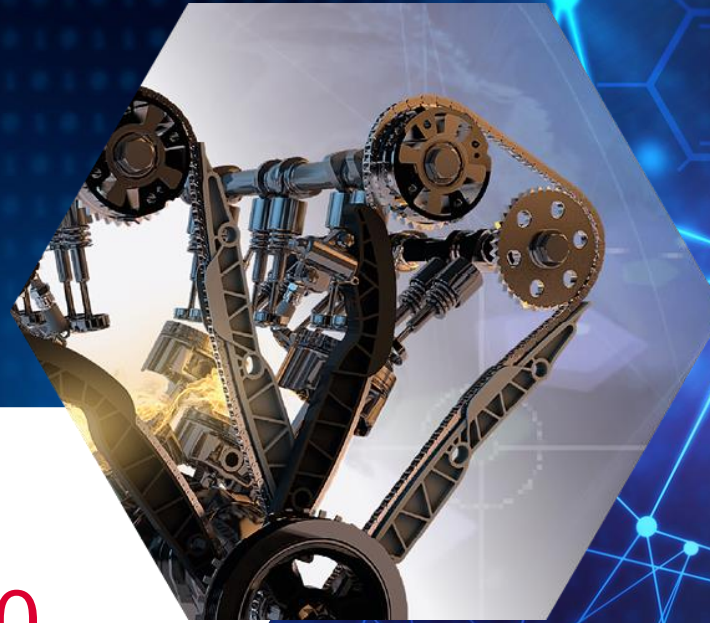


Sustainability Report 2020

iwis motorsysteme





1 General information

Turning visions into reality: iwisions

- It often only takes a tiny step – a creative brainwave – to make entire technologies obsolete overnight, which is why we are already thinking about tomorrow’s world today.
- We know from experience that true development pioneers must free themselves from conventional ways of thinking and mental barriers.
- Our constant wish and desire is to redefine the boundaries of what is possible – and what is not – in the field of automotive and industrial drives. We may not be able to predict the future, but we can help to shape it by turning visions into reality: iwisions!

iwis worldwide



iwis divisions

Automotive

iwis engine systems



- Timing drive systems, camshaft drives, mass balancing mechanism and oil pump drives for the automotive industry

Industry

iwis drive systems



- Precision chains, sprockets and chain tensioners for power transmission and conveyor technology
- Agricultural chain systems as well as technical service provider for agricultural technology

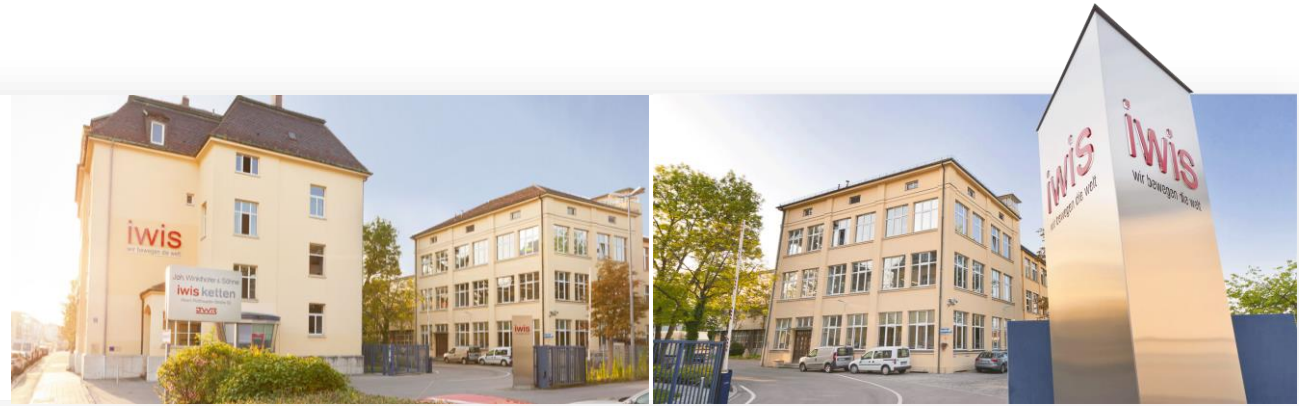
Mechatronics

iwis smart connect und Soehnergroup



- High-precision sheet metalworking, stamping and bending, in particular in electrical connection technology
- Hybrid electromechanical components with bondable surfaces, plastic-metal interconnections

Plant Munich (headquarters), Germany



Automotive

iwis engine systems



Plant Landsberg am Lech, Germany



Plant Pinghu, China



Plant Murray, USA



Plant Oradea, Romania

Standorte Werke weltweit

Industry

iwis drive systems



Plant Sontra (agrisystems), Germany



Plant Wilnsdorf, Germany



Plant Suzhou, China



Plant Strakonice, Czech Republic



Plant Indianapolis, USA

Standorte Werke weltweit

Mechatronics

iwis smart connect



Plant Rieden, Germany

iwis e-tec



Plant Kaufbeuren 1+2, Germany



Plant Kaufbeuren 3+4, Germany

Soehnergrouop



Plant Schwaigern, Germany



Plant Ghiroda, Romania



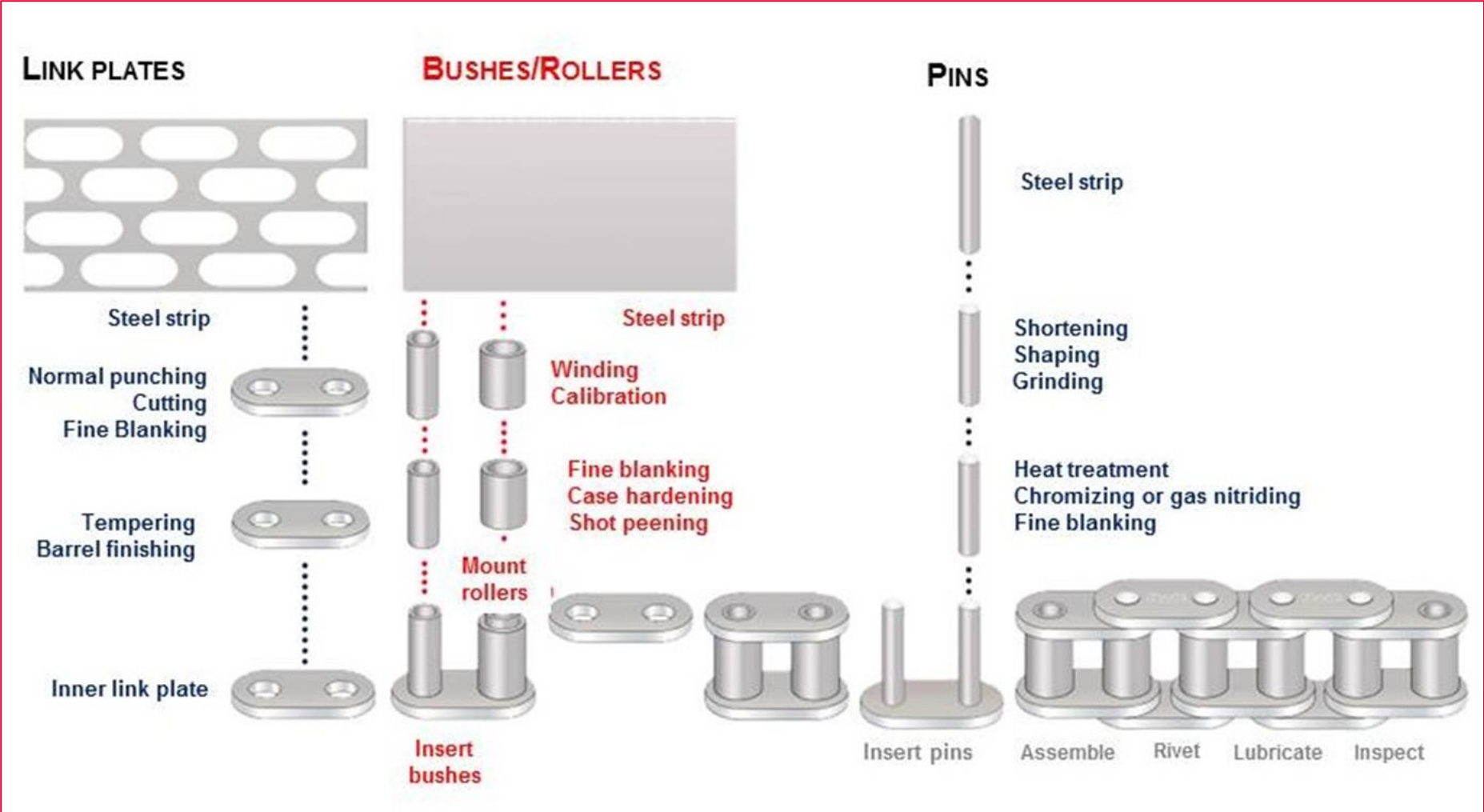
Plant Suzhou, China



Plant Grand Rapids, USA

Methods and processes

How an iwis chain is made



The cornerstones of our corporate strategy

Founded in 1916 and now run by the fourth generation of the family, the company employs more as 2000people at 45 locations. iwis is headquartered in Munich.

With its increasingly international focus, iwis was able to grow its annual sales to more than 450 million euros in 2020.

The individual strengths of our employees, their commitment to iwis, their professional qualifications and the strong, shared values of our company are the crucial success factors for us. iwis supports and promotes its employees according to their abilities and potential: in a modern, agile working environment. Over the past few years, iwis has become increasingly multicultural: an open, welcoming company that values and promotes diversity.

iwis employees on all five continents bring along their various perspectives and experiences. They are the foundation for innovative products and solutions for our customers. In 2017, iwis received an award as a family-friendly employer for the fourth time in succession.

As an innovative system supplier, iwis makes an important contribution to improving the mobility of people and goods around the world..

- We want to continue to develop and offer solutions that meet our own expectations in the future: Our corporate strategy helps us not to lose sight of our goals:
- We are our customers' preferred technology partner!
- We are a supplier to the automotive sector and to industry!
- We are globally positioned and, on the spot, worldwide!!
- We are able to deliver both components and systems!
- We see e-mobility, Industry 4.0 and digitalization as key opportunities for the future!
- We strive for the highest quality, efficiency and delivery reliability!
- We are the most attractive employer!
- We are a globally active family business and live the values of our founder: the 10 commandments for people striding ahead!

Management

Our Board of Directors and Executives run the company with responsibility and a strong emphasis on value orientation, thus sustainably adding to the value of the company itself. Through a consistent use of numerous synergies and efficient brand management, the directors safeguard the overall success of our company.
At home and around the globe.

Johannes Winklhofer
(Group CEO)

Overall strategy and corporate development / Corporate communications / Mergers & Acquisitions / Legal / Group Technologies / Human Resources / Compliance / Health & Safety / Environmental Protection



Uwe Kastner
(Group CFO)

Finance / Controlling / IT / Digitalisation



Ulrich Bach
Division motorsysteme



Jürgen Fochler
Division mechatronics



Dr. Frank Mitzschke
Division antriebssysteme



Jörg Quittkat
Division motorsysteme



Andreas Wagner
Division mechatronics



Frank Wiemer
Division motorsysteme

Compliance

- iwis is a family-run company with a firm commitment to reliability and integrity that goes far beyond simply abiding by laws and rules.
- We have therefore drawn up an iwis Code of Conduct which gives clear guidance on how to act correctly in case of doubt. This Code of Conduct represents a binding obligation for us and our employees and ensures the successful continuation of our business activities in the long term.
- Doing the right thing – in compliance with the law and statutory provisions – is not a spontaneous decision, but instead demands reliable, clearly-defined structures and guidelines. It equally requires structures that governs decisions for the benefit of all and ensure respectful and targeted cooperation. Our employees receive regular training on the subject of compliance.



Compliance Code of Conduct - Compact

- iwis is convinced that we can only secure the company's sustainable economic success by committing ourselves to upholding fair market conditions and acting lawfully.
- Business relations with customers, suppliers and other business partners must be characterised by openness and dependability.
- iwis trusts in the loyalty of its employees.
- iwis relies on legally irreproachable business relations.
- Without reservation, iwis is committed to a policy of fair contractual arrangements with its business partners and adheres to the principles of fair and open competition.
- iwis and its employees accept their responsibility for natural resources, conduct their business with respect for the environment and ensure optimum occupational safety in order to protect the life and health of employees and third parties.
- iwis employees accept their obligation to protect the company's property.
- iwis complies with national and international social rights laws and principles.
- iwis treats its communication opportunities seriously, thus protecting the company's reputation.
- iwis recognises the importance of data privacy and is committed to global data protection.
- In the light of the company's commitment to behaving legally, iwis will not accept any violation of the law.



