

Sustainability report for 2016



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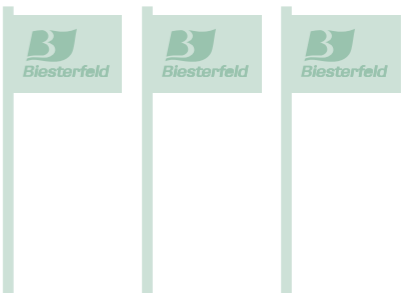
110-year
family tradition



International at 46
locations



More than 740
employees



6 business divisions



Over 50 renowned
partnerships

Foreword

Dear Readers,

I am pleased to present our third annual Sustainability Report for the Biesterfeld Group.



The past year represented a very special year for our group of companies. Because in 2016, the Biesterfeld Group celebrated its 110th anniversary and we can certainly take pride in looking back on our corporate success and our long-standing tradition.

As a family-owned business, it has always been of the utmost importance for us not only to celebrate entrepreneurial success, but to base our actions on social, societal and corporate cultural values. Here, trustworthiness, competence and responsibility towards others are no less important than the considerate and sustainable use of resources.

Sustainability is not just a means to an end for us; it is at the very heart of our identity. As a family-owned business, it is important to us for our economic success to be in harmony with environmental and social issues.

As a distributor of chemicals and plastics, we see it as our duty to establish a functioning and comprehensive sustainability management system. Since trading and distributing highly sensitive products requires secure and trustworthy handling of resources, we impose consistent specifications and standards across the Group.

After implementing numerous measures in the past few years as part of our Group-wide sustainability management, we can detail further progress in this report. In addition to the gradual roll-out of our sustainability standards to our foreign locations, starting this year we have been promoting a certified climate protection project to offset our business-related travel activities. In addition, we are continuing our efforts to further professionalise our sustainability management and to continually adapt our processes to evolving

conditions. In doing so, we always aim to ensure that our business success goes hand in hand with sustainable operations.

I am proud of our employees, who embody our core values and our corporate culture in their daily interactions with our customers and suppliers. In the future, we strive, and will continue, to maintain and expand our high priority of being a family business that is proactive about sustainability.

I hope you enjoy reading our third Sustainability Report.

Thomas Arnold
Thomas Arnold

■ About this report

With our Sustainability Report, which relates to our 2016 business year, we inform our stakeholders and the interested public about how we handle sustainability in respect of economic, environmental and social issues. The report applies to the entire Biesterfeld Group. Due to their extensive processing requirements, however, the surveys can only be gradually extended to all locations.

In this year's report, we were also able to survey and evaluate Russia, Brazil and one of four locations in Poland, in addition to our locations in Germany, Italy and Great Britain.

The highlights of this year's report and our financial year 2016 are the carbon neutrality of our business travel (p. 24), the expansion of the Biesterfeld Group through the founding of our new company, Biesterfeld Performance Rubber GmbH and the acquisition of the Hamburg based company Schütz & Co. (GmbH & Co. KG), which was achieved in line with the Group's quality and sustainability standards (p. 36) as well as the refurbishment of the post room at the Biesterfeld headquarters in Hamburg (p. 24).

Biesterfeld has published a Sustainability Report annually since 2014, in accordance with the standards of the G4 Global Reporting Initiative and also incorporating the principles of the United Nations Global Compact into the report. This ensures that data and analyses can be compared like for like and information can be disseminated transparently. We use the emission factors from the GEMIS database (Global Emission Model for Integrated Systems), which was prepared by the German Environment Agency (UBA) in cooperation with the Öko-Institut (Institute for Applied Ecology). You can read more about this on page 18.

For better readability, where the masculine form is used, this should be taken as including the feminine form and not as gender-specific.

1. Corporate profile

*Progressive with a
strong tradition*



From Hamburg into the world

■ Our history

Biesterfeld is distinguished by 110 years of performance and experience.

Initially specialising in the salt trade, Biesterfeld today thrives in the distribution of plastics, rubber, speciality chemical products and international trade in the sectors of industrial and agricultural chemicals, pharmaceutical raw materials and salts, with four operating business divisions and 46 subsidiaries. We also offer extensive service features and consulting services. Our own IT service provider as well as comprehensive quality and safety management systems complete the activities of our Company group.

All individual companies of the Biesterfeld Group have a specialised profile of expertise, which ensures that our customers are looked after by experts. As a family business, we attach particular importance to ensuring that our companies are in close contact with each other and provide mutual benefit. Together we seek sustainable growth for the entire Biesterfeld Group.

- 1906 Wilhelm Ernst-Hinrich Biesterfeld moves into a small office in Hamburg and starts his salt trading business
- 1918 Flourishing trade in rock salt from northern Germany for the domestic and Scandinavian market
- 1930s Development of the three pillars of the company: trading in salt, chemicals and fertilisers
- 1945 Takeover of the chemical plant Gunter, Schröder & Co. in Hamburg-Harburg with its own warehousing and transshipment facilities
- From 1950 Own subsidiaries in the business divisions of importing/exporting chemicals, salt and fertilisers as well as chemical plants; Biesterfeld Packaging division founded
- 1956 Relocation to the centre of Hamburg, Ferdinandstrasse 41, the present headquarters of the company
- 1961 First European subsidiary founded in the Netherlands
- 1964 Company founder Wilhelm Biesterfeld dies at the age of 84 years; steady growth of the business ensured by Walter Biesterfeld, his nephew and adopted son
- 1970 Following the death of Walter Biesterfeld, his son Dirk J. Biesterfeld inherits the company as a personally liable partner

- 1976 Founding of the subsidiaries Biesterfeld do Brasil Ltda. in Brazil and Biesterfeld U.S., Inc. in the USA
- 1981 Core areas of the new company Wilhelm E. H. Biesterfeld Group: chemical plants, import, export, packaging, salt, agrochemicals and international freight forwarding
- 1980s Expansion into Asia with subsidiaries in China, Hong Kong and Indonesia
- 1988 Founding of Biesterfeld Plastic GmbH as well as new subsidiaries in France, Italy, Poland and Spain
- 1994 Joint venture Biesterfeld Scheibler Linssen GmbH & Co. KG with headquarters in Hamburg
- 1998 Founding of Biesterfeld Spezialchemie GmbH
- 2000 Founding of BIT-SERV GmbH, Biesterfeld International and Interowa GmbH & Co. KG
- 2004 Transformation of parent company Wilhelm E. H. Biesterfeld GmbH & Co. KG into Biesterfeld AG
- 2005 Full takeover of Biesterfeld Siemsglüss International GmbH
- 2006 The name changes from Siemsglüss International GmbH to Biesterfeld International GmbH, Founding of Biesterfeld Petroplas Ltd joint venture
- 2007 Biesterfeld ChemLogS GmbH founded
- 2008 Acquisition of Milar Sp. z o.o. in Poland
- 2013 Founding of Biesterfeld Nordic AB, Sweden, Acquisition of Küttner GmbH, Germany
- 2015 Founding of Biesterfeld Simko Distribuição S.A. joint venture, Brazil
- 2016 Founding of Biesterfeld Performance Rubber GmbH, acquisition of Schütz & Co. (GmbH & Co. KG)
- Today **International distributor of plastics, rubber, base and special chemical products, with over 40 subsidiaries in more than 120 countries**

Specialised in many ways

Our product and service portfolio

With a portfolio of more than 15,000 products and partnerships with numerous well-known suppliers, we serve our customers worldwide.

We offer comprehensive solutions and service features as an interface between producers and customers. We support our customers in the development and improvement of products, for example in reactive formulations such as structural adhesives or building chemical product applications.

Our client industries



Adhesives & Sealants



Automotive & Transportation



Coatings & Construction



Composites & Tooling



Electro, Electronic & Energy



Food & Feed



Household & Consumer Goods



Industrial Markets & Synthesis



Packaging



Personal Care & Cleaning



Pharma & Healthcare



Plant Protection & Plant Nutrition

Our customers are involved in numerous industries. These include the automotive and food industries as well as the medical and environmental sectors. Further information can be found on our homepage: www.biesterfeld.com

