



Sustainability Report 2014



# Foreword

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Meeting the challenge of corporate social responsibility today is a continuous process of improvement. Further progress can only be achieved by taking into account environmental, health and safety concerns as elements of the company's strategy. Therefore, Autoneum consistently pursues the principle of good governance. Conservation of the environment and natural resources is just as much a feature of this as considerate management of employees and open dialogue with authorities and the public at large.

Autoneum endeavors to keep the environmental burden of its products as low as possible throughout the entire product life cycle. This includes using production processes that facilitate efficient processing of raw materials. Compared to 2013, the focus on eliminating and reusing waste resulted in 2014 in less production waste generated at the company's manufacturing facilities despite increased production output. Furthermore, water consumption was remarkably reduced in 2014 compared to 2013.

In addition to ecological indicators, aspects of social sustainability are becoming ever more important. One key example is the responsible management of employees. Consequently, Autoneum carried out its first global employee satisfaction survey in 2014. Among other findings, it shows that the employees share a sense of pride in working for Autoneum, believe in the company's products and have a strong sense of responsibility for the overall performance of their respective teams. On the other hand, several activities were initiated to address the indicated areas of improvement.

As a globally active company, Autoneum maintains business relations with all partners that are shaped by trust and sincerity. The applicable guidelines are set out in the company's Code of Conduct. In 2014, Autoneum again held numerous training sessions in order to increase once more sensitivity to these guidelines.

The results of these ongoing and long-term processes are encouraging Autoneum to further intensify its ecological, economic and social sustainability activities.

Winterthur, October 2015



Martin Hirzel  
CEO Autoneum

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# Sustainability at Autoneum

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The principle of responsible conduct is one of the company's success factors. Sustainability at Autoneum includes careful handling of the environment and natural resources, responsible management of employees and an open dialogue with customers, business partners, authorities and the public.

Autoneum's innovative products, on the one hand, significantly contribute to improved vehicle environmental performance. They reduce interior and exterior vehicle noise by insulating, absorbing or damping unpleasant sound. This is of benefit for drivers, passengers and residents. The products also lower the overall weight of vehicles thanks to their light weight, which in turn leads to lower fuel consumption and reduced CO<sub>2</sub> emissions.

On the other hand, the company endeavors to keep the environmental burden of its products as low as possible throughout the entire product life cycle. This includes the use of production processes that facilitate efficient processing of the deployed raw materials. The aim is to ensure not only the reuse and recycling of waste but also the greatest possible recyclability of the manufactured products.

## Key Performance Indicators

The collection of sustainability-related data is based on Key Performance Indicators (KPIs). This KPI reporting system is used to evaluate criteria such as a plant's operational efficiency on a monthly basis as well as details on environment, health and safety-related criteria. Today, an increasing number of car manufacturers only maintain business relationships if suppliers can prove they have established eco-efficient production processes and plants as well as products and technologies. Accordingly, the KPIs support the reporting data required by Autoneum's customers, which to a large extent refer to sustainability.

## Carbon Disclosure Project

The KPIs are also deployed within the framework of the global reporting initiative Carbon Disclosure Project (CDP). CDP supports companies and cities worldwide in measuring, managing and sharing environmental information about their impact on the environment and natural resources and in taking action to reduce that impact. Autoneum has been cooperating with CDP for nearly ten years. In addition, Autoneum takes part in the CDP Supply Chain Program. This is an initiative to specifically support multinational companies in achieving sustainable supply chain management. Within the scope of the Supply Chain Program, companies analyze and reduce the risks that climate change and water shortage might pose to their supply chain model.

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### **Autoneum Production System**

The values and principles underpinning the activities and behavior of the company are integrated in the Autoneum Production System (APS).

This system is used at all of the company's production locations, focusing on three main pillars:

- Autoneum transforms its production processes into a visualized and therefore transparent value stream. Therefore, a pull-flow system is in use. Pull-flow systems are driven by customer orders and are based on actual demand rather than forecasting. They speed up work flow and production cycle times and enable in-sequence deliveries.
- Autoneum promotes a Kaizen mentality among all employees in order to achieve improved results in terms of productivity and time-to-market. Kaizen means "change for the better" and refers to a Japanese philosophy that focuses on the continuous improvement of business operations, such as production processes. With Kaizen, employees become an active part of the continuous improvement processes the company strives for by actively proposing improvements. In 2014, Autoneum's employees handed in around 10 000 improvement proposals, which amounts to approximately one proposal per employee. The majority of proposals were related to manufacturing processes.
- Standards are crucial for achieving consistent manufacturing processes and equal quality levels at all manufacturing locations. Therefore, Autoneum focuses on standardizing all processes and continuously analyzing and improving them. Among other measures, the company conducts APS assessments on a semiannual basis to ensure adherence to its manufacturing standards.

