



SUSTAINABILITY REPORT

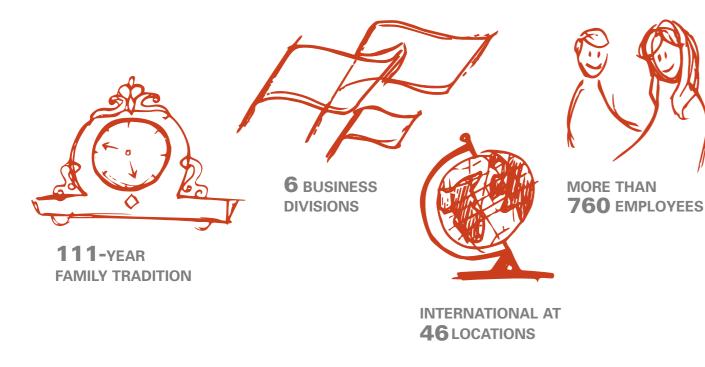
TABLE OF CONTENTS

About this report	4	Our economic responsibility	4
Foreword	6		
		Our environmental responsibility	4
We are Biesterfeld	8		
Our company profile		Our social responsibility	5
A look at the details: our business units		We at Biesterfeld	
Our product and service portfolio		Training and further development	
Our stakeholders		Biesterfeld social benefits	
Objectives and strategies		Our social commitment	
Reporting method			
		Our future perspective	6
Our sustainability concept	32		
Sustainability progress		GRI content index	7
What are we doing in?			
Compliance		Publication details	7

3 · Table of contents

2 • Table of contents

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017





ABOUT THIS REPORT

The Biesterfeld Group's fundamental concern is to face up to the economic, ecological and social challenges of our time while always acting responsibly and sustainably.

We use our annual sustainability report to inform our internal and external stakeholders as well as the wider public about our corporate governance and present all key sustainability figures transparently and comprehensively.

Biesterfeld's Sustainability Report applies to the entire group of companies. It includes the Communication on Progress as specified by the United Nations Global Compact, which we joined in 2014 and whose principles we are committed to. We have chosen to use the "core option" of the latest framework of the internationally recognised Global Reporting Initiative, known as the GRI Standards. This enables transparent presentation and ensures that data and evaluations can be compared with others. 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).

We have documented the expansion of our sustainability management to other branches in this year's report, which takes into account developments in 2017. We integrate our locations in Brazil, Poland, Russia and Turkey as well as our corporate headquarters in Hamburg and further locations in Germany, Italy and Great Britain.

Our other international subsidiaries are included in the report as long as they use centrally controlled processes and products.

We generally use the male form in this report when designating groups of persons and occupations for ease of readability. It goes without saying that we always address all sexes equally.

102-7, 102-8

102-1, 102-3, 102-48, 102-49, 102-50, 102-51, 102-52

5 · About this report



6 · Foreword

Thomas Arnold, chairman of the board

IS AT THE VERY

HEART OF OUR

IDENTITY.

FOREWORD

Dear reader,

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017

I am delighted to present the Biesterfeld Group's fourth sustainability report.

We are proud to reflect on 2017 as yet another very successful financial year lies behind us. Once again, we have successfully expanded our market position and our corporate results without losing sight of our social, societal and corporate values.

Sustainability is not just a means to an end for us; it is at the very heart of our identity. It is important to us as a family-owned business that our economic success should remain in harmony with ecological and social issues. Trading in and distributing highly sensitive products calls for safe and trustworthy handling of resources which, in our view, can only be successful using Group-wide specifications and standards. We see it as our duty as a chemicals and plastics distributor to establish a functioning and comprehensive sustainability management system.

After implementing numerous measures in the past few years as part of our Group-wide sustainability management, we were also able to show further progress in 2017 too. For example, we have adapted our sustainability report to the new GRI standards, continuing the successive extension of our sustainability standards to our foreign locations, such as Turkey.

Our employees are vital to our sustained success. Their extensive expertise and daily commitment to our group of companies are crucial factors in our success in the global and rapidly changing chemical distribution market. We rely on our highly qualified employees and their many years of experience. Their commitment, passion, expertise and skills are essential to secure long-term and sustainable corporate success.

As CEO, my task is not only to lead our Group to a successful future, but also to ensure that all employees are encouraged and supported in developing their individual skills, so that they can contribute their new ideas and we can all continue our path to success together.

We live our basic values and our corporate culture in our day-today interactions with our customers and suppliers. In the future too, we strive, and will continue, to maintain and expand this high priority of being a family business that is proactive about sustainability.

I hope you enjoy reading this Sustainability Report.

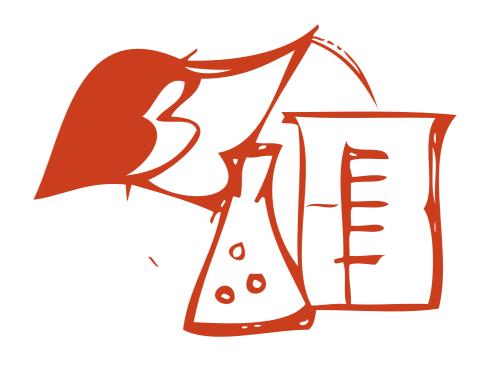
Thomas Arnold

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017

102-14, 102-16

7 · Foreword





COMPETENCE IN SOLUTIONS

WE ARE BIESTERFELD

OUR COMPANY PROFILE

Founded 111 years ago, Biesterfeld is today one of the largest worldwide distributors with a clear focus on specialities.

OUR EXPERTISE
AND OUR
EXPERIENCE
MAKE US
EXPERTS



Our business activities encompass comprehensive services involving the distribution of plastics, rubber, specialty chemicals and international trade in the sectors of industrial and agricultural chemicals, pharmaceutical raw materials and salts. Our many years of experience, our broad product portfolio as well as our comprehensive services make us one of the most successful distributors worldwide.

We rely on the consistent and sustainable growth of our four operating business divisions Biesterfeld Plastic, Biesterfeld Spezialchemie, Biesterfeld Performance Rubber and Biesterfeld International. These are supported by Biesterfeld ChemLogS and our IT subsidiary BIT-SERV, all of which operate under the umbrella of Biesterfeld AG. This holding company assumes central control functions for standards, processes and overarching tasks in finance, human resources, legal affairs, communications and controlling.

More on this: a look at the details.

Our in-depth market knowledge, comprehensive services and a specialised skills profile in the individual segments set us apart from the rest. We can offer our customers short logistics and communication routes with our local presence and warehouses, quickly identifying individual needs and responding to them promptly. Our technical experts work closely and in partnership with our customers and suppliers, thus managing to exploit synergies and achieve added value for all stakeholders.

All this can only happen when we work together as a team at all times. Close interaction between colleagues and that feeling of togetherness as "Biesterfelders" shape our everyday life and our way of working. This is also reflected in our "One Biesterfeld" strategic approach, which we have been pursuing for years as a group of companies.

Sustainability has deep roots within our company: our management and supervisory boards send out clear signals, not only in our business strategy, but also in our Code of Conduct, showing how vital the interaction of our economic success is with keeping people and their environment in harmony.