We continuously review and fine-tune our product portfolio

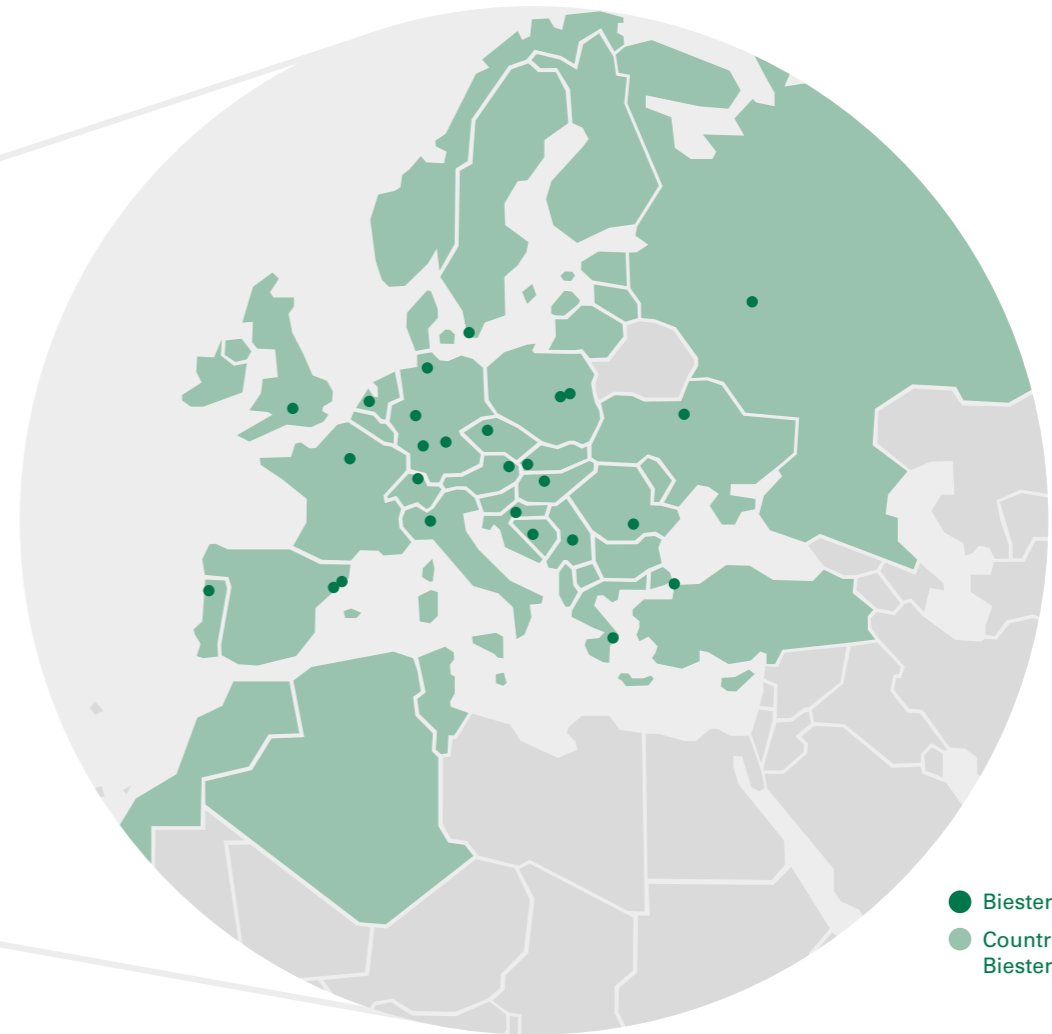
and can thus meet the requirements of our customers. In doing so, we focus both on their needs and those of our suppliers.

As a distributor, we are in close contact with producers and supply our customers all over the world. Our service is not limited to merely delivering the products. We offer comprehensive service

around our products and are there to help and advise. All Biesterfeld employees always give their best to provide complete customer satisfaction, and use their expertise to support our suppliers in developing new products, keeping up-to-date with new discoveries and identifying new markets.


Biesterfeld Plastic	Biesterfeld Spezialchemie	Biesterfeld International	Biesterfeld Performance Rubber
260 employees	225 employees	110 employees	40 employees
Local presence in Europe, North Africa and Latin America	Local presence in Europe and Latin America	Local presence in Europe, Asia, North and South America	Local presence in Europe, North Africa and Latin America
Industries: Automotive, health care, industrial and consumer goods, construction, toys, packaging, household appliances, electrical systems & electronics	Industries: Personal care, pharmaceuticals, household chemicals & industrial hygiene, medical technology, paints & printing inks, high-quality intermediate goods, polyurethane, polymer additives, construction, adhesives, lubricants, composites & tooling materials, foods, electrical goods, electronics and energy	Base chemicals and special chemicals, industrial chemicals, crop protection and fertilisers, salt, pharmaceutical raw materials and active ingredients, as well as additives for fodder and foodstuffs	Rubber processing industry, synthetic rubber, carbon blacks and high-quality compounds, high performance polymers and additives
Biesterfeld ChemLogS GmbH Service company <p>Areas of responsibility: Compliance management, quality management, Responsible Care, REACH, risk management and sustainability standards</p>			
BIT-SERV GmbH Full-service IT provider for high-quality, company-wide IT services for Biesterfeld and third parties <p>Areas of focus: SAP ERP applications, Internet / Intranet web developments, in-house CRM developments, system technology / data centres and e-commerce</p>			

Always close at hand for our customers and suppliers



- Biesterfeld locations
- Countries in which Biesterfeld is represented

Biesterfeld AG

Hamburg (DE) 

Biesterfeld Plastic

Abingdon (GB) 
 Athens (GR)
 Barcelona (ES)
 Cologne (DE) 
 Culemborg (NL)
 Florianópolis (BR) 
 Hamburg (DE) 
 Istanbul (TR)
 Kiev (UA)
 Liestal (CH)
 Limhamn (SE)
 Milan (IT) 
 Moscow (RU)
 Nuremberg (DE) 
 Oporto (PT)
 Römerberg (DE) 
 Rueil Malmaison (FR)
 São Paulo (BR) 
 Warsaw (PL) 
 Vienna (AT)

Biesterfeld Spezialchemie

Barcelona (ES)
 Bratislava (SK)
 Bucharest (RO)
 Budapest (HU)
 Culemborg (NL)
 Grodzisk
 Hamburg (DE) 
 Istanbul (TR)
 Kiev (UA)
 Liestal (CH)
 Mazowiecki (PL)
 Milan (IT) 
 Moscow (RU) 
 Prague (CZ)
 Rueil Malmaison (FR)
 Vienna (AT)
 Warsaw (PL)
 Zagreb (HR)

Biesterfeld International

Bangkok (TH)
 Beijing (CN)
 Chongqing (CN)
 Guatemala City (GT)
 Hamburg (DE) 
 Hong Kong (CN)
 Istanbul (TR)
 Jakarta (ID)
 Mexico (MX)
 Miami (US)
 Mumbai (IN)
 São Paulo (BR) 
 Shanghai (CN)
 Warsaw (PL)

Biesterfeld Performance Rubber

Abingdon (GB) 
 Bangkok (TH)
 Barcelona (ES)
 Bucharest (RO)
 Budapest (HU)
 Chrisy (FR)
 Culemborg (NL)
 Hamburg (DE) 
 Istanbul (TR)
 Kiev (UA)
 Limhamn (SE)
 Milan (IT) 
 Moscow (RU)
 Prague (CZ)
 Römerberg (DE) 
 Rueil Malmaison (FR)
 Saint Ouen l'Aumone (FR)
 Sao Paulo (BR) 
 Vienna (AT)
 Warsaw (PL) 
 Zagreb (HR)

 Biesterfeld locations included in this year's Sustainability Report

G4-6, G4-8, G4-17

G4-6, G4-8, G4-13

Success through community

■ Business model

As a globally operating company with offices in more than 40 countries, we need consistent structures and standards in place that apply to our employees worldwide. Only in this way we can succeed in offering high quality and very good service features in equal measure.

The standards are controlled centrally from our headquarters in Hamburg. This is the headquarters of the parent company of the Biesterfeld Group, Biesterfeld AG. The Group's four operating divisions and two service companies are also based in Hamburg.

Chemical distribution, characterised by increasing specialisation, is at the core of its business activities, with comprehensive services completing the picture.

The quality of the services provided as well as committing to and complying with the neces-

sary measures is not just the responsibility of the management and supervisory boards; it is also shared by the company leadership team and all our employees.

Healthy growth based on long-term partnerships, satisfied customers and committed employees has always been one of our key objectives.

In addition to the products, we focus on comprehensive service and consulting services. We want to always be available to our customers and offer them solutions for any questions about raw materials. We communicate our

findings to our partners and are involved in new product developments. Conserving resources and acting in a more environmentally conscious manner is not only part of our day-to-day work, but also firmly and permanently rooted in our fundamental ideas.

Anyone who is concerned about the future must act with sustainability in mind

■ Our corporate policy

The Biesterfeld Group has been successfully operating as a family business in the international chemical market for 110 years.

One of the core values of our family business is to treat each other respectfully and to operate transparently in order to prevent economic and environmental risks.

The ethical and responsible conduct of the Biesterfeld Group forms the core of this corporate governance. We impress our customers and partners with our reliable, motivating and cooperative business practices.

Another cornerstone of our success in business is our years of experience. The resulting knowledge reflects our extensive expertise in a large number of sometimes highly specialised markets.

Our knowledgeable staff are well-versed in the specifications and demands of global trade. In this way, we continuously improve our service quality and offer products that fit the needs of our customers. In order to be able to guarantee the uninterrupted availability of plastics and chemicals, we address the necessary preparations for upcoming changes in chemical legislation far in advance. In doing so, we act mindfully and always comply with guidelines such as REACH or GHS¹. When it comes to innovations, we are in direct contact with all our branches and implement modifications promptly when required. Of course, our customers and partners are informed immediately about this.

We are more than just a distributor. Individual product development and expert advice are our priority. Because we regard serving our customers and suppliers in a professional and individualised manner as our responsibility.

Our employees play a key role in this. Their dedication and reliability is what makes us unique. We place great importance on the health and safety of our employees and always fully comply with personnel regulations.

¹ GHS: "Globally Harmonized System of Classification, Labelling and Packaging of Chemicals".

We reach our customers with our quality and performance

Anyone who is concerned about the future must act with sustainability in mind.

Our business activities are consistent with the three pillars of sustainability: social, environmental and economic responsibility, and are reviewed continually. Equal rights and individual

self-awareness are essential components here. Every employee is encouraged to use water and electricity in a way that conserves resources.

We were able to seamlessly implement the principles of the United Nations Global Compact into our company precisely be-

cause we have always promoted sustainable economic development with a view to the future, and have embedded QSHE (Quality, Security, Health and Environment) into our business activities.