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# Ecological Responsibility

In comparison with the company's non-manufacturing fields of business, Autoneum's production locations offer the biggest potential for further improving its environmental performance. It is obvious that the plants cause most of the company's energy and water consumption as well as waste resulting from manufacturing processes. In order to evaluate and appraise a company's annual global environmental performance, it is usually put in relation to its economic net sales development. In 2014, Autoneum again recorded organic growth and correspondingly higher production volumes compared to the previous year.

The 2013 figures for waste, energy consumption, water use, greenhouse gas (GHG) emissions and acidification potential have been restated due to the sale of the former Italian subsidiary in July 2013. In order to have comparable numbers for 2014 and 2013, the environmental performance of the four Italian plants was not taken into account for the first half-year 2013.

## Waste

Despite the organic growth and the corresponding increase in production, there was a slight decrease in total waste achieved in 2014 compared to the previous year.

T (metric)		2014	2013	Changes
Disposal/Landfill <sup>1</sup>	1	54 927	63 065*	-12.91%
Energy recovery	2	18 020	14 632*	23.15%
Recycling	3	25 212	22 041*	14.39%
Hazardous waste	4	1 574	1 736*	-9.36%
<b>Total waste</b>		<b>99 733</b>	<b>101 474*</b>	<b>-1.72%</b>



\*Restated due to the sale of the former Italian subsidiary in July 2013.

Improvements in recycling systems and the development and deployment of closed-loop systems are but a few of the company's ways to reduce waste. Autoneum aims at reusing all raw materials that are not transformed into finished products. Waste arising from the production of dampers, heavy layers, felt parts or aluminum heatshields can systematically be used again. In order to do so, the production system is a closed-loop system where production waste is collected and then brought back again in the production process.

In 2014, the amount of recycled waste rose by 14 percent. Additionally, the amount of landfill waste was cut by 13 percent. There are several reasons for these improvements. For instance, Autoneum lowered the size of felt blanks used and optimized their cut in order to avoid production waste in Behror (India), Valldoreix (Spain) and

<sup>1</sup>A landfill is an authorized site for the official disposal of waste. It requires rigorous siting, engineering and environmental studies to fulfill local environmental and safety regulations. The amount of landfill waste can be reduced by, among other methods, collecting and recycling solid materials such as metal, glass and paper.

Choceň (Czech Republic). At the same time, the size of carpet and heavy layer blanks was reduced at the plant in Nowogard (Poland). In parallel, the disposal of internal production waste was simplified and the manual handling of waste was again limited: On the one hand, the automatic waste and scrap transport system initially deployed in A Rúa (Spain) was installed at four additional European locations. On the other hand, at the Ons-en-Bray (France) plant it is now possible to collect and separate different types of garbage with one single waste segregation machine.

Hazardous waste represents a specific subcategory of waste that can be liquids, solids, contained gases or sludges. Their treatment, storage and disposal are regulated by local laws. Each country defines which type of waste is classified as hazardous, which means that changes in figures are not only based on a company's business activities but are also due to changing definitions or weightings.

## Energy

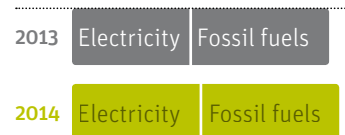
Production processes are energy-intensive procedures. Thus, as a result of the higher production volumes Autoneum achieved in 2014, consumption of electricity increased in the reporting year.

MWh	2014	2013	Changes
Electricity	306 806	283 422*	8.25%
Fossil fuels	329 463	328 784*	0.21%
<b>Total energy consumption</b>	<b>636 269</b>	<b>612 206*</b>	<b>3.93%</b>

\*Restated due to the sale of the former Italian subsidiary in July 2013.

The increased use of equipment that consumes little energy and the implementation of energy-saving measures were decisive for the only slight increase in total energy consumption.

In 2014, twelve production locations from all four Business Groups were already implementing additional measures to save energy. For instance, in Guangzhou (China), conventional lightbulbs have been replaced by LED lights. In addition, the company will conduct trial operations in 2015 at plants in Germany and the USA to replace oil heating systems with steam heating systems in order to reduce the consumption of fossil fuels.



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## Water

Water is mainly used for cooling and cleaning purposes in Autoneum's production processes. In addition, waterjets are popular for cutting products such as carpets within the manufacturing process. In 2014, the total use of water was clearly reduced compared to 2013.

m <sup>3</sup>		2014	2013	Changes
Municipal water	1	860 047	763 012*	12.72%
Ground water	2	30 492	255 140**/**	-88.05%
Others	3	34 924	14 554*	139.96%
<b>Total water use</b>		<b>925 463</b>	<b>1 032 706**/**</b>	<b>-10.38%</b>

\*Restated due to the sale of the former Italian subsidiary in July 2013.

\*\*Restated due to re-classification of water usage in Sevelen (Switzerland).

This reduction was achieved, among others, with the careful dealing with water at all plants, elimination of leaks in water pipes and the re-use of water that is only needed for cooling purposes.