11 · We are Biesterfeld

102-5, 102-16, 102-18

10 • We are Biesterfeld BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

A REVIEW OF OUR HISTORY

1906	Wilhelm Ernst-Hinrich Biesterfeld moves into a small office in Hamburg and starts his salt trading	1961	First European subsidiary founded in the Netherlands	1988	Founding of Biesterfeld Plastic GmbH as well as new subsidiaries in France, Italy, Poland and Spain	2007	Biesterfeld ChemLogS GmbH founded
	business					2008	Acquisition of Milar Sp. z o.o. in Poland
		1964	Company founder Wilhelm Biesterfeld dies at the	1994	Joint venture Biesterfeld Scheibler Linssen GmbH &		
1918	Flourishing trade in rock salt from northern		age of 84 years; steady growth of the business		Co. KG with HQ in Hamburg	2013	Founding of Biesterfeld Nordic AB, Sweden
	Germany for the domestic and Scandinavian market		ensured by Walter Biesterfeld, his nephew and				Acquisition of Küttner GmbH, Germany
			adopted son	1998	Founding of Biesterfeld Spezialchemie GmbH		
1930s	Development of the three pillars of the company:					2015	Founding of Biesterfeld Simko Distribuição
	trading in salt, chemicals and fertilisers	1970	Following the death of Walter Biesterfeld, his son	2000	Founding of BIT-SERV GmbH, Biesterfeld		venture, Brazil
			Dirk J. Biesterfeld inherits the company as a		International GmbH and Interowa GmbH & Co. KG		
1945	Takeover of the chemical plant Gunter, Schröder &		personally liable partner			2016	Founding of Biesterfeld Performance Rubb
	Co. in Hamburg-Harburg with its own warehousing			2004	Transformation of parent company Wilhelm E. H.		Acquisition of Schütz & Co. (GmbH & Co. I
	and transshipment facilities	1976	Founding of the subsidiaries Biesterfeld do Brasil		Biesterfeld GmbH & Co. KG into Biesterfeld AG		
_			Ltda. in Brazil and Biesterfeld U.S., Inc. in the USA			Today	International distributor of plastics, rubber,
From	Own subsidiaries in the business divisions of	4004	0 (1)	2005	Full takeover of Biesterfeld Siemsglüss		special chemical products, with over 40 su
1950	importing/exporting chemicals, salt and fertilisers as	1981	Core areas of the new company Wilhelm E. H.		International GmbH		in more than 120 countries
	well as chemical plants; Biesterfeld Packaging		Biesterfeld Group: chemical plants, import, export,	2000	The many Circumstics International Could the mand		
	division founded		packaging, salt, agrochemicals and international	2006	The name Siemsglüss International GmbH changed		
1056	Relocation to the centre of Hamburg,		freight forwarding		to Biesterfeld International GmbH, founding of joint venture Biesterfeld Petroplas Ltd.		
1956		1980s	Expansion into Asia with subsidiaries in China, Hong		venture biesteriela retropias Lta.		
	Ferdinandstrasse 41, the present headquarters of the	19005	Kong and Indonesia				
	company		Kong and maonesia				

1988	subsidiaries in France, Italy, Poland and Spain
1994	Joint venture Biesterfeld Scheibler Linssen GmbH & Co. KG with HQ in Hamburg
1998	Founding of Biesterfeld Spezialchemie GmbH
2000	Founding of BIT-SERV GmbH, Biesterfeld International GmbH 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 Siemsglüss International GmbH changed to Biesterfeld International GmbH, founding of joint venture Biesterfeld Petroplas Ltd.

2007	Biesterreid 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. joir 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



13 · We are Biesterfeld

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017 BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017 12 · We are Biesterfeld

A LOOK AT THE DETAILS: OUR BUSINESS DIVISIONS



Biesterfeld Plastic

Biesterfeld Plastic is a leading distributor of plastics and additives in Europe, North Africa, Latin America and the CIS region. Founded in 1988, the division features a complete, homogeneous product portfolio and long-standing sales partnerships with leading global manufacturers. More than 260 employees offer international customers comprehensive services such as development-related, technical consulting and tailor-made logistics solutions. This is made possible by a comprehensive, decentralised infrastructure complete with personal contact points on site. The product portfolio includes plastics and additives for industries such as automotive, healthcare, industrial and consumer goods, construction, toys, packaging, household appliances, electrics and electronics.

Biesterfeld Spezialchemie

14 · We are Biesterfeld

With around 250 employees, Biesterfeld Spezialchemie offers solution-oriented application technology expertise in specialty chemical and food ingredients throughout Europe. Our long-standing cooperation with leading suppliers worldwide and our focus on active market development as well as innovative market development make sure partnerships remain sustainable.

Our extensive product portfolio focuses on the needs of selected industries including personal care, healthcare, cleaning, paints and coatings, high-quality intermediates, polyurethanes, polymer additives, construction, adhesives and lubricants, composites, food, electrical, electronics and energy.

Biesterfeld Performance Rubber

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017

Biesterfeld Performance Rubber is the youngest division of the Biesterfeld Group and operates as a distributor for the rubber processing industry on an international scale. Business activities have focused on application technology consulting and the development of innovative local customer solutions ever since it was founded in 2016. This business division with around 40 employees offers a comprehensive portfolio of products and services based on close partnerships with market leaders in the rubber industry. As well as synthetic rubber, compounds of high-quality silicone and fluorosilicone rubbers and carbon black, the product range also includes high-performance polymers and the complete portfolio of corresponding additives.



Biesterfeld International

The Biesterfeld International business division, founded in 2005, is active in the worldwide distribution of base and specialty chemicals. Our product portfolio includes industrial chemicals, plant protection and plant nutrition, salts, pharmaceutical raw materials and active ingredients, as well as feed and food additives. 105 employees at 14 locations offer professional and customer-focused services in the fields of application consulting, product development, logistics and financing. Its local presence near customers and suppliers as well as existing long-term partnerships are this division's distinguishing features.

Biesterfeld ChemLogS

Biesterfeld ChemLogS has been supporting the entire Biesterfeld Group with its expertise and skills as an independent service company since 2007. The team has a high level of technical expertise in compliance, sustainability, QSHE in the international chemicals trade, monitoring of management systems, REACH as well as customs and export control. This division also produces professional safety data sheets, which are vital when using our products as they provide important safety information and recommendations for proper handling of our products. Finally, the team of experts ensures day-to-day compliance with national and international standards, regulations and internal guidelines in order to guarantee smooth business transactions in all Biesterfeld processes while adhering to international legal standards.

BIT-SERV

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017

BIT-SERV is a full-service IT service provider specialising in the development, implementation and operation of business applications in the chemical, plastics, pharmaceutical and agricultural sectors. The employees here are specialists with many years of experience and comprehensive expertise in industry-specific applications. Their focus is on SAP® ERP applications, CRM in-house developments, web developments and system technology. These employees, who are consultants, designers and project managers at the same time, set themselves the goal of offering stable, solution-oriented and user-friendly IT services. Their range of services is tailored to the needs of medium-sized companies and is subject to strict security guidelines.



15 · We are Biesterfeld

102-2, 102-6, 102-7, 102-8



16 · We are Biesterfeld

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) Vienna (AT)

Warsaw (PL)

Biesterfeld Spezialchemie

Barcelona (ES) Bratislava (SK) Bucharest (RO) Budapest (HU) Culemborg (NL) Grodzisk Mazowiecki (PL) Hamburg (DE) Istanbul (TR) Kiev (UA) Liestal (CH) 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)

N)
Barcelona (ES)
Bucharest (RO)
Budapest (HU)
Culemborg (NL)
Hamburg (DE)
Istanbul (TR)
Kiev (UA)
Limhamn (SE)
Milan (IT)
Moscow (RU)
Prague (CZ)

17 · We are Biesterfeld

Istanbul (TR)
Kiev (UA)
Limhamn (SE)
Milan (IT)
Moscow (RU)
Prague (CZ)
Römerberg (DE)
Rueil Malmaison (FR)
Saint Ouen l'Aumone
(FR)
Chrisy (FR)
São Paulo (BR)
Vienna (AT)
Warsaw (PL)
Zagreb (HR)

Biesterfeld locations included in this year's Sustainability Report

102-4, 102-6, 102-7, 102-45

OUR PRODUCT AND SERVICE PORTFOLIO

OUR CLIENT INDUSTRIES



We support our customers in producing sustainable products, improving their ecological footprint and implementing sustainable business practices.

Sustainable product solutions

Our portfolio offers our customers sustainable raw materials to develop more environmentally friendly products.

Biesterfeld Plastic, for example, sells a version of plastic used for food contact applications that does not contain bisphenol A and consists partly of renewable raw materials. This material is not only environmentally friendly but also a offers remarkable level of chemical resistance.

