

CORPORATE RESPONSIBILITY

■■ KEY FIGURE UPDATE 2019

Dear readers

In autumn 2016 we published our second Sustainability Report in which we stated our corporate responsibility in detail and transparently. We further announced that we would be examining and updating our strategy as well as our Codes of Conduct for employees and business partners. We have started this process and we are very aware of the complex requirements and questions involved. In parallel to this we are experiencing a period of upheaval and change - externally as well as within our own corporate group. We face an exciting yet also a challenging time.

Our customers continue to remain the focus of our further developments. We want to communicate with our customers in a spirit of partnership on an equal footing. And this is why we have taken the decision to bring together our sustainability activities under the established term of Corporate Responsibility (CR). As in the past we understand this term to mean responsible, future-oriented corporate management through which we proactively create new markets.

Our future-orientation also means that we question what already exists and pursue new approaches. In light of this, we are currently revising our existing sustainability strategy with a new CR vision and specific sustainability objectives. We are aligning these to established standards including the UN Sustainable Development Goals (SDGs) and the UN Guiding Principles on Business and Human Rights.

This process is being run by the THIMM Group executive management. Operational strategy is being revised by Corporate Marketing who have a group-wide remit and who are actively integrating experts from all business divisions into the process.

We are currently in the midst of this strategy process and we continue to focus on transparency. As an interim step we are publishing this Key Figure Update 2019. The figures encompass the entire THIMM Group with all of its 19 sites worldwide and they cover the period from 2016 to 2018. For THIMM corporate responsibility is an ongoing quest. We are pleased that you are supporting our family business on this path.



Mathias Schliep



Kornelius Thimm

THIMM Group Management Board

ECONOMY

REVENUES

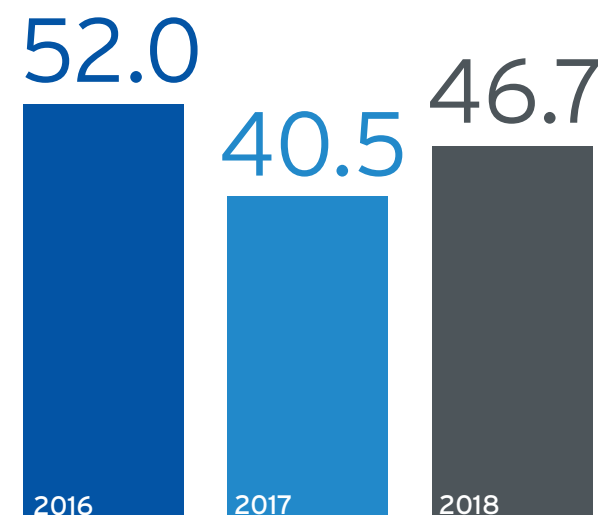
in million euros



In comparison to 2016, revenues at THIMM Group have increased continuously over the last two years to 645 million euros in the financial year 2018, corresponding to a growth of 13.6 percent. Our earnings were positively affected in particular by the business division of THIMM Packaging Systems and by above-average volume growth in our packaging plants in Poland and Romania.

OPERATING RESULT

in million euros



The operating result is 10 percent lower than in comparison to 2016. However, in the 2018 financial year EBITDAR at 46.7 million euros was 15.3 percent above the value of the previous year 2017 and is thus showing a positive trend.

ECONOMY

OPERATING COSTS*

in million euros



Operating costs at THIMM Group rose proportionately to revenues (plus 13.6 percent) and were 104.2 million euros in the 2018 financial year. This corresponds to an increase of 14 percent in comparison to 2016.

* Operating costs are all other operating expenses excluding the costs for paper, rent, leasing and other rentals according to the profit and loss structure of the financial control department.

INVESTMENTS IN FIXED ASSETS

in million euros



Particular highlights of the 2016 financial year were the future-oriented investments totalling 62 million euros in the new Holledau corrugated cardboard plant in Wolnzach, Bavaria and in a unique digital web press at the Ilsenburg site. In the following years there were also further investments in site expansions and in new production technologies. For example a new corrugator was ordered in 2018 in Sibiu in Romania and commissioned in April 2019. Over the last three years THIMM Group have made investments of almost 100 million euros.

PERSONNEL COSTS

in million euros



In the 2018 financial year personnel expenditure was 124.5 million euros, an increase of 13 percent in comparison to 2016. This increase is proportional to the revenue growth (plus 13.6 percent).

ECOLOGY

RAW MATERIAL USAGE

USAGE OF RAW PAPER

in tonnes

336,365

2016

383,751

2017

408,882

2018

Raw paper usage increased by 21.6 percent in the reporting period. This increase is disproportionate to our production volume and is due to the higher proportion of double wall corrugated cardboard being used.