The overall level of ground water consumption in 2014 and 2013 was clearly lower compared to the previous years. This is the result of a re-calculation of the amount of water used in the Sevelen (Switzerland) plant. In Sevelen, ground water is used for cooling needs. During the process of cooling, the water is neither polluted nor in direct contact with machines and equipment. It is pumped out of the ground, passes a heat exchanger and is guided back into the river Rhine. Therefore, the company agreed with local authorities that this amount of water does not have to be rated and classified as consumed ground water.

In addition, the consumption of ground water was partially replaced with the usage of water from other sources in 2014 compared to 2013, especially water transported and stored in tanks ("others"). Due to the already initiated relocation of one plant in Brazil, the company abstained from investing in water pipes at the former site and instead used for a limited number of months water transported and stored in tanks. In addition, there was a long period of drought in the area of the Taubaté plant (Brazil) which resulted in the insufficient supply with water distributed in pipes and and consequently the replacement with water coming from tanks.



# -10.38%

The total use of water in 2014 was reduced by more than ten percent compared to 2013.

### Greenhouse Gas (GHG) Emissions

Autoneum systematically records its global GHG emissions. They are given in carbon dioxide equivalents because carbon dioxide (CO<sub>2</sub>) is one of the main greenhouse gases.

- The so-called “scope 1 emissions” are the greenhouse gas emissions occurring directly out of the company’s production processes. In 2014, the small increase in fossil fuels resulted in slightly lower scope 1 emissions.
- The so-called “scope 2 emissions” are indirect GHG emissions resulting from electricity, heat or steam purchased externally and then used by a company. The GHG emissions resulting from this purchased energy, heat or steam are ascribed to the company consuming it. The increased electricity consumption in 2014 resulted in higher scope 2 emissions.

Consequently, total greenhouse gas emissions for 2014 were higher than in 2013:

CO <sub>2</sub> equivalents – t (metric)	2014	2013	Changes
Scope 1 emissions <sup>1</sup>	74 674	74 759*	-0.11%
Scope 2 emissions <sup>2</sup>	157 738	143 178*	10.17%
<b>Total GHG emissions</b>	<b>232 412</b>	<b>217 937*</b>	<b>6.64%</b>

\*Restated due to the sale of the former Italian subsidiary in July 2013.

Autoneum continues to make efforts to reduce CO<sub>2</sub> emissions that arise directly in its manufacturing locations. These efforts include the installation of automatic valves that minimize live steam in the condensate system of machines, optimized use of electric motors by activating a sleep mode during periods of inactivity and the adjustment of thermostats according to seasonal changes and during the night.

At the same time, the company constantly lowers emissions indirectly: Autoneum’s lightweight components significantly reduce the weight of vehicles, which results in less fuel consumption and lower emissions. Optimized thermal management through Autoneum’s engine encapsulations also leads to lower CO<sub>2</sub> emissions: engine encapsulations help to store heat in the engine bay for longer periods so that less fuel is used for cold starts, thereby reducing vehicles’ emissions.

### Acidification Potential

The acidification potential is given in sulfur dioxide equivalents because sulfur dioxide emissions contribute significantly to the acidification potential. In 2014, Autoneum slightly reduced the acidification potential resulting from emissions produced directly in its manufacturing locations. This was achieved mainly due to the replacement of fossil fuels with electricity, which has a lower acidification potential compared to fossil fuels.

SO <sub>2</sub> equivalents – t (metric)	2014	2013	Change
<b>Absolut acidification potential</b>	<b>110</b>	<b>112</b>	<b>-1.55%</b>

\*Restated due to the sale of the former Italian subsidiary in July 2013.



## SO<sub>2</sub>

Sulfur dioxide emissions contribute to the acidification potential.



### **Operational Excellence**

Autoneum globally shares best practice examples focusing on technical and organizational aspects in order to further improve the company's ecological footprint. The Manufacturing Excellence team defined several company-wide initiatives in 2014 to speed up this process and to implement best practice examples as worldwide standards. Among others, these examples include an enhanced level of vertical integration throughout all production facilities as well as the implementation of standardized cold and hot molding techniques.

Apart from vertical integration and globally implemented manufacturing standards, maintenance has also been defined as a key contributor to improving added value. To achieve a sustainable, maximum life for its equipment and machines, Autoneum considers preventive maintenance essential. Therefore, production systems are systematically inspected and corrected in order to avoid breakdowns. In addition, Autoneum created manuals that define not only the company's standard processes but also standard specifications for equipment and tooling. In 2014, more than 30 new standard manuals were compiled.

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**The Manufacturing Excellence team defined several company-wide initiatives to further improve the company's ecological footprint.**

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# Economic Responsibility

Growing profitably in all regions and generating the cash flow to finance this growth is one of the company's six strategic priorities. As an automotive supplier, up to 20 percent of Autoneum's sales volumes must be replaced each year by new customer orders. In order to enhance and increase its position as global market and technology leader, the company spent around 57 million Swiss francs in 2014 on research and development activities. They are carried out at Autoneum's research and technology (R&T) center – located at the company's headquarters in Winterthur (Switzerland) – and at regional acoustic and development centers. These centers are located in Brazil, China, France, Germany, Poland and Switzerland as well as in the USA and conduct, for example, prototyping, material testing and process engineering.