This business division also offers its clients throughout Europe compostable bio-polymers made from renewable raw materials, as well as additives that support the recycling process of plastics. These products, which can be processed on conventional plastics processing machines by injection moulding, extrusion and thermoforming and degrade in the soil without producing harmful substances, bear the OK compost label – the European standard for compostability in industrial composting plants.

Biesterfeld Spezialchemie's product portfolio includes sustainable solvents for the detergent industry; these are suitable for applications in the coating, personal care, household and industrial cleaning industries as well as for plastics and metal processing industries. These antimicrobial solutions meet the high technical and regulatory industry specifications, enabling innovative development in sustainable and high-performance special cleaning agents.

Biesterfeld Spezialchemie and Biesterfeld International also sell nutraceuticals and plant extracts for use in the healthcare and dietary supplement industries. The portfolio includes various quality grades for the use of high-quality products in capsules, tablets, dragées and sticks. The products are subject to regular strict controls to meet high quality requirements – from plant cultivation to product dispatch.

WE ARE
COMMITTED TO
SUSTAINABLE
PRODUCTS

102-2, 102-9, 102-10

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

19 · We are Biesterfeld

Our logistics system

We not only sell products as a distributor but also offer our customers comprehensive service with advice on our products, formulation expertise as well as technical and applicationspecific advice. It goes without saying that we handle all logistics services efficiently, transparently and reliably. For example, Biesterfeld Spezialchemie has developed a new logistics chain to secure this for the future and to react to dynamic business developments of recent years. The new European central warehouse in Solingen is state of the art, offering ample action zones with efficient use of the storage area and flexible goods handling. Electronic process integration along the value chain ensures a standardised and transparent flow of information and goods. This includes a seamless batch traceability system as well as fast, reliable services tailored to our partners' requirements. Our efficient logistics system takes into account the daily challenges of the entire supply chain to ensure punctual delivery.

REACH

The European Chemicals Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) came into force in June 2007. It aims to ensure a high level of health and environmental protection while improving the chemical industry's competitiveness and innovation within the EU.

REACH regulations only allow (pre-)registered substances to be marketed in the EU. As an importer and distributor of chemicals,



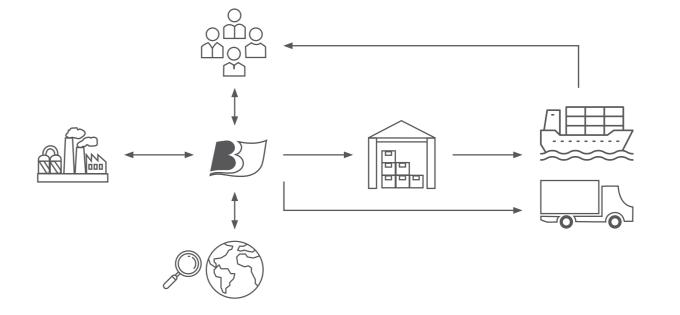
Biesterfeld complies with these legal requirements, guaranteeing the safe handling of chemicals in every step of goods movement. A testing system based on our extensive substance database containing registration information is a prerequisite for this. Our extensive product portfolio focuses on the needs of selected industries including personal care, healthcare, cleaning, paints and coatings, intermediates, polyurethanes, polymer additives, construction, adhesives and lubricants, composites, food, electrical, electronics and energy.

Our supply chain

We are constantly expanding our product range to meet the diverse and discerning needs of our customers, aligning ourselves to new market requirements and searching specifically for a more sustainable product range. In this context, we work closely with our producers and support them in developing and refining sustainable products. And naturally, we ensure that all legal and political requirements are complied with for all orders and deliveries as a matter of course.

Our business model

Our application technology, extensive knowledge and technical expertise supports our customers in selecting and manufacturing their products. We draw inspiration from current and future market trends and incorporate our ideas into the process. We either deliver the raw materials from our renowned suppliers directly to our customers at the agreed time or temporarily store them.



102-9, 102-10

20 • We are Biesterfeld

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

21 • We are Biesterfeld

The way we work and think is based on mutual trust and the desire for honest cooperation.

Our partners are won over by our transparent work processes, a high level of commitment and unconditional compliance with legal requirements, meaning that we can build long-term partnerships with them.

Our experienced employees advise around 20,000 customers, supporting them with our expertise in selecting and using our products. This gives us a direct insight into our customers' wishes and requirements and enables us to provide them precisely what they need.

Our partners include well-known producers who are just as conscious of their duty of care as we are. The mutual insight and dialogue in questions of sustainable development and procurement in the chemical industry raises awareness of these important topics in a very special way. This common understanding is also impressively reflected in the transparency of our partners' corporate governance: some 75% of our top suppliers regularly publish a sustainability report, around 90% of which are in accordance with GRI standards.



OUR STAKEHOLDERS

We attach great importance to interacting with our stakeholders and take the view that honest and open communication generates new perspectives and ideas.

The requirements and changing needs of interest groups can be analysed, communicated and taken into account by means of regular exchange of views and a good level of contact.

We use various means of communication to provide our stakeholders with insights into our corporate structure and keep them informed on the latest developments, creating confidence in our actions through this transparency.

It is essential to know the expectations and estimations of our stakeholders and to stay in regular contact with them to be able to master all ecological, economic and social challenges.



102-12, 102-13, 102-16, 102-42, 102-43, 102-44



OUR COMMUNICATION

IS OPEN AND

TRANSPARENT

Direct stakeholders

We receive valuable information from both sides as a link between buyers and producers. Our knowledge comes from direct contacts as well as customer surveys and feedback, which we share with our producer partners. For example, this includes increasing demand for sustainable products, which we aim to develop and deliver through close cooperation with our producers. In addition, we can further expand new product ranges by evaluating the assessments from our service departments and, for example, educate our customers about the use of sustainable products to meet their needs.

Our Biesterfeld employees are among our most important stakeholders. In order to develop them in the best possible way, to act in accordance with their needs and to understand what they expect from us as an employer, we encourage all managers to conduct regular staff appraisals. We can identify individual career development paths from these appraisals and promote them accordingly. We take the concerns of our employees very seriously, whether professional or personal. We provide support in finding solutions and create a pleasant working atmosphere. The long-term loyalty of our employees to the company is testament to the fact that we are on the right track.

Our regular press releases and news, which we make available to the media and publish on our corporate website, serve as further means of keeping in touch. Our communications department prepares up-to-date topics and publishes regular company news. The newsletters that we send out to our customers also serve as a means of intensifying communication with our stakeholders.

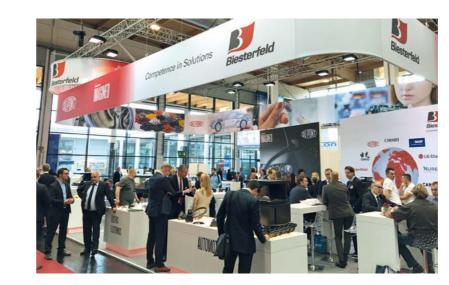
Our financiers (owners, banks and investors) are also kept continuously informed about our financial status and the economic development of the Biesterfeld Group. Mutual trust is of utmost importance to us and is consistently cultivated.

These dialogue formats and measures mean we can exploit potential more effectively and are prepared for the challenges of the international chemicals market.

Indirect stakeholders

Various interest groups gain an insight into our activities through our company presence at various national and international trade fairs and conferences, such as the AMI "Polymer Sourcing & Distribution" conference, in-cosmetics® global or the international trade fair for plastics processing (Fakuma).

Our participation in initiatives and associations promotes mutual exchange of views and promotes sustainable development in chemical distribution.



We actively participate in the German Chemical Distribution Association's (VCH) Responsible Care programme and promote the exchange of experiences and knowledge with regard to responsible action. Biesterfeld Plastic also participates in the German Association of the Chemical Industry's (VCI) Responsible Care programme. We regularly communicate performance indicators, which are then summarised and published for all member firms. External audits and our participation in workshops confirm this commitment.