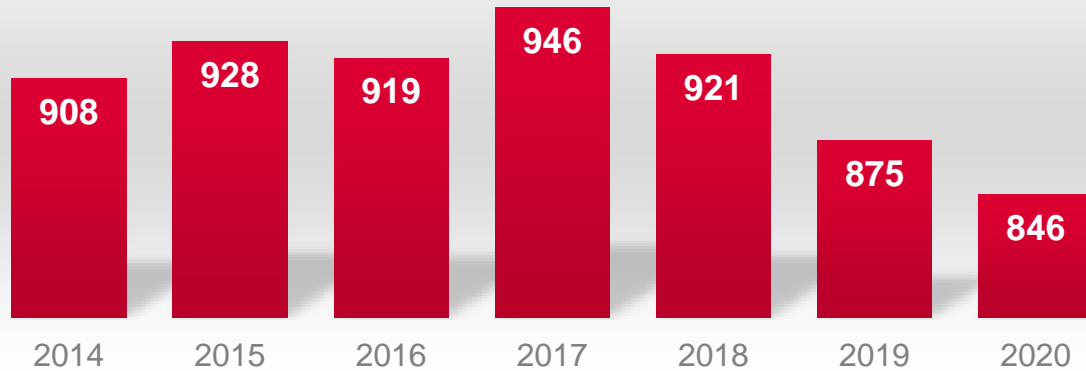
2

Commercial and social aspects

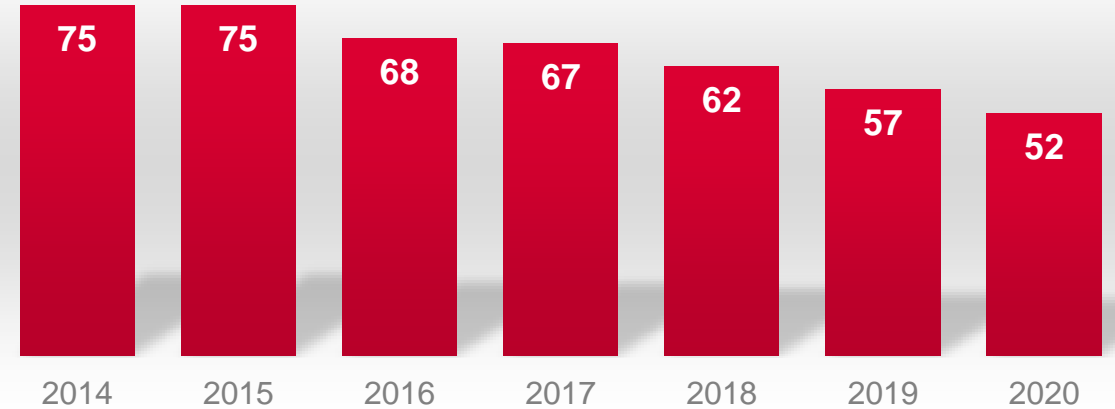
Wirtschaftliche Aspekte

The company's performance suffered as a result of the the global corona crisis and the resulting decrease in customer requests and short-time work. Our sales declined in the motorsysteme division. We nevertheless succeeded in conducting business successfully and generating proportionate profits.

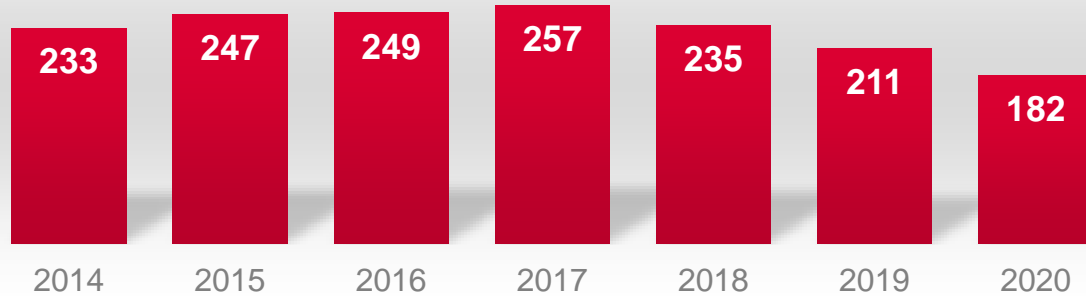
Average iwis staffing figures
(Plants Munich and Landsberg)



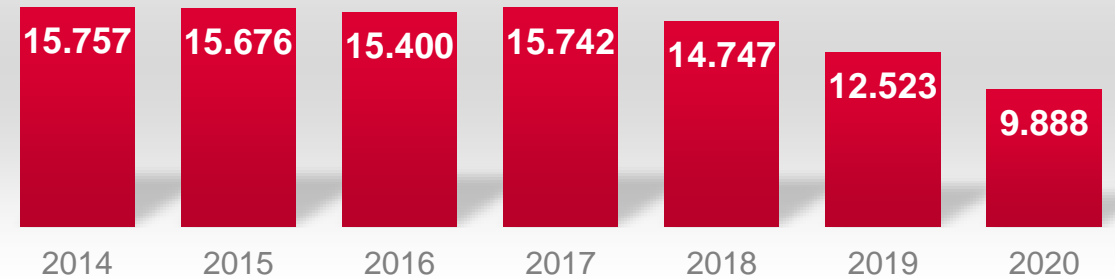
Number of apprentices



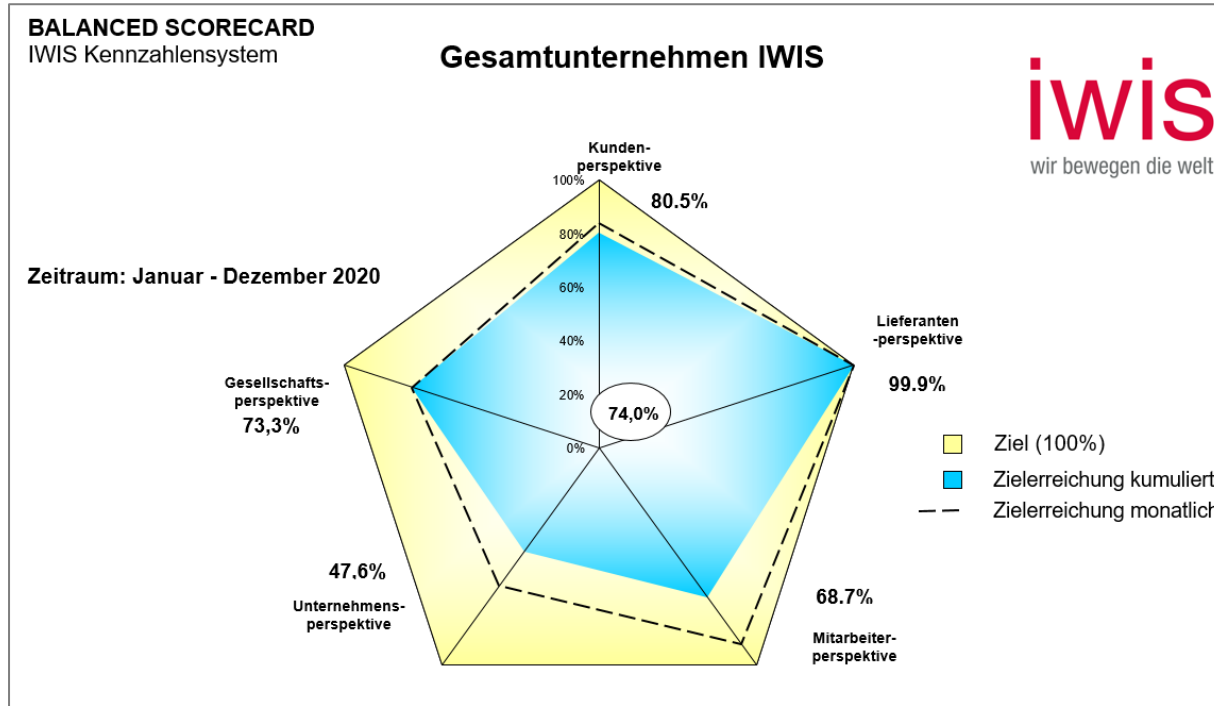
Sales trend iwis motorsysteme 2014-2020
(in millions of euros)



Output iwis motorsysteme 2014-2020
(Production quantity in kilometers)



iwis indicator system



- Operational implementation of objective-oriented management in the company is achieved using an integrated, top-down indicator system. This takes account of the various perspectives of the balanced scorecard (BSC) (customers, suppliers, staff, company, society). Therefore, after consultation with all those involved, the indicators have been represented in such a way that they can be read and understood by all employees. At iwis, the BSC is a management system for steering the company in the medium term on the basis of indicators. Because the BSC focuses both on costs and on soft factors in the company such as staff satisfaction and customer loyalty, it makes it possible to constantly monitor the value drivers.



3 iwis and its staff

Our corporate culture and our philosophy

- iwis is and will remain a family company, so the Group is inseparable from the founding Winklhofer family. Our value-oriented corporate culture and philosophy guarantee a strong sense of belonging and cohesion, open and honest relations between management and employees, and mutual trust between the company and its partners and customers
- In 1895, company founder Johann Baptist Winklhofer (1859-1949) formulated his “Ten Commandments for people striding ahead”, at the same time laying the foundations for a philosophy that still motivates us today: we aim to keep moving, to expand and develop, and to stride ahead! The words of our founder are still true today and form the basis of our philosophy and our mission statements

„Tradition – to know where you’re going, you must know where you come from.“

10 GEBOTE FÜR VORWÄRTSSTREBENDE

Schon 1895 formuliert iwis-Gründer Johann Baptist Winklhofer zehn Grundsätze, die das Unternehmen und vor allem seine Mitarbeiter auch in Zukunft begleiten werden. Wer diese Vision eines vorwärtstrebenden Unternehmers beherzigt, hat Erfolg. Auch an dieser Überzeugung hält iwis weiterhin fest.

- 1 Grundbedingung ist, dass man seinen eigenen Beruf gründlich versteht.
- 2 Den Ehrgeiz haben. Jedes Ding besser zu machen, als es Irgendein anderer kann.
- 3 Am Prinzip festhalten, dem Kunden für sein Geld nur das Beste zu liefern.
- 4 Eine nie ausgehende Freude an der Arbeit muss vorhanden sein. Geldverdienen darf niemals Hauptzweck der Arbeit sein.
- 5 Immer nur nach den neuesten Arbeitsmethoden und mit den allerbesten Einrichtungen im Betrieb arbeiten. Fachschriften lesen und lesen lassen. Ausstellungen besuchen.
- 6 Der größte Teil des verdienten Geldes muss zur Beschaffung betriebsfördernder Mittel verwendet werden.
- 7 Den rechten Mann an den rechten Platz stellen.
- 8 Einfach und solide leben, damit man früh mit klarem Kopfe an die Arbeit gehen kann.
- 9 Sich mit dem Gedanken vertraut machen, dass man nicht jedes Geschäft machen kann oder muss. Dann wird man sich vor vielen Verlusten bewahren und von der Konkurrenz geachtet sein.
- 10 Schließlich gehört noch eine recht große Dosis Geduld dazu, um den Erfolg seiner Mühen abwarten zu können, auch wenn es manchmal recht trostlos aussieht.

Our company mission statements

Our company mission statement describes what drives us, what makes us what we are and what is important to us: our motivation, our goals, and the principles that determine our actions. iwis encourages and empowers its employees to take responsibility for their own performance. This empowerment of our employees and recognition of their abilities and performance have made iwis what it is today.



Corporate Philosophy

Our corporate philosophy describes our drive, the factors which define us, what is important to us: our motivation, our goals and the principles on which our actions are based



Management Philosophy

The day-to-day working relationships at iwis is defined by the management and staff philosophy. These set our standards, our attitude and the framework for our daily cooperation.



Staff Philosophy

The staff philosophy describes the rules of cooperation and the company's claim to health and ethics of the individual.

Our company philosophy

Corporate -, Management- and Staff Philosophy



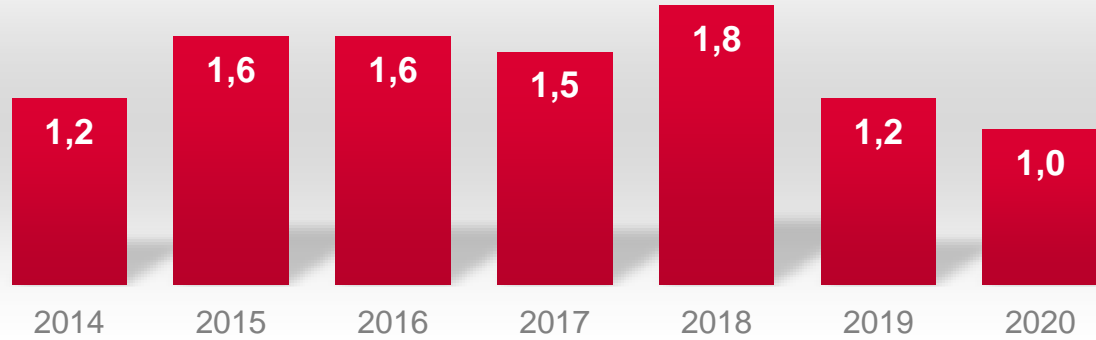
Social Responsibility

„The strongest link in our chain: our employees.“

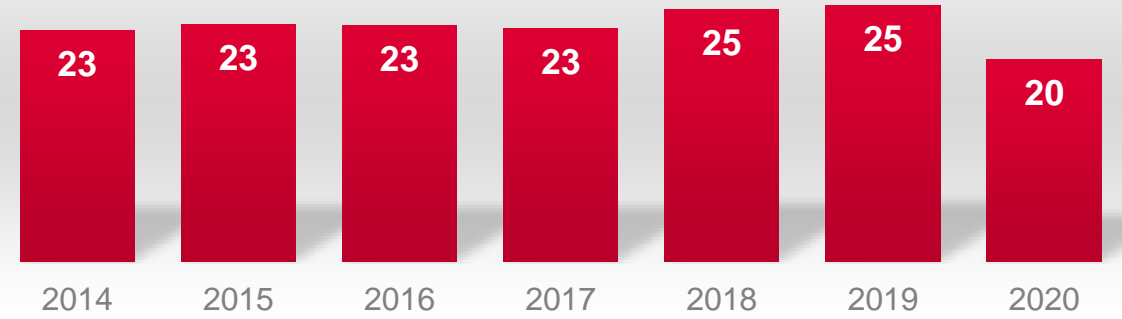
- The decisive factor in our success is the individual strengths of our employees, their dedication to iwis, their professional qualifications and the strong belief in common values at our company.
- iwis supports its employees according to their skills and potential, and in a modern, agile work environment. In the last few years, iwis has also become an increasingly intercultural company that welcomes diversity with open arms.
- iwis employees on all five continents make valuable contributions based on their own personal viewpoint and experiences. This richness and diversity is the basis for the innovative products and solutions we offer our customers. In 2017, iwis was awarded the Family-Friendly Employer Quality Seal for the fourth year running.
- What really drives our company is the motivation of its employees, because our products and services need the people at iwis to bring them to life. We believe in creating an environment of mutual respect and a readiness to engage in frank, open dialogue in order to ensure mutual cooperation and confidence
- These values are not only the basis of our corporate culture, but also an integral part of our overall mission statement. Other important factors at iwis are further qualifications, industrial health and safety, health management and work-life balance, because we can only create important innovations and secure our long-term future if our employees are contented
- Our employees are the foundation stone of our competitive advantage. Their strengths are an essential factor in our success, so supporting and developing our employees is one of our main priorities, pursued as rigorously as our development of innovative products and services. In this way, we invest in the development of people around the world and at every level of the company.