## “Eco Design Tool”

In order to forward both current R&T activities and future innovations, a new version of the “Eco Design Tool” software developed in-house was launched in the reporting year. This software program conducts qualitative assessments of the environmental performance of new products already in the earliest stage of conception. This is done by forecasting, analyzing and optimizing their environmental impact. The environmental impact of a product is influenced by, among other things, the selection of raw materials, the amount of production waste that can be reused and the energy efficiency of the manufacturing processes.

Autoneum's development and program management processes were revised and updated in 2014 according to the Autoneum Program Deliverables (APDs) introduced in 2013. The APDs are the company's global standard for planning, steering and controlling customer programs. This is of particular relevance because related activities such as business acquisition, pricing, serial launch and production of final parts are no longer related to any one production location, one country or one Business Group but are bundled globally.

Compared to the previous approach to managing customer programs, their complexity and the related number of program deliverables<sup>2</sup> could be reduced significantly. For example, cross-departmental requirements such as the Autoneum Production System (APS), Autoneum's Environment, Health and Safety Management System (MEHS) and Manufacturing Excellence were integrated in the development phase for new customer programs. Production Control & Logistics (PC&L) were also included, which enabled eliminating the former program deliverable “packaging plans”. In the reporting year, the APDs were trained on-site at all Development Centers worldwide and via e-learning courses in the manufacturing locations. Global deployment for customer programs and additional APD enhancements are planned for 2015.

The “Eco Design Tool” software analyzes the environmental performance of new products already in the earliest stage of conception.

<sup>2</sup>“Deliverable” is a term used in project management to describe an object produced as a result of the project that is intended to be delivered to a customer. A deliverable can be a report, a document, a work package or any other building block of an overall project. A deliverable differs from a project milestone: for a typical project, a milestone might be the completion of the product design, while the deliverable might be the technical diagram of the product.

In addition to the above-mentioned PC&L requirements, a new PC&L team was established in 2014. It defines and implements an enhanced global concept for production and logistics. In cooperation with the existing logistics functions in each Business Group, operational benefits in terms of costs, reliable supply as well as supply chain responsiveness will be achieved. In 2015, the PC&L team will also work on evaluating how Autoneum's global supply chain can be improved in terms of packaging, storage and transportation as well as in analyzing the ecological footprint of the company's suppliers.

### Global Procurement<sup>3</sup>

In parallel, Autoneum's Global Procurement experts did an in-depth analysis of the company's supply chains in order to achieve supply chain processes that are globally transparent and identical. The Global Procurement team was newly set up in 2014; it cooperates closely with the Purchase teams of the four Business Groups as well as the material experts from R&T and the Development Centers.

As one of more than 100 manufacturing companies from all around the globe, Autoneum was invited by the renowned University of St. Gallen (HSG), Switzerland, to participate in an international benchmarking study run under the title "Successful Procurement in Volatile Buying Markets" in the reporting year. The target of the study was to identify outstanding and successful practices when dealing with supply chain risks, such as fluctuating market prices, exchange rates or supply disruptions. Autoneum was awarded as one of five "good practice companies", representing the only automotive supplier in the ranking.

### Business Continuity Management Processes

In addition, Global Procurement is involved in strategic market searches, supplier evaluations as well as in business-continuity activities. With the Global Procurement and Environment Health and Safety teams, risk experts analyzed and advanced the business continuity management of the company. The prime objective is to protect the business from the effects of events such as natural disasters, fires, strikes, energy failures and pandemics. It is fundamental for Autoneum to be able to protect against such negative occurrences by ensuring the security and accessibility of plants, speedy restoration of damaged equipment and the effective handling of any kind of business interruption. Furthermore, Autoneum introduced improved plant risk assessments in collaboration with the company's insurers that will be fully implemented by the end of 2015. The main goal is to reduce the probability of damage events and to lower the corresponding impact for Autoneum.



Autoneum participated in the international benchmarking study "Successful Procurement in Volatile Buying Markets" and was awarded as one of five "good practice companies", representing the only automotive supplier in the ranking.

<sup>3</sup>"Procurement" is the acquisition of goods, services or work from external sources. These goods, services or work must be appropriate and procured at the best possible cost to meet the acquirer's needs in terms of quality, quantity, time and location. Companies usually define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion.

# Social Responsibility

As a market and technology leader, Autoneum aims to act in an exemplary manner at all levels and in particular in its business relations. The stakeholders of the company – be they customers, investors, suppliers, business partners, authorities or employees – expect Autoneum to gear its actions toward the highest ethical standards. The assumption of its ethical and legal responsibility is reflected in strict compliance with laws, provisions, regulations and internal guidelines.