United Nations Global Compact principles

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights and
Principle 2	make sure that they are not complicit in human rights abuses.
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4	the elimination of all forms of forced and compulsory labour;
Principle 5	the effective abolition of child labour; and
Principle 6	the elimination of discrimination in respect of employment and occupation.
Principle 7	Businesses should support a precautionary approach to environmental challenges,
Principle 8	undertake initiatives to promote greater environmental responsibility,
Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

■ Corporate objectives and strategies

As a company, we aim to grow and further consolidate a leading global market position, always, with focus on sustainability.

We will maintain our leading market position with increased specialisation in our product and service portfolio as well as by expanding our international operations. We rise to the challenge of achieving this from a sustainability viewpoint on a daily basis and work with all employees to achieve these criteria.

It is important to us that we have good and trusted suppliers, because we strive for long-term business relationships. We want to work with our business partners over the long term and sell products that are innovative and in demand on the market.

We reach our customers with our quality and performance.

Our highly skilled employees, on whom we rely and whom trust, are the driving force behind our company. Motivation, passion and ambition take us forward and help us to succeed. We encourage and value long service from our employees, because this is the only way in which our employees can expand their experience and knowledge and pass this on to our partners, as well as to new employees.

We set high standards for our staff and pursue the objectives we have set ourselves. In doing so, we always adhere to our standards and guidelines.

Our group-wide risk management system helps us manage

and prevent risk and means we can quickly introduce countermeasures if necessary. It is fundamental to identify potential risk, both from internal and external sources, and formulate the corresponding action required.

As part of this we have established a crisis management team to help in the event of a crisis. Our employees are continuously briefed and trained with regard to all possible threats, risks and crises.

The standards we place on sustainability are just as high as those on quality

■ Reporting method

We have decided to write a voluntary annual sustainability report. This decision represents a valuable step towards looking after the well-being of both the environment and the company.

Every day we address the challenge of further expanding the sustainability of our operations, defining suitable measures and incorporating them into our day-to-day business. In recent years, we have noticed that global interest in sustainable corporate structures has steadily increased. We regularly receive enquiries about our corporate strategy and are invited to participate in sustainability-oriented surveys. This is one way in which we impress our customers and partners with our Biesterfeld sustainability strategy. Positive feedback from the interested public validates these initiatives.

Our contribution to sustainable development enables us to break new ground, and we hope that our example can motivate other

companies to work towards a sustainable economy as well. We can particularly benefit from each other by exchanging experiences. We take the opportunity of exchanging experiences and learning from each other and hope to also offer the necessary support with the help of transparency.

The Biesterfeld Group decided to write the sustainability report in accordance with the G4 guidelines of the Global Reporting Initiative (GRI) from the outset and to fulfil the “core” option of the GRI principles. This option contains all the key elements and indicators that a company needs to include and report in order to achieve sustainable corporate governance. This information outlines the economic, environmental, social and management performance of a

company. We also take into account the ten principles of the United Nations Global Compact on human rights, labour standards, environmental protection and the fight against corruption. We thus aim to standardise our report and ensure comparability for years to come with a consistent format.

We reviewed the indicators that are relevant to us and considered and evaluated the individual issues from the point of view of the company and our stakeholders. These issues are organised into the following indicator areas: Labour practices and employment, human rights, ecology, society, product responsibility and economic efficiency. We divided our stakeholders into two groups for this evaluation: The stakeholders

we directly influence through our operations and those who are indirectly influenced by our actions. Customer evaluations and supplier surveys allow us to evaluate the indicators from the stakeholder point of view and to identify their requirements and expectations.

The evaluation takes place as a multi-level process at management level. It is based on the

many years of experience of our employees and comprehensive knowledge at management level.

The regular exchange of information with one another ensures that our evaluation process is up to date.

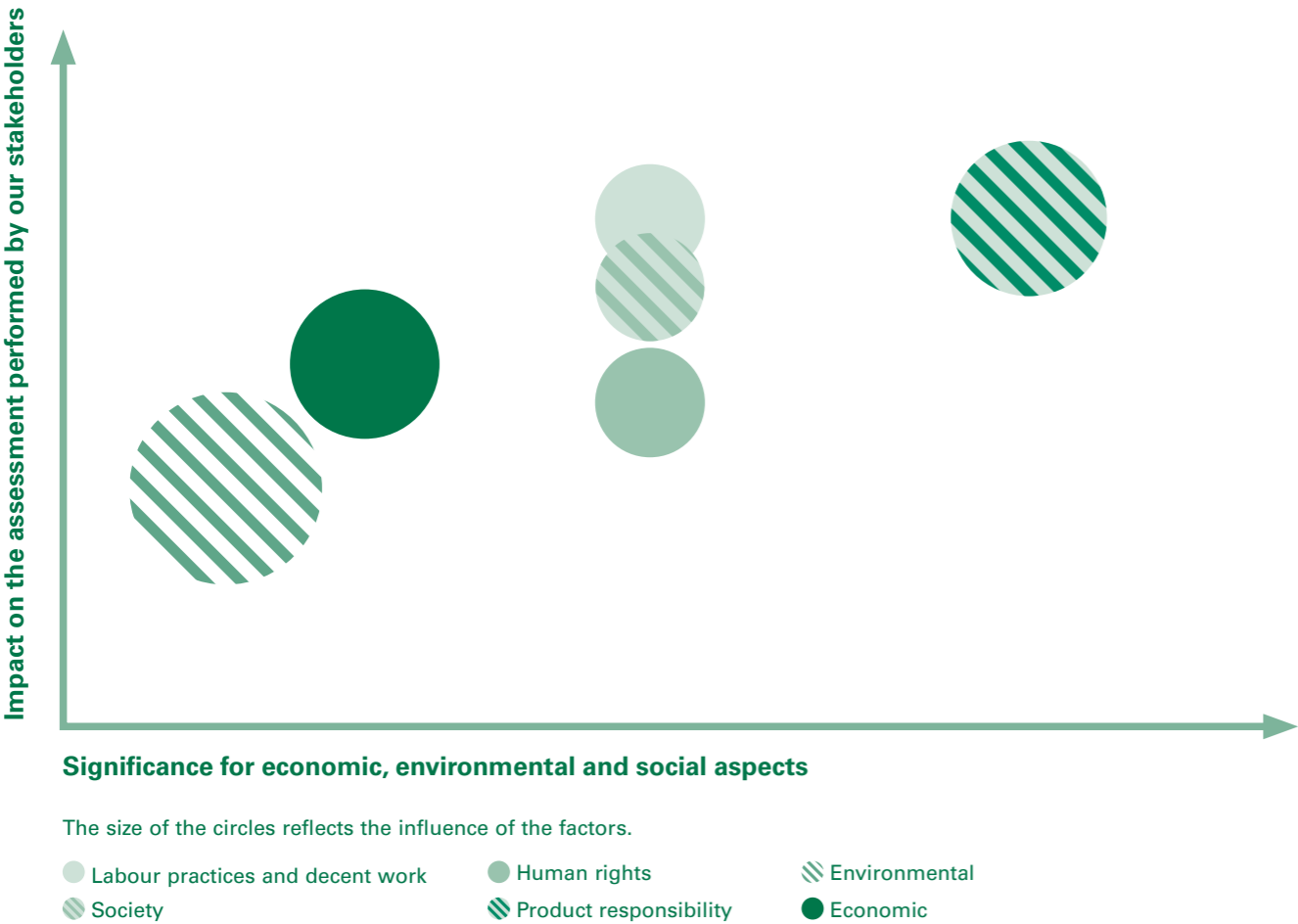
An overview of all the GRI indicators including the UN Global Compact principles can be found in the GRI index in the appendix.

Materiality analysis

The materiality analysis clearly illustrates the indicators that underwent individual assessment. They were summarised into categories for this purpose. Here the circles reflect the number of indicators in each category. The x-axis shows the significance of the category in terms of its eco-

nomie, environmental and social impact. The y-axis indicates the extent to which the category influences the assessment made by our stakeholders. The x and y values of the categories are determined from the average value of the indicators individually assessed by ourselves. Hence, for example, we assess that the “Labour practices and human

work” category has significant influence on our stakeholders’ evaluation because it was relatively highly valued in spite of our modest number of indicators.



List of specific indicators

Economic	
G4-EC1	Direct economic value generated and distributed
G4-EC2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change
Environmental	
G4-EN3	Energy consumption within the organisation
G4-EN5	Energy intensity
G4-EN6	Reduction of energy consumption
G4-EN17	Further indirect emissions
G4-EN27	Extent of impact mitigation of environmental impacts of products and services
G4-EN32	Percentage of new suppliers that were screened using environmental criteria
Labour practices and decent work, society, human rights and product responsibility	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region
G4-LA2	Benefits provided to full-time employees
G4-LA3	Return to work and retention rates after parental leave, by gender
G4-LA10	Programmes for skills management and lifelong learning
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria
G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken

2. Sustainability management

Don't just talk about sustainability, but live sustainability!



Do what's right and do it in time to really make a difference

■ Progress in sustainability

We are specifically looking for ways to act in a more resource efficient manner with our sustainability strategy. The respectful interaction between people and nature always plays a decisive role.

As a non-manufacturing company, we undertake to ensure that our use of resources as part of our operations is sustainable. These include energy-saving measures such as in the renovation of our in-house post room at our headquarters in Hamburg. The old energy-intensive ceiling lights were replaced by energy-saving

LED lights as part of this renovation. The simple action of installing LED lights alone has achieved a 10% reduction in energy consumption. The more efficient layout of the space allowed new work areas to be created.