Detailed staffing figures

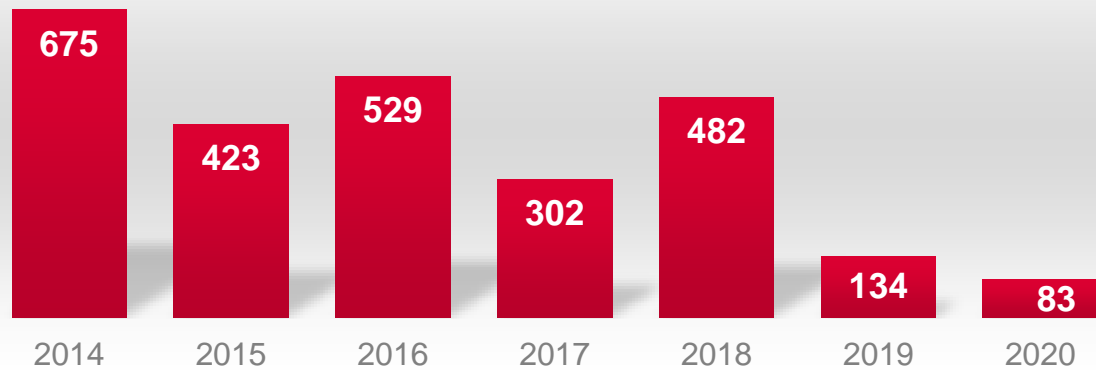
Number of professional training days per employee



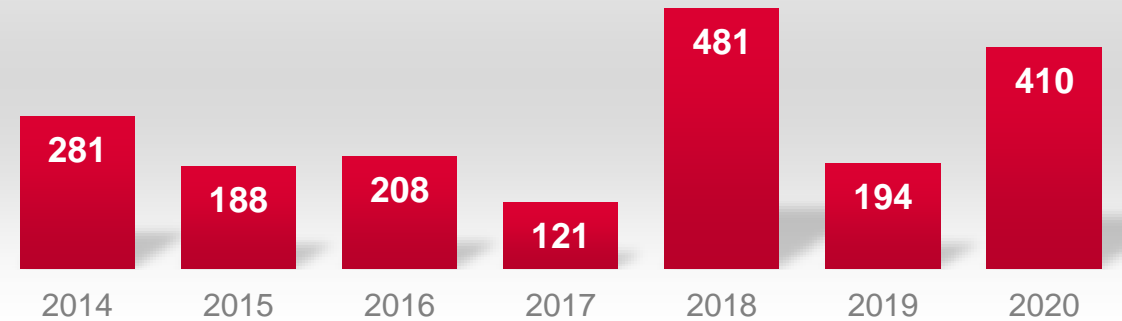
Proportion of female employees (%)



Number of accepted suggestions for improvement

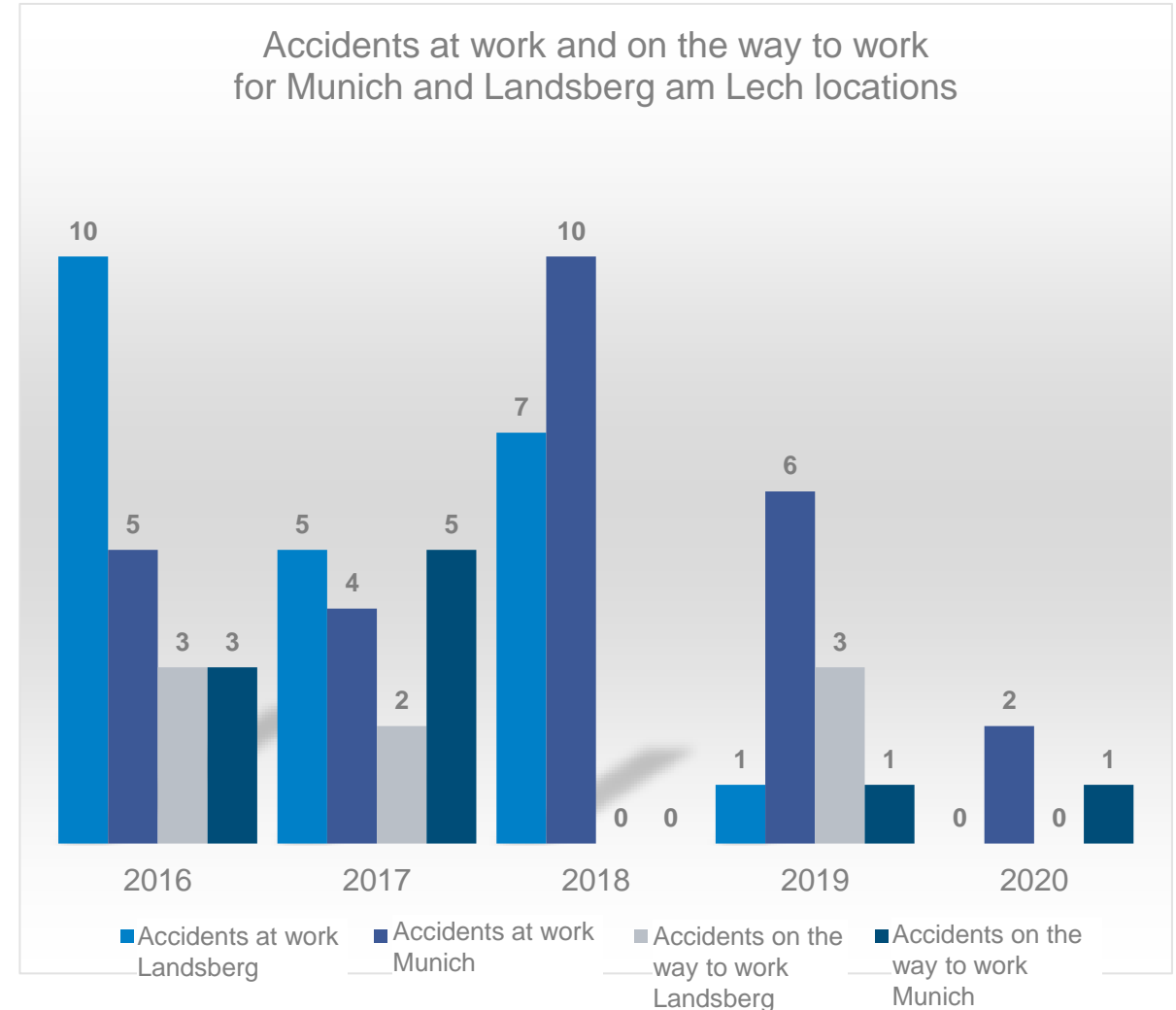


Savings from suggestions for improvement (€ thousands)



Safety at work

Here at iwis, we take a holistic view of industrial health and safety. All sections of the company work together with their assigned safety officers to ensure the safety of the employees. The statistics clearly reflect the benefits of this close collaboration: industrial accident rates at iwis have been below the industry average year after year. However, every single accident is one too many! iwis has set itself the ambitious goal of keeping the accident rate low in the long term.



Health management / Health Week 2020

Our health management is a systematic, holistic process that embraces all levels of the company – from top management to the individual employee. Our health management focuses strongly on the active promotion of our employees' health, raising their awareness in health matters and giving them comprehensive information about risk factors.



- The beginning of October saw the Health Week at iwis. This year in particular has highlighted the importance of health and strengthening the immune system. The familiar Health Day was extended to a full week this year in order to do justice to the special circumstances and to give all employees sufficient time to inform themselves in compliance with the social distancing and hygiene guidelines and also from their remote offices.
- From the 5th to the 9th of October 2020, employees in Landsberg, Munich, Sontra and Wilnsdorf were able to find out how to boost their immune system, primarily on the intranet. Posters and notices were also used, as well as information on the screens around the company premises.
- These media offered plenty of material to look at, covering healthy and informed nutrition, dealing with stress, time management, and healthy sleep. The canteens in Landsberg and Munich treated their guests to particularly healthy dishes, with the recipes available for the employees to take away with them. In addition, an already cherished tradition was continued: The staff enjoyed the apples which were distributed as gifts.

Health Week 2020

From October 5th to 9th, the intranet, posters and meals discussed various approaches to strengthening the immune system

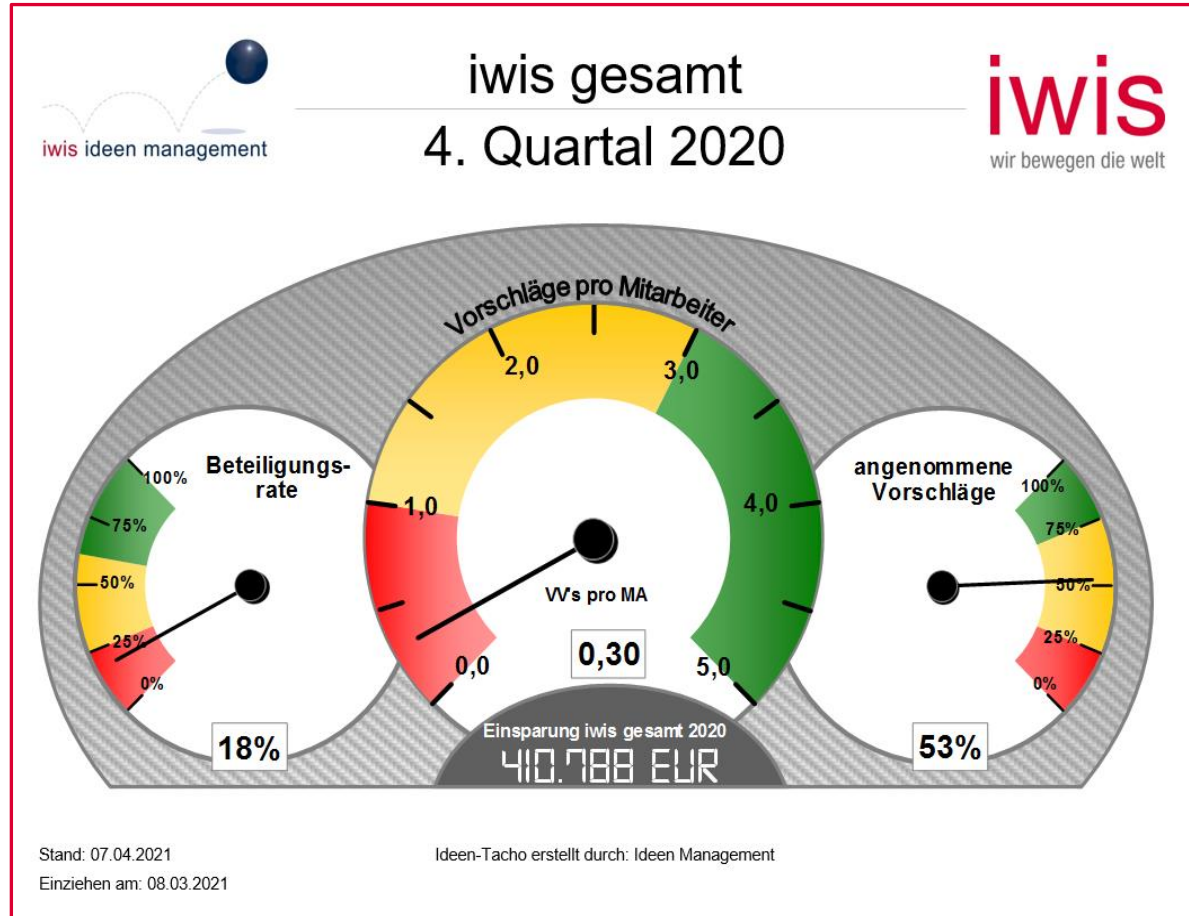


iwis Family Hiking Day 2017

Other important key elements:

- Promoting health and primary preventive measures e.g. exercise and stress-management programmes, bowel cancer screening
- Regular health days
- Serving healthy food in our company canteen
- Fitness programmes, activity days and organised hikes
- Occupational healthcare screening and support
- Reintegration management (e.g. after serious illness)
- Social counselling
- Johannes Winklhofer Stiftung foundation for employees in need

Suggestions for improvement



- Suggestions for improvement from employees are intended to rationalize, modernize and improve production processes and general work-flows both in the company and at its suppliers. Equally, however, they are aimed at improving the quality of life of people in their working environment and thus make an important contribution to safety at work. The work suggestions scheme has been used and continues to be used to initiate and implement many improvements in the field of environmental protection and occupational health. Alongside the positive contribution to environmental protection, the suggestions for improvement also have a clear economic side to them.
- **The cost savings achieved in the years 2012 through to 2020 lay between 121,000 and 481,122 euros**

At iwis you can expect more than just a good job

- **Workforce:** The availability of highly qualified staff and an efficient infrastructure have helped iwis to rise to a leading position in the global market over the past decades. Germany remains the place where our core expertise is located.
- At the same time as expanding the sales and production capacity overseas, the existing workforce in Germany in particular is to be maintained and expanded (Landsberg). We can only remain competitive over the long term if the quality and cost of our products and services are right. Ultimately, only those jobs are safe that our customers are prepared to pay for. In order to compensate for the lower labour costs of our over-seas competitors, we have to be even more professionally and flexibly organized than our competitors. However, over-regulation and further increases in the cost burden associated with the German economic area also represent a burden for iwis. iwis takes on board a social responsibility for its staff and creates jobs for the long term. Anyone who does not choose to fulfil their duties and responsibilities or who fails to observe the rules of cooperation in good faith will lose the solidarity of the community.
- **Individual employee groups – Breathing life into integration –** Women in the workforce: iwis proactively supports equality between men and women in the workplace. We are convinced that teams deliver the best results when they bring together the skills of men and women. As a family-owned company, iwis is particularly passionate that our dedicated staff are able to balance the needs of work and family life. A healthy social environment for our staff helps them to constantly rise to professional challenges. A wide range of offerings ranging from flexible working hours to childcare in the company's kindergarten provide the necessary support.
- **Employment of persons from other countries:** Despite their very different cultural backgrounds, employees from more than 30 countries work together successfully at iwis. This is something we are particularly proud of and we encourage this form of diversity in our company and promote harmonious relations. Some of our foreign national employees have been working in the commercial sector for many years
- **Employees in need:** As of 2017, the “Johannes Winklhofer Foundation” has been helping employees in need worldwide. iwis pays great attention to the concerns and needs of its employees.