One of Autoneum's leading directives for such good behavior is the Code of Conduct. It is based on the corporate values of the company and specifies in detail the expectations and standards applicable within the scope of the business activities and their concrete implementation. The principles set out in this document are binding for all employees at all locations in all countries where the company is operating. Managers are expected to set an example for others through their own behavior and in doing so to create an open working environment based on trust.

All employees of Autoneum must be aware of their personal responsibility and at all times display ethically unimpeachable conduct in accordance with the Code of Conduct. Compliance with these standards is of core importance for the long-term success of Autoneum; infringements are therefore not tolerated. In order to sensitize the employees to the importance of the Code's requirements, Autoneum held intense compliance training sessions at numerous sites across the world in 2014 in order to further raise awareness of compliance and to augment the knowledge of the relevant requirements and the possible risks of non-compliant behavior.

Autoneum's Code of Conduct can be downloaded on the company's website ([www.autoneum.com/about-autoneum/code-of-conduct/](http://www.autoneum.com/about-autoneum/code-of-conduct/)).

## Values and Behaviors

Autoneum lives a corporate culture that is based on specific values and behaviors. These values and behaviors were initially developed in 2011 by a global team across all locations and Business Groups. The following six values form the core of the company's high-performance culture:

- We perform with **Passion**
- We act with **Accountability**
- We profit from **Innovation**
- We live a **Global Spirit**
- We progress through **Continuous Improvement**
- We strive for **Simplicity**

Autoneum employees live these values through their decisions and actions. This enables Autoneum to remain loyal to its overriding principles: Delight your customers – Enjoy your work – Fight for profits. Several actions were taken in 2014 to reinforce the company's values and principles. For instance, the training course "Values and Leadership" for senior managers took place for the first time to enable participants to anchor those values and principles more strongly within their teams and areas of responsibility.

As a market and technology leader, Autoneum aims to act in an exemplary manner at all levels and in particular in its business relations.



At the core of Autoneum's high-performance culture are six values which define a shared identity.

### Employee Survey

In 2014, Autoneum carried out its first global employee satisfaction survey. This survey was based on the corporate values and conducted with a specialized external partner. The questions revolved around, for instance, the overall satisfaction of the employees, their motivation, their identification with the company, working conditions and individual development and compensation. The participation rate was over 60 percent, proof of the strong interest Autoneum's workforce showed in the survey.



The results reveal that employees share a sense of pride in working for Autoneum, believe in the company's products and have a strong sense of responsibility for the overall performance of their respective teams. Room for improvement was identified regarding recognition of employee performance, implementation of good and simple ideas, and general workplace conditions. Actions have already been taken to come up with solutions for short-, mid- and long-term improvements at both the local and global level throughout 2015.

### Training and Education

Developing the know-how, qualification and social competence of all employees is of great importance for Autoneum's future. Many factors determine satisfaction and commitment. Accordingly, Autoneum has several programs in place to cultivate a sense of belonging to and contributing to the company. For instance, the transnational training course "International Leadership Program" (ILP) was held for newly appointed managers in 2014. It is crucial for Autoneum's employees to be able to deal with the intercultural challenges they face on a daily basis. Therefore, ILP provides its participants with the tools they need to stand their ground in this international environment: it offers training that aims at developing competences for international cooperation to build bridges between different cultures. Additionally, training participants were asked to engage in cross-country project work in order to put their newly gained skills into practice.

Furthermore, Autoneum develops the competences of all employees to create high levels of motivation and performance and to allow them to reach their full potential. An individual appraisal is used to carefully review the performance of each employee. It takes place at least once a year between the employee and his or her superior. Training needs of employees are assessed on appraisal, while corresponding steps are evaluated and defined.

Training and education are also offered to young professionals. Autoneum works together with universities by underwriting internships and supporting scientific programs. In 2014, the company employed almost 200 apprentices – mostly in Europe (Switzerland, France and Spain), South America (Argentina and Brazil) and the USA, all countries where apprentice systems are common and popular.



**Autoneum develops the competences of all employees to create high levels of motivation and performance.**

## Employees

By the end of 2014, Autoneum employed 10 681 people (including temporary employees and excluding apprentices) worldwide, most of them in Europe and North America.

Employees	2014	2013
Business Group Europe	3 858	4 088*
Business Group North America	3 803	3 694*
Business Group Asia	1 515	1 477*
Business Group SAMEA**	1 327	1 392*
Corporate	179	166*
<b>Total</b>	<b>10 681</b>	<b>10 816*</b>

\*Restated (as of 2014, the figures include temporary employees but still exclude apprentices).

\*\*South America, Middle East, Africa and Russia.

In 2014,  
1.2 percent of all  
Autoneum  
employees worked  
on a part-time  
basis.