The concept of sustainability is more than just a trend for us.

As a result, we have aligned all business activities within the Biesterfeld Group to sustainability-related topics. We regularly ask ourselves the question: what can we do better to protect our world?

Actions instead of words

Last year, we decided to offset our business travel. Our sustainability monitoring revealed that we could only reduce our CO₂ emissions on our business travel to a limited extent, as travel is directly linked to the expansion of our business. Nevertheless, we wanted to set an example and decided to invest specifically in forest and species protection in order to offset our air travel. We selected a certified climate protection project in Brazil, one of

our locations overseas – not least because we wanted to support a project with a regional connection to the Biesterfeld Group and our employees.

We analysed our CO₂ consumption over the last two years and made a forecast for 2016 based on that. We have invested in sustainable forest and species protection in Santa Maria, a region in the south of Brazil, on the basis of this consumption forecast. The project area covers 71,713 hectares. Inspections are carried

out by independent auditors to ensure the social and environmental criteria of the Forest Stewardship Council (FSC) are met. In addition, the project is certified according to the Verified Carbon Standard (VCS). Our project ensured that a deforestation of around 64,000 trees was avoided.

Further information can be found on the following homepage: <http://www.forestcarbongroup.de/projekte/florestal-santa-maria.html>

Communication as a key to understanding

Our open and transparent communication on economic, environmental and social responsibility has created a sustainability ethic among our employees.

The employees at our business locations which have been included in this year's report were given detailed briefings about the sustainability standards of the Biesterfeld Group. Corporate engagement has highlighted the importance of sustainability and has motivated employees to provide data and knowledge to help develop sustainability reporting.

We place great importance in all our branches on our employees being conscientious when leaving their workplaces. This includes separating waste as well as switching off all lights when leaving the office. We have also made further improvements at our foreign locations. For example, we have introduced the use of energy-saving light bulbs in Russia. This has helped to reduce energy consumption by 15%.

In Brazil, air conditioning that meets the latest standards has been installed.

We can each do our bit for the environment and act sustainably. Even things we perceive as trivial in themselves can soon add up when put together.

We want to now follow up on what we have already achieved and drive sustainability forward in our organisation. To this end, we will be continuously analysing our work processes and optimising them as required with the aim of saving resources in order to preserve them for future generations.

We support the Brundtland Commission in their understanding of generational equity: "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."²

We are very keen to have a positive impact on society and to do our bit in preserving global resources. We therefore give our

stakeholders an insight into our sustainability-related commitment. We are happy to be able to inspire, contribute, live sustainably and communicate.

² The actual wording from the Brundtland Commission's "Our Common Future" report from 1987 is: "Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs."

Rules are there to protect us

■ Compliance

It goes without saying that we have a compliance management system that monitors our business activities and aligns our processes with our Group-wide policies.

This enables us to ensure that all legally binding stipulations and voluntary undertakings are observed and implemented. Compliance is a very high priority for the entire Group. Compliance with laws, guidelines and rules is essential for Biesterfeld. Above all, as a chemical distributor we pay particular attention to any changes in the rules and their implementation.

Our Compliance Management System, which is being continuously developed, covers various individual measures. Potential hazards are assessed by means of a risk analysis and documented in our risk managementsystem. This allows us to initiate measures to prevent risks if necessary.

As a forward-looking company, compliance is a very important part of our focus. The core areas are continuously checked and

adjusted. Any legislative changes are discussed at management level and disseminated to all employees. In doing so, we pay particular attention to the fact that we operate in free markets and ensure fair competition.

For example, we have planned web-based training for the coming year. These are offered in German and English and are mandatory for all employees of the Biesterfeld Group. We have not only planned training for new legislation and guidelines, but also regular updates on the cornerstones of compliance such as antitrust or anti-corruption legislation.

We are planning the introduction of a whistleblower system as an additional tool to combat compliance risks. As well as our "open ear" for all employees and direct discussion with our partners, we

want to offer everyone – employees, customers and partners – the opportunity to communicate any possible risks to the company anonymously. In this way, we aim to cover all means of obtaining information and preventing threats.

■ Our Code of Conduct

Our Compliance Management System has the Biesterfeld Code of Conduct as its cornerstone.

Our Code of Conduct is the anchor for our activity and a benchmark for all employees. It contains group-wide standards and guidelines and therefore applies to the entire Group. The code of conduct is accessible on the intranet to all employees in two languages (German and English). It is also available to our customers and partners on our corporate homepage.

We regularly review our Code of Conduct, adapting it to legislative changes or standards which we impose ourselves. The last fundamental update was made in 2016. Among other things, the principles of the UN Global Com-

pact have been taken more fully into account, with additions and clarifications to topics such as competition law prohibitions or conflicts of interest. In addition, our Code of Conduct has been expanded to include measures to promote environmental standards.

As our Code of Conduct contains guidelines which our employees must abide by in their work, new employees are asked to read, understand and accept the Code as part of their training.

Themes such as antitrust and corruption prevention, human rights and labour and social standards

are described. It also explains the role model function of management in relation to employees and business partners. Further information can be found on our homepage:

 www.biesterfeld.com

We listen and promote direct communication

■ Integrated management system

Biesterfeld has an integrated management system which covers all requirements.

The standardised structure enables effective synergy. All relevant management systems are summarised and written down in a handbook. This includes management in the fields of quality, labour, health, data privacy and the environment as well as risks and crises.

Overall responsibility for our integrated management system remains with our management board. Supervisors in each business area are responsible for ensuring compliance. This ensures that all employees understand and implement the system.

We have been guided by DIN EN ISO 9000 ff since the establishment of our management system.

The aim is to achieve a high standard of quality throughout the group and to always work in accordance with legal standards. Our high standards are ensured by regular quality inspections. Our central quality managers and local quality officers work continuously to document the processes

within the company. All processes are checked for validity and efficiency. Our business processes undergo regular revision. This allows us to develop an ideal work structure as well as continually improving procedures, fine-tuning them where necessary. Compliance with our standards is checked through internal and external audits. In addition, random, unannounced internal audits are carried out in the departments to ensure continuing compliance with our requirements.

A total of 42 audits were carried out in the 2016 financial year. These included ten certification audits together with the certification body TÜV Nord. Once again this year, we have successfully passed these. It is testament to us that we provide our services in accordance with the specifications of DIN EN ISO 9000 ff. and Legal Compliance.

Internal audits additionally deal with aspects of sustainability. For example, energy-saving measures or potential for reducing emissions are identified in the course of the

audits, and it is also ensured that the principles of the UN Global Compact are understood and respected by our employees.

The audits help us with continuous improvement according to the requirements of the standards. The resulting measures for improvement are registered in our computerised CAPA database (Corrective And Preventive Actions). The measures are classified and monitored. All responsible employees are stored in the database and are assigned to complete the assigned tasks within a deadline according to the respective processes.

The results of all audits, quality procedures and customer reviews are summarised in the annual Management Review. Finally, the system is assessed to ensure its suitability and efficacy for the strategic direction taken by the organisation.

■ Stakeholder relations

We are honest and fair!

That is why we communicate openly with our stakeholders and provide insights into our corporate structure. We create confidence in our activities using various means of communication.

We act with confidence because we are safe.

It goes without saying that we know our stakeholder groups. It goes even more without saying that we are in close contact with them. Our presence at various national and international trade fairs, conferences and initiatives, such as the annual training fair or the Polymer Sourcing & Distribution conference attended by our Biesterfeld Plastic business unit, partly serves this purpose. We also hold expert talks and workshops. Our memberships in chemical associations and initiatives help us promote the exchange of experience with other chemical companies and we are always up to date with changes to regulations, directives, etc.

We receive valuable information from both sides as a link between buyers and producers. We gain access through direct contact as well as through customer surveys

and feedback knowledge, which we share with our producer-side partners. These include, for example, the increase in demand for sustainable products, where we work closely with our producers and drive development. In addition, we can further expand our service by diligently evaluating the reviews. We also keep our customers informed about new products and recommend the use of sustainable products that meet their needs.

We regularly hold feedback talks with our employees in order to increase their motivation, to accommodate and promote their wishes. Biesterfeld is characterised by long-serving employees. We take the concerns of our employees very seriously. We can identify individual career development paths from regular employee appraisals and promote these accordingly. We are also always open to private issues. We try to help to take the burden off the employees' shoulders wherever we can.

Our regular press releases and news on our corporate homepage serve as a further aid. Our communications department prepares up-to-date topics and publishes company news. The

regular newsletters that we send out to our customers also serve as a means of communication with our stakeholders.

Our financiers (owners, banks and investors) are kept continuously informed about our financial status and the economic development of the Biesterfeld Group. Mutual trust is of utmost importance to us and is consistently cultivated.

All these actions are designed to build trust and long-term partnerships. Our dialogue formats mean we can exploit potential more effectively and are prepared for the challenges of the international market. We receive important assessments of opportunities and risks at an early stage and can prepare for upcoming changes in good time.

Initiatives:

- AGA employers' association
- FECC (European Association of Chemical Distributors)
- ICTA (International Chemical Trade Association)
- United Nations Global Compact
- VCI Association of the Chemical Industry
- VCH Chemical Distribution Association

Our stakeholders



3. Economic responsibility

***Growing successfully
by trusting each other***



Experience, knowledge and curiosity create new possibilities

■ Economic performance

110 years mark Biesterfeld out as an experienced chemical distributor.