Varied perspectives

- **Antrieb – The program for recruiting young talent to iwis:** The Antrieb (Drive) program is primarily targeted at young talent from selected higher education disciplines. The target group covers interns, PhD students and bachelor students from the following disciplines: automotive engineering, precision engineering, general mechanical engineering, mechatronics, industrial engineering, business administration, social sciences and psychology. Interns, bachelor students and PhD students at iwis are assigned independent projects after a short familiarization period and are directly embedded in the projects running in the various departments. They have the opportunity of being directly involved in work on live issues and gaining insights into a whole range of different areas.



- **Ongoing staff training and skills management:** We are faced with many challenges: more demanding customer requirements, technical innovations, expansion of business in purchased parts and trading, as well as tougher and increasingly global competition. It is not sufficient to merely retain the knowledge gathered over the years. Ongoing development and qualification of the staff and management is a crucial factor for the success of iwis. Right from the start, modern personnel development measures are in place to give employees the assistance they need to master their jobs. Alongside integration, systematic development of professional and personal skills are paramount at iwis. The learning process is not restricted to seminars. Rather, it also happens at the actual workplace under the supervision of managers and colleagues. As part of the lifelong learning process, we expect our employees to show a considerable willingness to learn, coupled with initiative.
- **Life-long learning:** Since 2004, the GWB Gerhard Winklhofer Bildungswerk e.V. has been supporting vocational training. Although the purpose of this registered association would at first sight appear to be straightforward, it is based on a holistic concept that is closely related to the lifelong learning philosophy. Lifelong learning is a prerequisite for professional success.



Vorwort

„Sobald Jemand in einer Sache Meister geworden ist, sollte er in einer neuen Sache Schüler werden.“ Der gute Rat des deutschen Dichters Gerhart Hauptmann – er ist aktueller denn je. Aufgrund der rasanten Veränderungen, die vor allem der technologische Fortschritt mit sich bringt, ist der lebenslange Lernprozess zum Muss geworden. Eine Welt, in der auch der entlegenste Winkel der Erde nur einen Mausklick entfernt ist, bietet unendlich viele Möglichkeiten. Aber sie stellt uns eben auch vor die Herausforderung, eine Flut von Informationen zu filtern, unser Wissen gezielt einzusetzen und persönliche Chancen zu sehen und zu ergreifen – kurz, den Überblick zu behalten.

Bereits seit zehn Jahren bietet das Gerhard Winklhofer Bildungswerk (GWB) mit offenen Trainings, Seminaren und Workshops berufliche wie persönliche Orientierung für Fach- und Führungskräfte. Denn auch unser Arbeitsalltag befindet sich in stetem Wandel. Wir können rund um die Uhr und überall auf Informationen zugreifen, mit Geschäftspartnern, Kunden und Kollegen kommunizieren und interagieren. Interkulturelle Kompetenzen sind dafür genauso wichtig wie die Fähigkeit, Netzwerke aufzubauen und sie zu nutzen – beides sind Voraussetzungen für eine gute Kommunikation und ein ständiges Voneinander-Lernen.

Zudem wollen wir nicht nur fachliche Kompetenzen, sondern auch unsere ganz persönlichen Fähigkeiten in unsere Arbeit einfließen lassen: Das GWB unterstützt Sie dabei, eigene Stärken zu erkennen, optimal einzusetzen und weiterzuentwickeln. Dazu gehört auch ein Gleichgewicht zwischen Beruf, Familie und Freizeit – gesunde Mitarbeiter sind die Basis für gesunde Unternehmen.

Wer den Herausforderungen des Berufslebens mit Begeisterung begegnet, kann an seinen Aufgaben wachsen. Das GWB hilft Ihnen dabei, sich Ihre Offenheit zu bewahren und den Wandel als Chance zu sehen. Das Themen-Angebot basiert auf langjährigen Erfahrungen innerhalb der Iwis Gruppe: So können Sie sich auf unternehmensrelevante, maßgeschneiderte und aktuelle Lerninhalte verlassen – heute genauso wie in den vergangenen zehn Jahren.

Mit herzlichen Grüßen

Ulrich Bach
Vorstand GWB e.V.

Professional training in the times of coronavirus

iwis continues to support professional training for its staff with webinars, e-learning and other online offerings

- The coronavirus crisis has further underscored the importance of digital learning. We have therefore set some new priorities as we have expanded our digital offering.

Webinars

- In order to be able to reach our employees on the move, we have increasingly focused on implementing webinars. Experts from our own ranks offered webinars on topics specific to iwis to replace classroom training.

“iwiscampus” e-learning platform

- We took a critical look at our e-learning platform iwiscampus. The platform is now being gradually expanded to promote online learning for our employees here as well. Our learning modules on data protection and information security make use of e-learning to provide targeted support on current topics and the introduction of new regulations. Our new authoring tool allows us to prepare material on iwis-specific topics directly in the form of learning modules and make these available online on iwiscampus. Our new digital onboarding module for new employees represents a first step in this direction.

Other online solutions

- In addition to expanding our own learning platform still further, we are also examining external online solutions in respect of their applicability at iwis. This year, for example, we are offering online English language training for a pilot group of twelve participants. Here, personalized learning paths mean that our employees learn in a particularly effective, independent and flexible way. Digital learning enables targeted, flexible qualification across all locations. We look forward to exploring this path together – and always welcome your ideas and suggestions.

Networking the internal educational institutions

- There is a wide range of expertise in the companies of our Group. We want to make this expertise more widely available and accessible throughout the company by specifically networking our two internal educational institutions, the iwis smart connect Academy and the GWB.





4 Environmental management and sustainability

iwis' environmental, energy, occupational health and safety policy

- Our business activities, our operational processes and our decisions are guided by economic, ecological and social considerations.
- In particular, we support the 17 UN sustainable development goals in our activities.

SUSTAINABLE DEVELOPMENT GOALS

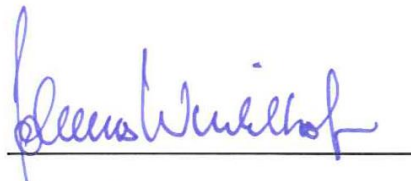


iwis' environmental, energy, occupational health and safety policy

- Safe and healthy working conditions are being created in order to prevent work-related injuries and illnesses.
- Environmental, energy management and occupational health and safety (OH&S) are important components of our corporate policy worldwide. We also expect our suppliers to promote and disseminate these principles in their own supply chain to the best of their ability.
- iwis is aware that manufacturing processes have an impact on the environment. It is therefore our duty to reduce the impact on the environment as far as possible within the scope of economic and technical possibilities and through well-thought-out processes.
- Our responsibility in dealing with the environment, energy and resources requires that we identify and assess significant environmental and energy issues and that we meet defined environmental, energy and OH&S targets.
- The specific hazards associated with our activities are known to us and our staff have them under control. We are committed to eliminating hazards and minimizing industrial health and safety risks wherever possible.
- It matters to us to comply with legal regulations and other relevant environmental needs, expectations and requirements of interested parties and, where possible, to exceed them.
- We measure the extent to which we are succeeding.
- We are focused on the key challenge of climate change and the 2050 objectives of the Paris Agreement. Our efficiency measures are contributing to a reduction in CO₂ emissions. This applies in particular in relation to:
 - Production and our building inventory.
 - Products and services.
 - The potential use of renewable energy sources.
- Water, the global availability of water and sustainable hazardous substance management are on the corporate sustainability agenda. We are committed to the responsible use of water and use it as sparingly as possible. Our goal is to minimize emissions to water.
- Occupational health and safety management is realized by compliance with the following principles:
 - Workplace design, including workplace ergonomics
 - Optimization of the work process
 - In-house improvement management
 - Safe machinery and equipment
 - Fire protection measures
 - Substitution of hazardous substances and sustainable hazardous substance management
- As an important aspect of occupational health and safety in our company, hazardous substance management refers to all measures that contribute to the safe handling of hazardous substances.
- We adopt preventive measures, including collaboration between the company doctor, occupational health and safety staff and specialist supervisors to ensure the health and safety of our employees at work.
- All iwis employees are called upon to make an active contribution to the protection of the environment, to occupational safety and to the responsible use of energy. We run information campaigns and provide training to promote environmentally aware, safe and sustainable behavior

iwis' environmental, energy, occupational health and safety policy

- With new products and production processes, we take environmental protection requirements relating to energy efficiency, the way energy is used and how much is consumed into account right from the development phase. From the early phases of planning production processes and when setting up and operating our technical equipment, we strive to use the best available and economically relevant technology to ensure that our employees can work safely.
- We readily make use of any opportunity to save energy and raw materials in our manufacturing processes.
- The aim is to eliminate or reduce the amount of pollutants, greenhouse gas emissions, waste and noise generated by our production processes. We aim to re-use resources.
- The suitability, adequacy and effectiveness of the management systems are regularly reviewed by senior management based on internal audits and periodic management reviews of corporate environmental protection, energy and occupational health and safety management. The necessary resources are made available to achieve continuous improvement and meet the defined targets.



Johannes Winklhofer,
Managing Director,
Environmental Officer of the Board



Matthias Knoblich,
HSE-Officer



Tatyana Becker,
Environment and Energy Manager



iwis' environmental, energy, occupational health and safety policy

Our business activities, our operational processes and our decisions are guided by economic, ecological and social considerations. In particular, we support the 17 UN sustainable development goals in our activities.



Safe and healthy working conditions are being created in order to prevent work-related injuries and illnesses.

Environmental, energy management and occupational health and safety (OH&S) are important components of our corporate policy worldwide. We also expect our suppliers to promote and disseminate these principles in their own supply chain to the best of their ability.

iwis is aware that manufacturing processes have an impact on the environment. It is therefore our duty to reduce the impact on the environment as far as possible within the scope of economic and technical possibilities and through well-thought-out processes. Our responsibility in dealing with the environment, energy and resources requires that we identify and assess significant environmental and energy issues and that we meet defined environmental, energy and OH&S targets.