Compared with 2013, the global workforce reduced slightly, mainly due to successfully implemented capacity adjustments in Europe. About five percent of Autoneum's global workforce is based in Switzerland, where the company has its global headquarters and one manufacturing location. In 2014, 1.2 percent of all Autoneum employees worked on a part-time basis.

Autoneum does not tolerate any form of harassment or discrimination based on, for instance, race, religion or sex. Employees are judged on the basis of their ability to do the job and not on the basis of their personal characteristics. In 2014 and 2013, the sex ratio among Autoneum's workforce remained stable:

Headcount in %	2014	2013
Female	25	24
Male	75	76

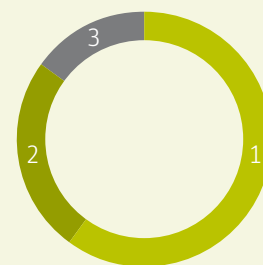
Regarding the age structure, nearly two thirds of female employees were between 30 and 49 years old. The split by age shows that every fourth male employee was 30 years or younger, compared to a lower percentage of female workers in the corresponding age group. There was no significant change in the age structure compared with 2013.

Age in %	2014	2013
Female below 30 years	16.9	19.2
Female 30 – 49 years	63.0	60.0
Female 50 years and above	20.1	20.8
Male below 30 years	24.0	24.9
Male 30 – 49 years	53.1	53.4
Male 50 years and above	22.9	21.7



Two thirds of Autoneum’s employees have completed basic schooling as their highest education level. This is driven by the fact that two thirds of Autoneum’s workforce is employed in production. 15 percent of the employees possess a university degree:

Highest education level in %		2014
Basic schooling	1	60.0
Basic schooling plus a diploma as specialist	2	25.0
University degree	3	15.0



Compared to 2013 and 2012, Autoneum again reduced the absenteeism rate in 2014. “Absenteeism” indicates the number of working hours that were planned but did not take place due to the unforeseeable absence of employees.

In %	2014	2013
Average absenteeism	2.5	2.7

**Health and Safety**

Autoneum takes a comprehensive approach to health and safety management in order to achieve continuous performance improvement in this area as well. The main target of the company with respect to health and safety is to ensure the highest possible safety conditions and to avoid accidents at all times. “Accidents” are defined as unplanned or undesired events resulting in human injury or illness. In comparison to 2013, the number of accidents remained stable in 2014.

	2014	2013
Number of accidents	329	324
Work-related fatalities	0	1



Autoneum ensures the highest possible safety conditions.

There are two reasons for this figure not being lower: First, the company became significantly stricter with respect to accident reporting and identifying potential causes of accidents. An improved, more detailed reporting system usually results in a higher number of occurrences recorded. Second, several plants in Europe improved their shop floors and relocated machines and presses. Such changes in habitual procedures sometimes cause accidents until employees are fully familiar with the new manufacturing processes. However, the long-term reading (2014 compared with 2011) shows that both the severity and frequency rate of accidents have clearly improved.

To further promote the “Arrive, work and go home safe” approach, Autoneum implemented an enhanced Environment, Health and Safety Management System (MEHS) in 2014. MEHS is geared at achieving comparable and consistent environment, health and safety standards at all Autoneum locations. To assure comparability among all plants, it is based on international and local directives, regulations and laws. It is also aligned with the current global standards ISO 14001 (environmental management system) and OHSAS 18001 (occupational health and safety management system). Mandatory guidelines for more than 30 areas, such as environmental management, process safety, emergency preparation, occupational health, supervision of contractors, machine guarding, accident investigation and reporting as well as permits to work, were defined and implemented.

Supplementary, an Environment, Health and Safety training program was launched in the reporting year in order to further educate employees in these areas. This training program is based on the “train-the-trainer” method, which aims to drive the thematic ownership of MEHS through cross-departmental leadership. Therefore, several experienced Environment, Health and Safety experts within the company were appointed as regional trainers and have since been responsible for the training and development of plant managers and additional MEHS experts at the production sites assigned to them. In addition, safety training sessions for all employees were compulsory in 2014. These sessions included, among others, fire prevention and ergonomics as well as the so-called “lockout/tagout”. This is a safety procedure that is used at production locations to ensure that machines are properly shut off and not started up again prior to the completion of maintenance work.

To further improve safety conditions, the broader use of Mizusumashi trains<sup>4</sup> instead of forklifts has also been initiated. In 2014, the company established a “Mizusumashi train expert team”. It consists of representatives of Asian and European plants and defines a guideline for the Mizusumashi train implementation that is applicable for all Autoneum plants. So far, more than ten out of Autoneum’s roughly 50 production locations are equipped with Mizusumashi trains, and at least two additional plants are expected to be equipped in 2015. Mizusumashi trains not only contribute to increased safety conditions; they also reduce energy consumption and improve material flow efficiency at the production locations.



A further enhanced Environmental, Health and Safety Management System (MEHS) has been implemented in order to improve the EHS performance with a specific audit program.