Thanks to our long-standing market presence and our outstanding relationships with our partners, we are prepared for the challenges ahead, despite persistent economic uncertainty in numerous markets and the ongoing consolidation on the international chemical market. Our highly trained employees are committed to the economic success of the entire Biesterfeld Group. They bring their knowledge into everyday business life and are motivated every day to make Biesterfeld unique.

We want more and we can do more!

We continue to build on our success and are not complacent about what we have achieved. We always strive for exemplary behaviour, be it in the area of our services or in the sustainable orientation of our company. We want to show that improvements are possible at any time and to create added value. At the same time, we always have an eye on the future of our company and our employees.

Our services and successes as a company are reflected in the satisfaction of our customers and suppliers. It is in our interest to meet or even exceed their expectations. We therefore offer high-quality products, which are provided with a comprehensive service package. Our employees receive regular training in order to provide these services. They are our key to success and only together with them can we achieve and expand our goals.

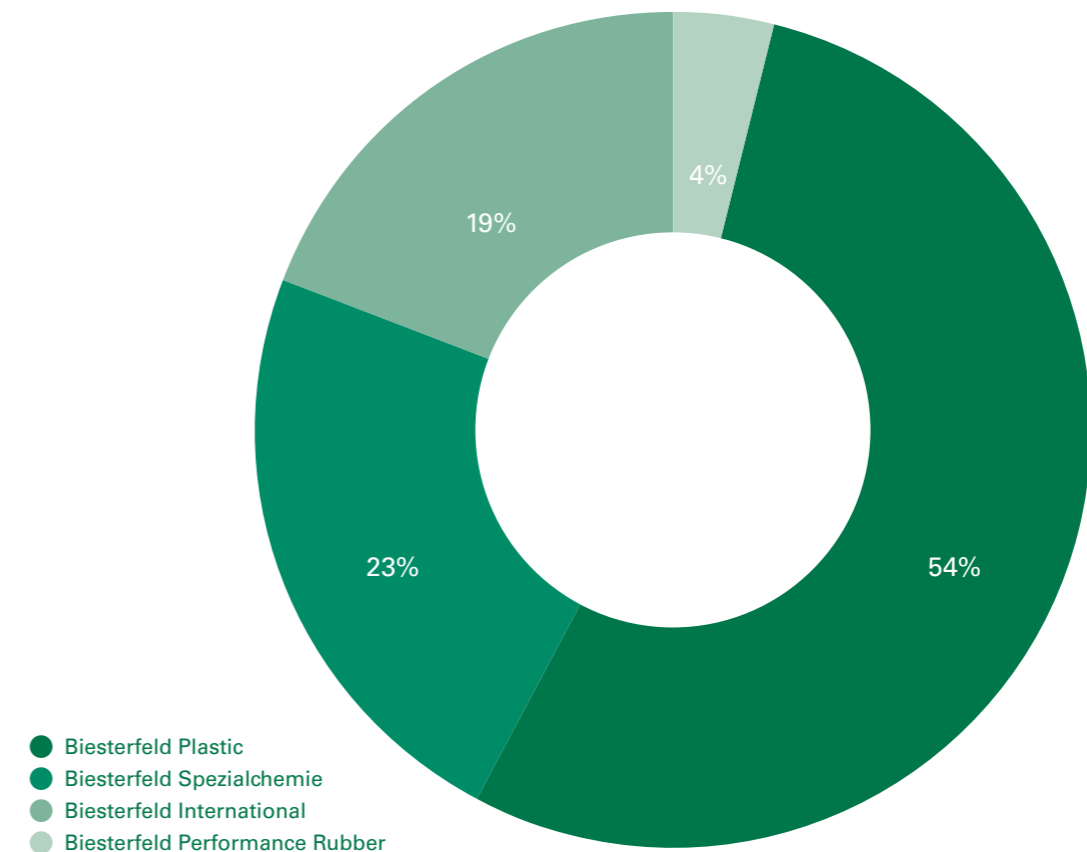
We represent our ambitions in our 5-year plan, which is updated annually. It takes into account opportunities and challenges that need to be considered in order to expand our business activities and increase added value for our customers. This plan is based on the business development of previous years as well as the forecast development of the coming years.

The managers of all business units actively contribute to the preparation of the 5-year plan and communicate the targets to their employees.

By keeping employees up to date with the latest business figures, they can compare results against targets and, if required, make the necessary provisions to best meet their future goals.

Of course, we also keep our investors comprehensively and regularly informed on our economic development. In addition, we publish the Group's results of operations in the Bundesanzeiger (Federal Gazette) in accordance with German commercial legislation.

Sales segmentation of our four business units, 2016



The chart clearly shows that Performance Rubber already makes up 4% of the Biesterfeld Group's total turnover in a short time, resulting from the successful start-up. In the course of this, there is a slight shift in the distribution of sales in the other divisions.

Financial stability

The Biesterfeld Group has a balanced financing structure. Our group of companies has a diversified portfolio both in terms of

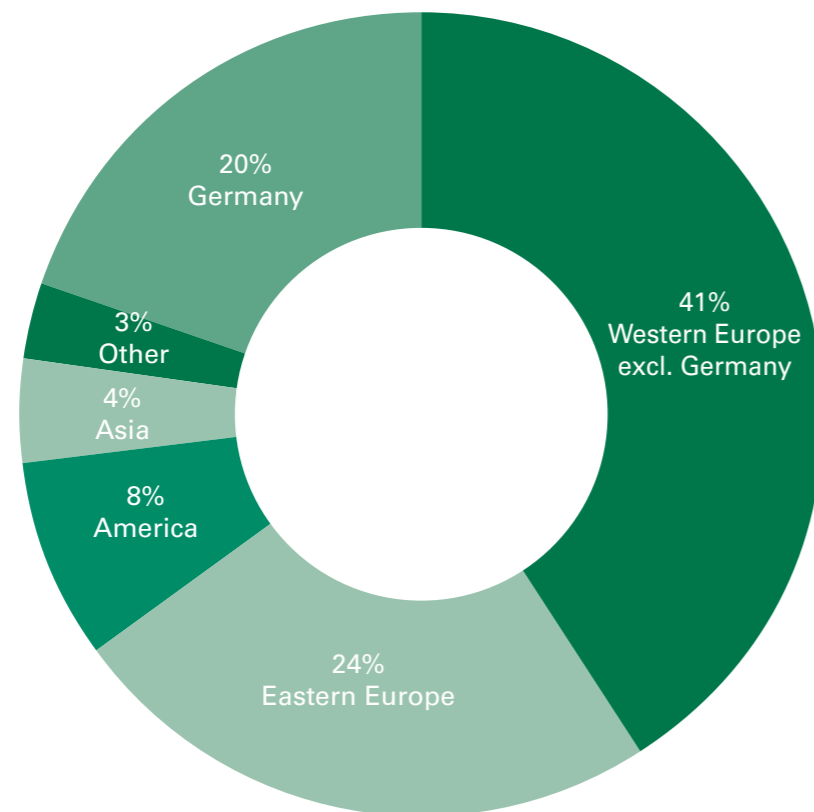
financing terms and financing partners, meaning, for example, that we can minimise interest rate and default risks.

Our financing structure ensures a stable liquidity position, which sustainably supports the growth of the entire Group. It is oriented towards guaranteeing financial flexibility for the entire Group and minimising cost of capital at the same time. Various equity and debt financing instruments are used for this purpose.

The money and capital markets are analysed on an ongoing basis to monitor and, if necessary, take advantage of market changes.

Currency risks from exchange rate differences are covered by hedges.

Turnover by region, 2016



The graph of revenue segmentation by region for 2016 shows hardly any changes compared to the previous year. It is very clear to see that Biesterfeld is firmly anchored in Europe and has its core market there.

Our efforts pay off!

Our good understanding of the market helped us to make numerous forward-looking decisions in 2016 too. This allowed us to expand further and open new locations, for example in Brazil. This also includes the establishment of our new Biesterfeld Performance Rubber business unit. It brings together all the international business activities for the rubber processing industry. We recognised early on that demand

on the international market for synthetic rubbers, compounds and high-performance polymers is on the increase. We want to further promote cooperation with international market leaders through the new company, and offer our customers a tailor-made service. In addition to an extensive product portfolio, we have a high level of expertise in local application technology consulting. Accordingly, a quality management system according to DIN ISO 9001: 2015 was created and certified.

Other highlights in the 2016 financial year include reporting on the Group's increased sales figures and the renewal of numerous long-term partnerships with well-known suppliers. In addition, we

have acquired the specialised distributor Schütz & Co. (GmbH & Co. KG), which supplements the product range of the Biesterfeld Group with the distribution of raw materials for the pharmaceutical, chemical, cosmetics and food industries. We are also proud to work with suppliers who have received numerous awards and prizes within the industry, who are socially committed and who share the same values as our corporate culture.

The industry magazine ICIS's "Top 100 Chemical Distributors" list ranked us 6th in Europe and 9th worldwide as a distributor.

Economic indicators for the Biesterfeld Group, 2014–2016*

	2016	2015	2014
Turnover	1,077,448	1,077,424	1,077,887
Operating costs	974,913	981,489	993,640
Wages and other company benefits	56,409	55,875	51,833
Payments to financial backers	17,118	19,276	17,671
Payments to government (taxes)	11,168	10,473	7,860

* Figures in thousands of euros; there is no detailed profit and loss account; further economic data are presented in the Bundesanzeiger (Federal Gazette)

4. Environmental responsibility

*Hand in hand for a
future worth living*



Less is more – at least with energy consumption

We must become aware of how we can conscientiously deal with natural resources and use them efficiently.