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
- PlasticsEurope e.V.

102-12, 102-13, 102-42, 102-43, 102-44

24 • We are Biesterfeld

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

25 • We are Biesterfeld

OBJECTIVES AND STRATEGIES

In accordance with our guiding principle of **Competence in Solutions**, our employees constantly strive to offer individual solutions and the best possible support for our products and services in order to be an expert and innovative partner for our suppliers and customers.

Ethical and responsible conduct is at the core of our corporate management. The Biesterfeld Group remains true to its values as a family business and combines tradition and innovation. Forward-looking and reliable business operation is at the heart of our partnership with customers and suppliers. We continue to write our 111-year success story – even in the face new and ongoing challenges – and are constantly striving to develop our strategies further.

We face new challenges proactively, always seeing them as opportunities to grow. In doing so, we rely above all on our great employees, and as a family business we feel particularly close to them. They make Biesterfeld the company it is and embody our common values.

Each individual plays a crucial role and contributes to the collective success through his or her individual qualities.

The importance of treating our employees with respect is demonstrated not least by the fact that we look on our employment relationship with our employees as a long-term one.



Risk management

We have established a Group-wide risk and crisis management system. This enables us to react quickly and precisely if it becomes necessary and our employees receive immediate help and support. Regular training and cascading of information in these areas is absolutely essential. The "Biesterfeld Emergency and Crisis Handbook" is available at each of our locations – as well as on our Intranet: this serves as an aide memoire and, as well as detailing points of contact for crisis situations, also contains the necessary checklists and action plans to deal with these situations. A crisis can occur at any time and in any place, so we guarantee unrestricted availability day and night at each location in order to support and protect our employees at any time.



26 • We are Biesterfeld

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

27 • We are Biesterfeld

REPORTING METHOD

Regular communication and a proactive information policy on sustainable development are essential for the Biesterfeld Group – as you would expect for any company acting in a discerning responsible manner.

We are convinced that commitment to sustainable development and anchoring that commitment in day-to-day business is fundamental for a long-term and successful company. In line with this outlook, we have voluntarily committed ourselves to reporting to the **United Nations Global Compact** standards and annually on our economic, environmental and social efforts – with complete success! Starting with the publication of our first Sustainability Report in 2014, we have continued to make our corporate identity statement and now communicate continuously and transparently with our stakeholders in this way too. We use this instrument to communicate essential aspects of our convictions, such as respect for and observance of human rights, the responsible and respectful treatment of employees and the efficient use of technology for an effective reduction of our CO₂ footprint.

The Biesterfeld Sustainability Report is based on the guidelines of the world's foremost sustainability reporting instrument, the **Global Reporting Initiative** (GRI). The GRI enables transparent

information handling with clearly defined data and constant comparability against a worldwide standard. This report was prepared in accordance with the GRI standards: using the "core option". The option we selected contains all the key elements and information that a company needs to include and report in order to ensure sustainable corporate governance. This information outlines the economic, environmental, social and management performance of a company. We take account of the ten principles of the United Nations here in the areas of human rights, labour standards, environmental protection and the fight against corruption. Our last report covers the 2016 financial year.



LISTING OF THE 10 PRINCIPLES

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.



102-12, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54

102-46, 102-48, 102-49, 102-50, 102-51, 102-52

29 · We are Biesterfeld

28 • We are Biesterfeld BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

MATERIALITY ANALYSIS



Importance of economic, environmental and social impacts

- ECONOMIC
- ENVIRONMENTAL
- LABOUR PRACTICES AND DECENT WORK
- HUMAN RIGHTS

30 · We are Biesterfeld

- SOCIETY
- PRODUCT RESPONSIBILITY

The materiality analysis clearly illustrates the information that underwent individual assessment. This information is summarised in categories. The circles here reflect the quantity of information in each category.

The x-axis shows the significance of the category in terms of its economic, 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 information individually assessed by ourselves.

Hence, for example, we assess that the "Labour practices and decent work" category has significant influence on our stakeholders' evaluation because it was relatively highly valued in spite of the modest amount of information. Furthermore, product stewardship has a high impact on our stakeholders, but is also of great importance in terms of economic, ecological and social impacts.

LIST OF SPECIFIC FIGURES

ECON	DMIC	
Aspect	: Economic performance	
201-1	Direct economic value generated and distributed	
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	
ENVIR	ONMENTAL	
Aspect	: Energy	
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
Aspect: Emissions		
305-3	Further indirect emissions	
Aspect: Compliance		
307-1	Monetary value, fines and total number of non- monetary sanctions for non-compliance with environmental laws/regulations	
Aspect: Supplier environmental assessment		
308-1	Percentage of new suppliers that were screened using environmental criteria	

SOCIA			
	tegory: Labour practices and decent work		
Aspect	: Work		
101-1	Total number and rates of new employee hires and employee turnover by age group, gender and region		
101-2	Benefits provided to full-time employees		
101-3	Return to work and retention rates after parental leave, by gender		
Aspect: Training and further development			
104-2	Programmes for skills management and lifelong learning		
Aspect	Supplier assessment for labour practices		
114-1	Percentage of new suppliers that were screened using labour practices criteria		
114-2	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken		

102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52

31 · We are Biesterfeld

102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017





COMMITTED TO SUSTAINABILITY

OUR SUSTAINABILITY CONCEPT

SUSTAINABILITY PROGRESS

If you want to be successful, you have to have the future in mind, and if you have the future in mind, you have to introduce sustainable action as standard.

Changing a company's ongoing processes and structures in an environmentally conscious and sustainable way does not happen overnight, but is a long-term development that carries both risks and opportunities. Biesterfeld has decided to follow this path, learn from the potential risks and seize the opportunities that present themselves. The changes that result from our sustainable approach open up new markets for us and drive innovative ideas forward. Recognisable climate change, the associated effects and the question of how to deal with non-renewable raw materials all present us with challenges that we can face together through innovative solutions and responsible action. This is precisely why we are making our contribution and striving to make our supply chain more secure for the future.

We are constantly looking for new ideas and opportunities to improve our supply chain and to educate our partners and customers about the positive effects of conscious sustainable action. Cooperation between all of us is the key to overcoming many challenges. We will therefore concentrate even more intensively on our value chain in the coming years.

Even small things can make a difference

Once again, this year we decided to compensate for our business trip footprints and invest in forest and species protection in Santa Maria, Brazil. As we have limited opportunities to reduce our business travel and therefore our CO₂ consumption, we try to compensate for this consumption in an appropriate way. This means that our business trips with national and international flights are climate-neutral, and we can avoid the deforestation of around 64,000 trees. We are thus investing in areas of forest that absorb the same amount of CO₂ via photosynthesis and convert it into biomass. The project area covers 71,713 hectares in the south of Brazil. 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). Further information can be found on the homepage www. forestcarbongroup.de/en/projekte/florestal-santa-maria.html

The Ecovadis online platform awarded us the Gold Medal for our sustainability strategy. We scored 62 out of a possible 100 points, placing us as a top performer among the top 5%, far above the industry average of 37.8 points. Our participation in the UN Global Compact and in particular our annual sustainability report, which is compiled according to the GRI specifications, received a very good rating from the EcoVadis team and gave us this clear, above-average rating. EcoVadis is the first collaborative platform that enables companies to measure the sustainability performance of over 30,000 suppliers in 150 areas and 110 countries. Many of our customers, competitors and suppliers are also represented here. For example, EcoVadis gives our customers a way to keep track of our sustainable strategy and lets them leave us feedback on it or ask for more details. This gives us an opportunity to continuously improve, strengthen our sustainability performance and promote exchange with our stakeholders. The evaluation focuses on 21 questions divided into four thematic areas: environment, labour practices and human rights, fair business practices and sustainable procurement. These criteria are based on international Corporate Social Responsibility (CSR) standards such as the Global Compact Principles, the International Labour Organisation (ILO) conventions, the Global Reporting Initiative (GRI) standard, the ISO 26000 standard and the CERES principles. They are recorded and evaluated annually. The evaluation of the questions is carried out by specialised employees in the field of sustainable development



201-2, 414-2 102-12, 201-2, 308-1, 414-1, 414-2

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017 BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017 34 · Our sustainability concept

35 · Our sustainability concept

WHAT ARE WE DOING IN...?