<sup>4</sup>“Mizusumashi” means “water strider” in Japanese and refers to an employee on the shop floor who moves quickly and efficiently from place to place, like insects walking on water do. This worker collects and delivers material and supplies to the primary workers of a work station, thus keeping production going without disruption.



### Social Engagement

In 2014, Autoneum promoted its first “Social Engagement Award” in order to support the social engagement of its employees at all locations. It was presented to an employee from Poland in recognition of her engagement in a development aid project in Guatemala. The “Casa Guatemala Children’s Village” offers orphaned and neglected children shelter, education and medical care. Thanks to the financial donations from Autoneum employees, which were rounded off by the company, the water supply of the “Casa Guatemala Children’s Village” was secured.

Corporate social responsibility (CSR) activities are also carried out individually at the local plant level, thus enhancing the company’s CSR activities. These activities include, for instance, charity bike rides, fundraising barbecues, donation of materials and equipment, supporting local youth sport teams and health checks for poor children.

### Worker Participation

Autoneum recognizes the principle of employees being involved in aspects of organizational decision making throughout its global organization. As an example of such worker participation, the company implemented its European Works Council in 2012. Currently, it consists of eleven representatives from Autoneum’s legal units of Belgium, the Czech Republic, France, Germany, Great Britain, Poland, Portugal and Spain. European Works Councils are bodies that represent the European employees of an internationally operating company. Through them, workers are informed and consulted by the management on the progress of the business and significant decisions at the European level that could affect their employment or working conditions. In addition, the members of the council gather once a year at a two-day conference with the Head of Business Group Europe and top representatives from Human Resources.



**In 2014, Autoneum promoted its first “Social Engagement Award” in order to support the social engagement of its employees at all locations.**

## Summary and Outlook

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In 2014, Autoneum again improved in the fields of ecological, economic and social sustainability. This progress was achieved through the strategic focus on continuous improvement and the corresponding implemented measures.

For instance, the company's production facilities decreased the amount of waste generated in 2014 compared to 2013. At the same time, the volume of recycled waste increased. In addition, Autoneum reduced water consumption considerably despite the organic growth recorded. In particular, the use of ground water was cut.

The company also carried out its first global employee satisfaction survey in 2014. Among other findings, the results showed that employees share a sense of pride in working for Autoneum and have a strong sense of responsibility for the overall performance of their respective teams. Furthermore, intense training sessions were held at numerous sites across the world in order to further increase awareness of compliance issues and the company's Code of Conduct.

In 2015, Autoneum is continuing to develop products that minimize environmental impact throughout their life cycle. At the same time, the company is further advancing its technologies and processes related to production waste, energy and water consumption as well as greenhouse gas emissions. In parallel, the implementation of the newly introduced Environment, Health and Safety Management System (MEHS) must be completed and validated by auditing all production locations. Also planned is the introduction of a further improved Autoneum Production System (APS) assessment for evaluating not only individual work cells<sup>5</sup> but the entire plant.

Moreover, Autoneum will develop the existing improvement initiatives linked to sustainability. These include, for instance, avoidance of manual handling of waste by installing additional exhaust systems as well as the reduction of landfill waste by increasing re-use of internal production waste. Based on the insights gained from the employee survey, both local and global dialogue is scheduled for 2015 in order to tackle these topics and initiate appropriate actions for improvement.

In line with Autoneum's endeavors to protect the environment, this report is published in electronic form only. It can be downloaded on the company's website ([www.autoneum.com/about-autoneum/sustainability/](http://www.autoneum.com/about-autoneum/sustainability/)).