Material balances for Munich

Input								
		2014	2015	2016	2017	2018	2019	2020
Material								
Raw material: strip, wire	t	2.519	2.524	2.485	2.470	2.150	1.758	1.724
Semi-finished products	t	875	2.416	1.064	1.708	1.483	1.237	961
Process materials for production	t	300	284	296	280	238	148	143
Returnable packaging								
KLT returnable packaging	Stück	112.000	125.500	130.000	139.350	130.500	130.500	128.500
Metal container returnable packaging	Stück	8.350	8.650	8.850	8850	8.850	8.850	8.850
Cardboard packaging	Stück	157.862	167.583	187.958	162.322	166.573	134.636	109.920
Water								
Spring water	103 m3	393	393	414	424	423	407	378
Municipal water	103 m3	6	6	7	12	22	25	23
Process gas								
Nitrogen	10 ³ m ³	611	581	575,5	577,1	591,2	613,4	600,0
Carbon dioxide	10 ³ m ³	22,1	16,3	19,5	22,5	25,2	26,1	24,9
Propane	10 ³ m ³	1,8	1,8	2,8	1,8	0,9	1,8	0,8
Ammonia	10 ³ m ³	85,8	87,6	87,6	101,7	108,4	101,2	95,9
Methanol	10 ³ m ³	173	90	162,1	117,5	189,6	147,6	177,8
Power								
Electricity	GWh	10,868	10,933	10,872	10,929	10,302	9,235	8,610
Process natural gas	10 ³ m ³	1.180	1.142	1.013	1.060	939	803	834
Space heating: nat. gas	10 ³ m ³	111	111	138	139	113	150	148

Output								
		2014	2015	2016	2017	2018	2019	2020
Products								
	t	2920	4492	3092	3760	3.274	2.698	2.411
Waste								
requiring special supervision	t	964	823	790	754	621	539	543
requiring supervision	t	0	0	0	0	0	0	0
of which not requiring supervision	t	205	207	201	220	178	150	116
Steel waste [recycling]	t	474	448	457	418	359	297	274
Wastewater								
Dirty wastewater	10 ³ m ³	6	6	7	12	22	25	23
Rainwater / mixing system	%	42	42	42	42	42	42	42
Rainwater / seepage	%	58	58	58	58	58	58	58
Emissions								
CO ₂ , direct	t	2.554	2.554	2.357	2.457	46,67	48	46
CO ₂ , indirect	t	3.520	3.072	4.686	3.027	2.854	1.949	1.817
NO ₂ , direct	t	1,7	1,7	1,6	1,6	1,4	1,3	1,3
NO ₂ , indirect	t	8,2	8,2	8,2	8,2	7,7	6,9	6,5
SO ₂ , direct	t	0,0	0,0	0,0	0,0	0,0	0,0	0,0
SO ₂ , indirect	t	7,2	7,2	7,2	7,2	6,8	6,1	5,7

Material balances for Landsberg

Input								
		2014	2015	2016	2017	2018	2019	2020
Material								
Raw material: strip, wire	t	8.877	8.047	8.365	8.845	8.083	6.927	6.513
Semi-finished products	t	915	1.082	1.082	924	727	572	459
Process materials for production	t				135	105	101	99
Returnable packaging								
KLT returnable packaging	Stück	112.000	93.600	99.000	99.500	100.000	100.600	97.600
Metal container returnable packaging	Stück	8.350	600	600	600	600	600	600
Cardboard packaging	Stück	157.862	181.971	182.872	161.560	144.555	124.735	126.155
Water								
Spring water	10 ³ m ³	873	1.218	1.307	1.290	1.104	1.062	881
Municipal water	10 ³ m ³	4	4	6	7	7	6	6
Process gas								
Nitrogen	10 ³ m ³	750	759	870	929	939	658	743
Carbon dioxide	10 ³ m ³	1	1	3	3	3	3	3
Propane	10 ³ m ³	0	0	0	0	0	0	0
Ammonia	10 ³ m ³	16	21	21	22	23	18	18
Methanol	10 ³ m ³	867	782	1.017	1.036	1.015	803	708
Power								
Electricity	GWh	12,539	14,874	15,091	15,570	15,501	14,472	14,458
Process natural gas	10 ³ m ³	847	911	898	940	834	692	616
Space heating: nat. gas	10 ³ m ³	138	127	233	285	305	228	251

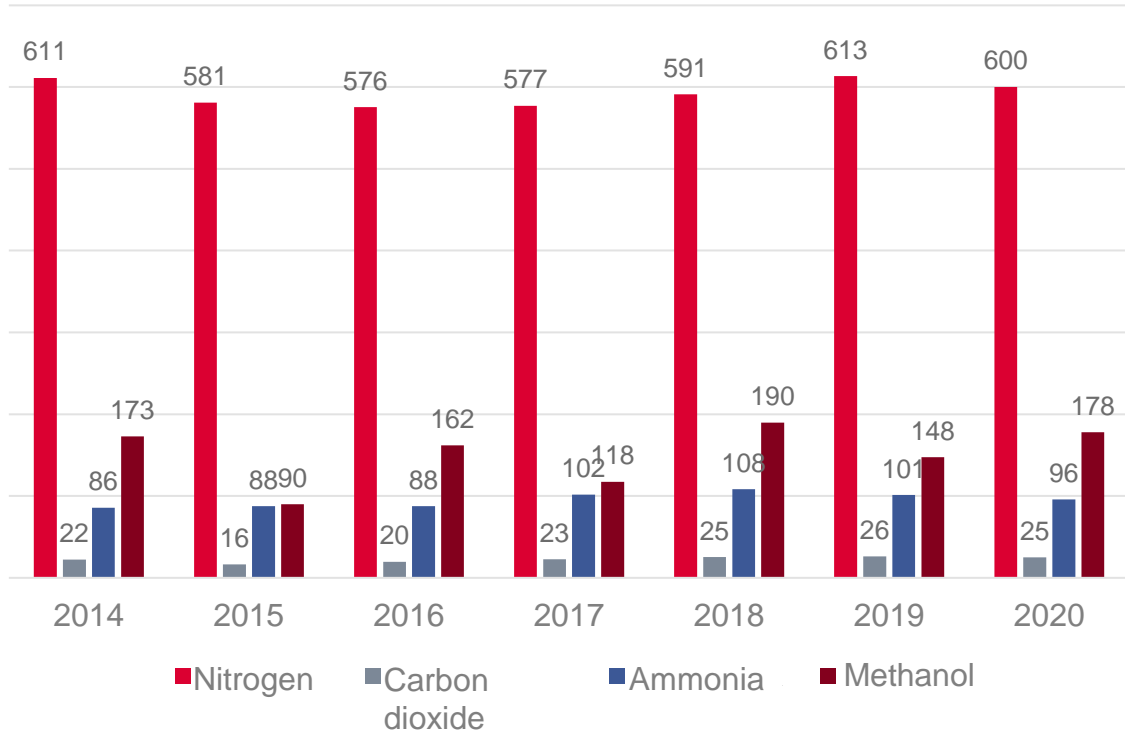
Output								
		2014	2015	2016	2017	2018	2019	2020
Products								
	t	5.116	4.935	5.201	5.189	4.653	3.883	3.491
Waste								
requiring special supervision	t	535	661,6	769	764	682	540	505
requiring supervision	t	0	0	0	0	0	0	0
of which not requiring supervision	t	152	186	188	264	209	223	159
Steel waste [recycling]	t	4.676	4.194	4.246	4.580	4.157	3.616	3.481
Wastewater								
Dirty wastewater	10 ³ m ³	4	4	6	7	7	6	6
Rainwater / mixing system	%	0	0	0	0	0	0	0
Rainwater / seepage	%	100	100	100	100	100	100	100
Emissions								
CO ₂ , direct	t	1.984,3	2.093,5	2.282,4	2.472,6	5,0	6,0	6,0
CO ₂ , indirect	t	4.789,6	4.179,7	4.859,2	4.312,9	4.293,8	3.053,6	3.050,6
NO ₂ , direct	t	1,3	1,4	1,5	1,7	1,6	1,3	1,2
NO ₂ , indirect	t	11,2	11,2	11,3	11,7	11,6	10,9	10,8
SO ₂ , direct	t	0,0	0,0	0,0	0,0	0,0	0,0	0,0
SO ₂ , indirect	t	9,8	9,8	10,0	10,3	10,2	9,6	9,5

Environmental protection in Munich

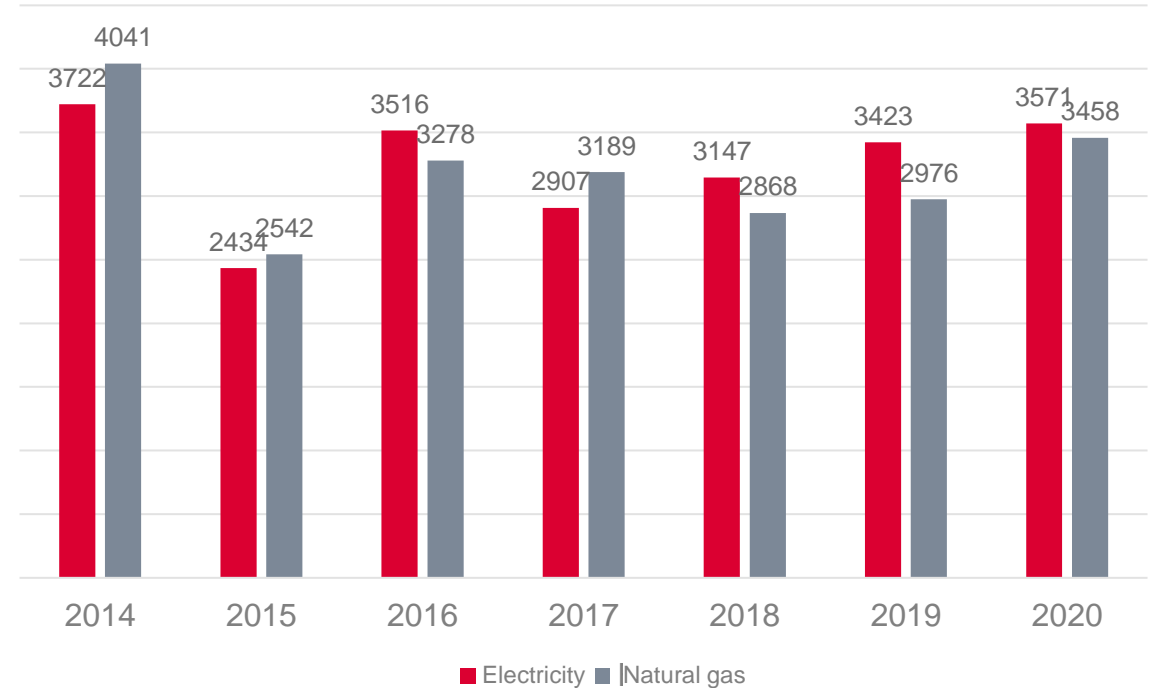
As can be seen from the materials balances, the production volumes and raw materials consumption in tonnes (raw materials + semifinished products) have fallen significantly compared to 2019.

The reasons for this lie in the fact that individual locations are supplied with prefabricated components internally and that the portfolio has shifted. The fact that energy consumption remains high is the result of maintaining capacity levels in the hardening and chromizing process and the process technology involved here. In other words, even when utilization of the plants is lower, a high amount of energy must be used to keep them ready for production.

Use of various process gases in Munich
(in Thousands of m3)

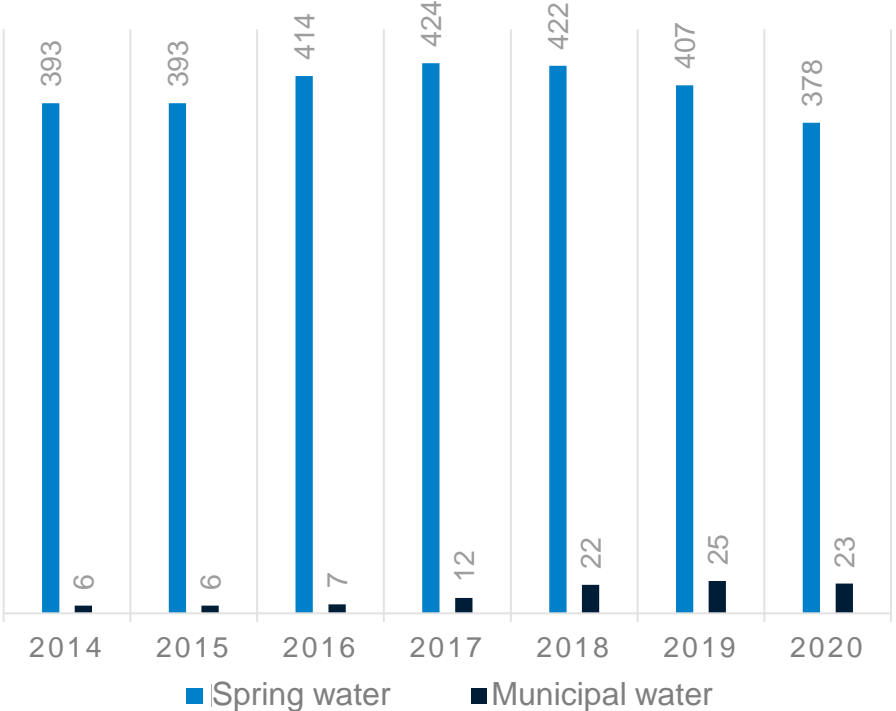


Specific energy requirements in Munich
(in kWh per tonne of output)

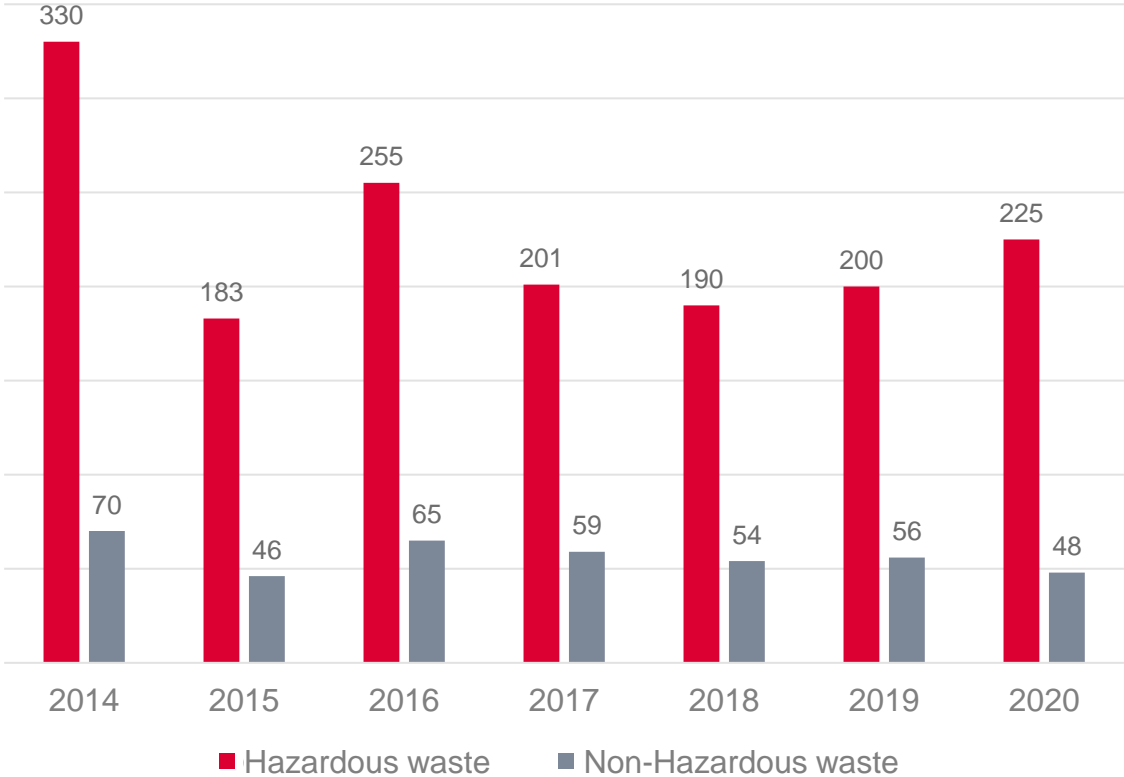


Environmental protection in Munich

Waterconsumption in Munich
(in thousands m3)



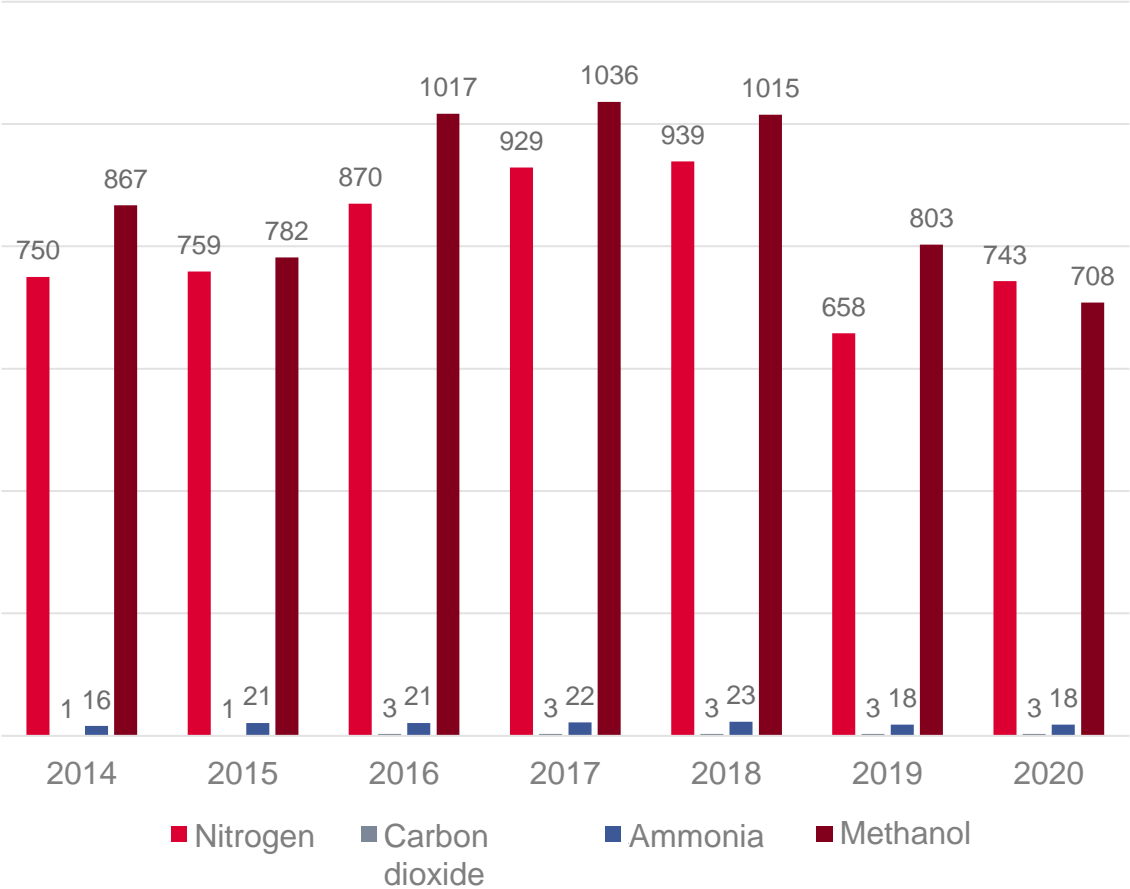
Specific waste volume in Munich
(in kilogrammes per tonne of output)



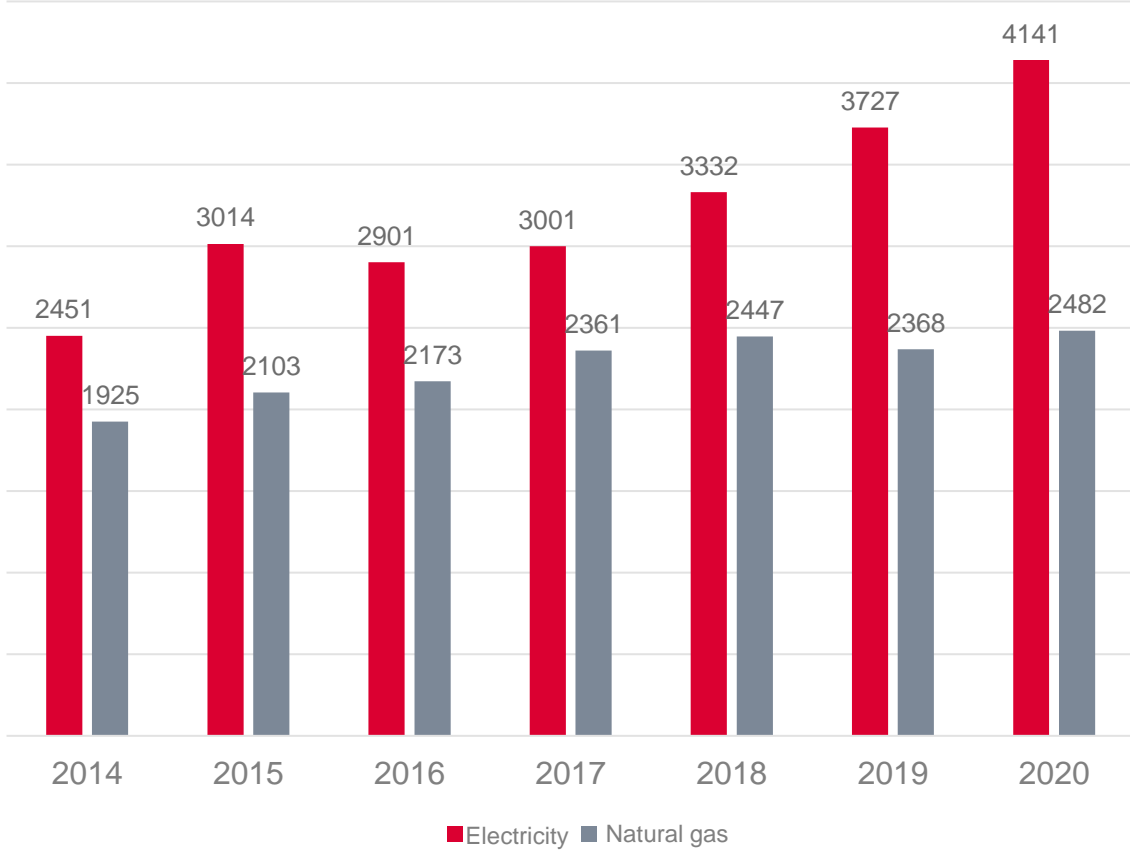
Environmental protection in Landsberg

At the Landsberg plant, production output in tonnes fell in 2019. This is due to lower market demand, which is in decline across the globe. Coronavirus pandemic.

Use of various process gases in Landsberg
(in thousands of cubic meters)

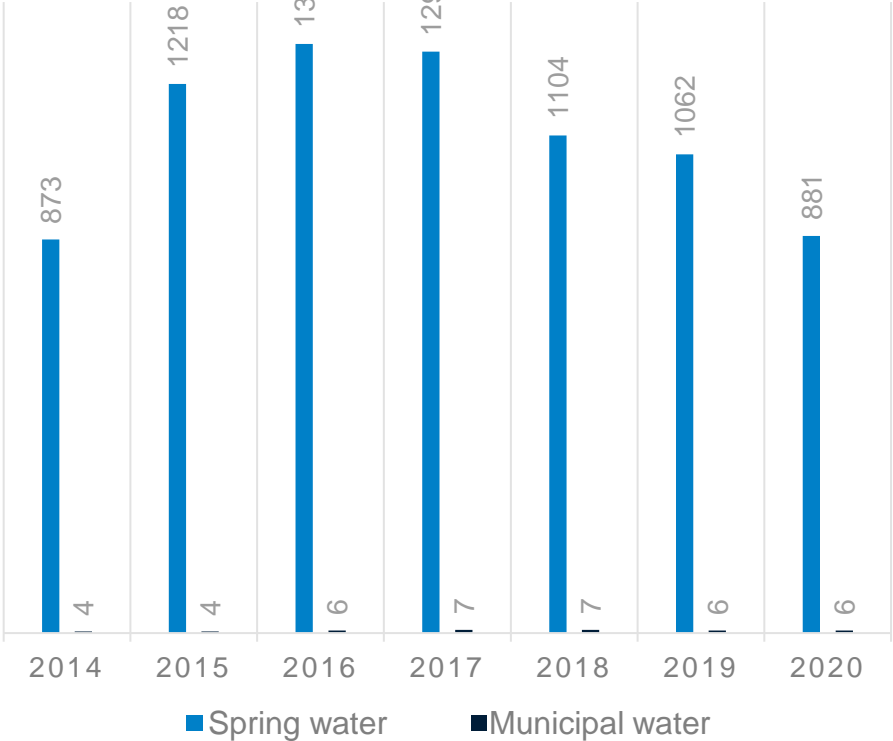


Specific energy requirements in Landsberg
(in kWh per tonne of output)

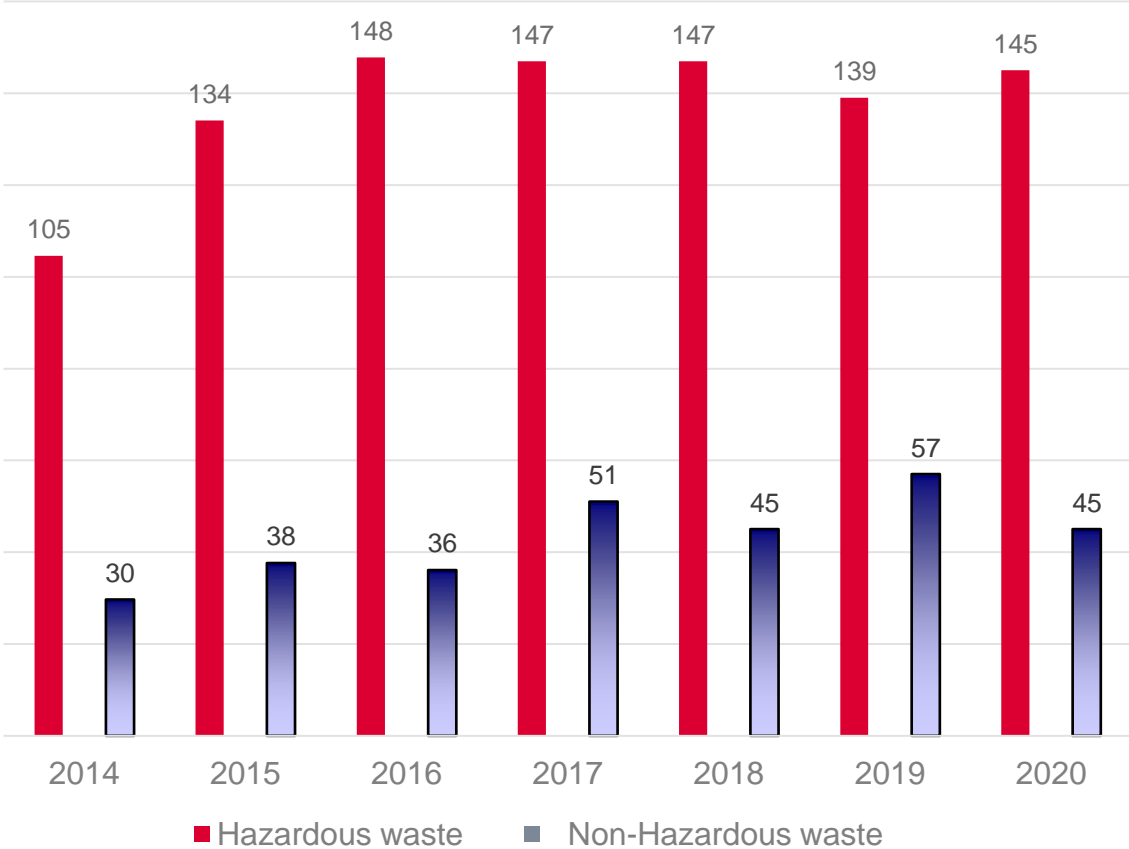


Environmental protection in Landsberg

Water consumption in Landsberg
(in thousands of m3)



Specific waste volume in Munich
(in kilogrammes per tonne of output)



iwis environmental goals 2021-2030

The environmental goals have been defined for the relevant functional areas and levels. Significant environmental issues and associated binding obligations on the part of the organization, as well as the risks and opportunities, have been taken into account.

