



SUSTAINABILITY REPORT 2019



ABOUT THIS REPORT

This is the first Sustainability Report of the ifm group of companies. It has been prepared in accordance with the Sustainability Reporting Standards (2016) of the Global Reporting Initiative (GRI) in the “Core” option. The Content has not been externally verified, but some information, for example, in the fields of ‘environment’ and ‘occupational safety’, is subject to external audits. Moreover, elements of the environmental statement that were prepared in accordance with the Eco-Management and Audit Scheme (EMAS) of the European Union were used for environment-related statements on products or production. An independent environmental audit was carried out for the environmental statement. Unless otherwise indicated, the statements in this report apply to the entire ifm group of companies and refer to the financial year 2019 (1 January to 31 December 2019). The consolidated financial statement for 2019 of the ifm group of companies, which commercial law prescribes for publication, is expected to be published in the electronic Bundesanzeiger during the last quarter of 2020. The financial figures for 2019 are preliminary figures. The editorial deadline was 26 June 2020. The next Sustainability Report is scheduled for summer 2021.

EDITORIAL NOTE

This report is available in German and English

GRI 102-45



INTRODUCTION

STRATEGY &
MANAGEMENT

VALUE CREATION

ECO-FRIENDLY
PRODUCTION

EMPLOYEES &
SOCIETY

APPENDIX



ifm AT A GLANCE

More than **7,300** employees
in **95** countries

Turnover of **995** million euros

More than **174,000** customers

More than **960** patents



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INTRODUCTION

STRATEGY & MANAGEMENT

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DEAR READER

While we are writing, many people, companies and countries are struggling with the unprecedented challenges raised by COVID-19. Despite the current crisis, our real net output ratio and the extraordinary efforts of our purchasing and logistics organisation ensure our continuing production, so that our employees can depend on us while we are supporting our customers as reliably and flexibly as always. Against this background, we see our course confirmed and keep on following our guiding principle, 'Growing successfully in security.'

Even before the pandemic, the recent months and, especially, the year 2019 were marked by extraordinary events. The global climate movement was unprecedented in its worldwide appeal and clarity of demands. With its origins in the younger generation, then crossing all cultures and continents, it was soon supported by large parts of civil society, politics and business. Many important initiatives were enforced, and, with the European Green Deal, ground-breaking measures are being prepared. The signs are that the economy will not be stimulated in a comparable fashion to previous crises but rather in coordination with climate and biodiversity protection.

To us, the answer has been clear for many years: our actions must be well balanced in the long term. Our ifm philosophy has also been written in this spirit. Its focus is on us as people, and we as people need an intact environment. Social cooperation, economic strength and environmental protection are not a contradiction in terms for us.

At the same time, we are aware that we must increase our contribution. Only then can we face the global social and ecological challenges of our time. Up until now, we have seen ourselves as a company that operates sustainably in an integrated manner. To strengthen our strategic approach, we created the position of Sustainability Manager in 2019 to tackle the issues that are most important to us and that we will pursue more intensively in the coming years.



Martin Buck and Michael Marhofer, Chairmen of the Management Board of the ifm group of companies

Our first Sustainability Report follows the internationally recognised standards of the Global Reporting Initiative (GRI) and informs about the current status, and our goals and measures. We wish you a good read, welcome your feedback and look forward to cooperating with you to create a future worth living.

Essen, July 2020

Board of the ifm group of companies

Martin Buck Chairman of the Board

Michael Marhofer Chairman of the Board

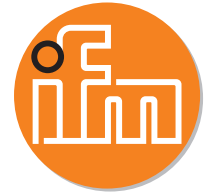


STRATEGY & MANAGEMENT

Even though ifm has grown considerably since its founding years, we still stand up for our virtues, our quality standards and our sincere and respectful way of interacting. Today, we combine the flexibility and personal character of a family business with the quality and professionalism of a corporate group. Our customers are still the focal point of our work.

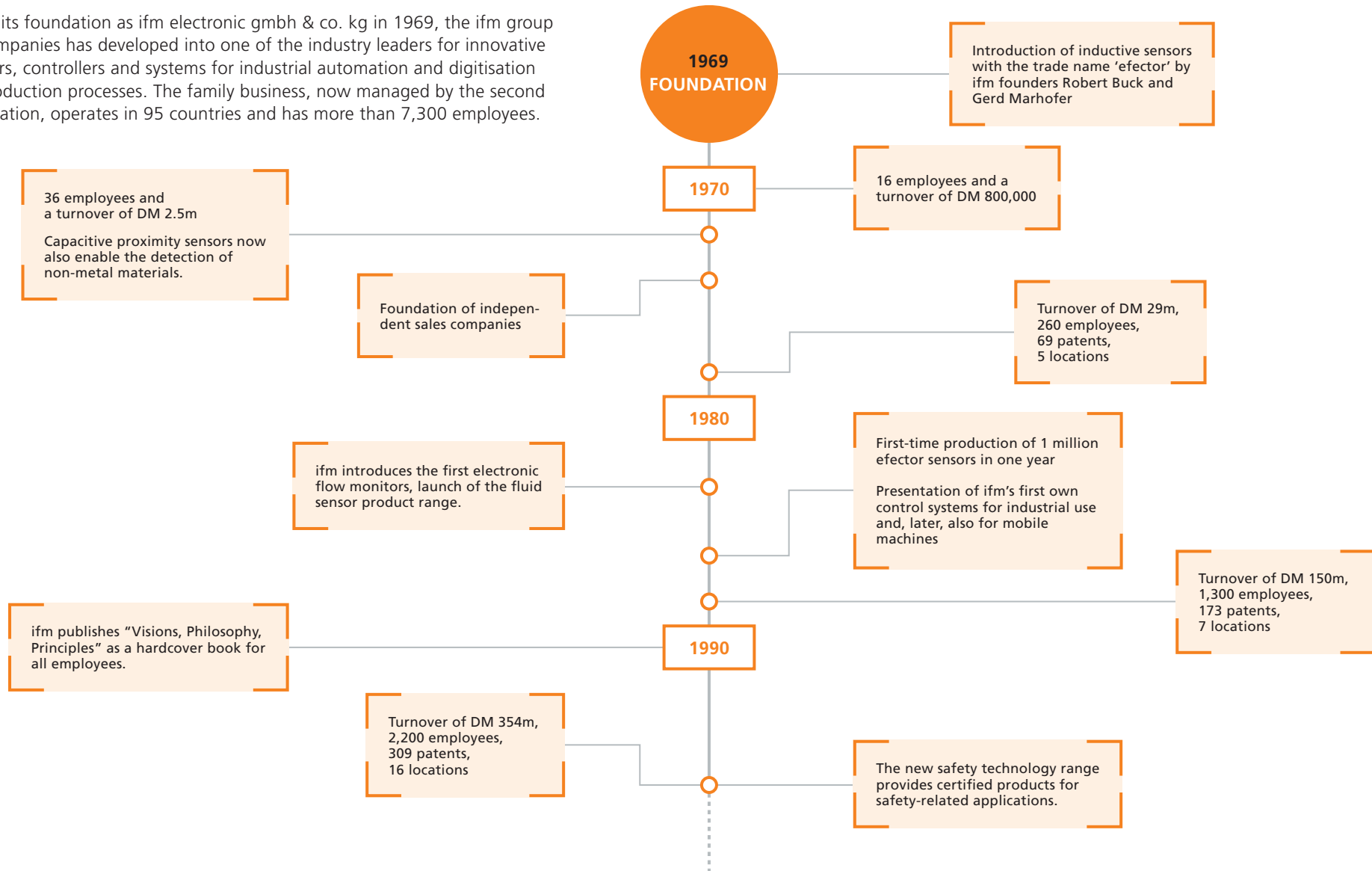
- > [Company profile](#) > [Sustainable corporate governance](#)
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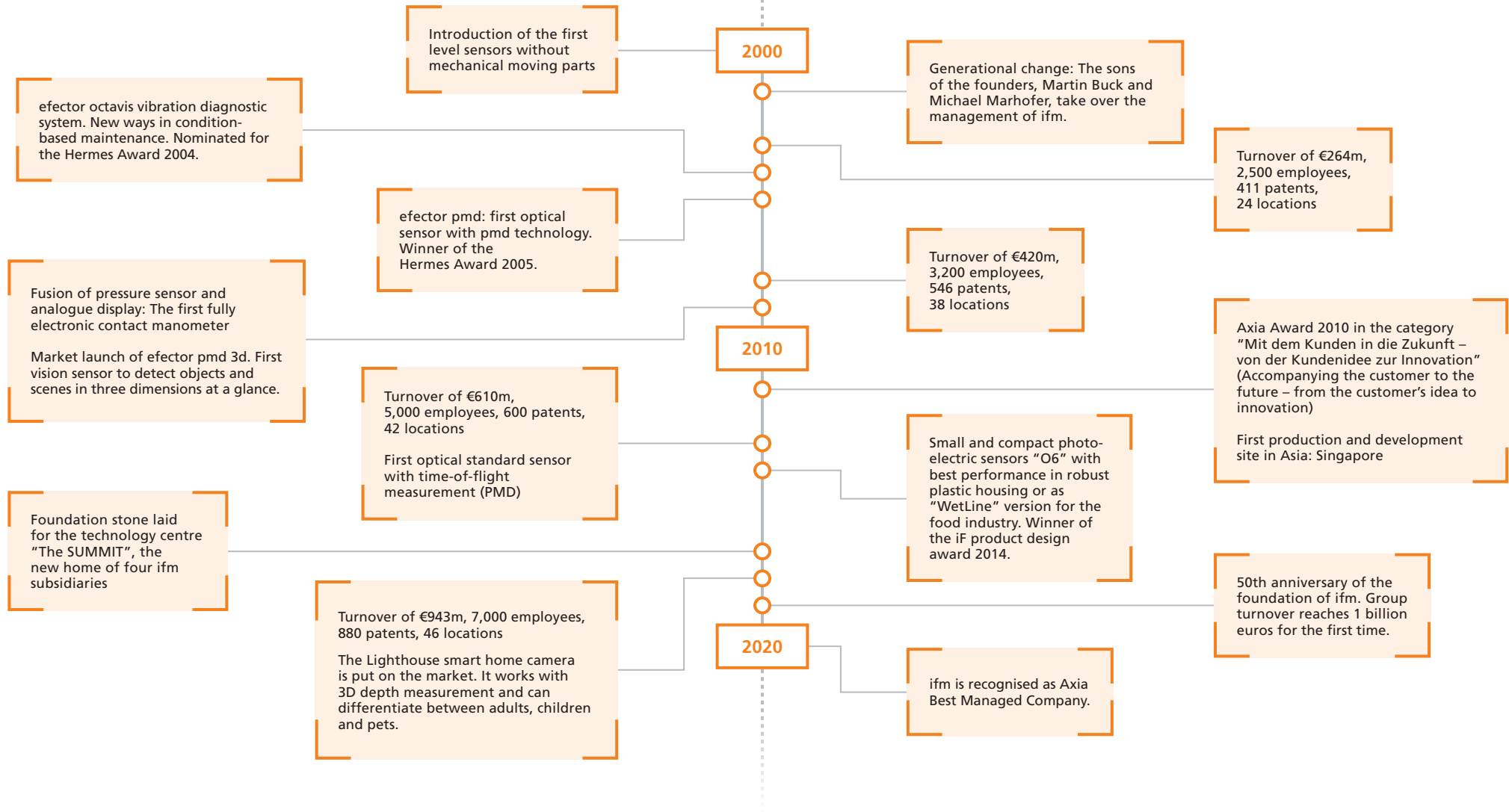
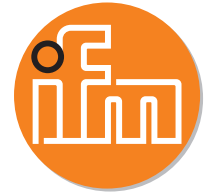


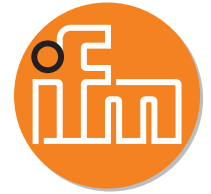


COMPANY PROFILE

Since its foundation as ifm electronic gmbh & co. kg in 1969, the ifm group of companies has developed into one of the industry leaders for innovative sensors, controllers and systems for industrial automation and digitisation of production processes. The family business, now managed by the second generation, operates in 95 countries and has more than 7,300 employees.







LOCATIONS

ifm's corporate and sales headquarters as well as the logistics centre are located in Essen. The main development location is Tett nang (Bechlingen). About 70 percent of all products are developed and manufactured at five locations in the Lake Constance region. In order to be able to respond quickly, flexibly and professionally to different market requirements, further production and development companies are located in India, Poland, Romania, Singapore and the USA. Sales abroad are made via subsidiaries of ifm electronic gmbh that buy and sell products in the respective countries in their own name and on their own account. All in all, customers in 185 countries are thus served either by independent sales companies or by commercial agents.