We have introduced further innovations at our **company headquarters** that have a positive impact on our environment. For example, old, energy-guzzling fans in the conference rooms have been replaced by efficient and energy-saving technology that cools the room faster. We have also moved into new offices, where we have paid particular attention to ensuring that the furnishings and the rooms are compatible with our sustainability philosophy.

We purchase the coffee beans we use from Fairtrade suppliers. The Fairtrade seal means fair prices and better working and living conditions for small farmers and employees in Africa, Asia and Latin America. This ensures they are paid fixed minimum prices and finances projects which benefit the local people in those countries. Fairtrade also forbids any forced labour and illegal child labour. The Fairtrade standards are regularly reviewed locally.

We offer our customers in **Great Britain** recycled polypropylene. Polypropylene is one of the most frequently used plastics. Its low density and good structural properties are used in a wide range of applications from packaging to the automotive industry. One advantage of recycled polypropylene is that it consumes less total energy than producing new material.

We also focus on renewable raw materials in the cleaning agent division, such as household cleaners or car care, at our site in **Poland**. The natural raw materials are organic, i.e. they come from agricultural and forestry production and conserve resources. In addition, the cleaning and personal care divisions – which include all our cosmetic products – support the development of new formulations and the adaptation of existing formulations to include ecological raw materials.

In **Italy**, our sites have introduced a welfare program. Each employee receives a non-taxable payment to use on private services, such as kindergarten or school fees. In addition, accident insurance was introduced covering both work-and non-work related incidents, which is not required under local law.

We set great store by the conservation of resources and support the Brundtland Commission in its understanding of fair conduct towards other generations: "Sustainable development is development that meets the needs of the present without compromising the needs of future generations."

COMPLIANCE

The Biesterfeld Group gives top priority to complying with applicable laws and internal company guidelines and the resulting legal and ethical conduct.

It therefore goes without saying that we have a compliance management system that monitors our business activities and extends our processes according to our Group-wide policies. Our Compliance Office provides information on new legislation, internal and external guidelines and specifications and implements new regulations within the Group – an essential component of our sustainable corporate management and the transparent design of our business processes.



e-Learning

We ensure that all legally binding stipulations and voluntary undertakings are observed and implemented. We have therefore introduced an e-learning tool. The Compliance Office can use this system to offer training which can be completed flexibly over a specified period of time to a large target group. We attach great importance to offering regular refresher courses on specific training topics, such as antitrust law or the Biesterfeld Code of Conduct. The Compliance Office's web-based training courses are sorted by topic and sent to the employees concerned. This ensures that employees only receive the training they need, thus avoiding any information overload. These training courses are mandatory and are completed by the management board and at management level as well as by all other employees of the Biesterfeld Group.

In 2017, seven training courses, which were made available to our employees in German or English, were held for the first time. The participation rate was 97%. We aim to reach and maintain the 100% level in the coming years.

102-11, 302-4, 302-5, 414-2

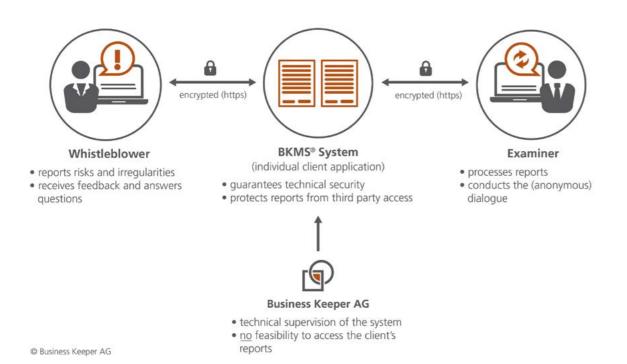
¹ (Taken from the Brundtland Commission's "Our Common Future" report from 1987: "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.")

Whistleblower system

102-16, 414-2

Biesterfeld has made a conscious decision to introduce a whistleblower system in order to strengthen and further expand its compliance system and complaint management. This is intended to protect against behaviour that could harm the company, helping to minimise possible risks. Anyone – whether employees or external parties – can anonymously draw attention to any grievances, punishable conduct or any special risks. The system, which is made available on the Group's homepage, is monitored by the Compliance Office. Every report is taken seriously, immediately checked and tracked.

Immediate action will be taken when confirmed. Biesterfeld has sourced its whistleblower system from Business Keeper AG, the world's only certified data protecting provider. Whistleblowers can report any issues anonymously and securely using state-of-the-art security and encryption techniques. The system's technology protects anonymity, provided that no details which allow conclusions to be drawn about the person are entered.







Information can be given on the following topics:

- Corruption/competition offences
- Incorrect accounting
- Money laundering
- Fraud/Fidelity/Subversion
- Violation of data protection law
- Risk/violation of environmental regulations
- Violation of health and safety regulations (discrimination or harassment)
- Potential damage/risks to the detriment of the company or a third party

Code of Conduct

Our Code of Conduct serves as the basis for our daily interaction and as a focus for our activities. It regulates dealings with business partners and customers and contains Group-wide standards and guidelines. The Code of Conduct is mandatory for the entire Biesterfeld Group and is a prerequisite for any activity within the company. It is based on the core labour standards of the International Labour Organisation (ILO) and international guidelines such as the OECD and the United Nations. In addition, our Code of Conduct underpins our compliance with the law and prohibits any form of corruption, granting or gaining advantage. As our Code of Conduct sets out framework guidelines for our employees and they are required to adhere to these standards in their business dealings, violations of any of the principles are immediately appropriately sanctioned compliant with labour law.

Every employee receives regular training on the Code of Conduct and has direct access to the current version in German and English via the Group-wide Intranet. Our Code of Conduct is also freely accessible on our Group homepage so that partners and customers can also read our business code.

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

39 • Our sustainability concept

39 • Our sustainability concept

102-16, 414-2

Integrated management system

Our work and our performance are characterised by the high standards we set ourselves and which we achieve as a group. Our continuous **ISO-9001 certification** and the associated internal and external audits bear witness to the multifarious and above-board way we conduct ourselves. The entire activities of the Biesterfeld Group are therefore in a constant process of improvement and are consistently revised. Comprehensive documentation and review of the work steps ensure compliance with all regulations, promote a more efficient process design and act in accordance with requirements of customer and supplier.

All management systems relevant to us, such as quality, environmental, occupational, health, data protection, risk and crisis management, are integrated and consolidated within our company. When doing so, we refer to the international DIN EN ISO 9000 ff standard. Overall responsibility for our integrated management system remains with our management board. Supervisors in each business area are responsible for ensuring compliance. In this way, they ensure that all employees understand and implement the system.

As quality is the top priority within our organisation, we therefore attach the highest value to our integrated management system. Our central quality officers work continuously on documenting the processes in the company. We monitor our processes and the implementation of our management system in accordance with its standards through internal and external audits.

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



Integrated Management System

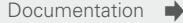






































102-16, 414-2

40 • Our sustainability concept

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

41 · Our sustainability concept





GROWING SUCCESSFULLY!

OUR ECONOMIC RESPONSIBILITY

OUR ECONOMIC RESPONSIBILITY

Thanks to our sustainable business model and our focus on specialised products and services, we were able to successfully continue our growth path in 2017.

We increased Group sales to EUR 1.2 billion in 2017 solely through organic growth and extended our operating result significantly.