Strategic goals	Operational goals	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Comments
1. Compliance with legal requirements, compliance obligations, emergency preparedness and response	1.1. Compliance with legal requirements	100%, ongoing process s. also OH&S Objectives										
	1.2. Compliance with other requirements (compliance obligations)											
	1.3. Emergency preparedness and response											
2. Reduction of energy consumption	2.1. Reduction of energy consumption	-6%	-8%	-10%	-12%	-14%	-16%	-18%	-20%	-22%	-24%	cumulative
	2.2. Use of waste heat	Improvement compared to the previous year										yearly
3. Reduction of resource consumption	3.1. Reduction of raw material consumption	- 2 % p.a. to BY 2018 (specific)										cumulative
	3.2. Reduction of operating materials consumption											
	3.3. Reduction of operating water consumption											
	3.4. Reduction of paper material consumption (paperless office)											
4. Reduction of CO2 / GHG emissions, iwis climate neutrality strategy	4.1. Reduction of CO2 / GHG emissions	-7,05%	-9,40%	-11,75%	-14,10%	-16,45%	-18,80%	-21,15%	-23,50%	-25,80%	-28,20%	cumulative
	4.2. iwis climate neutrality strategy	minus 28,2 % CO2 in 2030 (BY 2018), iwis CO2-neutral worldwide in 2050										Goal 2030 - according to the Climate Protection Act
5. Reduction of local phenomena (noise, vibrations, odors, dust), ergonomics at workplaces	5.1. Reduction of exhaust air impact	Improvement compared to the previous year s. also OH&S Objectives										yearly
	5.2. Reduction of dust and vapor pollution											
	5.3. Reduction of oil mist pollution											
	5.4. Reduction of the noise impact											
	5.5. Ergonomics at workplaces											
6. Reduction of waste	6.1. Reduction of waste	Improvement compared to the previous year (spezifisch und absolut)										yearly
	6.2. Reduction of the percentage of hazardous waste											
7. Employee awareness	7.1. Environmental training, seminars, instruction	100%, ongoing process s. also OH&S Objectives										yearly
	7.2. Communication process											

The scope extends over :

- ∞ Munich (iwis motorsysteme GmbH & Co. KG, iwis antriebssysteme GmbH & Co. KG, iwis SE & Co. KG (Joh. Winklhofer Beteiligungs GmbH & Co. KG))
- ∞ Landsberg (iwis motorsysteme GmbH & Co. KG)

CO₂-Reduction

Customer benefits



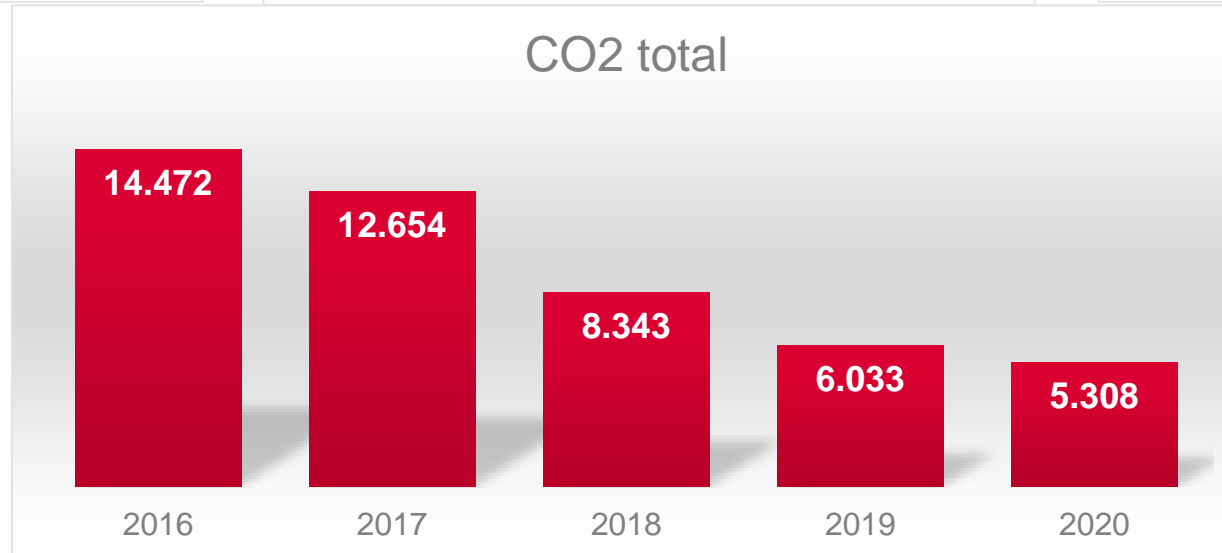
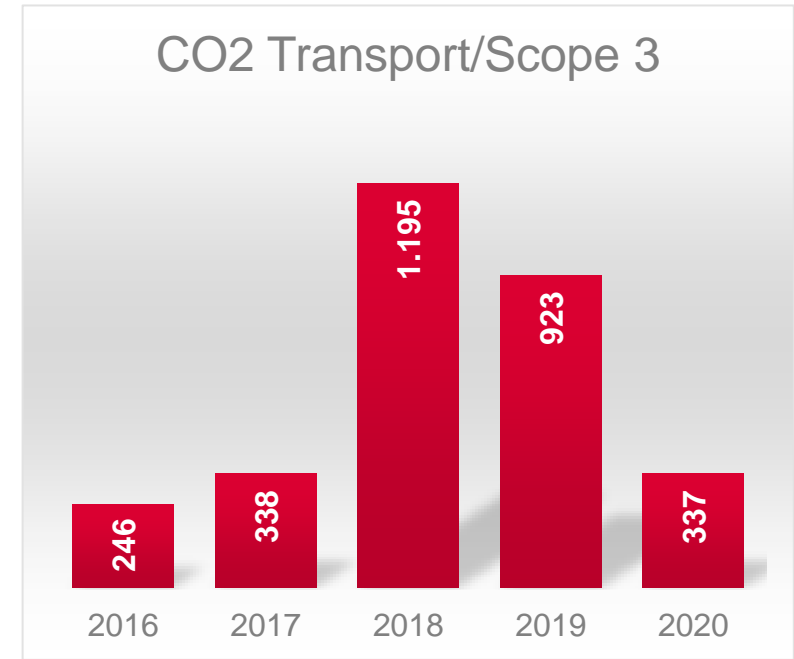
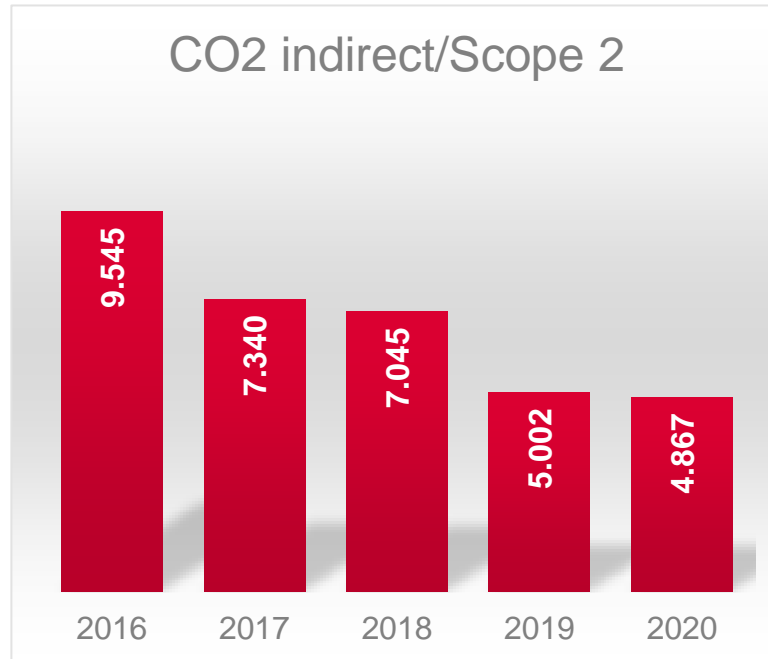
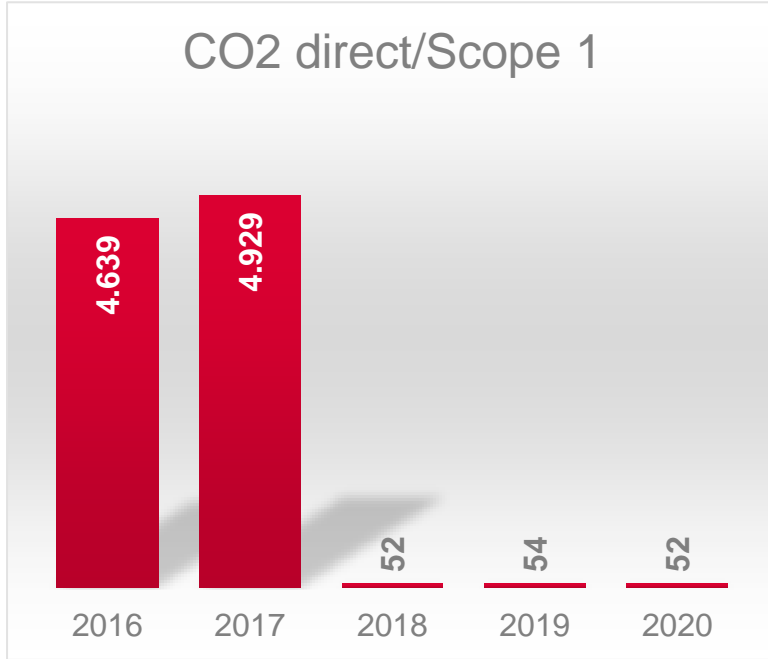
- Excellent capacity for innovation to meet future technical challenges such as reducing CO₂emissions.
- As suppliers of system and development services to the automotive industry, extensive development expertise in calculating, designing, testing and mass-producing valve train mass balancing and oil pump drives – tried and tested in over 150 engine development projects worldwide.
- Efficient customer-focused project organization with powerful key account management system.
- Outstanding value chain from suppliers through to end customers thanks to our worldwide integrated supply chain management and effective logistics concept



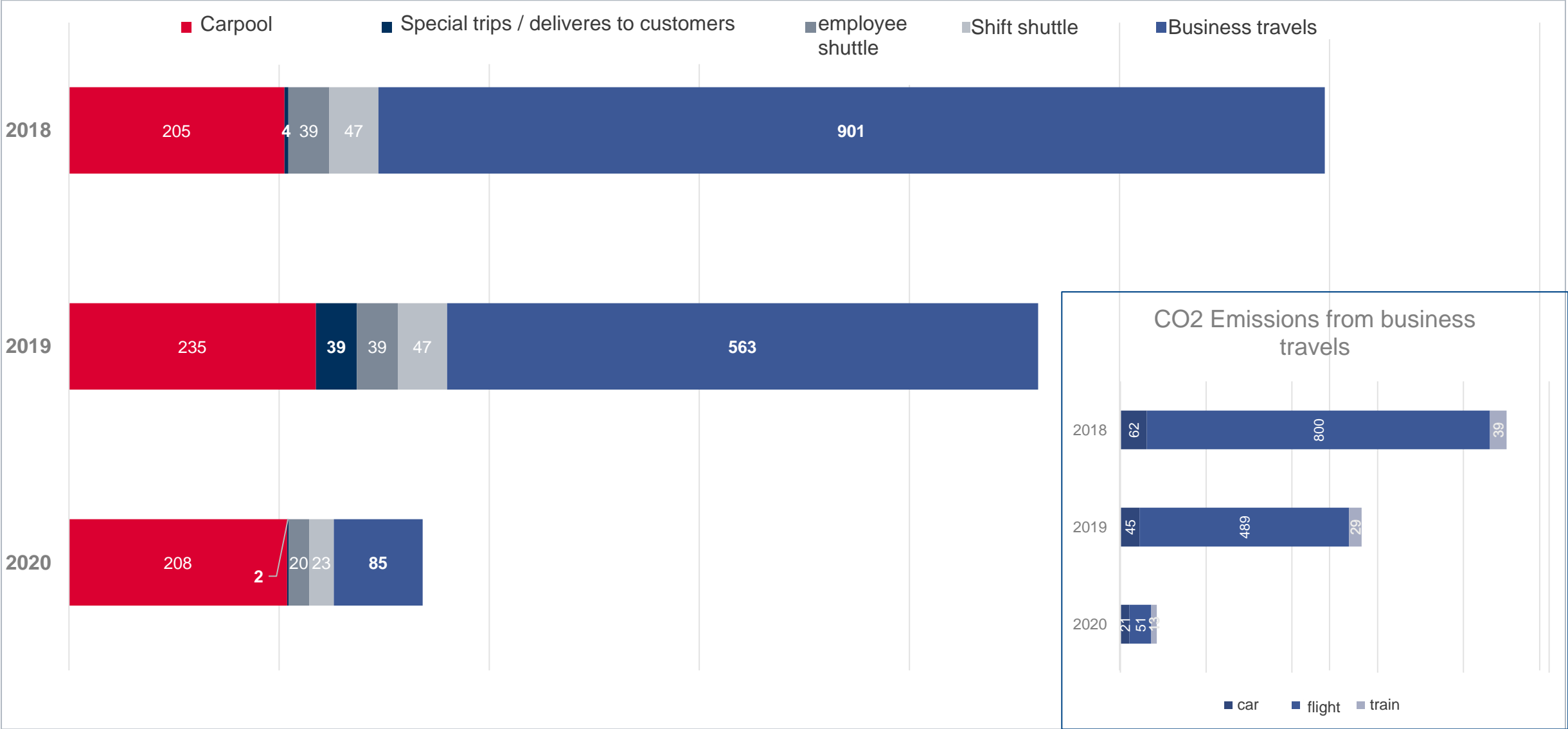
Our route to CO₂-neutral production

- Many companies are taking steps to become CO₂-neutral when manufacturing their products. This is good for their image - and is increasingly becoming a decisive competitive factor: Carmakers are specifically choosing suppliers who are role models in respect of CO₂.
- As a leading manufacturing company, iwis is also pursuing the clear goal of reducing the environmental impact of its business activities to an absolute minimum. In doing so, the company places particular emphasis on minimizing its own CO₂ balance.
- In preparing its CO₂ balance, iwis strives to calculate and report all relevant greenhouse gas emissions. Alongside direct emissions from combustion processes (Scope 1) and emissions from purchased electricity (Scope 2), other indirect emissions are also included in the calculation. Since 2018, we have included not only company vehicles in the Scope 3 calculation, but also the employee and shift shuttles, deliveries to customers and business travel.
- iwis is confident that it is on the way to CO₂-neutral production. As can be seen from the charts, our CO₂ balance has improved in all three areas between 2016 and 2019. This is particularly marked in the case of direct emissions from combustion processes. In contrast to the 4639 tonnes of CO₂ in 2016, iwis only caused 52 tonnes of direct CO₂ emissions in 2020. This improvement resulted from the purchase of certified CO₂-neutral natural gas.
- Further measures on the path to CO₂-neutral production will also be implemented in the coming years.
- In 2021 iwis is planning to set up the GHG-Report, according to DIN EN ISO 14064-1 and determine the complete CO₂ footprint, formulate the exact climate goals and then to realize the greenhouse gas reduction.