At home in Germany – operating around the globe:
“ifm – close to you!”

In **185** countries, we reach our customers through independent sales companies or commercial agencies.



PRODUCT PORTFOLIO AND MARKETS SUPPLIED

We develop, produce and distribute sensors, controllers, software solutions and systems for industrial automation. The large product portfolio covers not only all relevant standard solutions, but also special requirements of individual industries. In addition to position and process sensors, the product range includes sensors for motion control and safety technology. Moreover, we offer products for industrial image processing and communication as well as identification systems and systems for mobile machines. We develop innovative Industry 4.0 solutions and corresponding software and cloud products to make existing company processes digitally usable and to offer new, holistic control options for sustainable efficiency and cost optimisation.

The markets supplied correspond to the regions where we operate sites. The most important industries for us are:

- automotive industry
- renewable energies
- conveyor technology
- food industry
- metalworking
- mobile machinery
- steel industry and metal production
- packaging machines
- machine tools

For more information, [see the chapter on product responsibility.](#)

ORGANISATION

The owners of the ifm group of companies are the ifm stiftung & co. kg with 94.9 percent and ifm beteiligungs stiftung & co. kg, which holds 5.1 percent of the shares. The purpose of the ifm holding foundation is to support the training and further education of employees and to expand and promote the internal qualification and training programme.

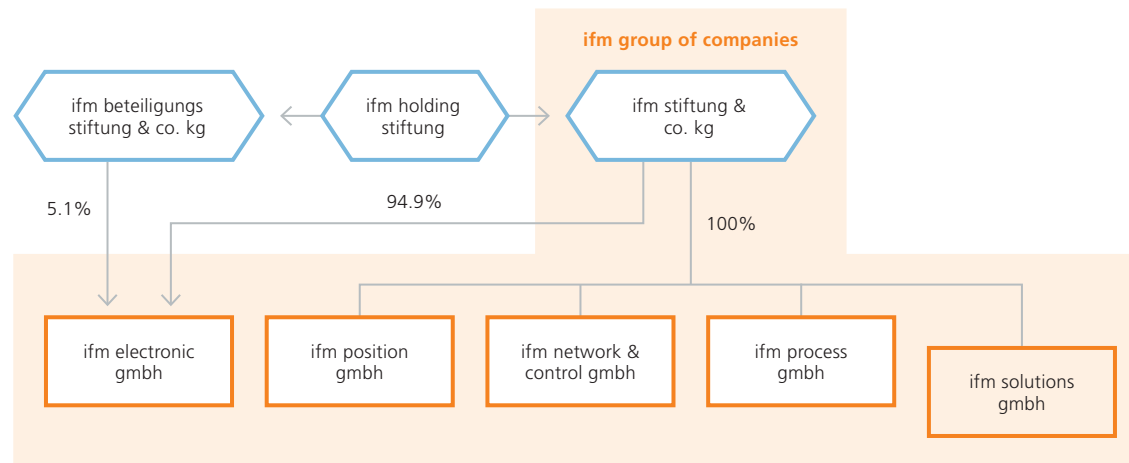
Operationally, ifm electronic gmbh acts as the parent company of the ifm group of companies. Since 2014, it has been bundling the sales and service activities of all subsidiaries and assuming all essential service functions for the group of companies.

This includes financial management for necessary operating resources and services in the areas of IT, personnel and accounting.

ifm electronic gmbh acts as the parent company of the following four divisions:

- **ifm position gmbh** (position sensors and object recognition)
- **ifm network & control gmbh** (connection technology, evaluation systems, power supplies)
- **ifm process gmbh** (fluid sensors and diagnostic / inclination sensors)
- **ifm solutions gmbh** (software solutions for Industry 4.0)

ORGANISATION CHART OF THE IFM GROUP OF COMPANIES





MEMBERSHIPS AND INITIATIVES

We live our corporate philosophy in various co-operations, participate in the exchange of knowledge and are always looking for partnership-based and sustainable solutions. Among other things, we are members of the following organisations:

- AGORIA (through ifm Belgium)
- Arbeitgeberverband Südwestmetall
- AS-interface CZ (AS-INTERNATIONAL ASSOCIATION e.V.; through ifm Czech Republic)
- Bundesverband IT-Mittelstand Deutschland (BITMi)
- Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME)
- Deutsche Gesellschaft für Qualität e.V. (DGQ)
- Deutsche Kommission Elektrotechnik Elektronik Informationstechnik (DKE) in DIN and VDE
- German-Czech Chamber of Industry and Commerce (DTIHK; through ifm Czech Republic)
- Erfolgsfaktor Familie
- European Committee for Electrotechnical Standardization (CENELEC)
- European Machine Vision Association (EMVA)
- Fachverband der deutschen Flughafenindustrie (GATE)
- IHK Bodensee-Oberschwaben (presidency)
- Industrial Automation Association (ENOSAD; through ifm Turkey)
- International Electrotechnical Commission (IEC)
- IO-Link consortium
- Society for Automation, Instrumentation, Measurement and Control (SAIMC; through ifm South Africa; Cooperation in Suppliers Advisory Council)

- Stifterverband der deutschen Wirtschaft
- Stiftung Ordnungspolitik
- Swissmem (through ifm Switzerland)
- swissTnet (through ifm Switzerland)
- Unternehmer-Initiative Bleiberecht durch Arbeit
- Verband deutscher Elektrotechnik, Elektronik und Informationstechnik e.V. (VDE)
- Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA)
- Zentralverband Elektrotechnik- und Elektronikindustrie e.V. (ZVEI)

As a matter of principle, we support various international initiatives that are in line with our values. This includes, among other things, the Core Labour Standards of the International Labour Organization (ILO) and the Universal Declaration of Human Rights (UN Charter).

SUSTAINABLE CORPORATE GOVERNANCE

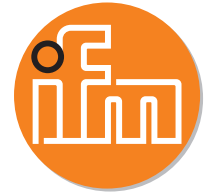
As a globally operating company, ifm stands for high-quality products 'Made in Germany'. Our claim, however, goes beyond the development and production of technically flawless products. Close customer contact is also of capital importance to us, which is ensured by our comparatively large sales and service team. We inform ourselves early about our customers' requirements, so that we can offer corresponding solutions that make their work easier.

For this purpose, we ensure that new developments of our products follow a long-term sustainable and justifiable strategy, irrespective of short-term market trends or competitive developments.

OUR CORPORATE PHILOSOPHY

The company founders defined the basic ideas behind what we do as early as 1990 in our ifm philosophy. This defines clear values and guiding principles that have been embedded in a developmental and global context. It also describes various assumptions and the corresponding tasks for the company and its employees. ifm also pursues this approach of thinking up ways of long-term development in view of the company's further improvement. The ifm philosophy is available in sixteen languages and is handed out to every employee when joining the company, along with the request to take a critical look at its content. In addition to this, all new employees at the Essen location and all members of the sales force in Germany are trained with regard to the corporate philosophy by the Management Board as part of the employee introduction process.

We practise open and appreciative communication with each other within the ifm group of companies. Accordingly, the ifm philosophy also includes the principle that employees should not be restricted by rules. Rather, they should be encouraged to understand their freedom of action and use it in the interests of the company.



STRATEGIC CORPORATE MANAGEMENT AND COOPERATIVE GOAL-SETTING

Within the scope of strategic corporate management, all management tasks are continuously geared to the environmental performance and social responsibility of the company. Corporate goals and measures to achieve them are derived from this active corporate strategy. Moreover, we define our future direction and development in an outlook for the next twenty years. This comprehensive forecast indicates sales and cash flow targets and can be consulted by all employees.

Our strategic early reporting system transfers systematically relevant developments, trends and influences into the strategy work. For this purpose, we use the resources of an external consulting company, as well as studies and trend reports, and consider information from the sales department regarding market and customer requirements. The trend list that is derived from this is updated on an annual basis by international executives. In addition, individual contents are evaluated and prioritised according to their relevance for the company. We observe the changes in trend assessments closely and use them for strategic learning. The overarching objective is to respond quickly and flexibly to changes and market requirements in order to take advantage of environmental and market opportunities.

Based on the results, the Board of Directors of ifm stiftung & co. kg cooperate with the Management to define guidelines in the form of a strategic Man-

agement Matrix. The developed strategic framework is used to create and revise the strategies for the business divisions and functions.

"ifm wants to establish a real, functioning basis of trust between management, executives, and employees by providing comprehensive information and by a constructive exchange of opinion with the competence to make decisions."

ifm corporate philosophy

The ifm management process includes budget planning and the creation of product and technology road maps that are embedded in corresponding overarching strategies. Our management process guarantees that the central divisions and functions, such as research and development, can adapt to future needs of the product divisions. Road maps contain quarterly and annual targets and are used as a communication medium as part of the strategy process. Whenever necessary, but at least once a year, the achievement of objectives is reviewed and relevant strategy documents are revised. The respective division head is responsible for the implementation and relevant reporting within the scope of the functional strategies. The Management is responsible for the business division strategies.

All strategy documents and the Management Matrix are shared online via a collaborative platform. Responsible persons are appointed for each strategic initiative. These persons significantly advance the implementation of the defined goals.

Therefore, all employees are involved to varying degrees in the strategy work. This shared process ensures a common understanding and successful implementation of our corporate strategy. In addition, the counter-current method described above allows us to focus our work on realistic, but ambitious goals. With regard to the implementation of the strategies, the Heads of the individual functional strategy groups and the Managing Directors report to the Board of Directors. Success is monitored on the basis of the underlying scenarios and budgets.

Significant changes that are, for example, a result of strategy adjustments are accompanied by a change process that is, among others, supported by the personnel department with appropriate forms of work, teaching and learning. Various learning modules are being developed for employees and executives. In addition, the Management conducts so-called fireside chats to ensure close and intensive exchange with the executives. This enables executives to send consistent, unambiguous messages to all employees and to communicate with one voice and in accordance with the corporate goals.



COMPLIANCE MANAGEMENT

The principles anchored in the ifm philosophy are a clear commitment that our group is aware of its social and environmental responsibility. The guiding principle, 'ifm intends to be a moral company', is an integral part of our daily activities. This includes, for example, that as a matter of principle, we will not develop, manufacture or sell products that directly serve military or weapon technology purposes. A central goal of our company is to grow successfully in security. This also includes complying with applicable laws and guidelines to prevent penal or civil sanctions. To ensure this, we added a code of conduct to our ifm philosophy in 2013.

The ifm Code of Conduct provides all employees with a guideline that answers legal and ethical questions. This guideline clearly states that applicable laws and standards form the basis of our actions. We are committed to the United Nations Declaration of Human Rights and to globally recognised social standards that should at least apply as a minimum requirement. We promote diversity and encourage all employees not to discriminate against anyone on the basis of age, gender, religion, origin or any other reason. We also stand up for fair competition and speak out against child and forced labour. All employees are required to observe the rules described in the ifm Code of Conduct.

The compliance officer of the ifm group of companies conducts regular training courses to raise awareness of the rules.

To assume responsibility that goes beyond our own employees, we have also laid down a code of conduct for our business partners that is in accordance with our values (for more information, [see the chapter on responsible procurement](#)).

ifm electronic gmbh has appointed a compliance officer for the ifm group of companies who is organisationally assigned to the Internal Audit & Compliance main department. Both the Head of the Internal Audit & Compliance department and the Compliance Officer who form the Compliance function have defined tasks and competences within the entire group. In fulfilling its duties, the compliance function is solely bound by instructions and information from the Board of Directors of ifm stiftung & co. kg and reports directly to it. Our overriding compliance targets apply worldwide for the ifm group of companies (excerpt from the ifm corporate policy 'Compliance'):

- Support of the central and business divisions by creating framework conditions that enable and secure group-wide business activities, especially in risk areas of the ifm group of companies

- Clarification of suspicious facts or indications of violations of applicable laws and internal rules or guidelines that have become known
- Making suggestions for an appropriate handling of violations of applicable laws and internal rules or guidelines by the responsible central and business divisions
- Further expansion and improvement of the existing risk management
- Further expansion and improvement of the existing compliance function and compliance organisation
- Advising the Board of Directors of the ifm group of companies on the further expansion and improvement of the existing risk management and the compliance function and compliance organisation
- Provision of training in the area of compliance

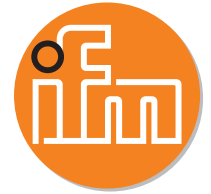
To improve our compliance with our duty of care, we set up a whistleblower system in 2019. It can be used in ten languages and, if desired, anonymously to report potential violation of our corporate values and suspected criminal cases. The central compliance organisation investigates all notifications and initiates appropriate measures.