Biesterfeld took on this topic at an early stage and is committed to acting responsibly in the interests of resource conservation and to use only the bare minimum of resources.

It is in everyone's hands to make the future more liveable.

When it comes to taking environmental responsibility, we focus on those areas that we directly influence through our activities. Since our corporate buildings predominantly comprise office space, we place great importance on reducing the consumption of energy, water and paper in the best possible way.

All employees must develop a sustainability ethos to make positive change work. With this in mind, Biesterfeld employees are regularly trained and briefed. Their commitment means that Biesterfeld can nurture a sustainable corporate culture and, using their knowledge, advanced technologies can be developed for various areas. For example, state-of-the-art programs are used in the field of logistics, administration and communication, for example to

determine the most efficient transport route, to digitally save documents to reduce paper consumption or using web-based functions to simplify communication with each other.

We place particular importance on safety in the use and proper handling of our products. Our service regarding the application of the products is offered by trained and specialised employees. We inform our customers about possible direct and indirect risks that may arise from the products distributed by us. We have developed preventative measures in connection with all this.

If there is even the slightest suspicion that any hazards could arise when using our products, we seek contact with the customer as quickly as possible and offer an alternative. Our close cooperation with suppliers allows us a smooth exchange of information. We help with the development of environmentally friendly products and inform our customers in this regard.

We have our own department, staffed by trained professionals, who are responsible for updating

safety data sheets. The safety data sheets are very important when using our products as they convey safety instructions and a recommendation on handling the products.

In addition, we provide all safety-related information on our website, so that it can be accessed continuously and is available to provide immediate assistance if needed.

■ Energy consumption

This year we were once again able to make a positive contribution to our energy consumption. We introduced LED ceiling lights with motion sensors at the workplaces in our Hamburg headquarters, and were thus able to replace the energy-intensive fluorescent tubes.

The energy-efficient refurbishment of further floors will be tackled at the headquarters in the coming year. Here, special attention is paid to the renewal of air conditioning and ventilation technology in order to meet current energy efficiency standards. As a further measure, we

are aiming for a switch to green electricity, which we will source from a Hamburg-based company from next year.

Energy consumption at company headquarters in Hamburg, 2016*

Energy sources	kWh	CO ₂ emissions in t**
Electricity	326,761	168
District heating (for heating purposes)	410,795	108
Total	737,556	276

Energy consumption amounts to about 2,561 kWh per employee.

Energy consumption at the sites listed in the Sustainability Report, 2016*

Energy sources	kWh	CO ₂ emissions in t**
Electricity	454,864	234
District heating (for heating purposes)	462,362	121
Natural gas (for heating purposes)	168,226	34
Total	1,085,452	389

Employee energy consumption at the specified sites is approx. 2,609 kWh.

* Figures have been rounded off. Heating costs for Great Britain are included in the costs of electricity as heating is via the air-conditioning system
 ** GEMIS emission factors (version 4.8) were used as a reference for the calculation

Improved performance – reduced consumption

Greenhouse gas emissions

As a responsible company, we know and record our CO₂ footprint.

We face the challenge of reducing our emissions to protect nature and conserve resources. In accordance with the Greenhouse Gas Protocol (GHG)³ and DIN EN ISO 14064, we have calculated our company-specific CO₂ emissions since 2014 and presented them in our annual report.

Transparency is given great importance in the Biesterfeld Group. Therefore, we deal with our energy consumption openly and do our best to achieve a positive development of the Group with regard to the sustainable use of resources.

Greenhouse gas emissions are divided into the following categories:

- **Scope 1:** all emissions arising directly in the company
- **Scope 2:** all indirect emissions that companies incur by purchasing energy
- **Scope 3:** all indirect emissions resulting from business activities (transport of goods, business trips, employees' journeys to work) but not associated with the procurement of energy

Scopes 2 and 3 are relevant for Biesterfeld as we, as a non-producing company, do not cause any direct emissions.

Vehicle fleet

The Biesterfeld Group has 89 company vehicles in Germany, 76 of which have diesel engines.

³ Global standard for quantification, management and reporting of greenhouse gas emissions

Biesterfeld Group fleet, 2016*

Fuel type	Total consumption in litres	Total consumption in megajoules	CO ₂ emissions in t**
Diesel	170,158	6,292,443	559
Petrol	13,686	453,505	39
Total consumption	183,844	6,745,948	598

* Figures have been rounded off; all vehicles registered to the Hamburg headquarters

** GEMIS emission factors (version 4.9.3) were used as a reference for the calculation

Our vehicle fleet was expanded by seven cars in 2016. Nevertheless, we have been able to achieve a reduction in the num-

ber of kilometres driven and, accordingly, the volume of fuel consumed. Total consumption has decreased by 2.4%. One

reason for this is our increased focus on using web-based conferencing methods.

Means of transport by which employees travelled to work in Hamburg, 2016

Means of transport	Journey to/from work in km per workday and employee*	CO ₂ emissions in t per working year**
Bicycle	14	0
Long-distance train	102	7
Car	60	124
Local public transport	21	123
Total	–	254

* Figures have been rounded off and specify the average distance per workday per employee

** GEMIS emission factors (version 4.8) used for the calculation; the emission values are calculated by multiplying the kilometres travelled for the round trip by the respective emission factor, the number of employees and the number of working days

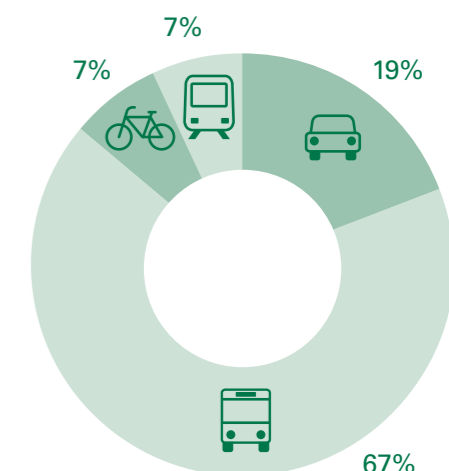
We were able to achieve a pleasing reduction of approx. 29 tonnes of CO₂ in passenger car emissions compared to the previous year.

This is mainly due to switching employees from cars to public transport.

Our headquarters are located in the heart of Hamburg

The accessibility of our Hamburg headquarters is ideal because of its good connection to local and long-distance public transport options. For this reason, many employees use public transport such as bus or train and refrain from travelling by car.

We would like to encourage even more employees to switch to public transport and therefore subsidise monthly tickets for the Hamburg public transport network. Of course, we provide many bicycle parking spaces for all employees who use the bicycle for their journey.



Business trips across the Biesterfeld Group, 2016*

Aeroplane	Distance in km	CO ₂ emissions in t per year**
International flights	3,787,600	577
Domestic flights	602,183	142
Total	4,389,783	719

* Figures have been rounded off
 ** GEMIS emission factors (version 4.8) were used as a reference for the calculation

Emissions caused by business trips

As with any internationally-oriented company, the Biesterfeld Group also incurs business air travel that generates CO₂ emissions.

However, we try to keep our air travel within limits. To this end, our IT service company BIT-SERV is constantly developing improved methods for making web-based

meetings as secure and easy as possible. Further measures are already planned for the coming years.

Nevertheless, direct, on-site personal contact with customers is an integral part of our service.

Therefore, a good balance needs to be achieved. Our employees are encouraged to consider the need for a business trip and always keep its environmental impact in mind.

We are pleased that we were able to reduce our emissions in the area of business travel. Last year, our international flights covered 4,255,769 km with emissions of approximately 644 tonnes. This year, emissions were reduced by 67 tonnes of CO₂.

Total output in 2016 in comparison to the previous year was thus reduced by approx. 7.6%.

Transport of goods across the Biesterfeld Group, 2016*

Mode of transport	Amount in t	Average distance in km	CO ₂ emissions in t per year **
Road	142,633	536	3,839
Inland navigation vessels	25,030	256	219
Seagoing vessels	94,990	13,872	15,956
Air freight	71.7	6,116	342
Rail	9280	547	192

* Quantity and distances determined from the ERP system; the values are based on Germany-related deliveries (incoming and outgoing); the figures were rounded off
 ** GEMIS emission factors (Version 4.8) were used as a reference for the calculation

Our four operating divisions use a variety of means of transport to move goods to their destinations. In doing so, our logistics

specialists make sure that they use the most efficient way, creating the lowest possible emissions. They specialise in contin-

uously optimising warehouse locations and supply routes.

Environmental indicators for the Biesterfeld Group, 2014–2016

Our CO₂ emissions were determined using information from the GEMIS database.

Type of emissions	CO ₂ in t 2016	CO ₂ in t 2015	CO ₂ in t 2014
SCOPE 2			
Energy consumption at the company headquarters	276	276	307
SCOPE 3			
Fleet	398	459	436
Employees' journeys to work in Hamburg	254	278	287
Business trips	719	778	614
Transport of goods	20,548	19,621	19,169

The CO₂ balance for 2016 shows a significant reduction in emissions compared to previous years. In all, we were able to save 144 tonnes of CO₂ compared to the previous year in emissions from the vehicle fleet, the arrival

of employees to work and in business travel.