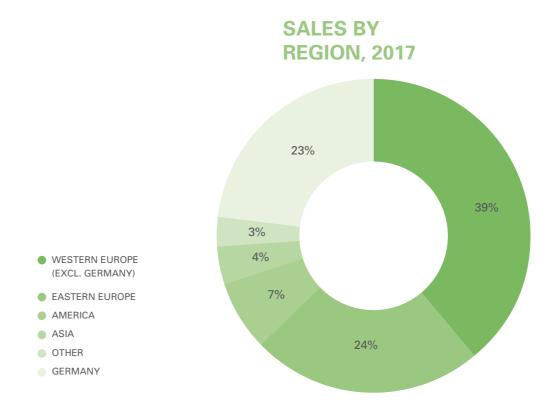
We consistently and sustainably achieve our goals and the associated economic success. This is achieved through forward planning, structured working methods, new perspectives and above all through our reliable and committed employees. Our risk management system prepares us for possible risks, such as those arising from climate change, which could cause bottlenecks or failures in our supply chain. These risks can cause supply bottlenecks in our supply chain or lead to discontinuation of products. For example, we use the knowledge gained from risk analysis to make our product portfolio future-proof.

Every year we draw up a rolling five-year plan. This takes into account opportunities and challenges identified that need to

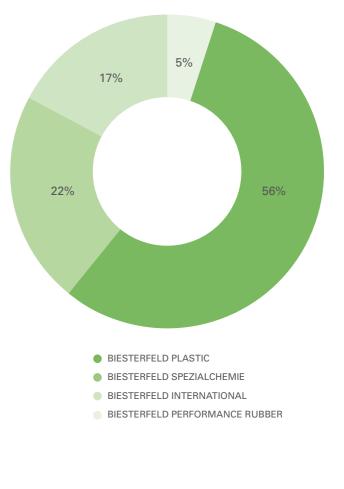
be considered in order to expand our business activities and increase added value for our customers. This plan is based on the business development of previous years as well as the forecast development of the coming years. The managers of all business units actively contribute to the preparation of the five-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.

One of the most important success factors of the Biesterfeld Group is our customer focus. Our passion to fulfil and implement our customers' wishes is reflected in their satisfaction and the loyalty they show to us. We focus on long-term partnerships and are always there for each of our partners. Your success is reflected in our success.



SALES SEGMENTATION OF THE FOUR BUSINESS DIVISIONS, 2017



102-45, 103-1, 103-2, 103-3, 201-1, 201-2

44 • Our economic responsibility

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

45 • Our economic responsibility

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 of 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.





ECONOMIC INDICATORS FOR THE BIESTERFELD GROUP, 2015-2017*

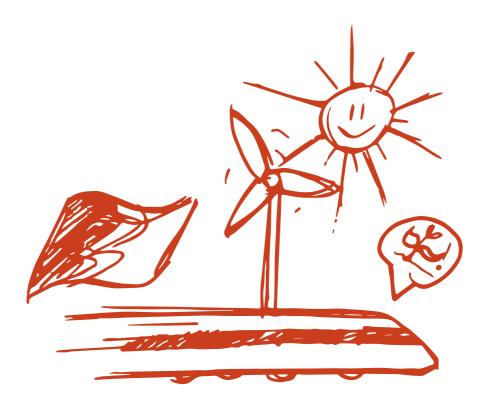
	2017	2016	2015
Sales	1,174,604	1,077,448	1,077,424
Operating costs	1,063,289	974,913	981,489
Wages and other company benefits	60,070	56,409	55,875
Payments to financial backers	23,067	17,118	19,276
Payments to government (taxes)	12,588	11,168	10,473

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

46 • Our economic responsibility

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017





HAND IN HAND FOR A FUTURE WORTH LIVING

OUR ENVIRONMENTAL RESPONSIBILITY

OUR ENVIRONMENTAL RESPONSIBILITY

For the conscious handling of non-renewable raw materials and the conscientious use of natural resources, it is of utmost importance to know, observe and appropriately control corporate consumption.

TRANSPARENCY ENABLES US TO USE RESOURCES CONSCIENTIOUSLY

Both energy consumption within the organisation and direct and indirect emissions play a fundamental role. We deal transparently with our resource management and do our best to continuously drive our group of companies on to more sustainable use of resources.

Biesterfeld faced up to its ecological responsibilities from the first sustainability report and has been reporting on all energy and emission figures since then. We are committed to acting responsibly in the interests of conserving resources and to only use resources when essential. As a predominantly office-based company, our direct influence is limited to conscientiously using energy, water and paper and the associated ambition to reduce these items. We were able to reduce paper consumption for pay slips and holiday applications by digitising our human resources department processes. We plan to build on these successes by switching to electronic processes to replace and simplify the hitherto manual travel expense claims processes.

We are using state-of-the-art developments to use low-energy and advanced technologies that are in line with our values. We help with the development of environmentally friendly products and inform our customers in this regard.

In particular, we ensure that when our products are used they are handled properly and safely. We offer the expertise of our trained and specialised employees at all times wherever our products are used. We immediately inform our customers of any direct or indirect risks that may arise from our products. This is done at the slightest suspicion of a possible hazard. Our close cooperation with suppliers enables us to offer appropriate alternatives. In this context, our QSHE (Quality, Safety, Health and Environment) department produces safety data sheets which are vital when using our products. These provide information and recommendations on handling any products purchased from us and are constantly updated by our trained specialists.

All safety-related information is available on our corporate website as a further safe-use measure, ensuring that help is instantly available when needed.

ENERGY CONSUMPTION

The Biesterfeld headquarters in Hamburg has been using green electricity for its energy supply since January 2017. We obtain this climate-friendly energy from 100% environmentally friendly sources from the Hamburg supplier LichtBlick SE. We have managed to avoid 133.15 tonnes of attributable CO₂ emissions annually by switching from traditional electricity to green electricity. This reduces carbon dioxide consumption by more than 12.1 tonnes compared with the national average for other electricity producers.



Energy consumption at company headquarters in Hamburg, 2017*

Energy consumption amounts to about 2,146 kWh per employee. Compared to last year, this figure was reduced by about 16%.

Energy sources	FY	kWh	CO ₂ emis- sions in t
Electricity	1,127	313,312	161
District heating (for heating purposes)	1,676	465,782	122
Total	2,803	779,049	283

^{*} Figures have been rounded off

Energy consumption at the sites listed in the Sustainability Report, 2017*

Employee energy consumption at the specified sites is approx. 2,495 kWh.

Energy sources	FY	kWh	CO ₂ emis- sions in t
Electricity	4,931	1,369,863	703
District heating (for heating purposes)	2,298	638,447	167
Natural gas (for heating purposes)	627	174,172	35
Total	7,856	2,182,482	905

51 · Our environmental responsibility

103-1, 103-2, 103-3, 302-4, 302-5

50 • Our environmental responsibility

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

^{*} 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



GREENHOUSE GAS EMISSIONS

In accordance with the Greenhouse Gas Protocol (GHG2) and DIN EN ISO 14064, we have calculated our company-specific CO. emissions since 2014 and presented them in our annual report.

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

As a non-producing company, Scope 2 and 3 are particularly relevant for us. Our CO2 emissions were determined using information from the GEMIS database.

The Biesterfeld Group fleet comprises 85 company vehicles. Of these, 14 are powered by diesel engines that meet the latest standards.



Biesterfeld Group fleet, 2017*

Fuel type	Total consumption in litres	Total consumption in megajoules	CO ₂ emissions in t
Diesel	164,747	6,092,344	541
Petrol	15,623	517,684	45
Total consumption	180,370	6,610,028	586

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

The emission consumption of employees on their journey to the workplace amounts to approx. 0.8 tons of CO₂ per working year. This is unchanged against the previous year.

Means of transport by which employees travelled to work in Hamburg, 2017

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	127
Local public transport	21	127
Total	-	261

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

² Global standard for quantification, management and reporting of greenhouse gas emissions

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017 52 · Our environmental responsibility

53 · Our environmental responsibility

^{**} The emission values are calculated by multiplying the number of kilometres travelled

Business trips across the Biesterfeld Group, 2017*

Aeroplane	Distance in km	CO ₂ emissions in t per year
International flights	566,771	133
Domestic flights	3,298,076	503
Total	3,846,847	636

^{*} Figures have been rounded off

Transport of goods across the Biesterfeld Group, 2017*

Mode of transport	Amount in t	Average distance in km	CO ₂ emissions in t per year
Road	348,671	290	5,083
Inland navigation vessels	35,181	1,775	2,135
Seagoing vessels	90,587	13,522	14,832
Air freight	4,062	8,731	27,630
Rail	4,000	500	75

^{*} Quantity and distances determined from the ERP system; the values are based on Germany-related deliveries (incoming and outgoing); the figures were rounded off



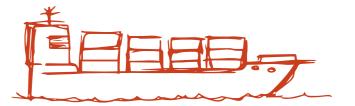
Environmental indicators, 2017

Compared to the previous year 2016 and the base year 2014



Type of emissions	CO ₂ in t 2017	CO ₂ in t 2016	CO ₂ in t 2014
Scope 2 Energy consumption at the company headquarters	283	276	307
Scope 3 Vehicle fleet	586	398	436
Employees' journeys to work in Hamburg	261	254	287
Business trips	636	719	614
Transport of goods	49,755	20,548	19,169

We have recorded increases in our consumption this year due to our company expansion and the associated increase in the number of employees. We will continue our efforts to seek innovative solutions and reduce our energy consumption and emissions. We have been able to reduce the number of business trips by using the latest technologies.



305-3

55 · Our environmental responsibility





WE ARE HONEST AND FAIR!

OUR SOCIAL RESPONSIBILITY

WE AT BIESTERFELD

Our employees' individuality makes us unique.

and supplier satisfaction using their professional expertise and commitment. They embody and act according to the corporate values and the Biesterfeld culture and carry these out into the world.

OUR

EMPLOYEES

All employees work together as an interface between producer

ARE THE HEART

OF OUR

COMPANY.

All employees work together as an interface between producer and customer for mutual success, available to both sides as skilled contact persons thanks to their experience and expertise.

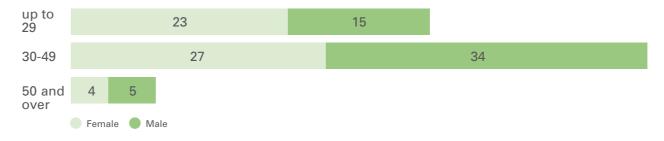
Biesterfeld employees worldwide are committed to customer

Our employees are always in the center of all Biesterfeld Group forward planning. For us, sustainability means retaining our employees and their knowledge, experience and skills in the company in the long term. Each and every one of us contributes to our mutual success. We therefore attach great importance to our social responsibility and offer our employees a varied incentive system based on successful business results.

Creating a fair and pleasant working environment is second nature to us and we strive to achieve this every day. Respectful interaction and mutual trust are immensely important here. This enables us as a group to interact with our partners as a well-rehearsed team and convince them of our capabilities.

As a traditional family business, Biesterfeld has always promoted the compatibility of family and career right from the start. In today's world in particular, there are many ways to guarantee employees a good balance between family and career. Based on our various working models, every employee can have a secure workplace with us, best suited to their needs. In this respect we make no distinction between the possibilities on offer for full-time and part-time staff or those with fixed-term and permanent contracts. We are guided by the collective agreement for wholesale and foreign trade in Hamburg, but offer a lot more than this standard.

New hires by age group, 2017*





102-8, 102-41, 103-1, 103-2, 103-3, 401-2, 404-2

58 • Our social responsibility

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

59 • Our social responsibility

^{*} Headcount: Number of employees

TRAINING AND FURTHER DEVELOPMENT

Employee loyalty plays an important role with us.

We train our employees and offer them a range of training opportunities so that they can expand their experience and consolidate their knowledge. This includes in-house training courses, departmental training courses or workshops with external providers. Our newly introduced e-learning tool encompasses all the channels relevant to us to expand the knowledge of our employees.

Biesterfeld attaches great importance to training and further education. We always strive to ensure that the common path we take with our employees is as long and consistent as possible. Only in this way can we succeed in acquiring expert knowledge and pass on as much experience as possible from our long-standing employees to young employees.

We attach particular importance to the support and promotion of young talent right from the start to ensure sustainable development of our company. We offer young professionals opportunities such as in-house training, dual courses of study or scholarships. Practical company tasks enable trainees to consolidate their theoretical knowledge and gain the best possible overview of the activities and functions of an international company. We promote this by having our trainees work in various fields of operation. This gives them the opportunity to identify their strengths, work on their weaknesses and further develop their interests. Every trainee has a work mentor at their side. We stand out as a training company because we include every trainee as a fully-fledged employee from the outset. We take their suggestions seriously and integrate them completely into the work environment, giving them the freedom they need to be able to develop independently.

The enthusiasm that young people show in starting their careers with us is testament to our solid reputation for nurturing young professionals. Taken as an annual average, we had 26 apprentices in the company in 2017. Seven apprentices successfully completed their training and six of them started their career with us immediately afterwards.



In 2017, Biesterfeld started new university cooperations with the HSBA in Hamburg and in particular with the Osnabrück University of Applied Sciences. We offer students on the "Bachelor in Plastics Technology" course the opportunity to receive a German scholarship subsidised by Biesterfeld from the third semester onwards. This gives the students valuable and practical experience

in the world of distribution, which is very beneficial for their degree. We support young students and give them the opportunity to fully devote themselves to their learning. This involves us in training a new generation of plastics technicians right from the very start.



404-2

102-8, 404-2

60 • Our social responsibility

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

61 • Our social responsibility

BIESTERFELD SOCIAL BENEFITS

We are always honest and fair as an employer.

We offer a wide range of benefits to increase our employees' satisfaction and more than just meet their expectations.

After all, we are aware that a fair and competitive salary alone is not enough to guarantee the long-term satisfaction of our employees. It is also important to create an environment in which our employees feel comfortable and enjoy their work.

With this in mind, we have various things to offer:

Taking care of peoples' physical well-being:

62 · Our social responsibility

Employees at our company headquarters have a canteen with fresh, healthy and varied dishes for different tastes. A 50% subsidy allows employees to eat cheaply and return to work well nourished. We also have kitchen areas with fully automatic coffee machines and water dispensers on every floor.

Working flexibly and progressively:

We trust our employees and offer them the freedom they need to go about their work. Flexible working hours and working from home options are part of our working models. Our office spaces are equipped with state-of-the-art technology which meet the latest safety standards. We regularly inspect the workplace to maintain these standards.

Health first:

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017

The health of our employees is very important to us. We therefore always take care to prevent possible risks that could arise from working activities.

We offer ergonomic office furniture, such as height-adjustable tables and back-supporting chairs. We also pay the cost of screenworking glasses if these are required after an eye test.

We offer annual eye tests and flu vaccinations at our Hamburg headquarters. Every employee has the option to take advantage of these offers free of charge. Our employees can benefit from a massage service for relaxation and to reduce stress. External masseurs offer their services at the company headquarters every week.

We are not only sporting in work hours:

There are many activities outside the daily office routine to encourage social contact between Biesterfeld employees. Our employees can prove their team spirit and face challenges together at various sporting events, whether at running events such as the Hamburg MOPO Team Relay Race, the Hamburg Triathlon or the annual Hamburg EuroEyes CYCLASSICS. In addition to this, we have an arrangement with a fitness studio meaning our employees in Germany have the opportunity to balance out their daily work routine in a fitness studio at a reduced monthly fee.



Our social benefits at a glance



102-8, 401-2, 404-2

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

63 • Our social responsibility

OUR SOCIAL COMMITMENT

It goes without saying for us that we go beyond the boundaries of our own business activities and act in accordance with our values.

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017



As a family business, we want to make a positive contribution to social development together with our employees.

Along these lines, we support a number of carefully selected organisations and sponsor charitable projects.