The establishment of the whistleblower system has been communicated to all employees, customers and suppliers via the website, articles on the intranet and in our company magazine.

Our whistleblower system can be used in

10

languages and, if desired, anonymously.



We also publish information on the Code of Conduct and various compliance topics at irregular intervals in the internal 'knowledge network' and in the company magazine that all employees worldwide receive. In 2019, compliance training courses were held for our employees, in particular on the subject of corruption. We reported on this and on rules regarding gifts in business life in the company magazine and on the intranet.

In the year under review, the Compliance Department received information on corruption of the category commercial bribery. The matter was investigated and disciplinary action under labor law was subsequently taken as well as further measures initiated.

"ifm guidelines are positive. Employees are not restricted by rules, but encouraged to understand and use their scope of action."

ifm corporate philosophy

OTHER CONTROL MECHANISMS

In addition to our compliance activities, SEDEX audits according to SMETA were carried out for the third time in 2019 by an independent external organisation at ifm electronic gmbh in Tettng and for the first time at ifm prover USA, inc. The 'Sedex Members Ethical Trade Audit' (SMETA) is one of the most frequently applied audit concepts for ethical trade audits worldwide. Sedex (Supplier Ethical Data Exchange) is an organisation for companies committed to continuous improvement of ethical behaviour in their supply chains. ifm electronic gmbh and ifm prover USA, inc. were evaluated on the basis of a compilation of best practices for ethical trade.

The SMETA methodology uses the code of the Ethical Trade Initiative (ETI) as well as requirements of the respective national legislation as an evaluation benchmark and comprises four pillars:

- Health and safety
- Labour standards
- Environment (optional)
- Business ethics (optional)

The audit results are compiled in a secure online database at Sedex and transmitted to various customers as required.

In addition, the Board of Directors of ifm stiftung & co. kg regularly commissions the internal audit department to carry out audits and consultancy

services in the companies and central divisions of the ifm group of companies. These audits can be process, financial or forensic assessments. With regard to process audits, selected business processes are regularly examined in terms of security, correctness and business efficiency. The internal audit always makes an audit assessment regarding the state of the internal control system and the risk management and expresses measures to eliminate identified weaknesses.

The results of these audits and the corresponding measures to remedy the identified process weaknesses are recorded in writing and discussed with the responsible executives, approved and sent to the predefined distribution list. These reports are also forwarded to the Board of Directors and additionally presented by the internal audit department. This is how internal audit contributes, among other things,

- to supporting the Board of Directors of ifm stiftung & co. kg in fulfilling its organisational obligation in the terms of good corporate governance,
- to continuously improving the organisation of the ifm group of companies with regard to its internal control system / risk management system and, thus, also to contribute to increasing the value of the group of companies, and
- to protecting the shareholders' assets.



RISK MANAGEMENT

The Management has communicated the following through the ifm philosophy: 'Each growing company has to take risks to work successfully. Partners and management will only take such risks that are in the interest of normal business activities and the size of which is suitable to ifm.' Each of the four divisions of the ifm group of companies has set up its own divisional controlling that reports to the central controlling department of ifm electronic gmbh. In addition to the monthly financial indicators, emerging risks are also identified and evaluated. This information is included at corporate group level in a monthly list of opportunities and risks that are discussed and evaluated at the regular meetings of the Board of Directors and the meetings of the extended Group Executive Committee and from which the resulting measures are adopted. Within the scope of risk management, we distinguish between sales, procurement, financial and compliance risks, each of which is assigned to a member of the Board of Directors and controlled and monitored by that member.

ifm pursues the goal of continuously improving its risk management in close connection with corporate growth. For this reason, risk management as part of the internal control system is supported by further expansion and development.

We have identified the issue of sustainability as an overarching trend that significantly influences the categories of risks and opportunities. Topics like digitalisation, transformation of the automobile industry or climate change and energy transition are not new, but their effects are as radical as they are rapid.

At the same time, interdependencies are often not easy to evaluate. We pursue the goal of anchoring our continuous development and improvement in terms of sustainability more firmly in our organisation in order to strategically harmonise economic, environmental and social aspects.

With regard to our environmental impact, all locations follow the principle of 'prevention before reaction' and the precautionary principle. A core element of the environmental management system is the systematic recording, evaluation and avoidance of potential risks. For this purpose, plants, processes and the local environment are regularly evaluated at all locations (for more information, [see the chapter on eco-friendly production](#)).

SUSTAINABILITY MANAGEMENT

The ifm group of companies is currently setting up a comprehensive sustainability management system. The basis is formed by the thoroughly implemented quality management system. Other elements are our internal environmental management that we implemented many years ago and that has been certified according to EMAS for some locations in the year under review as well as the sustainability reporting that has now been introduced. These different aspects of sustainability are both the responsibility of the Sustainability Manager of the Central Management.

In our operating business, we have set ourselves the goal of becoming climate-neutral by 2030 (for more information, [see the chapter on eco-friendly production](#)). By doing so, we are following not only the EU climate strategy, but also our own corporate philosophy. However, we aim to contribute to a healthy environment not only through our own actions, but also through our products.

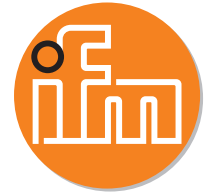
An environmental programme that defines targets and measures based on the environmental relevance for ifm is published in the environmental statement. In addition to production, areas such as purchasing, human resources and development have also been included.

Central interest groups (stakeholders) of the ifm group of companies are our employees, suppliers and customers. We exchange information regularly with them via various communication formats:

- **Employees:** Intranet (among others in the category 'Questions to the ifm Management'), health days, social media
- **Suppliers:** Visits to suppliers, trade fairs
- **Customers:** Newsletters, brochures, podcasts, trade fairs, social media

We also communicate with local interest groups and exchange information with educational and research institutions via university fairs, professorships and by hiring working students. In our meetings with trade and industry associations, we also communicate with politicians and other companies.

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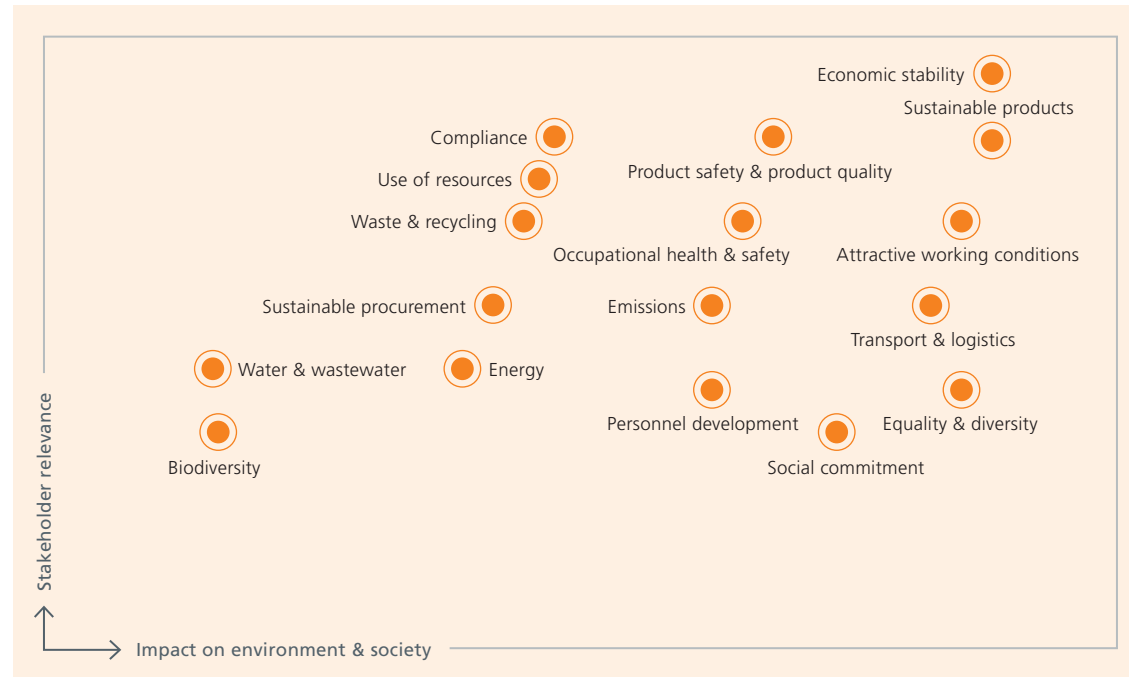
MATERIALITY ANALYSIS

For our first Sustainability Report and other targeted measures, we have carried out a materiality analysis. This has enabled us to identify the most important issues in terms of our impact on the environment and society.

In a first step, we prepared a list of potentially relevant topics based on the requirements of corresponding standards such as DNK, GRI, SASB, UNGC and ISO 26000. Then, we added topics from a competitive analysis and an analysis of leading OEMs to this list. After that, we derived a shortlist by means of MECE structuring, taking into account the industry, relevance for the business model, supply chain structure and conformity with the GRI Standards. Finally, the remaining topics were assigned to the three categories 'Value Creation', 'Environment' and 'Employees & Society'.

These topics were presented and definitions improved during a workshop with persons responsible for all relevant ifm departments and external consultation. In order to also take into account the assessment of our stakeholders, they then prioritised how relevant the identified topics are for the ifm group of companies. In a final step, the results were discussed, validated and approved by the Board of Directors.

MATERIALITY MATRIX 2019



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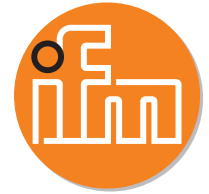


VALUE CREATION

Successful business and ethical conduct are not mutually exclusive. This is demonstrated by our continuous economic growth and our ability to attract and retain skilled employees. The basis for sustainable value creation lies in consistent strategic management. The cooperation with our suppliers also plays an important role. Together we contribute to an ecologically, socially and economically sustainable world worth living in.

> Economic performance > Responsible procurement > Product responsibility





ECONOMIC PERFORMANCE

We work holistically to achieve our corporate goals and to grow successfully in security. We measure and control the business performance using uniform key figures for sales, production, personnel, costs, development and innovations, efficiency and quality. While targets regarding sales, cash flow and return on investment are set by the Management, it has proven to be a good method to consider the group's operating result as the key performance indicator because, ultimately, the contribution of individual strategic initiatives and projects is difficult to measure and is less relevant to the long-term development of the company.

The ifm group of companies achieved a group turnover of €995.4m in 2019, which marks an increase of 5.5 percent. To be ideally prepared for the future, we invest especially in innovations. In the year under review, we spent €107.0m on research and development. Investing in training and jobs, however, is also an important aspect of sustainable operations: we see a significant contribution to the creation of social value in the remuner-

Economic indicators

in million euros	2017	2018	2019
Turnover	867.6	943.2	995.4
Procurement*	247.3	274.9	284.8
Personnel expenses	349.5	390.0	410.2
Research & Development	76.6	101.7	107.0

* Cost of raw materials, supplies and purchased products

ation of our employees because their families and the region will benefit from the money. Worldwide personnel expenses amounted to €410.2m, including wages and salaries, social security contributions and social benefits.

In addition, we have donated a total of €291,673 for charitable purposes. The worldwide procurement volume in the year under review amounted to €284.8m (due to purchasing at the Tettng site).

RESPONSIBLE PROCUREMENT

As a globally operating company, a significant part of ifm's value creation is a result of the cooperation with its suppliers. Therefore, trustworthy and long-term partnerships are of pivotal importance to us. In addition to technical requirements, we expect our suppliers to comply with clear standards regarding social aspects and environmental conditions.

For series material, Central Purchasing has a pool of about 750 suppliers and a worldwide purchasing volume of about €215m. Especially material groups such as electronic and electro-mechanical components and sub-assemblies, machined metal parts, cables and cable assemblies, plastic injection moulded parts and tools are procured, whereby the global procurement market for electronic components is largely handled via the distribution market in Germany. At regional level, procurement is subdivided as follows:

OUR SERIES MATERIAL SUPPLIERS

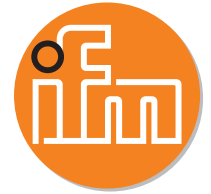


For non-production material under the responsibility of the purchasing department in Tettng, we cooperate with about 1,100 suppliers.

The purchasing volume for capital goods, services and materials not bound to the bill of materials for our Lake Constance locations amounted to €36m in the reporting period. About 95 percent is procured in Europe, mainly in Germany. The focus of procurement for capital goods is on production facilities, business equipment and storage systems as well as on materials for equipment construction.

