we can achieve huge results – just like the bees: We should work together to make this world – our world – more sustainable every day.

Enjoy the reading and keep in mind: It’s the little details that are vital and make big things happen.

Francisca Gorgodian
Head of Corporate Responsibility & Communication

Insulation: Environmental protection made simple

You might ask yourself how we came up with the theme of bees for this year’s Sustainability Report. If you think about it, the qualities bees have are not too distant from our own. On a day-to-day basis they are committed to their work, the welfare of the community, and the preservation of their environment. There certainly is more to bees than meets the eye; let us introduce you to these dedicated ambassadors of sustainability.

Just like KAEFER, bees can be found throughout the world and they work closely together to do their job. By flying around pollinating a variety of plants, they are providing an essential service to maintain the ecosystem at KAEFER. Our complete insulation solutions promote sustainability and enable our customers to improve energy efficiency and reduce emissions: we at KAEFER can say ‘we understand what be(e)ing sustainable is all about.’

Busy as a bee

Can we always consider the impact of economic, environmental, social, and cultural issues when we perform our daily work? Well, we should be realistic: Sometimes we have to make quick decisions that leave us no time to analyse all the consequences in detail; sometimes we are under pressure; sometimes our activities are influenced by others. So more often than not we can find an explanation as to why we might not be acting as sustainably as we would like. But having a sustainable mindset and challenging ourselves whenever we realise that this or that activity is not really sustainable, is a great step that confirms that we have understood the impact our actions may have on a sustainable future.

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Modern materials manufactured from fibreglass, ceramics, mineral wool, calcium silicate, foamed plastic, glass and other substances are used in many shapes and forms as insulation materials in different sectors. The importance of insulation has increased in recent years as a method for improving energy efficiency in times of scarce or expensive resources, especially non-renewable sources such as oil and gas. Technological developments in insulation have brought more applications and generated more accessibility for different types of users.

Today, insulation is well recognised for its multiple applications in a wide range of industries. Insulation can be usually found in production processes and facilities with transport, storage, handling of materials at specific temperatures, whether high or low, as well as in environments where temperatures are controlled in order to make them habitable. The correct application of insulation materials can increase overall efficiency of processes, save energy and reduce emissions.
All about KAEFER

There for you all over the world

‘More than 20,000 men and women. Over 2,000 locations and 50 countries. Thirty different languages. Insulators, interior outfitters, scaffolders, painters, engineers and office workers: Together, we are KAEFER, there for you all over the world.’

KAEFER is currently the market leader for 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 EUR 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 gone from being an insulation provider for the shipbuilding industry with just one German office to a multinational and diverse company with numerous corporate locations and a clear strategic direction of eliminating the energy waste worldwide by offering the most complete professional insulation solutions available on the market. To achieve this target, KAEFER provides a full range of insulation and interior outfitting services, as well as scaffolding, surface protection, passive fire protection, and asbestos removal.

Acting sustainably

Acting sustainably and responsibly is part of our corporate strategy, it permeates all KAEFER activities. This is why KAEFER also collaborates with institutions and associations, and considers this to be its responsibility to support ongoing developments in our business 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 development of the worldwide insulation market.

With our Corporate Technology & Research Department and Corporate Competence Centers, KAEFER ensures that its technical skills are world-class and that the company constantly gains and retains international competitiveness. Both departments support the operational units by providing specialised expertise, thereby ensuring that products and services are permanently refined and enhanced. In addition, KAEFER works closely with universities and independent institutes.

Our vision

To eliminate the energy waste

ISO Certifications: number of KAEFER certified companies

- ISO 9001: 42 companies
- ISO 14001: 25 companies
- OHSAS 18001: 34 companies

Our mission

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

**Insulation:** We are the experts in insulating and equipping industrial and offshore facilities, ships, and buildings.

**Scaffolding:** On construction sites access is a top priority. To ensure different contractors are able to reach all working areas, we provide innovative scaffolding solutions, abseiling techniques, and qualified staff to service, repair, and inspect the most hard-to-reach areas. We do this worldwide, offshore and on land.

**Surface Protection:** Our surface protections applied to ensure that structures remain intact longer in a fire and stop water and oxygen from getting in, so corrosion does not stand a chance.

**Interior Outfitting:** We outfit interiors and design cabins so that people feel right at home in buildings as well as on ships and offshore platforms. This is how we provide optimal working and living conditions and comfortable travel.

**Passive Fire Protection:** To stop fire, smoke, and toxic gases from spreading 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 spread.

**Asbestos Removal:** We remove asbestos and carry out remedial work on buildings and industrial facilities using the latest equipment and appropriate techniques following the highest safety standards and local regulations.
KAEFER’s complete insulation solutions make the company a sought-after partner for new build and maintenance projects all over the world. Our work is in demand for industry, marine and offshore facilities as well as in the construction sector.

The core business of the Industry Division lies in 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 demanding new-build projects like the thermal insulation and scaffolding works for the Moorburg power plant in Germany and the Termosolar Moron solar power plant in Spain, but also long-term maintenance contracts, such as South Africa’s largest oil refinery ‘SAPREF’.

The core business of the Construction Division is as complex as it is diverse and covers 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 work in airports such as in Frankfurt am Main. Furthermore, the German Antarctic Research Stations ‘Neumayer III’ and the Indian station ‘Bharati’ also bear KAEFER’s signature.

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. The complete interior outfitting and insulation works for the two German offshore wind energy transformer platforms ‘BorWin’ and ‘HelWin’ were done by KAEFER and are two more examples of very successful projects.

The job of the Marine & Offshore Division is to ensure that living and working conditions on drilling platforms and ships are safe and comfortable. The core business of the division includes sophisticated Interior Outfitting in addition to the typical 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 the fire insulation screens and insulated pipes and ducts in the HVAC systems, thus ensuring safe cruising and comfortable living on board.
Our governance bodies

The BoD (Board of Directors) is the highest operational and decision-making body in the KAEFER Group. All questions of fundamental or significant importance for the Group are decided by the Board. Topics of focus include further strategic development, the implementation of standards and systems, and the promotion of regional activities. The BoD of KAEFER Isoliertechnik GmbH & Co. KG is made up of Peter Hoedemaker (Chairman), Philipp Dalheimer, and Steen Hansen, and is the official legal representative of the KG (private limited partnership). All other group entities are legally subordinated to the KG thereby complying with German law.

The BoD 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. Three members represent the family that owns KAEFER; the other three are external members. In 2013, there were two changes as Norbert Schmelze and Claus-Peter Bell left the Advisory Board, and Peter Edelmann and Dr. Hans Christoph Atzpden joined.

Following the adjustment of the KAEFER Group Management Structure which took effect 1 January 2013, the regions are now headed by Regional Directors. The Board together with the Regional Directors forms the Group Management Committee (GMC) which focuses on Group-wide topics. To support the Regional Directors, Regional Management Centres were introduced. Generally they comprise the Regional Director, a Regional Finance Officer, and a Regional Operating Officer. The purpose of these Regional Management Centres is to strengthen collaboration among countries in a region by placing management closer to operations, both geographically as well as culturally.

In 2013, our chairman Peter Hoedemaker invited all KAEFER employees to provide him with suggestions and ideas for the company using a specially created e-mail address. His answers to these messages have been made available to all employees via the global intranet.
Sustainability at KAEFER

Although sustainability seems to be on everyone’s agenda at this point in time, the fundamentals of it have a long history at KAEFER. Working in the field of insulation, energy efficiency has been part of our daily business since the founding of the company back in 1918. However, we do not just focus on how much energy clients can save through our professional insulation. We assume our wide-ranging responsibilities in four sustainability dimensions which are 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’

KAEFER’s sustainable mindset is not just a concept or a trend, but a part of ‘The KAEFER Way’. We are convinced that our activities today must have a positive impact on tomorrow, not only for ourselves, but also for future generations and the planet we share. Therefore, our aim is to deliver services with respect to people as well as to the environment and with health & safety as a top priority. This means that we need to use resources efficiently, focus on qualitative long-term growth, care for people, and be proud of our diversity.