Only CO₂ emissions for freight transport increased by approximately 4.7% compared to the previous year. The reasons for

this are the additional business activities of our new company Biesterfeld Performance Rubber and the growth of our inland waterway transports.

5. Social responsibility

A good balance is an absolute must



Every single employee is special to us

■ Our employees

Every single employee contributes to the economic success of the Biesterfeld Group.

Our employees embody the corporate culture. We can count on their commitment and their ambition and of course, we recognise this. The prerequisite for a good working attitude is that employees identify with the company's goals and develop their own aspirations to achieve high-quality work. In Germany, our employees share in Biesterfeld's profits in the event of a successful financial year by way of a bonus. After all, it is in our interest to let our employees participate in the company's success, which we achieve through their performance.

We also ensure that we create a work environment that gives our employees the freedom they need to expand and keep on developing. In addition to individual self-determination, this includes morally and ethically appropriate behaviour. We first carried out a risk assessment for mental stress in the workplace at our Hamburg headquarters in 2016, in which we asked our employees for feed-

back on their perceived workplace conditions in order to be able to introduce improvements.

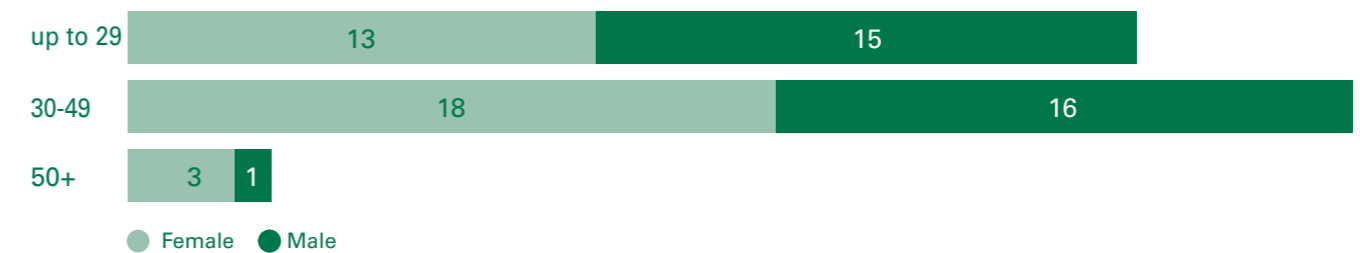
The aim of the survey was to investigate the workplace pressures in order to derive measures to improve health protection and foster job satisfaction. The vast majority of those asked were extremely positive about their own jobs. In particular, the flexible working time arrangements, the work equipment available and the social backing by colleagues and supervisors were rated positively. We also received mostly positive feedback regarding further training opportunities and individual advancement opportunities, but also identified room for improvement; in the future, we will take an even more active interest in matters relating to lifelong learning.

These individual results were first presented to the management of the companies in coordination with the Executive Board. Subsequently, all respondents

received detailed information about the individual results of their business area. Joint improvement measures were derived with the involvement of their respective supervisors and their teams to further enhance the attractiveness of the work environment.

Fairness is of great importance to the Biesterfeld Group. Our employees all receive the same benefits, whether part-time or full-time, whether on a fixed or permanent contract. This helps prevent discrimination, which we do not tolerate in any form. We offer every employee the same opportunities and promote the equal treatment of and between our employees. With these policies, we ensure that colleagues treat each other in an open and respectful manner, feel at home in the workplace and also convey this to our customers, suppliers and partners.

New hires by age group, 2016*

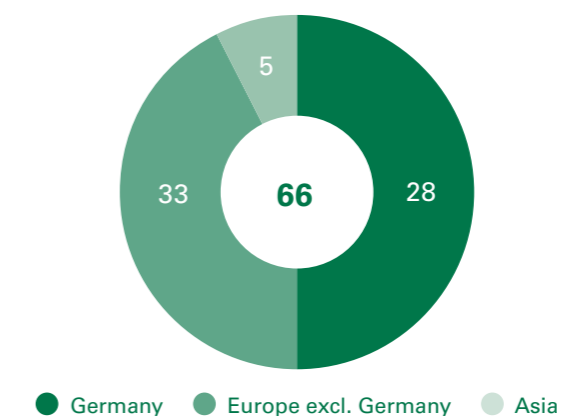


This year, we recruited a total of 66 new employees, comprising 34 female and 32 male employees.

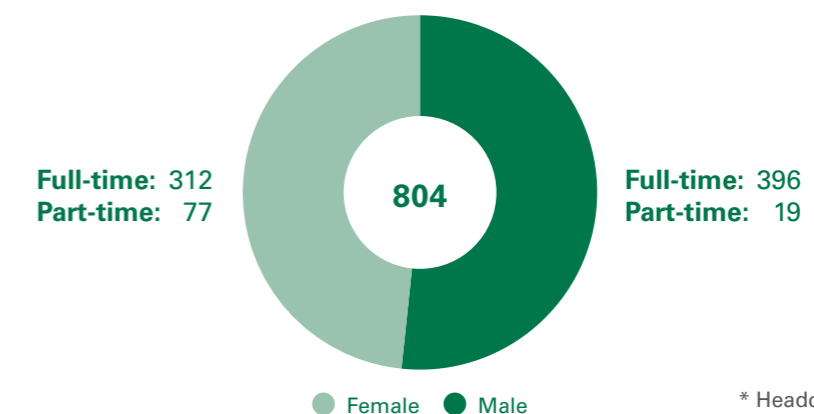
We value a fair recruiting process and strive to achieve a good balance both in the level of experi-

ence and competences, and in the age and gender of our employees.

New hires by region, 2016*



Workforce by gender, 2016*



* Headcount: Number of employees

It is the employees who make Biesterfeld what it is

■ Our social contributions

We offer our employees a comprehensive package of additional benefits.

In addition to our profit sharing and numerous benefits, such as the subsidised monthly ticket for local transport, our employees in Hamburg have the opportunity to get hot and balanced meals at discounted prices at lunchtime at a canteen in the immediate vicinity. The fresh, healthy and varied dishes meet a range of needs. In addition to daily changing dishes, there are vegan or vegetarian and lactose-free dishes on offer. In addition, Biesterfeld offers its employees in Hamburg a selection of free drinks in the floor kitchens.

The workplaces of our employees are equipped with the latest technical equipment. Special emphasis is also placed on the desks and chairs to provide good comfort and health standards.

As a family business, we promote the compatibility of family and work. So, the possibility of working from home is offered as needed. In addition, Biesterfeld offers flexible working hours.

Because we work together with our employees to find the ideal solutions to achieve a balance between family and work.

People are at the heart of our company. So, their health has all the more priority for us.

Biesterfeld is committed to the health of all employees and sees health care as an essential element of successful business.

Thus, our office furniture is ergonomically designed to provide a comfortable posture. Individually height-adjustable work tables and back-relieving office chairs are provided. Furthermore, regular on-the-spot inspections are carried out to control work orientation and to find the best possible working posture, so that no eye strain is caused, for example, in daylight and when lights are on.

In addition, flu vaccines and an eye examination are offered in our headquarters annually by a company doctor. Of course, this

offer is open to all employees and is free of charge.

Health care at Biesterfeld is rounded off by various joint sporting events. In addition to annual running and cycling events as well as a triathlon, employees in Hamburg can exercise in fitness studios at reduced monthly fees. In addition, all employees can attend the monthly bowling night free of charge. These sports activities serve as a good balance to everyday working life. It re-energises people and the social interaction between colleagues is strengthened.

Each individual employee is valued and promoted on his or her individual development path. This allows us, as a long-standing

family business, to establish employment relationships lasting many years. Our goal is to attract and permanently retain excellent

employees through healthy, fair and attractive working conditions.

Our social benefits at a glance



■ Training and further development

Young professionals are promoted and trained here.

We have been offering the opportunity to complete an apprenticeship or a dual degree course at Biesterfeld for many years. Our young employees gain deep insights into the working environment of the Biesterfeld Group

and can contribute according to their strengths and individual interests. Our trainees go through different fields of activity and can weigh up which positions they want to touch upon and in which function they feel comfortable.

The trainees are always encouraged to work independently here and put their own ideas up for discussion. We regard trainees as fully-fledged employees. They are encouraged and supported. That's our way of preparing them

We challenge and encourage our most important asset

for the day to day business. Following successful completion of the apprenticeship or degree, we also offer our graduates interesting careerperspectives.

In addition to training at Biesterfeld, we offer students the opportunity to get to know us as an employer during an internship or as a working student and to actively participate in our work.

In 2016, we had an annual average of 23 apprentices, comprising eleven female and twelve male employees. Last year, six graduates successfully completed their

training; four of them have decided to continue their early career at Biesterfeld.

Further education is the be-all and end-all for success – personally and for our company

Our employees regularly receive training in a wide range of areas, including REACH, export and import control or dangerous goods. We offer in-house training as well as various seminars by external service providers. In addition to refreshing relevant legal knowledge and introducing new regulations, our employees have the

opportunity to acquire new knowledge in seminars or workshops on a variety of topics. In conjunction with the respective supervisor, it is agreed in which direction the employee could develop. Suitable training courses are selected accordingly to reconcile individual interests and internal company needs. In doing so, we pursue the idea of filling central management positions with internal employees as far as possible, if there are suitable candidates. In this way, we retain the knowledge base within the company and can systematically promote the company's success.

■ Social commitment

With our family tradition at heart and our view always directed into the future, we are committed to social issues and promote regional projects.