Provided that economic size and quality are comparable, we pursue the strategic approach, 'local for local'. This is why our procurement regions are often close to the locations of our operations. Wherever possible, we purchase our key material groups from regional suppliers as well. For example, 30 percent of the raw cable requirement for the plant in Poland are now covered by the local market. We procure most of the weight- and volume-intensive materials for our sites in the Lake Constance region from local companies within a radius of up to 200 kilometres.

In 2019, we achieved a turnover growth of **5.5%**



CLEAR STANDARDS FOR BUSINESS PARTNERS

The central purchasing department of the ifm group of companies follows a systematic process in the selection and promotion of suppliers. This takes into account commercial, quality- and environment-related aspects as well as social issues such as freedom of association, collective bargaining and respect for human rights. We visit all new suppliers before approval and evaluate at least the supplying production site. In this context, we pay special attention to new series suppliers. In the course of the business relationship, further visits on site are made in view of supplier development and promotion or because of joint projects.

We expect all suppliers to respect and share our values. Therefore, a code of conduct that is based on the ifm philosophy and the ifm code of conduct is to be complied with by all business partners. Accordingly, we expressly neither tolerate discrimination, corruption or bribery nor forced labour or child labour. Our business partners must comply with all applicable laws, guidelines and standards, ensure data protection and promote environmental protection and occupational safety within their sphere of influence.

All business partners are obliged to sign our code of conduct and thereby to recognise the requirements that are laid down in it. If new or deviating elements are added to it, we require a new signature. If a business partner does not sign the code of conduct, we will contact them directly. We aim at 100 percent of our business partners signing and giving their consent to our requirements.

99.25 percent of the suppliers of bought-in products have already given their consent, and the figure for series suppliers was 91 percent in 2019.

The basic principles of the code of conduct are also contained in the contracts signed by our strategic suppliers. In addition, we have defined our requirements in our conditions of purchase. They include respect for human rights.

In addition to the code of conduct and purchasing conditions, when placing orders, we refer to our specifications for environmental and chemical management. Our holistic environmental management system also requires our business partners to continuously improve their environmental performance by means of an adequate environmental management.

For this reason, we will increasingly demand environmental management systems from all existing strategic and new suppliers. For this purpose, we verify on an annual basis which of our suppliers have installed an environmental management system. Series suppliers with an environmental management system will be given preference in case of identical prices and conditions.

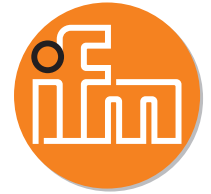
About 20 percent of our series suppliers currently have an environmental management system in accordance with ISO 14001, EMAS or comparable standards. The requirements we have regarding our suppliers include in particular a responsible chemicals management.

The purpose of this is to ensure that relevant laws and regulations, in particular the EU Chemicals Regulation (REACH), the Hazardous Substances Regulation and occupational safety regulations, are complied with. Compliance with REACH and the EU Directive on the use of hazardous substances in electrical and electronic equipment (RoHS) is a fixed criterion in the approval process for all purchased parts from series suppliers. For all relevant articles our suppliers deliver to us, EU Directive RoHS2 (2011/65/EU) must be complied with. An appropriate internal monitoring procedure is aimed at ensuring that certain hazardous substances are not unintentionally used in our products.

As an integral part of the approval process, the process descriptions specify that all necessary documents and proofs for environmental protection are provided by the potential supplier. These include documents such as full material declarations, entries in the International Material Data System (IMDS) or a supplier declaration according to the ECHA list of Substances of Very High Concern (SVHC) that informs about the hazard potential of chemical substances.

If a supplier violates fundamental requirements of the supplier relationship, we will initiate appropriate measures. These may range from a warning and a request to meet the requirements in the future to a termination of the business relationship.





VERIFICATION AND EVALUATION OF SUPPLIERS

In the course of audits, existing suppliers are reviewed on all relevant topics of the code of conduct. In addition to our annual audit planning, further audits are carried out as required. The decision is made by the responsible Head of the Supplier Management department in consultation with the Supplier Development and Lead Buyer Management departments. A total of about 35 audits are carried out each year.

Each new supplier for series parts is visited by a buyer or supplier developer before being included in the ifm pool of suppliers. If gross violations against environmental protection become apparent on site, the corresponding supplier is not added to the pool of suppliers. During the initial meetings with the supplier, our environmental requirements – including a suitable chemicals management – is also addressed in order to comply with regulations such as REACH. No violations of environmental laws and regulations were reported in 2019.

We pay particular attention to the observance of human rights by our suppliers. For example, supplier developers or buyers visit our series suppliers and evaluate them with regard to social aspects. In 2019, no conspicuous incident regarding anti-competitive behaviour, incidents of discrimination or

violations of laws and regulations were reported. Worldwide, we do not see any suppliers as posing significant risks of child labour, and in the year under review, we did not detect any cases of child labour among our suppliers.

PRODUCT RESPONSIBILITY

The ifm group of companies optimises the production processes of its customers – this is both a vision and a core business. For this purpose, we anticipate developments, develop flexible solutions and provide them in the best quality. More than 1,100 researchers and developers are working on new technologies and innovations on a daily basis – this is more than 15 percent of the workforce. Moreover, we are currently actively using 960 patents and have been able to register 80 new applications in the year under review alone. To ensure that our products are used effectively and safely, we rely on an exceptionally large sales and service team of around 1,700 employees.

Our large product portfolio considers not only all relevant standard solutions, but also special requirements of individual industries. In addition to position and process sensors, we develop and sell sensors for motion control and safety technology,

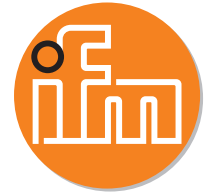
products for industrial image processing and communication as well as identification systems and systems for mobile machines.

By developing innovative solutions and corresponding software and cloud products for Industry 4.0, we make existing business processes digitally usable for our customers. In addition, new, holistic management options for sustainable efficiency and cost optimisation are opening up.

SOLUTIONS ON THE INDUSTRIAL INTERNET OF THINGS

The youngest ifm location, ‘The SUMMIT’ in Siegen, brings together about 300 ifm specialists from all areas of Industry 4.0 in a high-tech centre to develop visionary ideas and solutions in the fields of the Industrial Internet of Things (IIOT) and camera technology. One example is our ‘Moneo’ software, which links production with management. This is how we enable bidirectional communication between SAP and the sensors and thus, among other things, maintenance, condition monitoring, online tracking and quality checks in real time.





QUALITY MANAGEMENT AND PRODUCT SAFETY

To ensure the health and safety of our customers at all times, the ifm group of companies has laid down the entire development process in the quality management system: from brainstorming to the business plan, system definition and the concept and detail development phase to the implementation phase and preparation for series production. In addition, we rely on a well-managed risk register and a comprehensive security concept that takes the following aspects into account:

- the procurement of products that are certified according to ISO 9001 or higher

PRODUCT MARKING

We attach great importance to accurate technical data for all products. This claim has been anchored in our ifm corporate philosophy for almost 30 years. Because we require full material declarations from our suppliers, we can also provide our customers with correspondingly comprehensive data sheets for all products. All manufactured electrical equipment bears the CE marking. Products with special safety requirements such as ATEX (ATmosphères EXplosibles) or functional safety technology are certified by third parties.

- the process-capable development of products
- an acceptance for the application of the European CE mark in order to comply with the product-specific applicable European directives
- and functional safety.

All development and production sites are certified according to ISO 9001:2015 and are regularly audited. The quality management is decentralised and counts on the attention of each individual employee. Both process results and customer feedback are analysed on a daily basis. On this basis, suitable optimisation measures are initiated in small and large control loops as required.

We continuously improve our quality management and adapt it to the requirements of everyone involved. For this purpose, we carry out an evaluation at management level once a year in addition to the continuous planning meetings of the Management Team. The result is evaluated by the Management to adjust or add target definitions, if necessary. The subject of these evaluations are the results and effectiveness of the audits carried out, key indicators of customer satisfaction and processes, measures taken in the previous management evaluation and process risks and opportunities.

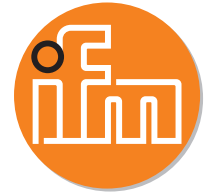
The fact that we comply with the respective applicable laws is not only anchored in our code of conduct but also in our quality management system.

Identified infringements are dealt with within this framework. Each division has its own Quality Management department for this purpose.

In order to further develop standards with regard to product safety and data protection, we contribute our experience in international committees and thereby keep ourselves updated about future guidelines. We are primarily active in the following bodies and committees:

- Zentralverband Elektrotechnik- und Elektronik-industrie (ZVEI): Working groups on explosion protection, CE marking (safety covering all EU directives among manufacturers) and ATEX safety aspects in explosion protection
- Licensing and market surveillance authorities
- Working groups of the German Commission for Electrical, Electronic and Information Technologies, the European Committee for Electrotechnical Standardisation (CENELEC) and the International Electrotechnical Commission (IEC)

Thanks to our work in the IEC committees, we have made a significant contribution to the international technical specification "IEC TS 63208 Edition 1: Security Aspects" in the standardisation committee IEC SC 121A/MT7. This was received very positively in the relevant specialist circles of the manufacturers of low-voltage switching and monitoring devices, since there was previously no sector-specific IEC safety standard for the above-mentioned products.



With our products, we also contribute to more occupational safety in our customers' operations. We develop electro-sensitive protective equipment, door switches, actuating elements and control systems. In industrial production, for example, our inductive safety sensors reliably detect whether a safety grid or a safety door is closed. Safety light curtains and grids are used where hazardous areas must be reliably secured. Door switches with guard locking also ensure that movable protective equipment such as safety guards and safety door and other covers remain closed in case of a hazardous situation.

ENVIRONMENTALLY FRIENDLY PRODUCTS

The durability of our products is a high priority for us and is the most important element to reduce resource consumption and avoid waste. Already at the stage of product development, we pay special attention to the economical and sustainable use of resources – both in the product and in its production. As early as developing ideas for new products, we consider possible environmental challenges and check the applicability of relevant regulations and standards.

Product development follows a defined innovation process to ensure a uniform approach across the entire group of companies. This enables us to benefit from synergies and make our products more effective and efficient.

Even before a project is planned, solution approaches are evaluated and weighed against each other. New technologies and processes must be technically and environmentally controllable before they are applied. At the same time, market requirements and the laws, standards and regulations to be observed must be taken into account.

To avoid pollution to the environment, we attach particular importance to a full declaration of the materials and substances used in our products. In cases of suspicion, the use of a corresponding material or substance is backed up by means of laboratory tests. This enables us to meet both the legal regulations and the requirements of our customers. When legal regulations change, as was for example the case with regard to the use of lead, existing products are revised as early as possible.

We are aware that our impact on the environment, especially on raw material supplies, water reserves and wastewater, is not only caused by our own company, but to a considerable extent also by the supply chain. To minimise this impact as far as possible, we impose appropriate environmental requirements on our suppliers (for more information, [see the chapter on responsible procurement](#)).

Many of our products contribute directly to preventing or reducing negative environmental impacts. Our sensors are mainly used to stabilise production processes and thus contribute to reducing rejects, higher availability and the conservation of resources.

Many other ifm products may have direct environmental relevance:

Desalination plants:

- Process sensors
- Initiators
- Condition monitoring

Recycling:

- Shredders: pressure sensors, inductive sensors, ultrasonic sensors in case of over-fill, temperature sensors for warm-up processes, speed sensors
- Water energy
- AS-Interface
- Process sensors
- Condition monitoring

Wind turbines:

- Pressure sensors
- Initiators
- Speed monitors

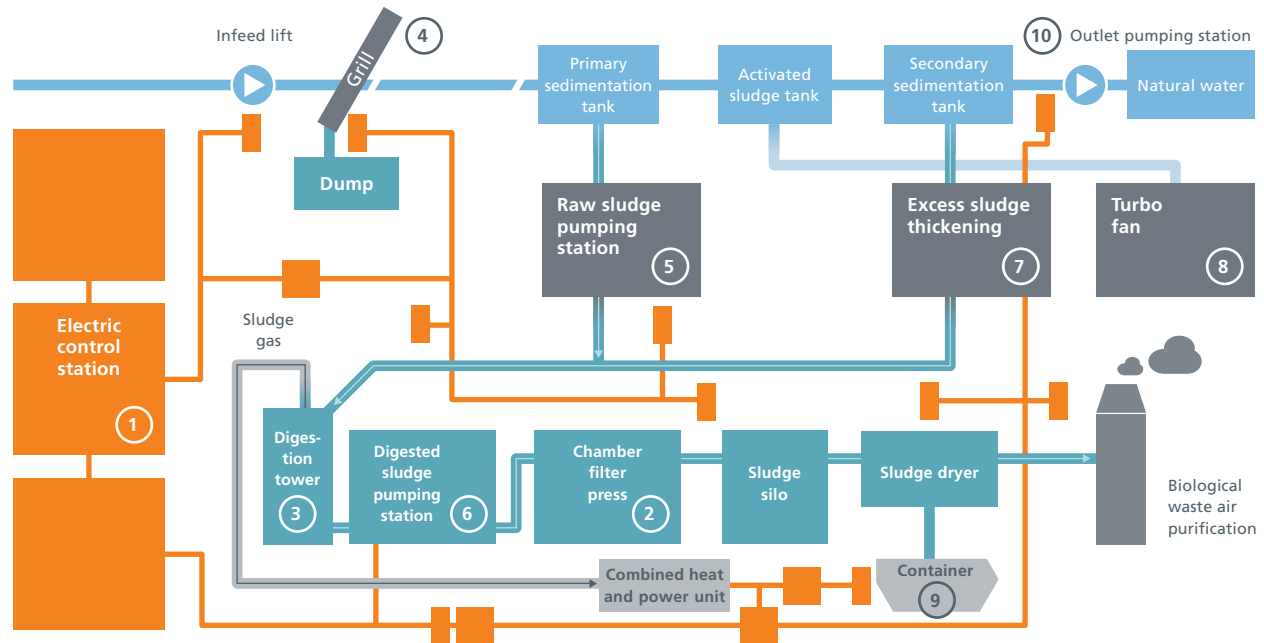
For example, with the help of flow monitoring of the thermal compressed air meter, the loss in compressed air supply systems can be identified and reduced, which also enables significant reduction of energy consumption.



Moreover, the integrated measurement makes it possible to monitor the pressure drop in clogged filter systems and general pressure fluctuations.

Our vibration sensors also facilitate efficient use of resources: They are used in almost all industries and enable early detection of machine damage. This makes it easier to plan maintenance measures and to use the remaining service life of important components in an ideal way. If damage is detected at an early stage, the affected components can be replaced to avoid consequential damage. Vibrations that influence quality can be detected automatically to avoid reject parts. Vibration monitoring not only records vibration data, but also ensures signal analysis and diagnostics on the machine itself. The machine status is determined on site and transferred to the control or management level. In addition, the trend curve for each diagnostic is stored automatically.

TREATMENT PLANT: APPLICATION EXAMPLE OF OUR SENSORS IN ENVIRONMENTAL TECHNOLOGY



- ① Control station: AS-i controller to process field signals and control various components
- ② Chamber filter presses: Inductive distance monitoring of the cleaning pressure, monitoring of the process pressure, monitoring of the working space with safety light curtains
- ③ Digestion tower: pressure sensors in various positions
- ④ Infeed lift bar screen: inductive sensors for end positions

- ⑤ Raw sludge pumping station: Pressure and vacuum sensors and inductive sensors
- ⑥ Digested sludge pumping station: End positions detected by inductive dual sensors
- ⑦ Excess sludge thickening: End positions detected by inductive dual sensors
- ⑧ Turbo compressor: Condition monitoring, inductive sensors and compressed air meters
- ⑨ Dispensing container: Level monitoring with O1Dxxx (photoelectric distance sensors)
- ⑩ Outlet pumping station: AS-i AirBoxes for pneumatic slides

Further functions:

- Composting/rot boxes: Level monitoring with laser sensors
- Sand filter/backflush: Control of the shut-off valves and feedback of the end positions to the PLC (programmable logic controller) via AS-i AirBoxes (actuator-sensor interface)
- Separators, dispersers for the wastewater area: Initiators, LMTs, humidity sensors, speed monitoring

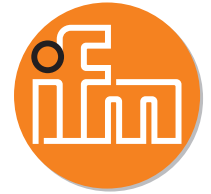


ECO-FRIENDLY PRODUCTION

As early as 1990, the founders of ifm outlined the vision for all employees and business partners that even if the world population were to rise to 15 billion people, every single person should be able to expect an environment worth living in. Against this background, we pursue the goal of not producing at the expense of the environment. Our products are designed to continuously ensure environmental protection.

> Organisation and management > Resource management





ORGANISATION AND MANAGEMENT

ifm's philosophy clearly defines our approach of managing natural resources as carefully as possible. We demand and promote environmentally conscious decisions and behaviour both within the company and with our business partners. To fulfil our environmental responsibility, all of the Lake Constance locations have been working for almost twenty years with their own environmental management system that is based on the ISO 14001 standard. The ifm group's environmental policy was last updated and adopted in 2019.

The business processes that are relevant in connection with our environmental management are currently described either in the quality management systems or the environmental and occupational safety management database. It is planned to merge these two database systems. To prepare for this harmonisation, context and stakeholder analyses from the quality and environmental perspectives have already been brought together. Risks and opportunities arising from environmental aspects (e.g. waste minimisation), binding obligations (e.g. compliance with approvals) and the context or interested parties (e.g. energy-efficient products) are continuously identified and considered in the annual management assessment. Based on this, the corresponding need for action is determined.

In the year under review, four locations were audited in accordance with the EMAS environmental management system for the first time: the company headquarters and logistics centre in Essen, the location Tettwang-Bechlingen with ifm electronic gmbh and ifm efector gmbh, and the location Wasserburg with ifm flexpro gmbh. Since the ifm group's pre-production and final assembly as well as the development, administration, sales and dispatch are based at these locations, the audit covers essential business activities. Almost one third of all employees work at these EMAS locations. Unless otherwise indicated, all the following figures apply exclusively to these four EMAS-audited locations. We are planning to successively expand this scope.

Through our code of conduct for employees, we demand and promote environmentally conscious decisions and behaviour. We also expect our business partners to continuously improve environmental protection (for more information, [see the chapter on responsible procurement](#)). For us, it is a matter of course to comply with the applicable environmental regulations and the requirements of authorities and to continuously improve environmental protection within an economically justifiable framework. As in previous years, there were no indications of violations of environmental protection laws or regulations in 2019.

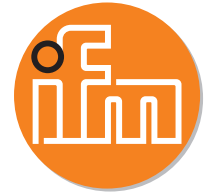
To continuously improve our measures, we use the cross-location Sedex Members Ethical Trade Audit (SMETA) as a further element that is based on the pillars of health and safety, labour standards, environment and business ethics. In 2019, ifm electronic gmbh as the distributor of all ifm products and ifm prover USA, inc. were audited (for more information [see the chapter on Compliance Management](#)).

RESPONSIBILITIES

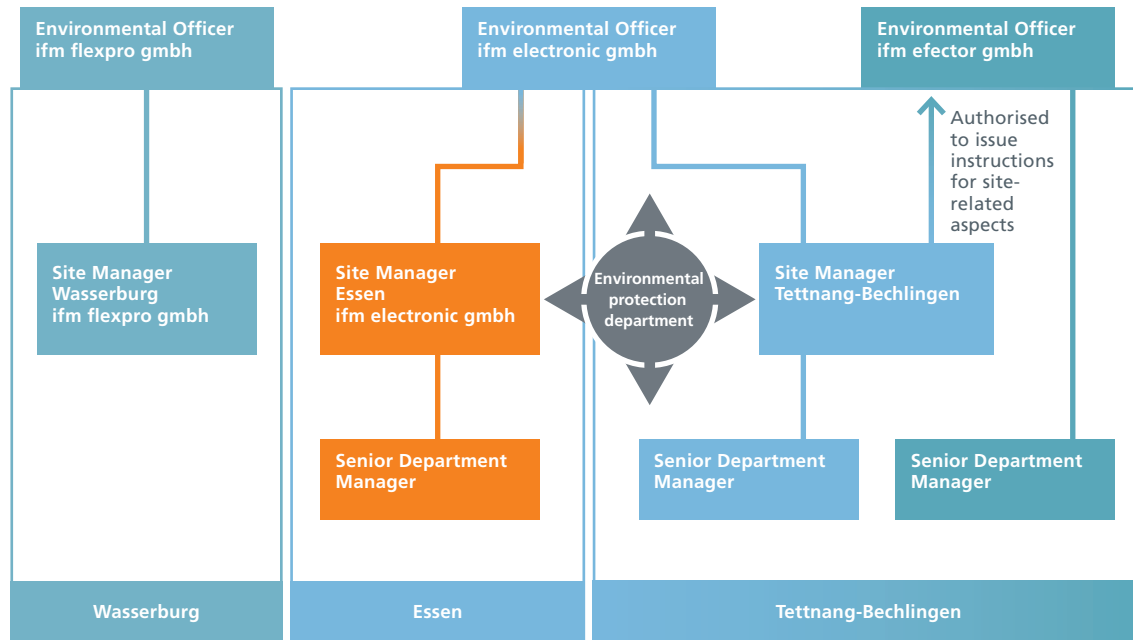
The Central Managing Director for Technology is responsible for all environmental issues at ifm and reports directly to an overarching management body consisting of members of the Boards of Directors, Central Managing Directors and Managing Directors of the divisions. In the environmental management of the three companies within the EMAS scope, the CMD for Technology is supported by an environmental officer from the Management and by the site managers. They fulfil, for example, implementation and monitoring duties on site.

The central environmental protection department is responsible for product-related environmental protection within the entire ifm group of companies and thus plays a key role in environmental management. It belongs to ifm electronic and reports to the Central Managing Director for Technology.

In 2019, there were
no
violations of environmental protection laws and regulations.



ENVIRONMENTAL ORGANISATION IFM EMAS SCOPE



The central division monitors environmental regulations and passes them on to the divisions concerned. It is also responsible for answering worldwide customer enquiries, such as those concerning the EU directive on the use of hazardous substances in electrical and electronic equipment (RoHS), the EU chemicals regulation (REACH) or the WEEE directive (waste electrical and electronic equipment).

The central division also controls the assessment and monitoring of all chemicals used by the ifm group of companies worldwide and that are used in its products, and organises environmentally relevant training courses. The environmental protection department is significantly involved in the final acceptance or commissioning of new plants and machines.

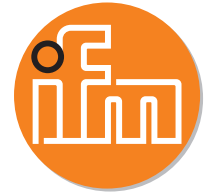
RELEVANT ENVIRONMENTAL EFFECTS

Although the ifm group of companies is a manufacturing company, its environmental impact is relatively low compared to other industries. Today's energy consumption is equivalent to that of approximately 6,600 four-person households, and the amount of water we use corresponds with that of about 200 four-person households. As early as the 1990s, we drew up our first life cycle assessment and have been implementing continuous improvements ever since. Environmental data such as energy use, water consumption, material use, discharges, emissions or waste are collected and processed annually at all Lake Constance locations. There is now hardly any further potential for reduction.

Within the framework of our environmental management system according to EMAS or ISO 14001, direct and indirect environmental aspects are determined and evaluated according to defined criteria with regard to their significance. For this purpose, we use an adjusted version of the "EMAS Implementation Tool" provided by the European Commission. All data relevant for the EMAS core indicators are also recorded annually in the life cycle assessment.

All activities of the EMAS locations (direct environmental aspects) as well as activities, products and services that we do not carry out or produce ourselves but that we can control to a certain extent (indirect environmental aspects) are considered.

Since the **1990s**, we have been preparing life cycle assessments.



RESOURCE MANAGEMENT

In addition, an employee survey was conducted in 2019 as part of the environmental audit. In this survey, employees could express their own assessment of the environmental aspects of their work as well as the status of the implementation of preventive environmental protection in the company and general ideas concerning the improvement of environmental protection at ifm. The results were evaluated and included in the assessment of the relevance of the environmental aspects, from which further objectives were derived.

We also involve our employees as part of our continuous improvement process or via the 'store of ideas'. Suggestions for improvement concerning all topics can be submitted to it throughout the year. Our employees can also address the recently increasing number of questions on environmental issues directly to the Management via the intranet. We publish answers on the intranet so that all employees can read them in both German and English.

ifm products basically consist of a housing, the electronics and an electrical connection to a controller. Therefore, the final assembly of the sensors usually follows the same steps: mounting of electronics in a housing, making connections by soldering and gluing, and potting or foaming as a protection against external environmental influences.

In the spirit of Design for Environment, the ifm group ensures that resources are used as sparingly as possible right from the product development stage. We identify and avoid potential environmentally relevant problems as early as possible. To evaluate relevant manufacturing processes and adjust them as required, the product development department collaborates closely with the environmental protection department.

To systematically integrate environmental aspects into product development, we are currently integrating a check list into the innovation process. In addition to the materials used and the energy consumed by the products, we also consider other environmental effects concerning the entire product life cycle. Due to our large product range, we are currently not carrying out complete life cycle analyses of our products. However, we are closely following the development of the method for cal-

culating product-specific environmental footprints (Product Environmental Footprint, PEF) of the EU Commission, since this may reduce the effort considerably.

MATERIALS USED

To reduce the impact on the environment to a minimum, we as well as our customers attach importance not only to saving resources, but also to minimising the impact of the materials used. The EU chemicals regulation (REACH) and the EU directive on the use of hazardous substances in electrical and electronic equipment (RoHS) are particularly important for us. Due to the large number of full material declarations, we know the components, materials and substances used in our products, can track them, comply with legal requirements and answer customer enquiries at any time. If anything is suspicious, additional laboratory tests are ordered. The data is stored and managed via a Product Material Compliance System by SAP. We implement new customer requirements or legal regulations as quickly as possible.

ifm electronic gmbh is responsible for all aspects relating to the use of chemicals at ifm locations in the Lake Constance region. The purchase, storage of chemicals and disposal of hazardous waste is



handled centrally by ifm electronic gmbh, so that the production plants themselves only have to store small quantities.

The hazardous materials warehouse and the disposal centre are located on the premises in Tett nang. The supply of chemicals and the return of hazardous waste from other ifm locations in the Lake Constance region is carried out daily with our own transporters and trained drivers in compliance with the permitted quantities.

In addition to various components, we procure raw materials such as stainless-steel piping for our own production. In 2019, 149,993 metres of it were used. Currently, we do not use recycled materials for the production of plastic sleeves, since the sensors must meet very high quality requirements. These cannot yet be guaranteed with recycled materials.

Relevant chemicals

in kg	2018	2019
Cast resin	125,817	102,608
Soldering materials	9,352	10,481
Adhesives	2,851	3,414
Granulates	213,453	171,095
Material and supplies	239,284	243,439
Technical gases	1,383,860	1,206,767

To reduce paper consumption in the office areas to a minimum, we have removed the printers from most individual offices. This means that only one central printer is required, with double-sided printing set as standard. We also motivate our customers to accept invoices online. We have largely digitised our correspondence and invoicing with our suppliers and agreed with them to use circulation packaging as far as possible. To make our production largely paperless, order-related information is transferred electronically whenever possible. Work instructions, for example, are already displayed digitally at the workstations. We have initiated conversion to paperless production, which we will continue to pursue in the coming years.

WASTE

In the logistics centre, packaging waste is produced when the products are unpacked and also if they need to be repacked. To reduce this waste as much as possible, all ifm companies use standardised system cardboard boxes for dispatch that are also used for storage and transport to the customers. Some of our larger suppliers of bought-in products also deliver their products in these system cardboard boxes. In the future, product packaging will be identified by weight. For this purpose, we are currently working on standardising it, so that further measures can be planned and controlled more efficiently.

Since we develop and construct some of our production plants ourselves in the equipment construction department of ifm electronic gmbh, we can influence their design. The modular design of our (production) facilities allows us to reuse the individual components. We are focussing on maintenance-free components and on the standardisation of spare parts.

ifm electronic gmbh is responsible for the disposal of hazardous waste from our sites in the Lake Constance region. ifm flexpro gmbh in Bavaria is exempt from this due to the obligation to tender hazardous waste for disposal. We generally dispose of non-hazardous waste – including commercial waste that is similar to household waste, packaging waste, waste paper and biowaste – via the respective local waste disposal facilities.

Waste

in tonnes	2018	2019
Non-hazardous waste		
for recycling	851.6	901.8
for disposal	158.3	193.4
Hazardous waste		
for recycling	185.8	158.3
for disposal	32.8	35.4
Total	1,228.5	1,288.9

A reduction of more than
200,000
kg of relevant chemicals was achieved.



Exceptions are the non-hazardous waste fractions 'metals', 'electrical scrap', 'cables' and 'washing and rinsing liquids' that are also disposed of by ifm electronic gmbh.

ENERGY

To increase efficiency and reduce energy consumption, energy audits are carried out at all German ifm locations. The EMAS sites primarily use electricity as an energy source. The share here is about 60 percent and it is required in particular for machinery, systems, process cooling and compressed air. As in the previous year, the share of renewable energies in the electricity mix purchased was 56 percent in 2019. Since 2020, all European production sites and all German sites have been using 100 percent green electricity. District heating and natural gas provide the necessary thermal energy. Various fuels and gas are also used for cars, trucks and aircraft.

Transport from Lake Constance to Essen accounts for the largest share of indirect energy consumption. For the transport of employees, ifm also uses company-owned aircraft. Here, consumption in the reporting year was 543.20 tonnes of kerosene. This is not covered by the EMAS environmental statement.

With regard to energy intensity, it is not possible to indicate the energy consumption per square metre of printed circuit board or turnover that is customary in the industry in a comparable manner for all locations.

Energy intensity

in kWh/working hour or kEuro	2018	2019
Tettngang*	9.03	10.01
Wasserburg*	7.93	9.11
Essen**	5.24	5.41

* kWh total energy / attendance + machine hours (kWh/h)
 ** kWh total energy / kEuro turnover (kWh/k€)

In recent years, we have been able to reduce our energy consumption by changing over to LED lighting, minimising cooling and heating losses by means of new insulation of the cooling and heating lines and checking the compressed air network for leaks. In 2019, an additional compressor was connected to the heat recovery system at the Wasserburg site, which will now save us about 87,500 kWh per year.

Energy consumption

in MWh	2018	2019
Electricity consumption	16,058	15,751
Consumption of gas / district heating	7,187	7,225
Fuel (cars, HGVs)	3,109	3,518
Total (electricity, heating, fuel)	26,354	26,494
Share of electricity generated from renewable sources*	65.3%	62.9%

* Since 2020, all European production sites and all German sites have been purchasing 100 percent green electricity.

EMISSIONS

Tackling climate change is currently one of the greatest challenges worldwide. The ifm group has therefore set itself the goal of being climate-neutral in its operations by 2030. To reduce emissions, we count in particular on energy efficiency measures and the purchase of renewable energy (for more information, [see the chapter on energy](#)).

According to the Greenhouse Gas Protocol (GHG) categories, Scope 1 emissions include both direct CO₂ emissions resulting from the use of our company vehicles and aircraft and those from physical and chemical processing. Indirect CO₂ emissions (Scope 2) from our locations result from the consumption of electricity and district heating. For the calculation of CO₂ emissions, we use the GEMIS emission factors of the International Institute for Sustainability Analysis and Strategies (IINAS). Further information on the energy mix and consumption at individual locations is given in our EMAS environmental statement.

The energy efficiency measures implemented by the group could not compensate for the increased production due to the growth of the company. Scope 1 and Scope 2 emissions increased by a total of 7.8 percent in 2019.

Since 2020, we have been using

100%

green electricity at all European production sites.



Scope 1 CO₂ emissions

in tonnes	2018	2019
Emissions resulting from heating – only gas in Tettngang and Wasserburg	1,482	1,451
Emissions from machinery (CF ₄ , refrigerants, dry ice) in CO ₂ e	4,057	4,559
Company-owned aircraft	928	924
Pool vehicles incl. HGV	151	142
Company cars	722	921
Scope 1 total	7,340	7,997

Scope 2 CO₂ emissions

in tonnes	2018	2019
Emissions from electricity	3,153	3,222
Emissions resulting from heating – only district heating in Essen	280	308
Scope 2 total	3,433	3,530
Total (Scope 1+2)	10,773	11,527

Scope 3 emissions are other emissions resulting from our business activities that cannot be directly influenced. Consequently, they are more difficult to reduce. Business travel, commuting, product transport via third parties as well as emissions resulting from the use of our products were identified as significantly relevant Scope 3 emissions.

It has not yet been identified how much CO₂ results from the three latter activities. Emissions caused by your employees commuting to or from work will have to be determined in the coming years.

One of the most effective ways to reduce emissions caused by travel (both Scope 1 and Scope 3) is to avoid them. We are therefore using more and more video conferencing while continuing to expand our good infrastructure. To maintain good customer relations and to execute business activities, air travel is still necessary due to the poor rail connections in the Lake Constance area. By comparison, car journeys are more environmentally friendly, but rarely a good alternative due to the long travelling time.

GHG emission intensity

Scope		2018	2019
1.2	t CO ₂ of emissions from heating and electricity / m ² surface area in use	0.060	0.060
1.3	t CO ₂ from travelling / employees (tCO ₂ /employee)	1.04	1.12
1	t CO ₂ e emissions from machinery (CF ₄) / machine hours (t CO ₂ e/h)	0.006	0.007

WATER AND WASTEWATER

ifm's water supply comes exclusively from the public network. For the sanitary facilities, we have already been able to save considerable quantities of drinking water by pre-regulating the wash basins and by adjusting the toilet flush. The production water is mainly used for cooling and air treatment in the production areas, but partly also to cool down the office areas. The use of water for cooling purposes is the reason for the lower water consumption in 2019 compared to the previous year because the summer in 2018 was hotter.

The wastewater volume corresponds to the fresh water consumed. However, some of the water evaporates via the cooling towers at the Tettngang-Bechlingen and Wasserburg sites. We have decided

Water consumption

in m ³	2018	2019
Total	36,372	34,591
Specific water consumption		
Production water / presence+ machine hours (m ³ /h)*	0.13	0.21
Water for sanitation, kitchen, garden / employee (m ³ /employee)**	7.42	8.63

* Only applies to Tettngang and Wasserburg
 ** Applies to all EMAS locations

Up until 2030
 our operating business
 is to become
**climate-
 neutral.**



not to deduct this water from the wastewater figures and thus pay the wastewater costs for the entire amount.

Rainwater is drained off via retention basins at several points of the Wasserburg and Tettngang-Bechlingen sites. There are legally prescribed limits for wastewater, such as, for example, for oil separators for the compressors in Tettngang. In 2019, as in previous years, these limits were not exceeded. The cooling towers in Tettngang and Wasserburg that are subject to regulatory authorisation and the wastewater plant at the Wasserburg site that is likewise subject to authorisation also comply with the prescribed limit values. In all plants, wastewater is not discharged directly into the water network, but via public sewers and sewage treatment plants. At the Wasserburg site, the wastewater resulting from our wet technology is pre-treated in a biological plant. To keep water consumption in wet technology as low as possible, we have implemented four to five cascades at each plant.

Wastewater

in m ³	2018	2019
Pre-treated wastewater	2,424	2,073
Untreated wastewater	33,948	32,518
Total	36,372	34,591

BIODIVERSITY

Ecosystems are healthier and more stable if biodiversity prevails. Rich wildlife contributes to an environment that is worth living in also for us humans. Therefore, the promotion of biodiversity is important to us.

Our sites hardly have premises that would be sufficiently large to set up permanent biotopes or introduce other measures to promote biodiversity. Tettngang is an exception, however, as here we have larger green spaces. There is a large lawn in front of the canteen that is mainly used as a playground for the children of our employees. The canteen itself has a herb garden. This is not the only reason why we strictly avoid using chemical weedkillers. The exterior lighting is insect-friendly, and when planting new trees on the premises, we always choose regional tree species. Since we have a traditional distilling licence for fruit brandies at the Tettngang site, there must always be a sufficient number of fruit trees on the site. We are planning to plant more trees at our locations in 2020 wherever possible.

We also make a contribution to biological diversity in other places than our own locations: In 2020, for example, we are giving each employee a birthday present of six trees that will be planted on the Yucatán Peninsula in Mexico by the Plant-for-the-Planet Foundation. These trees include nine differ-

ent native species, such as precious woods from the mahogany family, almond trees, white rubber trees, trumpet trees and various fruit trees. Three years after they were planted, the trees will blossom for the first time. Moreover, the woods that will result from this will also be used for beekeeping, which benefits local farmers.



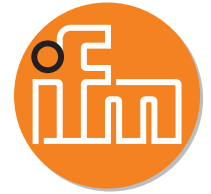


EMPLOYEES AND SOCIETY

‘People are always in the focus of our operations’ – this guiding principle characterises ifm’s corporate culture and personnel work worldwide. Our employees experience the advantages of a family-run medium-sized enterprise that is at the same time an internationally operating company. We offer all employees a safe working environment in which they enjoy working. This is how we have become one of the global leaders in the industry with more than 7,300 employees in 95 countries.