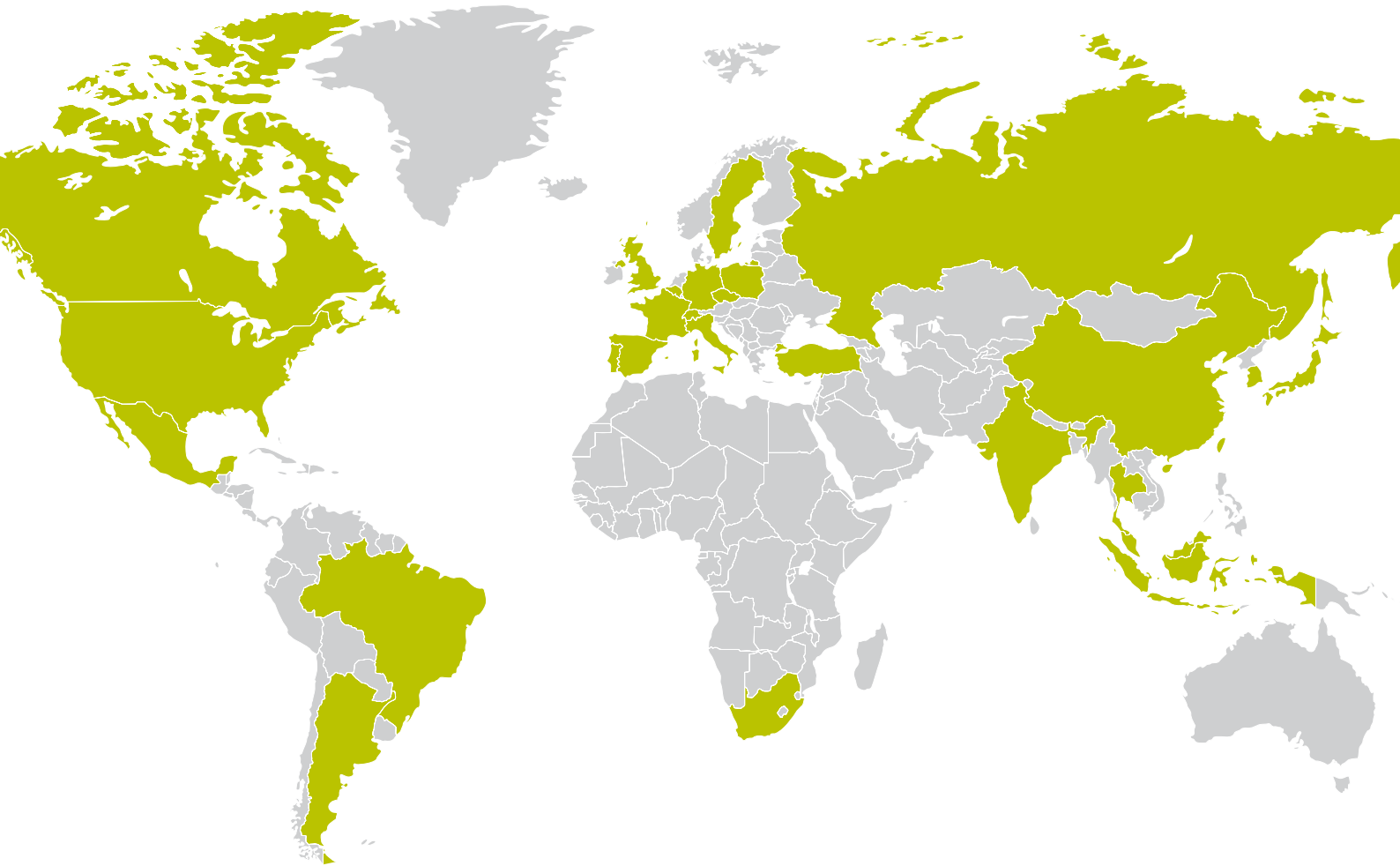
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**Autoneum is continuing to develop products that minimize environmental impact throughout their life cycle.**

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<sup>5</sup>In order to have efficient, fast and cost-effective manufacturing processes, machines are arranged so that the goods being produced move seamlessly from one stage of production to the next. This is best achieved by grouping the machines in so-called "work cells" because they facilitate the logical progression of the goods being produced. Work cells are often "L"- or "U"-shaped because equipment and machines arranged in this way are within the optimal reach of employees working in the individual cells. Thus, workers avoid excessive twisting, uncomfortable reaching and unnecessary walking around.

Autoneum. Mastering sound and heat.



## Global Presence

Autoneum locations

Locations with minority shareholders

Investments in associates

Licenseses

### Argentina

- Córdoba

### Belgium

- Genk

### Brazil

- Betim
- Gravataí
- São Paulo
- Taubaté

### Canada

- London, Ontario
- Tillsonburg, Ontario

### China

- Chongqing
- Shanghai
- Shenyang
- Taicang
- Guangzhou
- Tianjin
- Wuhan
- Fuzhou

### Czech Republic

- Bor
- Choceň
- Hnátnice

### France

- Aubergenville
- Blainville
- Lachapelle-aux-Pots
- Moissac
- Ons-en-Bray

### Germany

- Böblingen
- Grobostheim
- Munich
- Roßdorf-Gundernhausen

### Great Britain

- Halesowen
- Heckmondwike
- Stoke-on-Trent

### India

- Behror
- Chennai

### Indonesia

- Jakarta

### Italy

- Santhià

### Japan

- Aichi
- Higashi Kyushu
- Hiratsuka
- Hiroshima
- Kyushu
- Shizuoka
- Tokio

### Malaysia

- Shah Alam

### Mexiko

- Hermosillo
- Silao

### Poland

- Katowice
- Nowogard

### Portugal

- Setúbal

### Russia

- Ryazan

### South Africa

- Rosslyn
- Durban

### South Korea

- Incheon
- Daegu

### Spain

- A Rúa
- Valldoreix

### Sweden

- Göteborg

### Switzerland

- Winterthur (HQ)
- Sevelen

### Thailand

- Laem Chabang
- Chonburi
- Samutprakarn

### Turkey

- Bursa

### USA

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Farmington Hills, Michigan
- Jeffersonville, Indiana
- Oregon-Lallendorf, Ohio
- Oregon-Wynn, Ohio
- Chicago Heights, Illinois
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana