

SUSTAINABLE TARGETS

THE RHI SUSTAINABILITY PROGRAM 2014

TARGET DEFINED IN 2013	TIME FRAME	TARGET ACHIEVEMENT / INTERIM STATUS 2014	TARGET DEFINED IN 2014	TIME FRAME
COMPANY AND SUSTAINABILITY MANAGEMENT				
ECONOMIC SUCCESS				
Increasing revenues to up to EUR 3 billion	2020	Revenues 2014: EUR 1.721 billion	Continuation of target	2020
Increasing EBIT margin to 12% or higher	2020	EBIT margin 2014: 6.4%	Continuation of target	2020
Further increase in the level of self-supply with magnesia raw materials in parallel with RHI growth strategy	ongoing	Target met: the level of self-supply with magnesia raw materials was at the planned level	Continuation of target	ongoing
COMMUNICATION				
Measures to update the group of topics of Vision/Strategy/Values	2014	Target met: a video with the CEO of the RHI Group was made regarding the group of topics of Vision/Strategy/Values, the video was communicated internally		
Expanding employee magazine "RHI it's me" per issue	2014	Target met: the number of pages per issue was slightly increased		
NEW			RHI image campaign	2014/2015
COMPLIANCE				
Continuation of training measures on the topics of the Code of Conduct and expansion of group of persons	ongoing	Roughly 100 employees participated in the trainings. The group of persons was expanded, besides managers, employees without management responsibility were trained as well.	Continuation of training measures on the topics of the Code of Conduct	ongoing
Continuation of training measures on all relevant compliance topics	ongoing	Trainings were held on topics such as antitrust law and information security.	Continuation of training measures as well as expansion of training offers on topics such as export controls and data security Additional support through e-learning systems	ongoing
Definition of the corresponding work packages and setting-up of the working group on the topic of human rights	2014	Protection of human rights is part of the responsibility of the operative management. The importance of human rights is thoroughly conveyed during regular compliance trainings. In addition to that, employees may report violations of their rights via the compliance helpline. Taking these measures into account, RHI currently does not plan to set up a working group.		

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NEW			Expansion of the compliance helpline through various multilingual communication channels (telephone hotline, web portal, email)	2015/2016
SUSTAINABILITY MANAGEMENT				
Systematic recording of sustainability performance based on the indicators of the Global Reporting Initiative (GRI)	annually	Target met: reporting in accordance with the GRI G4 Guidelines (In accordance - Core)	Continuation of target	annually
Publication of a sustainability report in accordance with GRI	annually	Publication of the third sustainability report in accordance with the GRI Guidelines in Q3 2014	Presentation of the sustainability topics in the Annual Report and thus publication of a combined Annual and Sustainability Report	annually
NEW			Revision of the sustainability strategy as well as definition of concrete projects and measures with regard to the key areas of sustainability	2015
STAKEHOLDER DIALOGUE				
Broad-based information of stakeholders through sustainability report	ongoing	Target met: publication of the third sustainability report and distribution to stakeholders	Broad-based information of stakeholders through the combined Annual and Sustainability Report	ongoing
Continuation of stakeholder dialogue	2014	In the year 2014, the focus was laid on the revision of the sustainability strategy and on the preparation of a combined Annual and Sustainability Report. The stakeholder dialogue will be continued in 2015.	Continuation of stakeholder dialogue	2015
Considering stakeholder feedback in the sustainability process	ongoing	A workshop was held in Q2 2014 with the participation of internal stakeholders for the purpose of revising the sustainability strategy.	Continuation of target	ongoing
Update of materiality matrix including check of material aspects	annually	The materiality matrix was prepared in 2013. In the year 2014, the focus was laid on the revision of the sustainability strategy and on the preparation of a combined Annual and Sustainability Report.	Revision of main topics and aspects	2015

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PRODUCT RESPONSIBILITY AND QUALITY MANAGEMENT				
Control of raw materials used and replacement of substances that are ecological or health hazards with innovative substances	ongoing	ongoing implementation	Continuation of target	ongoing
Recording safety data sheets of suppliers for Austria and Germany in a central database as well as evaluation	ongoing	ongoing update of the safety data sheets and substances recorded	Continuation of target	ongoing
Further enhancement of quality standards	ongoing	Recertification of the Quality Management System according to ISO 9001:2008 for the years 2015-2017; Planning of a group-wide CIP (continuous improvement process) tool as well as that of the improvement of complaint management	Continuation of target	ongoing
Expansion and regular systematic surveys on customer satisfaction; surveys on customer satisfaction in Business Unit Environment-Energy-Chemicals, Regions CIS and NENA, completion of the project with presentation of results to Management Board	2014	Target met: presentation of results to Management Board, definition of derived improvement measures, implementation takes place within the respective units		
ENVIRONMENT & ENERGY				
MANAGEMENT AND CERTIFICATION				
ENERGY				
Certification according to ISO 50001:2011 at all German locations	2014	Target met: all German production sites have been externally certified according to ISO 50001:2011.		
Introduction of a certifiable system (without certification) at the European plants	2015	The internal management system was introduced at the plants Trieben, Austria and Porsgrunn, Norway.	Introduction of the internal management system at the Austrian plants Breitenau, Hochfilzen, Veitsch and Radenthein as well as in Eskisehir, Turkey and in Bayuquan, China Execution of audits at all Austrian production sites as well as in Porsgrunn, Norway	2015

TARGET DEFINED IN 2013	TIME FRAME	TARGET ACHIEVEMENT / INTERIM STATUS 2014	TARGET DEFINED IN 2014	TIME FRAME
Reduction of specific energy consumption by 5% (in relation to specific energy consumption prior to the introduction of the energy management system) through process optimization, use of optimal aggregates and energy sources and optimization of energy costs, specific energy savings of 5% in EUR/t (basis 2012)	2015	Target met for its most part at plants where energy efficiency analyses were performed and where the energy management system was introduced.	Continuation of target in the course of introduction of the internal management system	2015
Continuation of trainings at site level on the topic of energy efficiency	ongoing	Trainings were held in the course of introduction of the internal management system.	Trainings are held in the course of introduction of the internal management system, target is no longer defined as a separate goal.	
Introduction of standardized environmental reports at the remaining RHI plants	2015	Target met: at the end of the year 2014, environmental reports were introduced at all production sites, the reports will be updated annually.		
WASTE & RECYCLING				
Utilization of 200,000 tons of recycled material	2020	Increase in recycling materials used by 7.4% to roughly 87,500 tons (2013: approximately 81,500 tons), this corresponds to a recycling share of 5.5% of total production (2013: 5.4%)	Target is being reviewed due to economic developments and the availability of recycling materials.	
Increase in share of near net shape production for isostatically pressed products	ongoing	All suitable products were produced in appropriate form "semi as-pressed".	As far as possible, all new products are produced near net shape.	ongoing
Increasing the share of Stretchhood packaging units shipped to 80% of all packaging units shipped for a further reduction of waste and gas consumption	2014	823.343 packaging units shipped with the Stretchhood method (77% of all packaging units shipped); target of 80% was missed by a slight margin due to special customer requirements	Increasing the share of Stretchhood packaging units shipped to 85% of all packaging units shipped for a further reduction of waste and gas consumption	2015
Continued focus on minimization of packaging material by increasing packing weight through changeover to six and seven layers	2014	Decrease in share of six and seven-layer palletizing from 67% to 64% due to fewer corresponding customer orders, target of 62% was still exceeded	Continuation of target to maintain the share of six and seven-layer palletizing at 62%	ongoing

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TRANSPORT				
Continuation of an SAP project to activate the evaluation of route segments, extension to data collection throughout the Group	2014/2015	The analysis of the current state of processes has been started with the purpose of deriving process improvements from the analysis, including measures for data collection throughout the Group.	Continuation of the analysis as well as definition of a strategy for the implementation of necessary measures	2015/2016
Reduction of 1:2 transshipments for railway in the CIS region to 15%	2014	1:2 transshipments for railway in the CIS region were reduced to 3.2%. Target of reduction to a share of 15% was clearly exceeded.	Evaluation of 1:2 transshipments for the year 2015 to determine process control. As an optimum has already been achieved, no further measures are set. Share of 1:2 transshipments has to fall below a threshold of 10%.	2015
Targeted reduction of empty journeys (FOB, Free on Board deliveries) by another 2% (2013: 18.9%, reduction by 8.12% compared to 2012)	2014	Target not met, the FOB deliveries increased by 3.2%. The transport logistics department only has a small scope of influence on customer requirements and thus on the result.	Targeted reduction of empty journeys (FOB, Free on Board deliveries) by 2.5% compared to 2014 (2014: 22.1%)	2015
Increase in intermodal transport for deliveries from Austria to Germany, France and Great Britain to 10%, and from Germany to Italy, Spain and Austria to 10% (measured against overall transport)	2014	Target regarding the share of intermodal transport from Germany was exceeded (15.7%). From Austria only a share of 2.25% was achieved due to the lacking flexibility of short notice transport demands as well as to the transport market situation.	Target will not be pursued due to the lacking flexibility of short notice transport demands as well as to the transport market situation.	
NEW			Preparation of an optimal logistics concept for deliveries from Eskisehir, Turkey in the CIS region	2015
ENVIRONMENTAL PROTECTION & EMISSIONS				
Start of the optimization process related to the projects implemented in 2013 to reduce emissions (adjustment to different production conditions – capacity utilization)	2015	Target met: the optimization process was implemented and completed		
Development of best practice approaches for the reduction of diffuse dusts (created during transport / treatment of material)	2017	As a result of the pilot project started in 2013 best practice approaches and proposed solutions to reduce diffuse dust were applied at several production sites as part of the internal knowledge transfer.	Continuation of target	2017

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Concept of a baseline report (ground water) in accordance with Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control)	2016	Setting up of a database of substances and carrying out a substance-based delimitation. In addition, a geographical delimitation was performed in Austria.	Preparation of a draft monitoring concept	2017
EMPLOYEES				
HEALTH AND SAFETY				
Certification according to OHSAS 18001 is planned for another 8 production sites.	2014	At the end of 2014 altogether 22 production sites were certified according to OHSAS 18001. Certification of some of the sites were postponed to 2015 due to capacity utilisations, implementation of other projects, etc.	Certification of 5 locations	2015
Reduction of work accidents, RHI should be accident-free by 2017	2017	The accident rate could be decreased to 2.69 (2013: 2.98).	Continuation of target to be accident-free by 2017	2017
Establishment of H&S committees at all locations worldwide, which represent employees' interests	ongoing as part of OHSAS implementation	Just like last year, roughly 81% of the RHI Group's employees were represented in 2014 in formal employer-employee committees on health and safety topics. In production, roughly 92% of the employees were involved in such committees.	Target is no longer defined as a separate goal, target will be continued as part of the OHSAS implementation	
ORGANISATIONAL DEVELOPMENT				
<ul style="list-style-type: none"> • Personnel planning, succession planning, structural position evaluation (turning away from reporting levels – towards management level) with the objective of transparency in filling positions and in remuneration • Worldwide establishment of new media for learning, adaptation to changing values resulting from generational changes (Generation Y) • Central control and harmonization of policies 	2020	<ul style="list-style-type: none"> • Development of concepts concerning personnel planning as well as evaluation of positions and their assignment to management levels throughout the Group • Preparation of a company agreement regarding the topic of e-learning and development of online learning media 	<ul style="list-style-type: none"> • Introduction of personnel planning, position evaluation and assigned management levels throughout the Group • Introduction of e-learning in Austria in 2015, gradual rollout in 2016-2017 	2015

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EQUAL OPPORTUNITIES				
<ul style="list-style-type: none"> • Master's thesis: Analysis: Management/ expert positions in part-time • Bachelor's thesis: equal opportunities at RHI AG • Further expansion of the network of female technicians to other locations and externally 	2014	<ul style="list-style-type: none"> • Preparation of the master's thesis and bachelor's thesis • Establishment of the network of female technicians at the Vienna office • Participation in the program "Women in leadership positions" (practical exchange with leading companies on the topic of equal opportunities) 	<ul style="list-style-type: none"> • Definition of topics and initiatives in the context of the network of female technicians and rollout of the network to other locations • Participation in the program "Alliance for a family-friendly Austria" 	2015
PERSONNEL DEVELOPMENT				
Further rollout and implementation of target-group specific development programs	2014/2015	New programs such as the "Management of Production Units Program" and the "Finance Development Program" were developed and already partly started in line with demands. The launch of the Sales Programs was postponed due to inadequate current demands.	Further rollout of the target-group specific development programs	ongoing
Conclusion of the ongoing "Future Circles" program with the current participants and implementation of a new nomination process and participant identification for the next 2 years	2014	The first cycle of the program was completed successfully with 98 participants, a new nomination round was held at the end of 2014 for the years 2015-2016.	Launch and implementation of the second cycle of the two-year "Future Circles" program with 83 identified participants	2015-2016
Continuation of the Shopfloor Leadership Program for (young) managers in production	ongoing	9 participants from Austria and Germany completed the program successfully in 2014, a new group was started with 11 participants.	Rollout of the program to other locations such eg. in China	ongoing
Further intensification of exchange of Austrian and German apprentices in the European region	ongoing	In the year 2014, 15 apprentices participated in a national or international exchange program.	Continuation of target	ongoing
Positive apprentice diploma: 100% of apprentices; fixed employment for apprentices after completion of apprenticeship	ongoing	In 2014, 84% of the apprentices in Austria received a fixed employment contract after completing their apprenticeship.	Continuation of target	ongoing
NEW		Compilation of an international training catalogue	Update of the international training catalogue	annually

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RECRUITING				
Further promotion of internal succession and implementation of a structured succession planning process	ongoing	<ul style="list-style-type: none"> • Key positions inter alia in the areas of controlling, supply chain management, product management, finance and operations were filled internally • Implementation of a succession planning process for the top 100 positions throughout the Group 	Continuation of target, update of succession planning	ongoing
<ul style="list-style-type: none"> • Global focus of onboarding process • Increased positioning of HR topics in the employee magazine • Continued focus on transparency when filling positions internally 	ongoing	<ul style="list-style-type: none"> • Presentation of the Austrian onboarding process at the group-wide human resources conference in September • Developing a regulation together with the Management regarding internal succession 	Continued focus on transparency when filling positions internally in compliance with the newly developed internal regulation	ongoing
SOCIAL COMMITMENT				
Implementation of the Youth Employability Program to improve qualifications for the labor market at the RHI sites in Eskisehir, Turkey and Ramos Arizpe, Mexico	2016	<ul style="list-style-type: none"> • Mexico: as of autumn 2014 170 apprenticeship positions in 16 companies (target to train 25 apprentices per year was exceeded) • Turkey: gap analysis of the existing courses in three vocational high schools was completed, revision of curricula has been started. 17 companies were actively involved in 2014 in the "Eskişehir Cluster for Employability". 	Continuation of target	2016