- > **Organisation and Management** > **Attractive employer**
- > **Diversity and equality of opportunities** > **Training and further education**
- > **Occupational health and safety** > **Social commitment**





ORGANISATION AND MANAGEMENT

The principles of our personnel work are laid down in the ifm personnel strategy. It supports the corporate strategy and is based on the ifm corporate philosophy and its guiding principle, 'People are always in the focus of our actions.' In our decisions, we always consider pivotal megatrends, such as demographic change, changing values, digitisation and virtualisation, globalisation and dwindling resources. For this reason, the ifm group has defined five essential core topics with regard to its personnel management:

- **Internationalisation**

We are shaping personnel work at existing and new locations worldwide. We live diversity and develop our culture and values internationally. We see our employees as ambassadors for the company.

- **Digitisation & working environment 4.0**

With digital forms of work, teaching and learning, we enable agile and dynamic work. We accompany our employees during this technical and social change process into the world of Work 4.0.

- **Personnel development**

Targeted development programmes and the expansion of the ifm Learning Factory offer development prospects for our employees. The focal points include training and further education, exchange of knowledge and promotion of language, management and cultural skills.

- **Corporate health management**

Our consistent health management keeps us and our company structures fit. We want to promote physical and psychosocial health at all levels of employment by taking reasonable measures.

- **Modern personnel administration**

We constantly improve our professional personnel work and digitise it increasingly. For this reason, communication between the national and international locations is of central importance. Strategic personnel planning and efficient personnel controlling have been expanded internationally and are becoming increasingly important for our business.

To successfully shape the growth of the ifm group, we coordinate and standardise fundamental personnel issues centrally where necessary. At the same time, we implement our personnel strategy in a decentralised way, so that we can respond flexibly to local and market-specific requirements. Central and decentralised responsibilities are laid down in corresponding manuals.

We are currently setting up special exchange forums for the continuous improvement of operational personnel tasks. In addition to this, we are working on a holistic view of individual processes that are currently not yet interlinked and try to connect them as required. We continuously monitor new developments, personnel issues and megatrends and respond with coordinated central solution approaches.

ATTRACTIVE EMPLOYER

The shortage of skilled workers in the regions of the ifm locations motivates the group's efforts to be and to remain an attractive employer. It is important to us that both senior executives and other employees identify with the company and its philosophy. We promote our reputation as an attractive employer by offering competitive remuneration systems, working time models and additional benefits, including training opportunities, a company health management system and company pension plans. In addition, we look after the effective public communication of our corporate culture, safe jobs and the prospect of growth in an exciting industrial and international environment.

AWARDS AND RANKINGS

As in previous years, ifm has been rewarded for its personnel work. Here is a selection:

- Ausgezeichneter Ausbildungsbetrieb 2020 ('excellent training company', Vertragswerkstatt GmbH)
- Top Nationaler Arbeitgeber 2020 ('top national employer', Focus)
- Top Company (kununu)
- Open Company (kununu)
- Top-Arbeitgeber im Mittelstand 2019 ('top middle-sized employer', Yourfirm.de)
- Top Employer 2020 (Top Employers Institute)



We encourage open exchange and take the time to talk to our employees. For this purpose, we carry out employee surveys, offer conflict management and mediation and have implemented targeted feedback processes.

In order to attract and retain new talent, we are expanding our applicant management and our employee retention management. To this end, we are strengthening our personnel marketing and recruiting measures. In personnel recruitment, our work with personnel service providers is area-wide, and we are flexible enough to respond rapidly to changing requirements. If a position is vacant, we first check whether internal employees are suitable, otherwise the job is advertised nationwide. To cover our personnel requirements in the long term, we are increasingly recruiting and developing employees internationally and with entry-level qualifications. If we look for new executives at our young foreign locations, we first deploy experienced managers from the group. In the course of time, these managers are increasingly supported by local managers in order to take on additional tasks and responsibilities. With this process, we can respond more easily to regional peculiarities of the country in question.

In the year under review, we gained 459 new employees worldwide and took on 41 trainees. We see long company affiliation of up to 45 years and a low fluctuation rate as proof of the good working atmosphere at ifm.

Employees at a glance

Number of employees	2017	2018	2019
Total	6,563	6,991	7,187
Germany	4,345	4,507	4,506
Total abroad	2,218	2,484	2,681
Production abroad	864	1,037	1,168
Sales abroad	1,354	1,447	1,513
Market 1 (North and South America / South-West Europe)	570	599	620
Market 2 (Asia/Pacific / North-West Europe / Middle East)	521	568	596
Market 3 (Africa / Central and Eastern Europe)	263	280	297
Gender			
Female	3,070	3,169	3,206
Male	3,493	3,822	3,981
Employee category			
Trainees	165	184	201
Temporary employees	357	239	168
Blue collar workers	2,184	2,306	2,239
White collar workers	3,857	4,262	4,579
Type of contract*			
Temporary	1,235	1,335	1,131
Permanent	4,971	5,417	5,888

* Figures without contingent workers and freelancers

Fluctuation*

in percent	2017	2018	2019
Germany	5.56	4.82	4.81

* Without temporary workers; with retirement, termination by employee and employer, termination agreement

REMUNERATION

We want to offer our employees fair and regionally appropriate remuneration. Therefore, our remuneration model is designed in such a way that each position is assigned a salary range according to the required qualifications and professional experience and knowledge. Aspects such as gender, religion or other factors are not relevant. Moreover, each employee participates in the success of the company in the form of a bonus. Temporary workers are not part of this payroll system, but shift bonuses are passed on to temporary employment agencies.

ifm is not a member of a collective agreement because the conditions of the remuneration framework agreement (Entgeltrahmenabkommen, ERA) do not correspond to the personnel policy of the company, especially with regard to performance-related pay. Instead, we have developed our own ERA-based model, NEXX, which is recognised by the association and is now recommended as an alternative to ERA.

EMPLOYEE RIGHTS

As a supporter of the Ethical Trading Initiative (ETI), we have recognised the ETI Base Code, which includes freedom of association for our employees. The ETI Base Code is stored in all available languages in ifm's internal knowledge network and is also regularly posted in physical form. We inform our employees promptly and consider the statutory deadlines. We are convinced that this will improve our support of workers' rights and respect for human rights.

GRI 102-41

In the year under review, we took on

459
new employees and

41
trainees.



DIVERSITY AND EQUAL OPPORTUNITIES

We are particularly committed to ensuring

- that all workers have the right to join or form unions of their own choosing and to bargain collectively,
- that the employer adopts an open attitude towards the activities of trade unions and their organisational activities,
- that employee representatives are not discriminated against and have access to exercise their representative functions in the workplace, and
- that where the right to freedom of association and collective bargaining is restricted by law, the employer facilitates rather than hinders the development of parallel means of independent and free association and bargaining activities.

In 2019, ethics audits were carried out at ifm electronic gmbh and at ifm prover USA, inc. by an independent third party as part of the Sedex Members Ethical Trade Audit (SMETA). These audits also check compliance with the ETI Base Code (for more information see the chapter on compliance management). In the year under review, there was no operating site where the right of employees to freedom of association or collective bargaining was violated or seriously threatened.

As an internationally operating company, the ifm group lives and appreciates the diversity of its workforce. In times of globalisation, individualisation and shortage of skilled workers, we regard our workforce as a market and competitive advantage. For this reason, a concept that has been valid since 2017 defines how our group deals with diversity and that each employee is considered individually. The concept is now gradually being implemented. In addition, our code of conduct includes a ban on discrimination on the basis of age, sex, religion, origin, or other reasons.

In the year under review, 64 women held management positions in Germany. This is 11.7 percent. The Board of Directors of the ifm group of companies is committed to a quota of women and had already set the goal of 3.5 percent for women at ifm electronic gmbh in 2015.

GIRLS' DAY

To improve the proportion of women and strengthen diversity, we repeatedly participated in Girls' Day in the year under review. For the 13th time already, pupils from Essen and Tett nang were able to gain an insight into everyday working life at ifm. This special day gives girls an insight into professions in the fields of mathematics, computer science, natural sciences and technology. In addition to a short presentation of the company and its products, our trainees presented various apprenticeships and answered questions.

Executives in Germany

	2017			2018			2019		
	female	male	Total	female	male	Total	female	male	Total
E1	0	5	5	0	5	5	0	5	5
E2	0	17	17	0	13	13	0	14	14
E3	3	55	58	3	69	72	3	85	88
E4	14	135	149	19	149	168	23	154	177
E5	40	196	236	45	219	264	38	226	264
Executives, total	57	408	465	67	455	522	64	484	548
Employees	2,015	1,865	3,880	1,988	1,997	3,985	1,908	2,050	3,958
Percentage of female executives			12.26			12.84			11.68



At ifm electronic gmbh, equal opportunities apply when filling management positions – also against the background that the predominantly technically oriented management positions are difficult to fill from the market – and open management positions are required to be filled on the basis of good performance.

WORKING TIME MODELS AND PARENTAL LEAVE

We offer our employees flexible working models. We have various part-time models across all departments that are also used in production, especially by our female employees. To ensure working efficiency, two part-time employees share one shift. In addition to this, we have been testing the principle of desk and job sharing in the personnel department for more than a year. Two employees share one job on a part-time basis. To ensure an efficient changeover, both employees work together on one day per week.

At the Tett nang and Essen sites, childcare is provided every year during the summer holidays. In 2019, a total of 160 children of ifm employees aged between 6 and 14 years were looked after.

We strive to make re-entry after parental leave and the compatibility of work and private life as easy as possible. In 2019, a total of 212 employees took

“It might be possible sometimes to buy the employees’ sympathy. However, it is not worth much if it is not given out of people’s own free will.”

ifm corporate philosophy

parental leave for a certain period. Of these employees, 78 parents have so far returned to their workplace and four have left the ifm group. In the previous year, 100 employees had returned and eleven had cancelled their employment contracts.

Parental leave

	2017	2018	2019
Male	5	21	25
of which abroad	0	0	1
Female	162	177	187
of which abroad	2	1	10
Total	167	198	212
Of which active again since	31/12/2018	31/12/2019	23/4/2020
Male	5	21	18
of which abroad	0	0	1
Female	66	79	60
of which abroad	2	1	1
Total	71	100	78

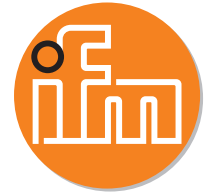
TRAINING AND FURTHER EDUCATION

The ifm group wants to offer its employees demanding tasks and, at the same time, enable them to master them. Everyone is required to make an active contribution to the success of the company. For this purpose, we rely on systematic training and further education – in line with our corporate philosophy, ‘Growing successfully in security’. From this follows our claim to have the right employees at the right time, in the right place, to the right extent, and in the right organisation.

In accordance with the needs of the specialist departments, we constantly readjust our training and further education and regularly balance the requirements with the specialist departments. We have, for example, increased our training capacity with regard to IT skills. Personnel development is implemented at both national and international level. It is embedded in our global personnel strategy and offers our employees a long-term perspective and contributes equally to the achievement of our corporate goals. The ifm talent strategy that is anchored therein underlines the great importance of talent management.

Via personnel development or the corresponding specialist department, ifm organises, finances and provides time for external seminars or in-house training and further education.

In 2019, a total of
160
children of ifm employees were looked after.



In the case of external training and further education, such as master craftsmen, bachelor's or master's degrees, we provide 50 percent of the working time and 50 percent of the costs as a benchmark. Individual arrangements can always be agreed upon. Educational leave can be applied for at any time. We also make it possible to reduce working hours to ensure that our employees can study while working.

In total, our employees completed 1.7 days of training and further education at the ifm electronic Tettnang location in the year under review. In Essen, our employees used an average of 0.8 days for soft skills and specialist training and received over 800 hours of English lessons. In addition, 177 employees participated in product training courses.

The development and support of our employees is a central task of all executives. They have a crucial role to play if change is to succeed. Executives have the task of taking their employees along this path, motivating them and accompanying them in the implementation of measures. This means promoting employees in a targeted manner and supporting their personal development.

The performance of all executives is evaluated in annual interviews along with concrete defined goals from which adequate measures of further education can be derived.