Our sustainable mindset is reflected in all aspects of our daily life and is the basis for acting sustainably both as individuals and as a company. Sustainability is part of the corporate culture at KAEFER. To spread the notion of sustainability and our sustainable way of thinking, it is essential to involve all employees worldwide because they are the driving force behind all activities in this area.

Communicating sustainability

Our employees are encouraged to take part in social responsibility and sustainability initiatives, and nearly 40 of them joined our Sustainability Champions Network. These Sustainability Champions are office and operational personnel who voluntarily drive our sustainability commitment on local levels, assist with the data collection for this report, initiate projects and activities, and promote knowledge sharing. With the support of this network, we focus strongly on further communicating the notion of sustainability at KAEFER and continue to build a culture where sustainable development matters to all our employees across the company worldwide.

Internally we are using our Sustainability Label to give the topic a ‘face’. It is used to mark projects that are related to sustainability. The blue circle divided into four sections represents the four equal dimensions of our sustainable mindset which are economic, social, environmental, and cultural. The blue colour symbolises that we are going further than ‘just’ green by considering all aspects of sustainability.

Apart from this report, we communicate all activities on sustainability in our CRS News, a newsletter which is published four times a year in five different languages. In it, we present current projects and initiatives from all over the KAEFER world. Many of them can also be found in this report. Our aim is to present our individual approach by showing what sustainability means to us, globally, and locally. Our goal is to demonstrate how we integrate economic, social, environmental, and cultural responsibility into our daily business, how risks and opportunities are addressed, and what it means to live according to our core principles.
Outlook 2014

For the year 2014, the following initiatives and projects are planned. Further activities will be developed through the year.

> PACT Day
On 11 March 2014, all entities of KAEFER throughout the world will address quality and demonstrate our commitment by agreeing to the KAEFER Quality PACT (Planning, Administration, Communication and Technical Quality).

> Switch off the lights in the KAEFER headquarters
The idea from our colleagues in the UK will also be used in the KAEFER headquarters in Bremen to remind everyone to switch off the lights when not needed.

> Permission for solar panels
Our colleagues in the UK will apply for the permission to install solar panels on the rooftop of their head office in Mansfield.

> ESR Certification
Mexico will apply for the Empresa Socialmente Responsable (ESR) certificate.

> KAEFER-Trophy
The second KAEFER-Trophy will take place in July in the Sportgarten in Bremen.

> Running events
The KAEFER running teams will participate in different events worldwide.

> World AIDS Day
On 1 December KAEFER will take the opportunity to raise awareness about HIV and AIDS and to think of those affected.

> Advent calendar
The KAEFER headquarters will be transformed into an advent calendar to support 24 different welfare organisations in Bremen.
The Economic Dimension

Bees are busy and hard-working little honey makers that are active all over the world to produce a sustainable product and create a complex honeycomb structure. At KAEFER we are also involved in complex projects all over the world where teamwork, standardised processes, and quality are essential. Our aim is to continuously strive to improve our processes, ensure economic growth, and deliver high-quality services to our customers worldwide.
Economic aspects

KAEFER continues to grow each year and is today the world’s largest provider of complete insulation solutions. The total turnover in 2013 was EUR 1.4 billion. During this year, KAEFER managed to exploit new opportunities, and more companies and new colleagues joined us such as ESG Büttel in Germany and KAEFER OPUS Ltd. in the UK.

Together we continue along the ‘The KAEFER Way’ which symbolises everything we stand for as a company including the way we do business, the principles and values we share, the processes and systems we have in place as well as our goals and targets. The plans we have for the coming years are closely linked to improving economic results, quality, and health & safety as well as implementing the Lean Journey. Quality was the focus in 2013, and this will continue in 2014. We have already started to implement the principles of Lean in our project sites worldwide. We are convinced that Lean can significantly contribute to the overall competitiveness of KAEFER and will support further growth. Our clients are very demanding when it comes to price, schedule, quality, and safety. Lean stands for continuous improvement with a view to meeting those demands and creating more customer value. Together, all these aspects are summarised in one of our four core principles ‘The quality of work forms the basis for both our long-term customer relationships and profitability’.

Risk management & climate change

The nature of our business is associated with different risks. The predicted effects of climate change may have a severe influence on our working environment. We are active on offshore facilities and in shipyards close to the coast that are affected by rising sea levels and higher risks of flooding. Sites in remote areas and in difficult climate zones are heavily influenced by heat waves and severe weather conditions which could make business for us more difficult. We take risk management and climate change very seriously. In general, there are health, safety, and environmental risks that are associated with our business and may have a huge impact on our activities. For this reason, we are careful to raise awareness of these topics, to identify, assess and prevent incidents. Our Crisis Management Policy is in place to define processes and responsibilities in the event of an incident. Trainings and drills are essential and conducted on different levels to practice and test the procedures.

Moreover, we also have a common set of guidelines that cover topics such as good governance, lawful and responsible behaviour, and the fight against all forms of corruption. The KAEFER Code of Business Conduct is a guideline that defines correct and responsible business conduct. It is a mandatory internal standard that is based on all relevant laws. It is applicable to all transactions and business activities at KAEFER. The KAEFER Code of Business Conduct is currently available in ten different languages. The main parts refer to dealing correctly with business partners, relationships with authorities, conflict of interests, data protection, sideline work, and internal control systems. Uncertainties and queries should be discussed with superiors and managers and can be reported to a special e-mail address where the matter is treated confidentially. In 2013, no violations were reported to this e-mail address.

Opportunities

In an effort to mitigate the consequences of climate change, new rules and standards may come into effect, especially in construction and industrial facilities that have a strong focus on energy efficiency and emission reduction. In this case, there is great potential for the application of our complete services including insulation, scaffolding, surface protection, and interior outfitting, which will lead to good business opportunities for us. In an effort to raise awareness, we are active in different associations such as the

- European Industrial Insulation Foundation (EiiF)
- European Federation of Associations of Insulation Contractors (FESI)
- Alberta Energy Efficiency Alliance (AEEA)
- Environmental partnership network in Bremen (puu – Partnerschaft Umwelt Unternehmen)
- German Sustainable Building Council (DGNB – Deutsche Gesellschaft für Nachhaltiges Bauen e.V.)
Memberships

In keeping with our vision ‘to eliminate the energy waste’, it is our responsibility to make the tremendous energy saving potential of our complete insulation solutions visible. Because we are willing to promote this and achieve our goal of acting sustainably and responsibly, we collaborate with a range of institutions and associations.

The European Industrial Insulation Foundation (EiiF) is a non-profit European foundation, which was set up in 2009 to promote and establish the use of industrial insulation as a widely accepted means of improving energy efficiency. One of the great achievements so far of the EiiF is the TIPCHECK Programme that carries out thermal energy audits. The programme was developed to evaluate insulation systems in existing facilities, planned projects, or retrofits and to demonstrate how more efficient insulation can save energy and money and reduce CO2 emissions. KAEFER also has insulation experts who are certified TIPCHECK engineers who have been trained and qualified by the EiiF.

Besides this, KAEFER has been a long-standing member of the European Federation of Associations of Insulation Contractors (FESI). The European FESI was founded in 1970 and represents insulation associations from 16 European countries whose members are active in the insulation industry, shipping, soundproofing, and fire protection. The declared goal of FESI is to promote the benefits of insulation as one of the most cost-effective and sustainable ways to save energy.

For KAEFER and our industry, memberships such as the Alberta Energy Efficiency Alliance enable us to work with strong partners towards further promoting and establishing the use of industrial insulation, giving the industry the opportunity to tap this huge potential.

ALBRICO KAEFER in Canada has supported the AEEA since 2011, and this year, the support was taken one step further when Eric Ludwig, Lean Leader of the KAEFER Canada Western Group Ltd., was elected to the Alliance’s board. The AEEA was formed in the autumn of 2006 as a non-profit organisation to develop and promote energy efficiency initiatives within Alberta. Their vision is that ‘Alberta will become a world leader in energy efficiency, as it is a world leader in energy production.’ They go about realising their vision by cooperating with the government and utilising its network to connect the efforts of a diverse range of groups active in the area of energy efficiency.

Quality campaign 2013-14

KAEFER has four core principles that deal with health & safety, quality, environmental responsibility, and value-based leadership. These four core principles are all equally important and guide the company in its strategic decisions as well as in its operations. In order to underpin the importance of these principles, KAEFER chose to sequentially highlight each of them for a certain period of time to all of our employees. So, after putting health & safety in the limelight in 2012, KAEFER put the emphasis on quality in 2013 and in 2014 to raise awareness for important aspects of quality within the organisation.

Quality is not just about rules but is also about attitude and behaviour for working together with a view to providing good quality in everything KAEFER does while being committed to improving at all times. Quality is a key business objective for the company and essential in order to be and stay successful. During the one-year campaign, four key topics were introduced to all employees: Planning Quality, Administration Quality, Communication Quality, and Technical Quality.

KAEFER has achieved a lot with its Quality Campaign: We started by asking various employees from all over the world about their definition of good quality. Then, we gathered the answers in a video and used them to raise awareness for the importance of good quality in all four dimensions through various media. With the new awareness, many KAEFER entities started numerous local initiatives. Additionally, supportive information, such as a short movie featuring our mascot Max and his friends who vividly illustrate the importance of quality in planning, administration, communication, and in technical execution; the ‘What can go wrong’ booklet; the ‘Ten rules for troubleshooting’ cards; posters, gimmicks, and more has been distributed.

KAEFER still has a major event planned to celebrate the end of our Quality Campaign. This event, the Quality PACT Day, will be the first corporate event that will involve all colleagues around the world. All KAEFER entities around the world will be addressing quality and making it a topic in meetings, toolbox talks, and get-togethers.
Apprenticeships and professional training

Vocational training plays an important role in HR development. KAEFER offers various commercial and technical vocational training courses, and since 2001 the company offers a central apprenticeship programme for insulation fitters and drywall installers in Germany in keeping with the aim to satisfy our future demand for expert and skilled workers. We engage in different activities to raise awareness about apprenticeships and career opportunities at KAEFER. We are present at recruiting fairs, cooperate with schools, and are involved in special events for young people such as the Girls’ & Boys’ Day or the KAEFER-Trophy soccer tournament. We are highly committed to vocational training and have received many awards for successful apprenticeship courses.

Two outstanding employees in France were awarded prizes at the fifth biannual national ‘Concours du Meilleur Jeune Monteur en Isolation Thermique’ competition which took place in November. At the competition, Mickaël Rossigny of North East region won first place and the gold shears, and Javier Estevez of the Normandy Ile de France Centre Region won second place and the silver shears.

Diversity and professional training

As we are a global company, rich diversity has always been a main element of our workforce and will continue to be in the future. The main nationalities at KAEFER are French, Indian, German, Polish, British, Spanish, Brazilian, Nepalese, Mexican, and Australian. We strive to attract talents from communities where we are active in to integrate their understanding of national cultures and markets and to create a local identification with the company. Therefore, we try to hire skilled local people at all organisational levels. In 2013, on average 76.3% of all employees were local.

We take pride in being a company that lives a culture of learning, training and diversity. Being active at more than 2,000 locations, KAEFER offers different job opportunities in a variety of disciplines. As part of the KAEFER Academy, KAEFER offers tailor-made development programmes that meet the highest standards for managers of all levels, management trainees, project managers, and technical trainees all around the world. On average 2.8 days of training per employee have been reported for 2013, compared with 2.7 days for 2012 and 1.5 for 2011.*

LA15 Parental leave

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<thead>
<tr>
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<th>2013</th>
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<tbody>
<tr>
<td>Women that took parental leave</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>Men that took parental leave</td>
<td>40</td>
<td>135</td>
</tr>
<tr>
<td>Number of persons that returned</td>
<td>81</td>
<td>191</td>
</tr>
</tbody>
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LA15 Parental leave. Figures include information from Australia, Austria, Brazil, Poland, South Africa, Spain, Thailand, and UK.

*Note: Country-specific rules have been used when collecting the data for this indicator. The following countries have contributed to this indicator: Australia, Austria, Brazil, Canada, France, Germany, Mexico, Norway, Poland, Qatar, Saudi Arabia, South Africa, Spain, Thailand, UAE, and UK.
KAEFER-Trophy

To tackle the challenge of recruiting motivated and qualified apprentices in Bremen, Germany, KAEFER decided to go for a new, unconventional approach: The KAEFER-Trophy.

It combines information about apprenticeships at KAEFER with a fun summer soccer tournament at the Sportgarten in Bremen. The KAEFER-Trophy is based on a new concept: It is a football tournament hosted by the Sportgarten e.V. Bremen in collaboration with KAEFER. On 6 September 2013, ten schools from Bremen and the surrounding areas were invited to take part and compete against each other on the football pitch. In addition to the sports programme, the 200 participating students in grades 8 and 9 had the chance to get a glimpse of the apprenticeships offered by both organisations. At the interactive KAEFER work experience course, current apprentices presented their jobs. Among other things, the students were asked to figure out how to build a 90° arch from a straight elastomer tube.

KAEFER apprentices in South Africa

‘I plan to go back as soon as possible; it is an amazing country’. These were the first words out of Marvin Cassens when he and Konstantin Rosenthal met with their colleagues back in Bremen after their stay in South Africa.

Together with the Carl Duisberg Gesellschaft, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and the Verein Partnerschaft-Bremen-Durban, the Sportgarten e.V. once again awarded two KAEFER apprentices the unique opportunity of a four-week internship in South Africa. It was the second time this initiative took place, and this year Marvin and Konstantin, who are both currently insulation fitter apprentices in Hamburg and Bremen, were the lucky ones. Looking forward to getting to know a different culture and experiencing unforgettable adventures, they left their familiar environment to go to the Valley of Thousand Hills close to Durban. Like last year’s successful candidates, they stayed with host families and learned about local customs and the South African way of life, while at the same time supporting developments at the iSithumba Sportgarten. This is a youth centre which is constantly expanding and offering outdoor sports for tourists to advance this rural valley outside Durban.

As future insulation fitters Marvin and Konstantin were asked to assemble and install metal tables in various schools on the grounds. While eagerly going about their work, they learned that there is a huge difference between working at a pleasant temperature in a workshop back in Bremen and in a South African valley, where it is hot, electricity is not always reliable, and the next supply store is many miles away. With support from our South African KAEFER colleagues regarding pre-fabrication, they overcame all these challenges very well. Besides this technical work, they also participated in social activities and helped organise exciting sporting events and projects. During this internship Marvin and Konstantin not only performed meaningful work, but they also made lasting memories.

The first ever KAEFER-Trophy was a big success, and the feedback from all participants was very positive, especially from the winning team, Oberschule Lehmhorster Straße. It was an exciting final game, which they won 3:2 against Albert Einstein Oberschule. After a thrilling penalty shoot-out it was Gymnasium Horn which finally won the match for third place.

Good weather and exciting games proved that the idea of combining the important topic of apprenticeships with an enjoyable full day of team sports and fun was very well accepted and will be remembered. One can’t help but wonder who will take home the cup at next year’s tournament on 18 July 2014. The KAEFER-Trophy: A new approach to be continued.

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The Social Dimension

The beehive is a very lively place with a thriving community of bees. The little creatures have one of the strongest networks of all the species, and teamwork is essential for their success. The social bond between them goes further than in most other animals, stretching as far as caring for another bee’s offspring.

At KAEFER, we care for people and the communities we are active in. This is reflected in our projects and initiatives worldwide. These are often organised by our Sustainability Champions with whom we have established a strong network to promote the topic of sustainability and spread its message.
Go4School Rally

The Go4School Rally, a pioneering and exciting initiative, took place on 26 January and lasted two weeks. The aim of the challenge was to raise money to support the ‘Opportunity International Deutschland’ charity, which provides children from underprivileged families in Africa with the opportunity to receive a good education. KAEFER supported the Rally and one KAEFER manager participated at the same.

Running events at KAEFER

Over the past year, KAEFER continued to participate in a great deal of running events in support of worthy charitable causes. Across the entire KAEFER world, a range of colleagues took part in these fundraising events and had lots of fun doing so. KAEFER WANNER entered into the ‘10km L’Equipe’ in Paris, whilst a team in England fought for the finishing line in the ‘Race of Life’ and managed to raise nearly EUR 600.

In Bremen, KAEFERites put on their reflective gear and ran in the ‘Nachlauf’ or ‘Night Run’ at the end of May. The participants were invited to donate either to the Saving Grace Community Care Centre in South Africa or the Rainbow Fish foundation in Bremen, where a total of EUR 180 were collected. As an annual event, KAEFER employees also took part in the prestigious BMW Company Run on 19 June and managed to raise a further EUR 150. These events have helped support a range of very worthy causes and provided a fun and healthy way to get active as a team.

Caring for children

Sustainability always involves a long-term perspective. So it is not only important to focus on the current situation, but to also think about the generations to come. In line with that approach, there were some noteworthy initiatives and events for children.

KAEFER UAB in Lithuania carried out maintenance work in the day-care centre building of the Auxiliary Service of the Order of Malta. KAEFER employees who joined the initiative supported the children’s day-care centre in Kaunas over a period of two weeks by setting up and making one of the teaching rooms suitable for the children and learning. Also, they helped set up some auxiliary rooms.

In the UK, KAEFER C&D supports the ‘Safe4kids’ which is an organisation that designs entertaining safety literature to capture the attention of the children and to educate them on safety topics. This helps make their everyday life safer and reflects our core principle: ‘We care for people and their health and safety’.
KAEFER AIDS Relief Programme and World AIDS Day

The 1 December is World AIDS Day. KAEFER’s own initiative to tackle this epidemic has been carried out for the last eight years through an on-going initiative called the KAEFER AIDS Relief Programme (KARP) introduced in South Africa.

To mark this day, a poster was produced and translated into seven different languages to enable countries within the Group to share the message. It highlights the importance of not discriminating against those who are HIV-positive and suffering from AIDS, and the importance of showing support.

At the Bremen headquarters, greeting cards were sold on the day in aid of KARP. At KAEFER Saudi Arabia, red ribbons were worn, and the Managing Director, Rajan Nair, gave a speech to raise awareness of the topic. Red ribbons were also worn by employees in the U.A.E. Specially designed greeting cards were sold and raised the impressive amount of EUR 1,200 for KARP.

In South Africa, where KARP is centred, World AIDS Day was commemorated on the sites by issuing more than 2,000 bangles, which symbolise a united fight against the virus as well as the commitment by all members of the KAEFER community.

Along with the bangles and posters, KARP distributed several CD’s which contained digital ‘reality’ HIV stories. These touching, real-life stories were 10-15 minutes long and highlighted messages related to issues associated with the stigma of HIV & AIDS and the possible reasons for the increase in the HIV & AIDS infection rate. These ‘digital stories’ were made available to the entire workforce to raise awareness at all our sites around the country.

Voluntary Counselling and Testing (VCT) is ongoing and provides a vital opportunity for people to find out whether or not they have HIV. It is an important initiative that is taken very seriously.

The work which has been done over the past few years has made progress in encouraging testing and providing heightened awareness to those at risk, and it is important that this continues.

With early treatment, it is now possible for those suffering from HIV/AIDS to live relatively normal lives when managed properly. In order to reach the goal of eliminating HIV/AIDS completely from our world, we must join together anew and show our commitment and solidarity. Together we can pledge to get to the three zeros which are zero new HIV infections, zero discrimination, and zero AIDS-related deaths.

What is KARP?

KARP stands for the KAEFER AIDS Relief Programme in South Africa. Originally set up in cooperation with the German organisation Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ, former: gtz) in 2006, KAEFER runs the project independently since 2009. The key aspects are the implementation of a HIV/AIDS policy, awareness and formal training for management staff and employees at KAEFER, HIV counselling and testing on all KAEFER sites, as well as peer education training.

The KARP project covers both KAEFER employees and their direct families and offers basic information on HIV and AIDS, HIV testing and counselling about the results, focussing on possible lifestyle changes if tested negative, or on how to deal with the situation and live a healthy life if tested positive. To ensure anonymity of the test results and the status an external service provider has been contracted to carry out counselling and testing.
**Saving Grace**

Wherever we do business, we aim to make a positive contribution to the local communities in which we work, and we try to address essential needs and support institutions.

One of these is the Saving Grace – Emuhle Unkulunkulu Community Care and Skills Training Centre. It started off as a nutritional programme in 2005 in one of the poorest and most crime-stricken regions of Standerton, Mpumalanga in South Africa. The organisers provided healthy meals for children who were suffering from malnutrition. But they soon realised that much more was needed. So the development continued and the institution is today known as Saving Grace Preschool and Caretaking Centre and includes a nutritional programme that provides at least two meals for up to 250 needy children per day.

In support of this, KAEFER donated a Wendy House, three fridges and three stoves. These donations brought the centre one step closer to achieving its vision of establishing a caring facility for children where they receive love, care, food, and education on a daily basis and have a place to call home with no threats or fears.

**Safer driving training for employees in Brazil**

Because we are active at different locations, many people are on the road every day, and we need to make sure that they drive safely.

So, on 12 December, a training session took place which gave employees essential tips on safe driving, accident avoidance, saving fuel and maximising the lifetime of vehicles. Fabiano Evaristo was responsible for this important and interesting training, which involved both health & safety and environmental dimensions of sustainability at KAEFER. Although everyone with a driver’s licence should know how to drive a car, there are some less well-known points, which can have an impact on the vehicle’s performance over time. For example, did you know that resting the foot on the clutch adds extra pressure which over time can have a detrimental effect on the life expectancy of the car?

This is just one example of the many facts which employees learned. Upon completion, participants were able to drive ‘The KAEFER Way’ – taking care of personal safety and the environment.

**KAEFER C&D took part in ‘Family Fun Day’**

The ‘Family Fun Day’ was arranged by RWE Power, the owner of Lynemouth Power Ltd., to introduce itself to the wider community. KAEFER C&D was invited to have a stand to allow guests to understand the activities done on site by individual contractors.

On Saturday, 27 April, the plant was opened to the families of all employees and Lynemouth Power provided various forms of entertainment. KAEFER C&D came up with the idea of a ‘spot the difference’ competition which involved identifying ten changes to KAEFER C&D’s safety mascot, Max. The differences were all related to the topic of health & safety and helped familiarise children with the important issue. Children under the age of 16 were able to take part in the event, and of the 120 entries received, 92 were correct. The correct entries were then placed into a sealed container and one lucky winner drawn by a KAEFER C&D director received a brand-new iPod.

KAEFER C&D was happy to take part in the event and promote the vital topic of health & safety in a fun and interactive way.

**KAEFER SA in Poland received ‘Social Responsibility Leader’ award**

KAEFER SA is proud to announce that it has been awarded the title of Social Responsibility Leader, Good Company 2012. Company representatives received the certificate which was presented during an official gala by the Institute of Philosophy and Sociology of the Polish Academy of Sciences. Selection criteria included commitment to cultural activities, charity involvement, sponsorship, and company policy.

Throughout the entire year KAEFER SA supported a range of activities which helped them win the award. These included the ‘Theatre for One Smile’ and ‘the Noble Box’ which is a project that assists struggling families during the Christmas holidays. KAEFER SA managed to outdo other significant Polish nominees such as EDF Poland, TAURON Group, Arcelor Mittal Poland, CIECH, Azoty Tarnów. After this year’s great success, KAEFER SA is planning to participate in the programme again in 2014.
Health & Safety at KAEFER

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. 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. Additionally, on average 8.23 days of absenteeism per employee have been reported for 2013 compared to 13.86 in 2011.

Building on our successes for better health, safety and environment

Back in 2012, our goal was to raise awareness about health and safety across all aspects and areas of the business. The challenge in 2013 and onwards was to continue this focus, strengthen awareness and reduce incidents. Everyone has been highly committed and dedicated to this end, and this has not only resulted in our achieving the targets we set but even our exceeding them.

Safe behaviours are the responsibility of each and every one and have an impact on all of us. It is in everybody’s interest to remind colleagues of the correct way to wear their PPE and respect risk and hazard assessments. This way, we can all return in good health and safety to our families and friends at the end of each working day.

Our BoD places the greatest importance on our employee’s health and safety, and we ask everyone within KAEFER to always act responsibly. While dealing with safety must be integrated into the daily routine of every employee, safety awareness should never become routine in itself.

KAEFER HSE Strategy

Since HSE is a key element in both the KAEFER strategy and core principles, the Corporate Health, Safety and Environment (CHSE) strategy has been further developed to strengthen and spread the HSE culture with the KAEFER family.

The following details show the structure and components of the CHSE strategy. The four components, standards, behaviour, reporting, and stakeholders, will be supported by a framework of actions, documents, procedures and information to ensure that all of our employees work in a healthy and safe environment.

Caring for the health of our employees

At the beginning of the year, registered medical health professionals conducted a one-day campaign at KAEFER UAE’s Ruwais Area Camp Accommodation facility, which was set up for the purpose of health check-ups serving over 300 employees. In June the staff at the head office were invited to have a health screening test which included blood glucose and blood pressure tests. ‘Think Health Week’ is now a monthly event, and anyone who wants to take advantage of it can approach the in-house team.

Another outstanding effort by KAEFER Saudi Arabia was the Medical Camp in the Jubail facility for all workers in the Eastern Region. The objective was to offer free medical check-ups to all KAEFER employees in the region, with an extremely positive outcome: Over 300 employees attended the free medical service.

On 18 October 2013, KAEFER SOUYET celebrated the ‘Health Day’ for the second time, in keeping with one of KAEFERs core principles: ‘We take care of our people and their health and safety’. This initiative took place for the first time back in 2012 as part of the Health & Safety Campaign, and after its success a decision was made to continue it the next year. This year, a healthy breakfast was offered to all employees from KAEFER SOUYET, followed by speeches on accident prevention and well-being which were organised by the risk prevention officer.
The Environmental Dimension

Although small in stature, honeybees are one of the biggest ambassadors of sustainability within the animal kingdom. By pollinating flowers they are essential to the ecosystem as they ensure the long-term continuity of plants, trees, and agriculture.

We at KAEFER believe having a sustainable way of thinking is the key to both the future of our organisation and the well-being of our planet. The services we provide help our customers save energy and reduce emissions. But it is also about our impact and how we deal with energy efficiency, scarce resources, and material consumption as we work towards fulfilling our vision 'to eliminate the energy waste'.

‘We take environmental responsibility’

At KAEFER, we strongly believe that we are responsible for our planet and we take this task very seriously. The Environmental Dimension of our sustainable mindset is of great interest for us as we work hard every day towards the fulfilment of our vision ‘to eliminate the energy waste’. On the one hand, our services allow our clients to save energy and to reduce emissions. On the other hand it is about how we reduce our ecological footprint and how we deal with topics like scarce resources, energy efficiency, renewable energy, material consumption, smart mobility, and recycling.

Smart mobility

Making mobility smarter and more sustainable is a vital task for a healthier planet and a future without fossil fuels. Starting the future today, KAEFER introduced two electric vehicles and takes part in the ‘Unternehmensinitiative Elektromobilität (Company Initiative for Electromobility)’, which tests the electromobility of various businesses and sectors.

This initiative features more than 80 companies and aims to provide information to optimise the fleets of different-sized companies by collecting operational data from roughly 160 vehicles on the frequency of battery charging and technical problems, for instance.

Two Renault Kangoo vans were presented to their future drivers on 25 June 2013 and are currently being used by our Interior Outfitting department to promote our vision ‘to eliminate the energy waste’.

KAEFER WANNER in France also introduced two electric cars that are being used within and between sites as well as at local offices.

Green Car Policy and Green Fleet Award

Making our company fleet greener and improving its ecological footprint is a goal we first started pursuing in 2010. Since then, we have come a long way. Before the introduction of our ‘Green Car Policy’, the average CO2 emission stood at 186g CO2/km per vehicle.

Establishing CO2 emission limits for our company cars helped reduce the average to 164g CO2/km in 2013. In the category of passenger vehicles alone, we were able to significantly lower emissions to 128g CO2/km, compared to 154g CO2/km in 2009.

Putting our efforts to the test, KAEFER participated in Volkswagen’s initiative ‘Die Grüne Flotte Award’ (the Green Fleet Award) to see how our numbers would stack up against those of other fleets. A total of 89 companies provided the data for their Volkswagen vehicles.

In the category ‘share of environmental friendly vehicles’, we received a score of 76.9% quite above the average of 31.9%. With 129g CO2/km KAEFER was also able to beat the average emissions of 137g CO2/km.

Pedelec test driving

Taking part in the ‘Pedelec test driving’ event, organised by the ADFC (German Bicycle Club) Bremen and the Senator for Environment, Construction and Transport, nine KAEFER employees had the opportunity to test battery-assisted bicycles for nine days in May. During this period, they refrained from travelling by bus, train or car and, instead, made their daily commute more environmentally friendly by driving a Pedelec to work.

The feedback was overwhelmingly positive, and one participant was so convinced by this new mode of transportation that he even bought himself a Pedelec.

+ More information can be found on the rear cover.
The great success of MovIEE

More than 2,200 people trained in energy efficiency, over 40 events, workshops and trainings, and five pilot plants. These are just some of the key results of MovIEE, which is short for Moving India’s SMEs towards Energy Efficiency. The project was a public private partnership with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as part of the develoPPP.de programme of the German Ministry for Economic Cooperation and Development. The project was launched in 2009 and was an important aspect of our Sustainability efforts in India. In autumn, the success story that lasted almost four years was successfully concluded, achieving more than it initially planned.

The idea of the project was simple, but challenging. It involved providing small- and medium-sized organisations in selected regions in India with access to advisory services, training, and credit schemes, to enable them to implement energy efficient insulation in their facilities. Moreover, the project aimed to raise awareness among those companies of the potential competitive advantage of integrating sustainability measures into their business operations.

To demonstrate the positive effects of professional insulation, five pilot plants were insulated in different industries, and the results of these improvements were used to communicate the benefits of insulation, energy efficiency, payback periods, and to raise further awareness about energy efficiency in different industries.

Because these industry clusters were spread all over the country, mobility and flexibility were needed. Therefore, a mobile ‘Energy Bus’ equipped with different materials such as information on energy efficiency, insulation materials, analysis tools, and audio-visual equipment was introduced. It was used for road shows and awareness campaigns and also during workshops and trainings. These training sessions focused on different aspects such as technical (including audits on site) and CSR aspects, as well as financing energy efficiency measures. Furthermore, the project was presented at conferences and summits to further highlight energy efficiency using professional insulation not only in India, but also worldwide.

The goal of the MovIEE project was to combat the waste of resources by increasing efficiency, to improve working conditions by reducing the risk of burns on hot, non-insulated surfaces, to reduce emissions, and to secure the competitiveness of industrial plants. Looking back, the project surpassed the agreed objectives, and the feedback we received from the plant managers at conferences, during trainings and workshops showed us that MovIEE really managed to make an impact.
Light projects

Both the UK and the Netherlands have been busy in the past year helping the environment by focusing on their lighting. In the Netherlands, LED lighting was installed in the head office in Dordrecht to help reduce CO2 levels.

In the UK, our Sustainability Champion Shaun Taylor launched a campaign about turning off lights. Stickers were produced and put above all the light switches that read: ‘This room isn’t afraid of the dark. Using this switch saves energy.’ The stickers are used throughout the KAEFER C&D offices and at some sites. This idea was also the inspiration for a similar campaign at the Bremen headquarters that is set to be implemented in 2014.

Our consumption

Our core business is insulation. As this 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 KAEFER on a global scale are various insulation materials like mineral wool and PIR foams, metals like stainless steel, aluminium and galvanized steel, as well as coatings and scaffolds.

The Corporate Supply Management is working on the harmonisation of our material management systems as well as the implementation of a spend visibility tool. After finalisation, the information from these applications can be used for our Sustainability Report.

Paper Consumption – Think before you print

As reported in the years before, KAEFER headquarters monitors their paper consumption and displays the quarterly paper use, water consumption, energy consumption and CO2 emissions in every printer room. In 2013, we were able to further decrease our annual paper consumption by 9%, which corresponds to a 464 kg reduction in waste paper, 8,573 litres in water, 1,754 kWh in energy consumption and 370 kg in CO2 emissions. We are optimistic that we can build on these great achievements and continue to improve in 2014.

Overall the paper consumption dropped by 0.67% on average in Australia, Austria, Canada (INSCAN KAEFER), France, Poland, UK and Vietnam.

EN4 Electricity consumption per capita

The main source of energy used worldwide is diesel which amounts to nearly 80% of our energy consumption. Other main sources are petrol, oil, and natural gas although their shares have decreased compared to the years before. The changes in the overall spread are based on the fact that there has been some changes in the countries reporting.

11.64 MWh were produced by the solar panels installed on the roof of the KAEFER headquarters. The electricity consumption per capita decreased in the majority of the countries. In countries where the consumption increased, new initiatives have been introduced to raise the awareness for saving energy. This consumption results in 23,821.57 tCO2Eqv (Scope 1 & 2) for the countries that contributed to these indicators (see list of EN4).
Waste management

With our vision ‘to eliminate the energy waste’, the aspect of waste is essential for us. Therefore, we have started to collect the information on waste and disposal methods in 2012 in those countries that have already been part of the KAEFER Sustainability Report 2011. As we are active in the construction industry, building material waste is a huge factor for us. Compared to 2012, the shares of recycling and landfill increased.

Recycling for a good cause

KAEFER SOUYET in Chile has found a way to pursue two noble causes. By supporting ‘Fundacion San José’, it takes care of the environment and, at the same time, helps people in need. This non-profit organisation sets up recycling boxes at various companies involved in their mission, including at KAEFER SOUYET. Once the boxes are filled with paper and cardboard from participating offices, the boxes are picked up and sold to recycling firms. The profit made is used to fund the foundation’s expenses. In their 17 years of charitable work, they have certainly been able to make a difference for the local community. During this time they have helped over 5,000 pregnant women, cared for 1,000 children under the age of five waiting for adoption, and helped to find new homes for more than 1,000 children.

Trees

Trees are vital to the Earth as they clean the air we breathe, filter our water, and provide habitats and food for animals like bees. For these reasons we need to save the trees around us and plant new ones.

As in past years, planting initiatives also took place in 2013. Under the motto ‘Plant trees, save our lives’, two KAEFER sustainability activities were carried out on the World Environment Day in June at two locations in the UAE. The aim was to support the importance of taking care of our environment. In order to further promote greenness in the desert, KAEFER Abu Dhabi’s Mirfa facility team transformed the hot and sandy ground into a bed ready for 35 trees to be planted on that day. At the Musaffah facility all staff gathered together in the evening and each was given an indoor plant with our Sustainability label on. This was meant to be taken home and cared for to make each place greener and healthier.

Employees in Germany also participated in an effort to ensure continuity of the local forest by adopting trees. To mark the traditional ‘Kohlfahrt’ or cabbage tour in Bremen, KAEFER employees from different parts of Germany came together to go on a walking tour that also featured eating and dancing. To get to know the colleagues from all the locations, name tags were distributed among the hundreds of participants. But these usually are only used once, and therefore an unnecessary expense. This year, everyone was given the opportunity to help the environment and save production costs by donating old name tags from previous years. The money which was saved through this initiative was then used to sponsor 15 trees over the next 10 years.
Partnering with other companies to foster environmental engagement

In October, KAEFER became a member of the ‘partnerschaft umwelt unternehmen’, the environmental partnership network in Bremen. The philosophy of this organisation is to bring economy and environment together hand-in-hand. The partnership is a network that includes public administration and businesses of different sizes and industries and is based on voluntary agreement and involvement. For KAEFER, it is a way to bring our vision to life.

The network offers many different benefits for its members such as exclusive information, events, and consultations. It allows for an exchange between individual companies and the development of joint ideas.

On 18 October, we were officially presented with our certificate by Dr. Diana Wehlau, the representative of the senator for environment, construction, and transport in Bremen.

Educational programme

In cooperation with the ‘Deutsche Umwelt-Aktion’ (German Environment Initiative), KAEFER Construction developed an educational programme on the Antarctica. Classes were held in a total of 42 schools, in Bremen, Hamburg, and Dusseldorf. Students in grade nine participated in two interactive lessons, involving a quiz on climate conditions in Antarctica, causes and effects of global warming, and a short film about the construction of a research station, namely our own project Bharati.

To conclude the session, the students worked in groups to do their own research and experiments, which they later presented. Using the provided material, they learned about insulation, heat generation, and drinking water production at a research station.

Water

‘Water is life’ was the name of an extensive KAEFER campaign which took part in Brazil in 2011 to highlight the importance of water as it is vital for all forms of life.

Therefore, we started to integrate the aspect of water consumption also in our last year’s report. The water withdrawal refers to the head offices in the different countries.

The chart presents the water withdrawal per capita. Our aim is to spread environmental awareness and to decrease this number in all reporting countries.

In Qatar, the consumption increased but also a change of contract resulted in the fact that the consumption can be better tracked. In other contracts, bills for water have been directly paid by the plant owner.
The Cultural Dimension

There are around 20,000 species of bees around the globe, and each one is perfectly adapted to its local environment. Although they live in different environments, all species work towards the same goal in a unified manner. KAEFER employees communicate and co-operate with one another on a daily basis, blending together an international network of 50 countries and 20,000 people from all around the globe. Our company is a melting pot of lifestyles, language, cultures, and traditions, united by common goals and values, a fact which is also reflected in the diversity of our projects and initiatives.
Faces of Sustainability

Different views of and approaches to sustainability were showcased at the ‘Faces of Sustainability’ exhibit which took place from 2 March to 8 May in the Wilhelm Wagenfeld Haus, a design museum in Bremen. The pictures were of owners, managers, and employees from 20 companies, including KAEFER. Visitors gathered around to view the images and read the personal stories behind each picture. As a multicultural organisation, KAEFER presented itself in the category of diversity. A selection of pictures from the KAEFER International Photo Competitions in 2010 and 2012 was chosen to impressively illustrate our multifaceted corporate culture. KAEFER’s contribution underlined that in addition to specific activities, sustainability at KAEFER also means on-going support for this culture where diversity plays a major role.

Due to the enormous popularity of the different photographs KAEFER exhibited, a decision was made to auction them off and donate the money to a good cause. The highest bidders among the KAEFER employees now proudly take pleasure in these exceptional exhibits. In total EUR 450 were raised and donated to the ‘Bremer Suppenengel’ which is a local soup kitchen in Bremen that provides meals for homeless people. This achievement once more showed that sustainability has many different faces and is an ongoing endeavour which does not stop with one project.

KAEFER SA photo competition in Poland

From August to October, KAEFER SA encouraged their employees to take part in the photo competition ‘Quality Around Us’, an event which went hand-in-hand with the international KAEFER campaign ‘Think Quality!’.

Employees were asked to send in photos to the communication department of anything, from images of people to pictures of nature. KAEFER SA received a wonderful collection of photos from both office and site workers.

Picking the winning photos was by no means easy. A professional photographer helped choose the best images which you can find on the right side. Judging criteria included a good composition, interesting colours, and an impressive atmosphere. KAEFER employees were also allowed to pick their favourite photo and give the ‘audience award’ to the one they liked best.

‘Sommer in Lesmona’ 2013

Once a year during the summer months, Knoops Park in the North of Bremen is the place to be for admirers of classical music. It is the time when Bremen’s world class orchestra, The Deutsche Kammerphilharmonie Bremen, performs the traditional open air festival ‘Sommer in Lesmona’.

In 2013, 10,000 classical music fans, among them also many KAEFER colleagues, came to Knoops Park equipped with lawn chairs and picnic baskets in line with the tradition of experiencing unforgettable concerts in the middle of the wonderful nature.

During the three day programme the amazed audience was taken on a musical journey along the Danube starting in Germany, passing Austria, Slovakia and Hungary, and ending in Romania.

As with the years before, the programme on Sunday was addressed to children and therefore offered entertainment for the entire family. The afternoon highlight on that day was the family concert ‘Sonne und Mond – woher die Donau ihren Namen hat’ / ‘Sun and Moon – where does the Danube has its name from?’, which was supported by KAEFER in particular.

KAEFER has been supporting The Deutsche Kammerphilharmonie Bremen for several years now and is one of their main sponsors. ‘Sommer in Lesmona’ is always a highlight in the concert calendars and a Bremen tradition that by now nearly belongs to Bremen as much as the Bremen town musicians.
Art exhibit at Corporate Headquarters

For many centuries the Bremer Kunsthalle (Bremen Art Gallery) has showcased a rich collection of outstanding paintings, hand drawings, and sculptures from the 14th century to the present day. Regular exhibitions attract visitors from all around the world. KAEFER supports different projects at the Kunsthalle such as ‘Kunsthalle Bremen unterwegs’ with the aim to bring art and creativity to schools and nurseries.

After KAEFER headquarters relocated to the city centre of Bremen at the end of 2010, the idea was born to exhibit art in our working environment. The management of the Kunsthalle kindly agreed to a series of temporary exhibits at KAEFER headquarters. Every six months one of the sculptures from their 16th - 20th century collection is displayed on the 5th floor at KAEFER.

Christmas initiatives for good causes

In keeping with the spirit of Christmas, the festive period was an extremely active time for KAEFER all around the world, as it helped bring joy to others.

In Poland, KAEFER SA once again supported the ‘Theatre for One Smile’, as well as the ‘Nobel Package’. They also contributed gifts to the Plock motorcycle club to distribute to various children’s orphanages and a women’s emergency shelter.

Meanwhile in Spain, a donation was made to UNICEF to support those affected by the disaster on the Philippines.

At the Mansfield office in the UK, a collection box was placed in the kitchen for donations of toiletries, tinned food, and clean towels. These were then given to a local charity called ‘Framework’.

In Germany, a group of employees from KAEFER Industry in Bremen gave up their ‘Jule Club’ or ‘Secret Santa’ tradition and raised a total of EUR 610 for a local charity instead.

On 10 December, a team of staff from KAEFER in South Africa visited the Fountain of Love Orphanage situated in East Rand Katlehong, where they spread Christmas cheer and goodwill, carrying on a five-year tradition. They continued to sponsor a vehicle there which is used to collect food and donations. All together they brought joy and happiness to people in need and showed our dedication to helping others.

Book donation campaign in India

Child poverty is a big problem in Delhi, where around 300,000 children live in slums and have no access to education. At KAEFER, a book donation drive was conducted from 25 March to 15 April to help these young people.

In total, 140 books were collected and donated to the ‘HOPE foundation’ in India which aims to ‘bring hope to a hurting world’. These books will be able to assist the impoverished children in a meaningful way and bring some hope into their lives. The generous contributions made by everyone at KAEFER made the campaign a huge success.
In recent years we experienced several situations all over the world where it has been necessary to support our employees and their communities with donations and special commitments through various charities. Mainly natural catastrophes, such as the 2010 earthquake in Chile or the 2011 floods in Thailand, have created a need for this extra support, but also educational and health issues have required our backing. For the aforementioned reasons the KAEFER FOUNDATION gGmbH was established in 2010, as a non-profit charitable organisation.
In 2013, the foundation got involved with and in the following projects and initiatives:

Running events

Running events in Bremen to support various different charities such as Special Olympics Bremen, the Rainbow Fish Foundation, an organization in Bremen supporting children who suffer from a visual or other sensory impairment, and to the Saving Grace Community Care Centre, a project that is run in South Africa and supported regularly by KAEFER Thermal.

Fundraising campaign

In response to the severe flooding in parts of eastern and southern Germany, that also affected some of our KAEFER colleagues, a fundraising campaign was launched to help those people in need. The money that has been collected internally was then transferred to the initiative ‘Aktion Deutschland Hilft’, a coalition of renowned German aid organizations that provides emergency relief.

World AIDS Day

Every year KAEFER employees from all over the world do something to mark ‘World AIDS Day’. The event is held annually on 1 December. As reported in our Sustainability Reports, in recent years, various initiatives were staged worldwide to raise awareness about the ‘silent killer’ and to give people the chance to think about the millions of people who are affected by HIV and AIDS. Greeting cards with different seasonal motives taken from the entries of the KAEFER International Photo Competitions, were sold in Bremen to raise money for the KAEFER AIDS Relief Programme.
The KAEFER FOUNDATION gGmbH (the foundation) was established in 2010, with the financial support of KAEFER Isoliertechnik GmbH & Co. KG as a non-profit charitable organization. The foundation’s mission is to support KAEFER employees, their families, and their communities’ worldwide who are experiencing hardships brought on by natural disasters, a lack of funds for education, health problems, and so on. With donations and special commitments, the KAEFER FOUNDATION wishes to help those in need of support, and to inspire others to do the same.

Corporate Responsibility and Sustainability (CRS) projects that are not directly related to KAEFER’s business and projects with a clear non-profit goal (e.g., KAEFER AIDS Relief Programme) are and can also be supported by the foundation.

The foundation offers support amongst others in the following cases:

- Humanitarian work
- Prevention of diseases like HIV/AIDS, tuberculosis, etc. and support for victims of these diseases
- Education, apprenticeships, and training
- Science and research
- Protection of the environment and the ecosystem, especially climate protection and energy efficiency
- Development projects for younger generations
- Natural disasters and catastrophes

Getting involved

The foundation wants to continue making a difference. More projects and initiatives are constantly being developed to raise. Every donation contributes to a better future. You can make a one-time donation or monthly donations to:

KAEFER Foundation gGmbH
Account No. 1690049
Deutsche Bank AG
Bank code 290 700 50
IBAN DE62290700500169004900
BIC (SWIFT) DEUTDEHBXXX

Please note: Individuals and organisations in Germany can receive a donation receipt that can be used for tax purposes. Alternatively you can purchase any of the 12 different postcards from the KAEFER International Photo Competitions 2010 and 2012, to raise money for the foundation. The postcards can be purchased at some of the reception desks of our different KAEFER subsidiaries or you can contact us directly at crc@kaefer.com.
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 the topic of Sustainability.

This is the third Sustainability Report for KAEFER which covers the period from 1 January to 31 December 2013.
About our report

With our KAEFER Sustainability Report 2013, we aim to present our approach towards sustainability and the developments we made so far. This report is organised in different sections according to the four dimensions of our sustainable mindset.

We began reporting voluntarily on our sustainability performance in the first KAEFER Sustainability Report that covered the year 2011. Since then, we have reported annually in accordance with the internationally accepted guidelines of the Global Reporting Initiative (GRI), version G3.1. This is the third Sustainability Report covering the year 2013 (1st January 2013 -31st December). The information provided in this report has not been audited by a third party but we strongly believe that the data along with the past reports and the KAEFER website are sufficient to meet the requirements of level C.

If not stated otherwise, the information provided refers to the following countries:

> Australia
> Austria
> Brazil
> Canada
> France
> Germany
> Mexico
> Poland
> Qatar
> Saudia Arabia
> South Africa
> Spain
> Thailand
> UAE
> UK

Compared to prior years, we made gradual progress in terms of expanding the scope of the report and developing a greater understanding of sustainability. However, much work needs to be done on a regular basis to gather more comprehensive information that gives us an accurate picture of our mid- and long-term performance.

We are aware that this can only be realised with the ongoing support of our Sustainability Champions worldwide. Our sincere appreciation goes to them for all their help, time, and dedication. We also would like to thank the writers inside and outside the CRC department for their great support when creating this report. All articles were written by KAEFER employees to reflect their own experiences. At the same time, their different backgrounds and writing styles represent the diversity we have at KAEFER.

We see our Sustainability Report as a first step in strengthening our stakeholder dialogue both internally and externally, and we are working towards continuing this. We invite you to join the conversation. Just write to us at crs@kaefer.com.

Materiality

KAEFER operates within a complex business environment which includes a diverse network of partners. Our key stakeholders are our employees worldwide, our clients, suppliers, and competitors as well as local communities. These groups are influenced by everything we do.

Defining materiality means identifying key aspects that are essential to us and our stakeholders. We started with an analysis of the issues relating to sustainability with regard to our employees and to our external partners such as customers, suppliers, and competitors. The next step included an internal materiality survey among the Sustainability Champions and the members of the Sustainability Working Group. Due to their different backgrounds and working environments we received a broad picture about major topics worldwide. These aspects were then transcribed to the indicators of the Global Reporting Initiative framework and are the most important indicators for KAEFER. The results can be found in the chart right.

Due to commercial sensitivity, KAEFER’s health & safety figures have been excluded from this report.

Although we took great care when collecting and analysing all the data, mistakes cannot be excluded with absolute certainty.
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**Performance indicators**

- EC2: Financial implications and other risks and opportunities for the organization’s activities due to climate change
- EC3: Coverage of the organization’s defined benefit plan obligations
- EC7: Procedures for local hiring
- EN1: Materials used by weight or volume
- EN3: Direct energy consumption by primary energy source
- EN4: Indirect energy consumption by primary source
- EN5: Energy saved due to conservation and efficiency improvements
- EN6: Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives
- EN7: Initiatives to reduce indirect energy consumption and reductions achieved
- EN8: Total water withdrawal
- EN9: Total direct and indirect greenhouse gas emissions by weight
- EN10: Initiatives to reduce greenhouse gas emissions and reductions achieved
- EN11: Total weight of waste by type and disposal method
- LA1: Total workforce by employment type broken down by gender
- LA7: Rates of injury, occupational diseases, lost days, and absenteeism
- LA8: Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases
- LA10: Average hours of training per year per employee
Project highlights around the world

- **Canada**: Memberships *Page 13*
- **Chile**: Recycling for a good cause *Page 25*
- **Brazil**: Safer driving training *Page 19*
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- **UK**: Family Fun Day *Page 19*
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Notes:

1. Unternehmensinitiative Elektromobilität (Page 21)
The federal government encourages extensive projects concerning the development of electromobility in Germany. Since 2009, Bremen and Oldenburg have been promoting ‘Electromobility in Model Regions,’ a federal programme from the Federal Ministry of Transport, Building and Urban Development. The electromobility model regions are coordinated by the NOW GmbH Nationale Organisation Wasserstoff- und Brennstoffzellentechnologie (National Organisation Hydrogen and Fuel Cell Technology) and the UI ElMo is led by the Bremer Nehlsen AG.

Abbreviations:

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<td>ADFC</td>
<td>Allgemeiner Deutscher Fahrrad-Club e.V.</td>
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<td>AEEA</td>
<td>Alberta Energy Efficiency Alliance</td>
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<td>BoD</td>
<td>Board of Directors</td>
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<td>CRC</td>
<td>Corporate Responsibility &amp; Communication</td>
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<td>DGNB</td>
<td>Deutsche Gesellschaft für nachhaltiges Bauen e.V.</td>
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<tr>
<td>EiiF</td>
<td>European Industrial Insulation Foundation</td>
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<td>ESR</td>
<td>Empresa Socialmente Responsable certificate</td>
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<td>FESI</td>
<td>European Federation of Associations of Insulation Contractors</td>
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<tr>
<td>gGmbH</td>
<td>Gemeinnützige GmbH - limited non-profit company</td>
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<td>GIZ</td>
<td>Gesellschaft für Internationale Zusammenarbeit</td>
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<td>Group Management Committee</td>
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<td>KAEFER AIDS Relief Programme</td>
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<td>LTIF</td>
<td>Lost Time Injury Frequency per million work hours</td>
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<td>OHSAS</td>
<td>Occupational Health and Safety Assessment Series</td>
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<td>PACT</td>
<td>Planning, Administration, Communication and Technical Quality</td>
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<td>puu</td>
<td>Partnerschaft Umwelt Unternehmen</td>
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<td>TRCF</td>
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<td>VCT</td>
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Picture credits:

KAEFER archive

Fotolia:

Cover Working bees on honeycells © wonderisland

Bienenwabe © Bettina Wehmeyer

P. 11 Bienen 08501.jpg © kranidi

Beehive © Bettina Wehmeyer

P. 21 Bee on dandelion © Marc Elliot

P. 27 Ruche de boid © Bigbenz

P. 29 Many books © Vladimir Melnikov

P. 30 Honeycomb grid © holoholo

P. 33 Beautiful colorful pastel(crayon) pencils in a row (line) on whit © S K

Others:

P. 7 Øyvind Hagen - Statoil

P. 26 partnerschaft umwelt unternehmen

P. 28 H&K+S / Agentur für Werbung

Catharina Sachs, Santiago Lopez (Ausstellung ‘Gesichter der Nachhaltigkeit’, 2013)