CO2-Footprint

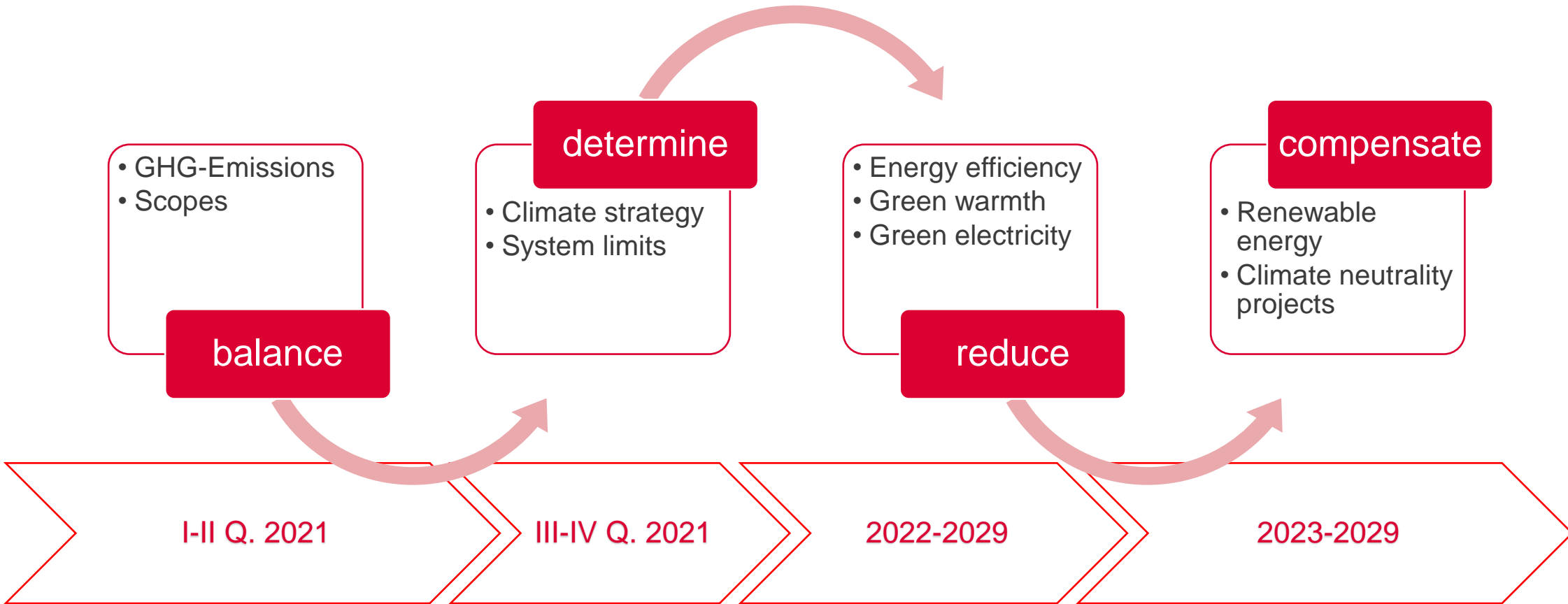


CO2-Scope 3 in detail



Our route to CO₂-neutral production

In 2021 iwis is planning to set up the GHG-Report, according to DIN EN ISO 14064-1 and determine the complete CO2 footprint, formulate the exact climate goals and then to realize the greenhouse gas reduction.



A- Rating of the CDP

An accolade for climate protection: iwis is included in the extended "A-list" of the environmental organization CDP with an "A-".

- **Cooperation with CDP: Many advantages for companies**
- A very special award confirms the efforts of iwis to act in an environmentally friendly and sustainable manner: The environmental organization CDP (Carbon Disclosure Project) rated iwis engine systems with an "A-". We attach great importance to keeping our environmental impact as low as possible.
- Over 9,600 companies with a share of 50% of global market capital disclosed environmental data through CDP in 2020 - including iwis. From a company perspective, working with CDP offers a clear competitive advantage for iwis: it can help keep ahead of changes in legislation and policy, identify and address growing risks, and spot new opportunities for action that investors and customers around the world are demanding.
- **iwis at the top of the rating scale**
- The rating scale consists of eight levels from A to D-. Inclusion in the CDP's "A-list" is considered a kind of accolade for companies that make an effort to protect the climate. For 2020, a total of 19 German companies are included in the A-list, which comprises 317 companies worldwide. Although the number of companies disclosing their data to the CDP is growing steadily, only a minority are still included in the A-list. Most of the companies assessed by CDP only achieved a C or D rating.
- iwis engine systems received an "A-" rating, which is in the leadership range. This is higher than the regional European average of B- and higher than the Powered machinery sector average of B-. iwis is thus among the 30% of companies that achieved the Leadership level in their group (examples of companies on the A list in the same group include Cargotec Corporation, CNH Industrial NV, Cummins Inc. and Komatsu Ltd.).



Operational environmental protection

Compliance management of our obligations

PAUL – To provide a legal directory for environmental management, energy management and occupational health and safety, QUMsult summarizes the applicable legal regulations, provides core information on each regulation and change and makes this available to us on the Internet via the web-based platform PAUL (German acronym for "platform for occupational health and safety and environmental law").

PAUL provides iwis with an easy way to create, update and manage a tailored, location-specific legal directory covering our legal obligations.

The PAUL legal register contains more than 1200 regulations, prepared for business use, from the EU, the federal government and the federal states of Germany, covering environmental, energy and occupational health and safety legislation (ordinances, directives, implementation resolutions, laws, technical regulations, statutes, etc.).

Operational environmental protection

Management of hazardous substances using software

WebSARA provides iwis with a tool for hazardous substance management (hazardous substance index / hazardous substance register / operating instructions). It is Web-based and offers all employees at all locations access to the central hazardous substance register, which is always up-to-date. Evidence can be provided to certification bodies and supervisory authorities at any time and processes can be controlled and documented.

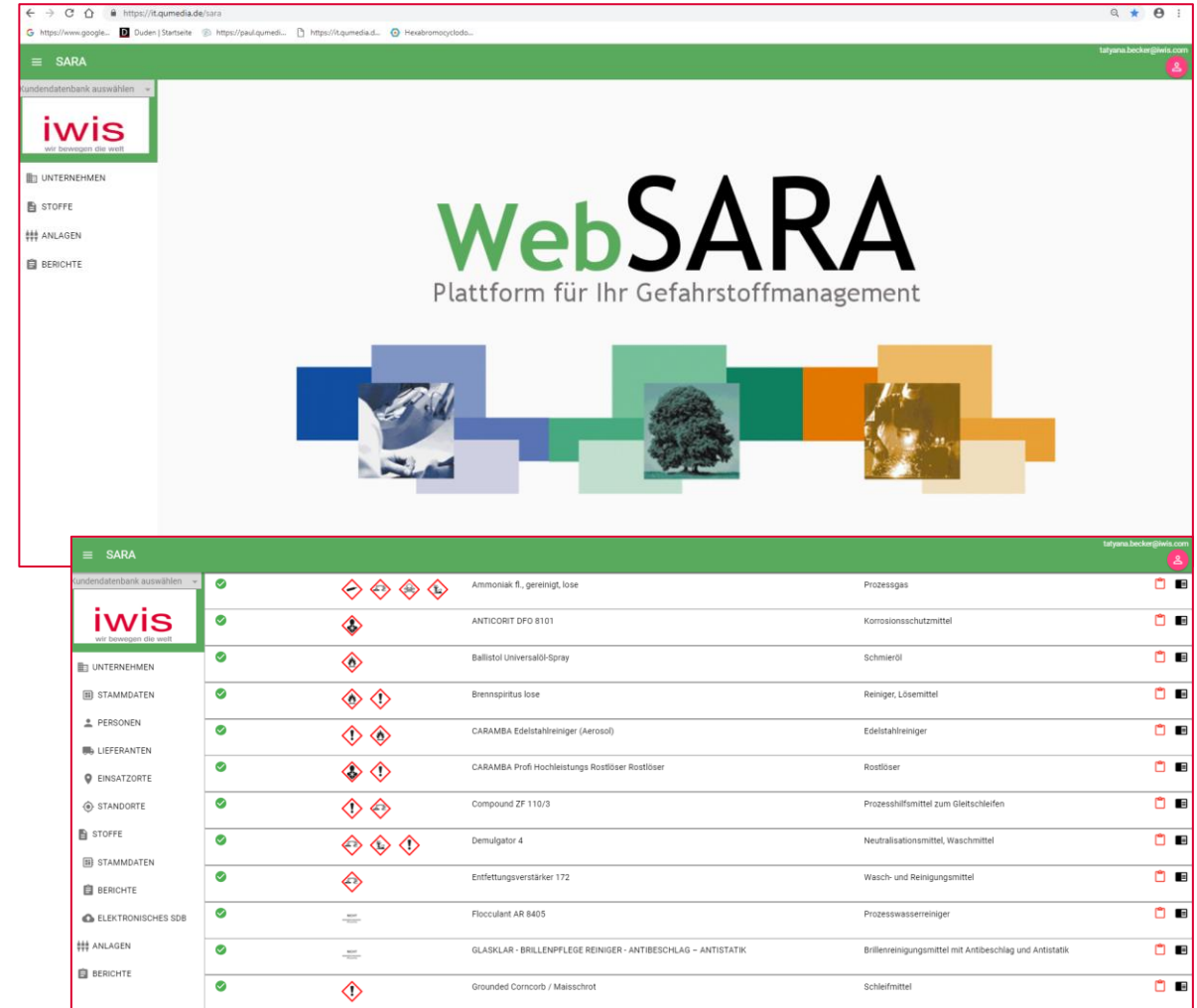
The WebSARA software allows all relevant data on hazardous substances to be recorded in a hazardous substance register. iwis can organize the approval of substances, create operating instructions according to the Ordinance on Hazardous Substances / GHS / CLP and implement current statutory requirements.

WebSARA also includes the GHS column model and thus provides support when searching for the right substitute. Places of use, material properties, formulations and the approval procedure can all be documented.

Requirements from the German Hazardous Incident Ordinance have also been integrated: When recorded data is exported, a calculation tool fills in the data on substances that is relevant to incidents, including the quantities used.

The application is compliant with the Ordinance on Substances Hazardous to Waters (AwSV) 2017 and fulfils all AwSV operator obligations with regard to system documentation, including simple output of data sheets (A systems, heating oil consumer systems) or operating instructions (from B systems).

In this way, iwis implements the Hazardous Substances Ordinance (GefStoffV) and fulfils the AwSV operator obligations.



Operational environmental protection

Reusable instead of disposable

We consume an average of 165,000 disposable cups per year at our Munich and Landsberg locations alone. Each cup costs 0.03 euros (a total of almost 5000 euros) and also has a negative impact on our environment.

Fresh trees still have to be felled to produce paper cups. Furthermore, a standard paper cup is also made up of about five percent plastic. Production causes high levels of CO2 emissions, which contribute to climate change.

Many used disposable cups for hot drinks are thrown away carelessly, littering streets and public places and polluting the natural environment.

iwis has already started replacing disposable cups with reusable ones at all German locations. To this end, an insulated cup with lid will be given to all employees.

Jeder
Einwegbecher
ist ein Becher
zu viel!



*Nachhaltigkeit
lohnt sich!*

Operational environmental protection

Environmental and Energy management audits

Regular assessment of environmental aspects and the implementation of necessary measures ensure the desired results. All impacts on the environment, environmental performance and the company's environmental targets are reported annually in an external audit. The information is checked for compliance with DIN ISO 14001 and DIN 50001 by an independent certification body. The new DIN ISO 50001:2018 standard has been in force since 21 February 2020. The new standard stipulates more stringent requirements in respect of energy management than before. iwis was accredited under the new standard in December 2019.





- iwis SE & Co. KG
- iwis motorsysteme GmbH & Co. KG
- iwis antriebssysteme GmbH & Co. KG

▪ Albert-Roßhaupter-Str. 53
81369 Munich
Telefon: 089/ 76909 1112
Telefax: 089/ 76909 1245

▪ Celsiusstr. 19
86899 Landsberg / Lech
▪ Telefon: 08191/ 9155 3150

▪ www.iwis.com



The scope of the report covers
Germany - Plant München
- iwis motorsysteme GmbH & Co. KG
- iwis antriebssysteme GmbH & Co. KG
- iwis SE & Co. KG
Germany - Plant Landsberg
- iwis motorsysteme GmbH & Co. KG