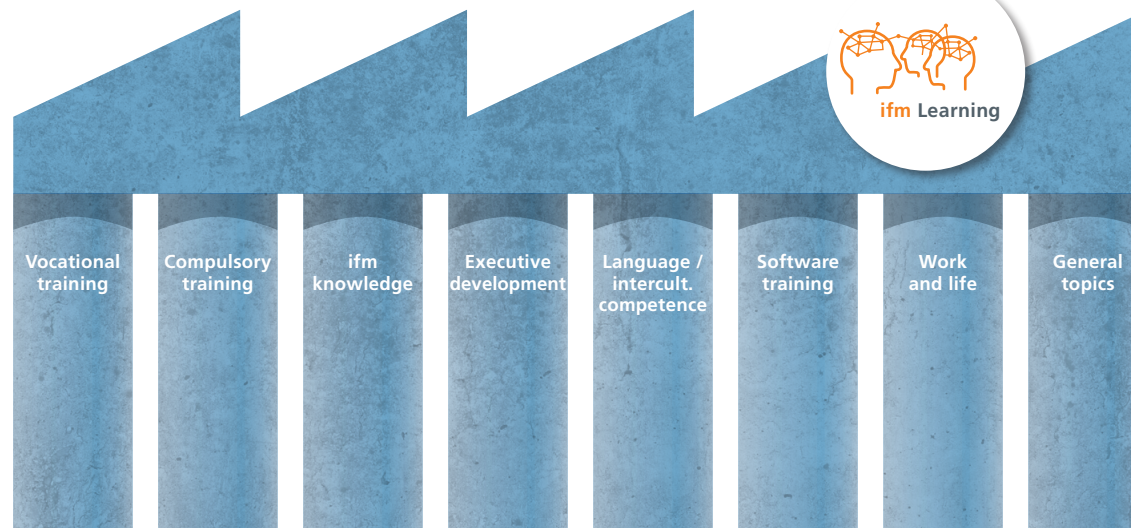
As part of a cross-mentoring programme at the Lake Constance locations, experienced executives from various companies pass on their experience to junior managers. In this way, they not only gain new perspectives, but also learn more openly and confidently from their mentors beyond the company's own hierarchy.

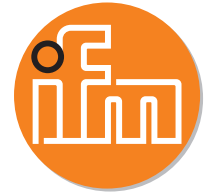
ifm LEARNING FACTORY

The ifm Learning Factory is the virtual umbrella organisation of the decentrally organised personnel development departments of all German ifm locations. In addition to this common platform for personnel development, the decentralised organisation is decisive for binding and sustainable knowledge and quality assurance.

50%
of the cost and
50%
of the working time are provided by ifm for training courses and further education.

ifm LEARNING FACTORY





The team of the ifm Learning Factory consists of the personnel development managers of all German ifm locations and is the central point of contact for all further training topics that are bundled in eight pillars:

- **Training**

We aim to provide our trainees with the necessary tools and to support our trainers in the best possible way. We offer regular training courses and workshops for trainees and students as well as for training officers.

- **Compulsory training**

Compulsory training includes all further training measures that are regularly prescribed, such as soldering training for production employees, safety instructions or first-aid training.

- **ifm knowledge**

In keeping with the motto 'Employees train employees', we would like to ensure that company-specific knowledge is passed on and communicated. The measures include company presentations, product information and innovations and technologies.

- **Executive development**

General training for executives is organised centrally. Special further training for executives such as coaching or cross-mentoring is possible after consultation with the personnel development department.

- **Language and intercultural competence**

Against the background of our growing internationality, we offer our employees language training tailored to their needs as well as lectures on topics such as intercultural competence or diversity.

- **Software training**

Due to the dynamic changes in the software sector, we offer basic and update training as well as open software training in all relevant programmes, for example SAP.

- **Work and life**

In the area of health management, the responsible project groups at the sites offer a wide range of health-related services, including prevention courses and a company sports group.

- **General topics**

We also offer training for other subjects, such as methods and social skills, work techniques or time and project management.

On the basis of the ifm Learning Factory, the landscape of further training in Germany is being further expanded. All employees are regularly informed about further education and training opportunities.



OCCUPATIONAL HEALTH AND SAFETY

To improve the motivation and performance of our employees, we attach great importance to a safe working environment and health promotion. We also expect our business partners to maintain a high level of occupational safety standards world-wide and to promote the health and safety of their employees (for more information, [see the chapter on responsible procurement](#)).

Up until now, we have planned and managed individual issues such as work-related accidents, conversions or new buildings, new facilities and health protection issues in line with relevant management systems. The introduction of a certified management system for occupational health and safety in accordance with the ISO 45001 standard is planned for the first quarter of 2021.

OCCUPATIONAL SAFETY

To guarantee the safety of all employees at all times, workplaces and the working environment at ifm are inspected annually and adapted to new requirements at an early stage. We comply with all legal requirements and regulations.

Every year, our internal specialists for occupational safety and external service providers carry out occupational safety instructions. The respective superiors give workplace-specific instructions. Important documents such as operating instructions are always available to all employees in a database.

Injuries are often caused by common operational incidents such as tripping, limbs becoming trapped

Key figures on occupational safety at the Lake Constance sites*

	2017	2018	2019
Work-related accidents (1000-man quota)	6.2	3.6	6.3
Number of reportable work-related accidents	20	12	20
Number of reportable days lost due to work-related accidents	328	103.5	177.5
Number of commuting accidents	22	14	19
Number of days lost due to commuting accidents	398	134	360
Work-related fatalities	0	0	0

* The figures currently include all employees and temporary workers at the Lake Constance locations. Individual employee categories are not surveyed separately.

or by falling parts. All incidents are investigated and, if possible, additional preventive measures are taken. In order to identify and eliminate sources of danger as early as possible, we particularly rely on the awareness of our employees. Therefore, everyone is asked to report near-accidents as well. In the year under review, there were no serious injuries as a result of work-related or commuting accidents.

HEALTH PROTECTION

Only healthy employees can enjoy being at work and deliver the performance that a rapidly growing technology company requires. For this reason, company health management (Betriebliche Gesundheitsmanagement, BGM) is an important part of personnel strategy in Germany. It is based on the three pillars 'health promotion', 'healthy working environment' and 'healthy leadership'. They include topics such as the collection of key figures and analyses, the organisation of sporting events and surveys, prevention courses and company sports groups or the deployment of company doctors.

Within the framework of BGM, a central topic is chosen every year. In 2019, the focus at Lake Constance was on the immune system while in Essen, the focus was on the locomotor system. For 2020, 'stress' is planned as the central topic. Discussions with the company physicians, occupational safety officers and the BGM managers serve to prepare the extensive measures. The topic has finally been chosen and prepared by the BGM team.

In addition to the Health Day, we raise our employees' awareness and sensitivity using various formats and by communicating specific knowledge throughout the year. In 2019, in addition to lectures, workshops and intranet articles, we had a running group for the first time. An immune system quiz was done and an allergy app presented. Special topics, such as flu warnings, are also communicated via posters.



SOCIAL COMMITMENT

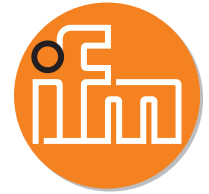
As a family-owned company from the region, the ifm group would like to offer the local community a share in its success. This is why we support selected projects. The focus is on the early development of key competences, helping people in need and encouraging the personal commitment of our workforce. Depending on the topic, we try to achieve projects with universities for qualification, training and further education.

When defining our commitments, we strive for a clear and objective profile to give all participants a clear orientation and to solidify our ethical claims. Without taking commercial sponsoring into account, ifm donated €291,673 in 2019.

The focus of the monetary donations was on education, science and innovation. In addition, social projects like 'Football meets School' have been supported.

In this project, children from disadvantaged households are supported with regard to school-related aspects in combination with sports. In addition, universities and student initiatives have received donations in cash or kind, for example, the E-Team of the University of Duisburg-Essen. The E-Team, founded in 2010, develops and manufactures electric racing cars with which they compete in the largest student designer competition, Formula Student.





GRI CONTENT INDEX

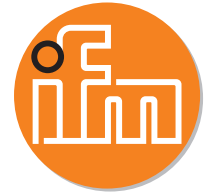
The 'ifm Sustainability Report 2019' has been submitted to the Global Reporting Initiative (GRI) for implementation of the GRI Materiality Disclosures Service. The correct positioning of the 'Materiality Disclosures' (102-40 – 102-49) in the report has been confirmed by the GRI Services Team. The service was performed on the German version of the report.



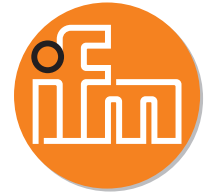
General Disclosures		Page	Comments
GRI 101	Foundation 2016		
GRI 102	General Disclosures 2016		
	Organizational profile		
GRI 102-1	Name of the organization	6	
GRI 102-2	Activities, brands, products, and services	6, 9	
GRI 102-3	Location of headquarters	8	
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GRI 102-8	Information on employees and other workers	33	
GRI 102-9	Supply chain	17	
GRI 102-10	Significant changes to the organization and its supply chain		There were no significant changes during the reporting period.
GRI 102-11	Precautionary Principle or approach	14	
GRI 102-12	External initiatives	10	
GRI 102-13	Membership of associations	10	
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General Disclosures		Page	Comments
Ethics and integrity			
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GRI 102-45	Entities included in the consolidated financial statements	2	
GRI 102-46	Defining report content and Boundaries	15	
GRI 102-47	List of material topics	15	
GRI 102-48	Restatements of information		None, because first report.
GRI 102-49	Changes in reporting		None, because first report.
GRI 102-50	Reporting period	2	
GRI 102-51	Date of the most recent report		Not applicable because it is the first report.
GRI 102-52	Reporting cycle	2	
GRI 102-53	Contact point for questions regarding the report	46	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	2	
GRI 102-55	GRI content index	40–45	
GRI 102-56	External assurance		No examination of the report.



Material Topics		Page	Comment
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GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	16/17	
GRI 201-1	Direct economic value generated and distributed	17	
GRI 204	Procurement Practices 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	17 ff.	
GRI 204-1	Proportion of spending on local suppliers	17	
GRI 205	Anti-corruption 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	12/13	
GRI 205-2	Communication and training about anti-corruption policies and procedures	12/13	Since the data is only collected for parts of the group, we currently do not report quantitatively on the number of participants and scope of training courses. We have set up a process for group-wide data collection and intend to report on it from 2022.
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GRI 103	Materials	24–27	
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GRI 303	Water 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	24/25	
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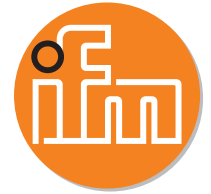


Material Topics		Page	Comment
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GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	24/25, 28/29	
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GRI 305-4	GHG emissions intensity	29	
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GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	24/25	
GRI 306-1	Waste discharge by quality and destination	30	
GRI 306-2	Waste by type and disposal method	27	
GRI 307	Environmental Compliance 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	12/13, 24/25	
GRI 307-1	Non-compliance with environmental laws and regulations		No incidents were reported in the year under review.
GRI 308	Supplier Environmental Ssessment 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	17–19	
GRI 308-1	New suppliers that were screened using environmental criteria	19	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	19	
GRI 401	Employment 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	31–33	
GRI 401-1	New employee hires and employee turnover	33	We do not currently report data broken down by age group, gender and region since the data is not available. We have set up a process for data collection and intend to report this information from 2023.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	32	
GRI 401-3	Parental leave	35	
GRI 402	Labor/Management Relations 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	31–34	
GRI 402-1	Minimum notice periods regarding operational changes	33	

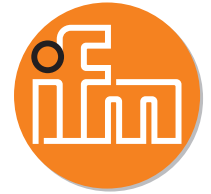


Material Topics		Page	Comment
GRI 403	Occupational Health and Safety 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	38	
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	38	
GRI 404	Training and Education 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	35–37	
GRI 404-1	Average hours of training per year and employee	36	The average number of hours for training and further education is currently only collected for parts of the group.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	35–37	
GRI 405	Diversity and Equal Opportunities 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	34/35	
GRI 405-1	Diversity of governance bodies and employees	34	
GRI 406	Non-discrimination 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	33–35	
GRI 406-1	Incidents of discrimination and corrective actions taken		No incidents were reported in the year under review.
GRI 412	Human Rights Assessment 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	12/13, 17–19	
GRI 412-1	Business locations where a human rights compliance audit or a human rights impact assessment has been carried out	13	
GRI 413	Local Communities 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	39	
GRI 413-1	Business locations with involvement of local communities, impact assessments and support programmes	39	
GRI 414	Supplier Social Assessment 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	17–19	
GRI 414-1	New suppliers that were screened using social criteria	19	
GRI 414-2	Negative social impacts in the supply chain and actions taken	19	





Material Topics		Page	Comment
GRI 416	Customer Health and Safety 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	12/13, 19/20	
GRI 416-1	Assessment of the health and safety impacts product and service categories	20	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were reported in the year under review.
GRI 417	Marketing and Labeling 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	12/13, 19/20	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling		No incidents were reported in the year under review.



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