We support specifically selected organisations and charitable projects with financial donations. We do not invest in customer gifts, for example at Christmas, but instead support targeted aid projects. For example, we donate the proceeds from the annual Children's Aid

GolfTournament, which supports children from needy families and prevents exclusion. In 2016, we also supported the "Toys Company" social project by the DEKRA Akademie GmbH for the benefit of disadvantaged

children in Hamburg. Collected and refurbished toys are distributed to children and young people from financially disadvantaged families. We set up a collection box for this purpose to receive donations of sorted toys.

Socially committed through knowledge transfer and exchange of experience

Our Biesterfeld Spezialchemie business unit participated in a one-year innovative social project, known as cross-mentoring.

This brings together immigrants and people from the Hamburg economy to work on jointly defined goals.

One year, one of our employees participated in the project as a mentor. Together with his mentee,

they set themselves their common goal and defined appropriate measures through the exchange of experience.

It is a great opportunity for both parties to learn from each other.

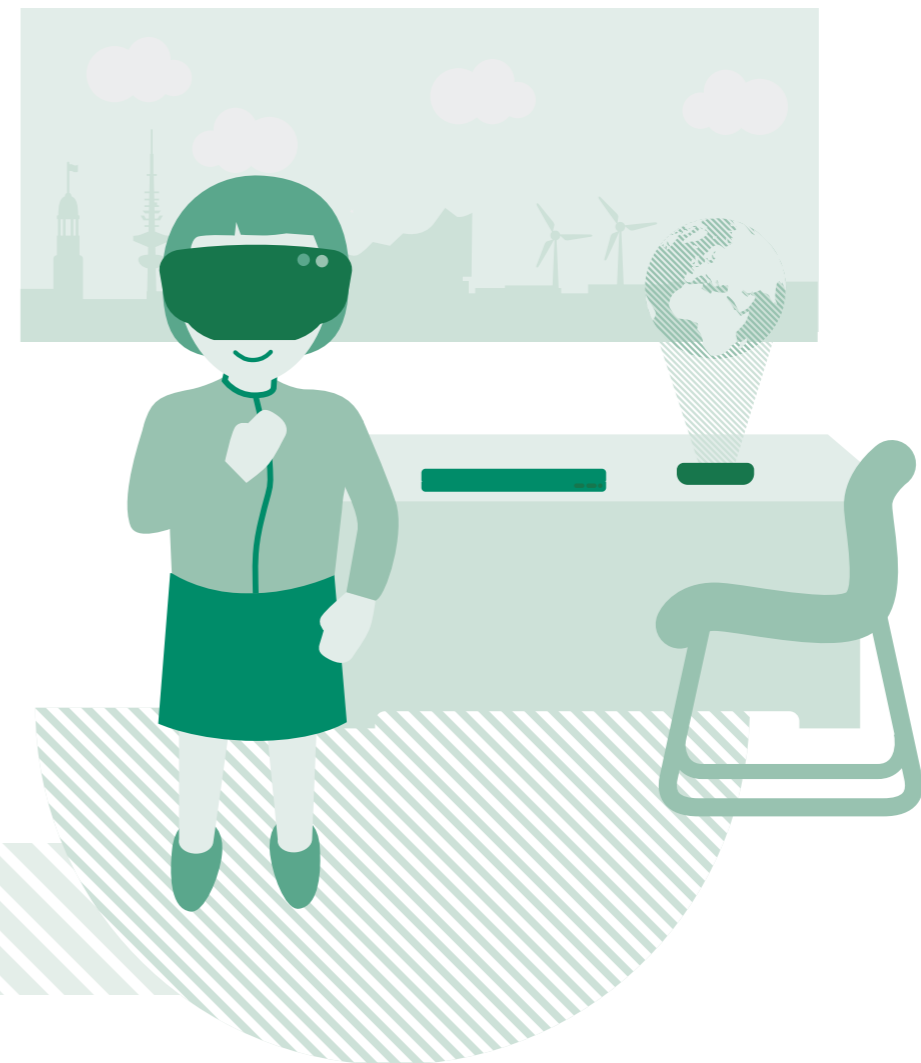
■ Personnel indicators, 2016*

By employment contract*	Female	Male	Total	Headcount in %
Temporary contract	8	11	19	4.7
Permanent contract	181	205	386	95.3
Parental leave*	Female	Male	Total	Headcount in %
Entitled to parental leave	21	4	25	6.2
Actually took it	20	3	23	5.7
Returned to work with a period of employment of at least 12 months	7	1	8	2
Return rate in reporting period	35%	25%	34.8%	
Trainees**	Female	Male	Total	
Apprentices offered positions	3	1	4	

* Values apply to the locations considered in the report (Brazil, Germany, Great Britain, Italy, Poland and Russia)
** Figures only apply to Germany

6. Our future perspective

*We are well
prepared for
the future*



A future through sustainable management

■ Our strategy for the future

We secure the future through sustainable management.

We set ourselves high standards and see the continuous improvement of all our business processes as the key to success. As part of our “One Biesterfeld” strategic alignment, which provides for greater cooperation between all domestic and foreign subsidiaries as well as within the operational and administrative units of the Biesterfeld Group, we also need a uniform Group-wide sustainability management system. As a result, the current guidelines will be successively reviewed and

harmonised as far as possible at all of our sites in order to support the basic idea of “One Biesterfeld”.

We always take care to promote and protect our employees. We are committed to providing them with a working environment in which they feel comfortable and are happy to bring in their individual skills.

For the coming years, we plan to introduce further compliance

measures that ensure that we comply not only with statutory requirements but also with internal guidelines in line with our requirements. In addition, the quality management of the Biesterfeld Group will be adapted to new technological standards.



GRI content index

GRI content index in accordance with the “Core” option. The Sustainability Report was checked internally and not submitted for external review.



General standard disclosures

General standard disclosures	Page	Comments
Strategy and analysis		
G4-1	P. 5	
Organisational profile		
G4-3	P. 5	
G4-4	P. 8-11, 34-36	
G4-5	P. 14	
G4-6	P. 11-13	
G4-7	P. 14	
G4-8	P. 8-13, 34-36	
G4-9	P. 11, 34-37	Additional information can be found in our announcement on the German Federal Gazette page: Notes to Consolidated Financial Statements, Note 7. Other information
G4-10	P. 49, 53	
G4-11	P. 53	No global data available
G4-12	P. 10-11, 14, 17	
G4-13	P. 36	

General standard disclosures	Page	Comments
G4-14	P. 24-28	
G4-15	P. 16, 30	
G4-16	P. 30	
Identified material aspects and boundaries		
G4-17	P. 12-13	Additional information can be found in our announcement on the German Federal Gazette page: Notes to Consolidated Financial Statements, Note 2. Basis of consolidation
G4-18	P. 18-21	
G4-19	P. 21	
G4-20	P. 18-21	
G4-21	P. 18-21	
G4-22	P. 18-21	
G4-23	P. 18-21	No major changes from 2014
Stakeholder engagement		
G4-24	P. 31	
G4-25	P. 18-21, 29-31	
G4-26	P. 29-31	
G4-27	P. 25, 29-31	

General standard disclosures	Page	Comments
Report profile		
G4-28	P. 4	
G4-29	P. 4	
G4-30	P. 4	
G4-31	P. 64	
G4-32	P. 58-63	
G4-33	P. 58-63	No external review performed
Corporate governance		
G4-34	P. 14-17, 26-28	
Ethics and integrity		
G4-56	P. 14-17, 26-28	

Specific standard disclosures

Page	DMA and indicators	Omissions	Comments
Category: Economic			
Aspect: Economic performance			
P. 35-37	G4-EC1		Additional information can be found in our announcement on the German Federal Gazette page: Point 2.3 Company performance
P. 18-21	G4-EC2		
Category: Environmental			
Aspect: Energy			
P. 18-21	G4-DMA		
P. 41	G4-EN3		
P. 41	G4-EN5		
P. 41	G4-EN6		
Aspect: Emissions			
P. 18-21	G4-DMA		
P. 42-45	G4-EN17		
Aspect: Products and services			
P. 18-21	G4-DMA		
P. 40, 43-44	G4-EN27		

Page	DMA and indicators	Omissions	Comments
Aspect: Supplier environmental assessment			
P. 18-21	G4-DMA		
P. 40	G4-EN32	This information is currently unavailable. An environmental assessment of suppliers is planned in the coming years and will be conducted periodically together with the next annual assessment.	
Category: Social Subcategory: Labour practices and decent work Aspect: Employment			
P. 18-21	G4-DMA		
P. 49	G4-LA1		Our employee turnover has remained almost the same. The average turnover rate is 11.43%.
P. 50-51	G4-LA2		
P. 53	G4-LA3		
Aspect: Training and further development			
P. 18-21	G4-DMA		
P. 51-52	G4-LA10		Our programmes for facilitating transition are tailored to suit each employee's personal requirements. For example, we offer employees taking retirement the option of remaining in minimal employment with the same duties.

Page	DMA and indicators	Omissions	Comments
Aspect: Supplier assessment for labour practices			
P. 18-21	G4-DMA		
P. 25	G4-LA14	This information is currently unavailable. An assessment of labour practices of suppliers is planned in the coming years and will be conducted periodically together with the next annual assessment.	
P. 25	G4-LA15	This information is currently unavailable. An assessment of the major actual and potential negative impact on labour practices in the supply chain and the measures undertaken here is planned in the coming years and will be conducted periodically together with the next annual assessment.	

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