For example, this year's donations made during our golf tournament have enabled us to support the "Start with a Friend" association, which is an initiative committed to integrating refugees into our society and is currently establishing a regional base in Hamburg. Part of the donation was used for the association's first Hamburg summer festival where 120 guests enjoyed a relaxed get-together on a fine day. Visitors, both big and – in particular – small enjoyed a tombola, an ice cream van, a photomobile and numerous games. The evening ended on a relaxed note for everyone with dancing and live music.

Our donation of 10,000 supported the "Thank you" campaign launched by the Hamburger Abendblatt evening newspaper. This initiative was an expression of thanks to the police force who travelled from all over Germany to protect the G-20 summit. The donations are intended to show visitors a cosmopolitan, liberal and endearing Hamburg and not just another aggressive city.

KEY EMPLOYEE FIGURES, 2017

By employment contract*	Female	Male	Total	Headcount in %
Temporary contract	9	18	27	5.2
Permanent contract	254	242	496	94.8
Parental leave*	Female	Male	Total	Headcount in %
Entitled to parental leave	31	7	38	7.3
Actually took it	29	7	36	6.9
Returned to work with a period of employment of at least 12 months	13	3	16	3.1
Return rate in reporting period	45%	43%	44%	
Trainees**	Female	Male	Total	
Apprentices offered positions	4	2	6	

BIESTERFELD GROUP SUSTAINABILITY REPORT - 2017



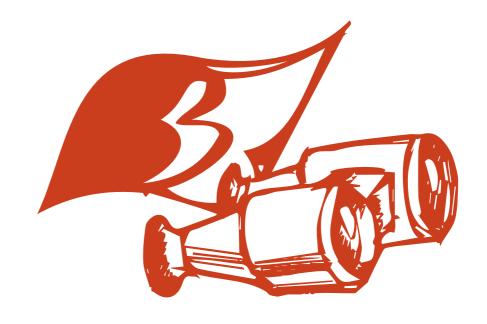


401-3

^{*} Values apply to the locations considered in the report

^{**} Figures only apply to Germany





WE ARE WELL PREPARED FOR THE FUTURE

OUR FUTURE PERSPECTIVE

OUR FUTURE PERSPECTIVE

We face the challenges that the future holds and make the most of potential through innovative projects that can be carried out with our sustainable thinking.

We will consistently pursue our defined goals in order to continue reducing our ecological footprint and strengthening our commitment to sustainable corporate management. We regularly review the requirements placed on us by our stakeholders and actively monitor their global impact on the market.

We will conduct more targeted surveys of our partners on compliance and sustainability issues in the coming years. We will train our employees on these topics and keep our stakeholders informed. Together with our employees, partners and stakeholders, we want to make the world a better place to live.

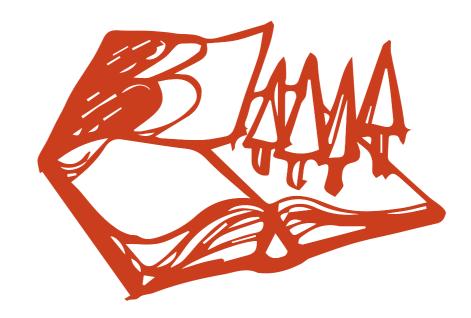
Furthermore, we will become more involved in sustainable initiatives and do good for the environment with our commitment.

We will implement new legislation and directives through policies and internal guidelines.

We are pursuing our "One Biesterfeld" strategic approach in all our measures and goals and are working even more closely with all our divisions to realise synergies. We will always strive to find a good balance between long-standing proven methods and innovative approaches.

The future in our sights, family tradition in our hearts.

Our next sustainability report will be published in 2019.



68 • Our future perspective

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

69 • Our future perspective

GRI CONTENT INDEX

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



GRI standard	Disclosure	Page/URL	Omission	Comments
GRI 101: Foundation 2016				
GENERAL DISCLOSURES				
GRI 102: General Disclosures 2016	102-1 Name of the organisation	P. 5		
	102-2 Activities, brands, products and services	P. 14-15 P. 18-19		
	102-3 Location of headquarters	P. 5		
	102-4 Location of operations	P. 16-17		
	102-5 Ownership and legal form	P. 10 P. 76		
	102-6 Markets served	P. 14-19		
	102-7 Scale of the organisation	P. 4 P. 14-17		
	102-8 Information on employees and other workers	P. 4 P. 14-15 P. 58-60 P. 62-63		
	102-9 Supply chain	P. 18-21		

GRI standard	Disclosures	Page/URL	Omission	Comments
Continued GRI 102: General Disclosures 2016	102-10 Significant changes in the organisation and its supply chain	P. 18-21		
	102-11 Precautionary Principle or approach	P. 26 P. 36		
	102-12 External initiatives	P. 22-25 P. 28 P. 35		
	102-13 Membership of associations	P. 22-25		
	102-14 Statement from the senior decision-maker	P. 6-7		
	102-16 Values, principles, standards and norms of behavior	P. 6-7 P. 10-11 P. 22 P. 37-41		
	102-18 Governance structure	P. 10-11		
	102-40 List of stakeholder groups	P. 23		
	102-41 Collective bargaining agreements	P. 58		
	102-42 Identifying and selecting stakeholders	P. 22-25		
	102-43 Approach to stakeholder engagement	P. 22-25		
	102-45 Entities included in the consolidated financial statements	P. 16-17 P. 44-47		

102-55, 102-56

70 • GRI content index

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

GRI standard	Disclosure	Page/URL	Omission	Comments
Continued GRI 102: General Disclosures 2016	102-46 Defining report content and topic Boundaries	P. 28-31		
	102-47 List of material topics	P. 30-31		
	102-48 Restatements of information	P. 5 P. 28-31		
	102-49 Changes in reporting	P. 5 P. 28-31		
	102-50 Reporting period	P. 5 P. 28-31		
	102-51 Date of most recent report	P. 5 P. 28-31		
	102-52 Reporting cycle	P. 5 P. 28-31		
	102-53 Contact point for questions regarding the report	P. 76		
	102-54 Claims of reporting in accordance with the GRI Standards	P. 28		
	102-55 GRI content index	P. 70-75		
	102-56 External assurance	P. 70		

GRI standard	Disclosure	Page/URL	Omission	Comments
KEY TOPICS				
Economic Standards				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 44		
	103-2 The management approach and its components	P. 44		
	103-3 Evaluation of the management approach	P. 44		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P. 44-47		
	201-2 Financial implications and other risks and opportunities due to climate change	P. 34-35 P. 44-47		
Environmental Standards				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 50-51		
	103-2 The management approach and its components	P. 50-51		
	103-3 Evaluation of the management approach	P. 50-51		

73 • GRI content index

102-55

72 • GRI content index

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

GRI standard	Disclosure	Page/URL	Omission	Comments
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	P. 51		
	302-3 Energy intensity	P. 51		
	302-4 Reduction of energy consumption	P. 36 P. 50-51		
	302-5 Reduction of energy requirements for products and services	P. 36 P. 50-51		
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	P. 52-54		
GRI 308: Supplier Environmental Assesment	308-1 New suppliers that were screened using environmental criteria	P. 35 P. 68		
Social Standards				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	P. 58		
	103-2 The management approach and its components	P. 58		
	103-3 Evaluation of the management approach	P. 58		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P. 59		

GRI standard	Disclosure	Page/URL	Omission	Comments
Continued GRI 401: Employment 2016	401-2 Benefits provides to full-time employees that are not provided to temporary or part-time employees	P. 58 P. 62-63		
	401-3 Parental leave	P. 65		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	P. 58-63		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P. 35 P. 68		
	414-2 Negative social impacts in the supply chain and actions taken	P. 34-40		

102-55

75 • GRI content index

<u>102-55</u>

74 • GRI content index

BIESTERFELD GROUP SUSTAINABILITY REPORT – 2017

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102-5, 102-53



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