PROPORTION OF FSC®-CERTIFIED PAPER

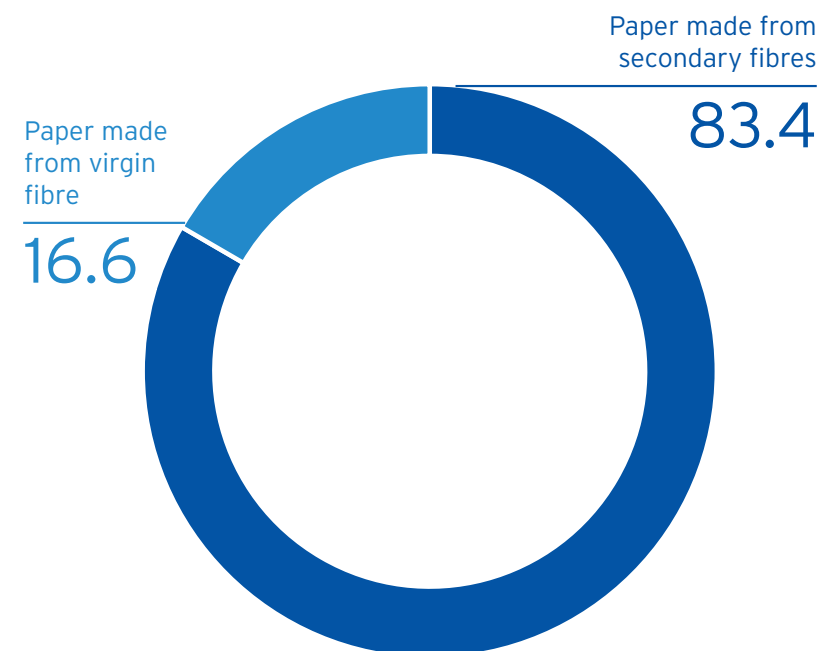
in %

98.2

All paper-processing business divisions have been gradually certified according to the FSC® standard and now almost exclusively process FSC® controlled wood or FSC®-certified paper. With the predominant usage of FSC®-certified papers, THIMM Group contributes to the preservation of biodiversity and ensures that only paper which originates from sustainable forestry is processed.

PROPORTION OF RECYCLED PAPER

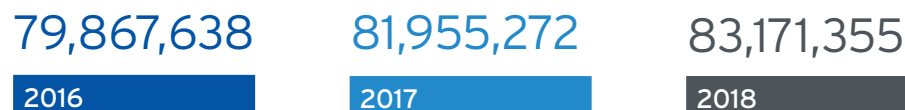
2018 in %



ECOLOGY

USAGE OF CORRUGATED CARDBOARD (PURCHASED SHEETS)

in square metres



Corrugated cardboard usage has increased by 4.1 percent in the reporting period. This increase is proportionately slightly less than the increase in our production volume.

WOOD CONSUMPTION*

in cubic metres



Wood consumption fluctuates based on project business and increased in the reporting period by 11.3 percent. This rise is in line with the increase in our production volume.

* excludes data for Puebla

USAGE OF FOAM*

in cubic metres

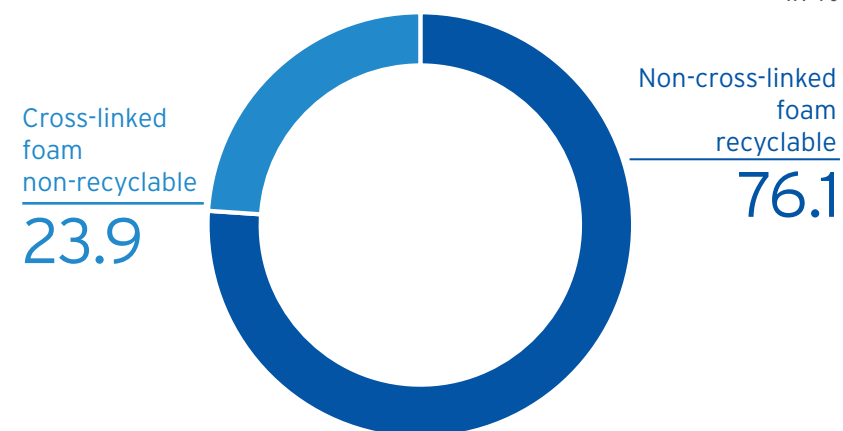


Foam usage has increased by 11.7 percent in the reporting period. This rise is in line with the increase in our production volume.

* excludes data for Chotěšov

PROPORTION OF NON-CROSS-LINKED FOAM

in %



More than three quarters of the total foam used is recyclable.

ECOLOGY

USAGE OF PRINTING INKS & VARNISH

in tonnes



Printing ink and varnish usage has increased by 52.6 percent in the reporting period. This is due specifically to the installation of a new digital web press at the Ilsenburg site. The digital web press was commissioned in mid-2017.

GLUE CONSUMPTION

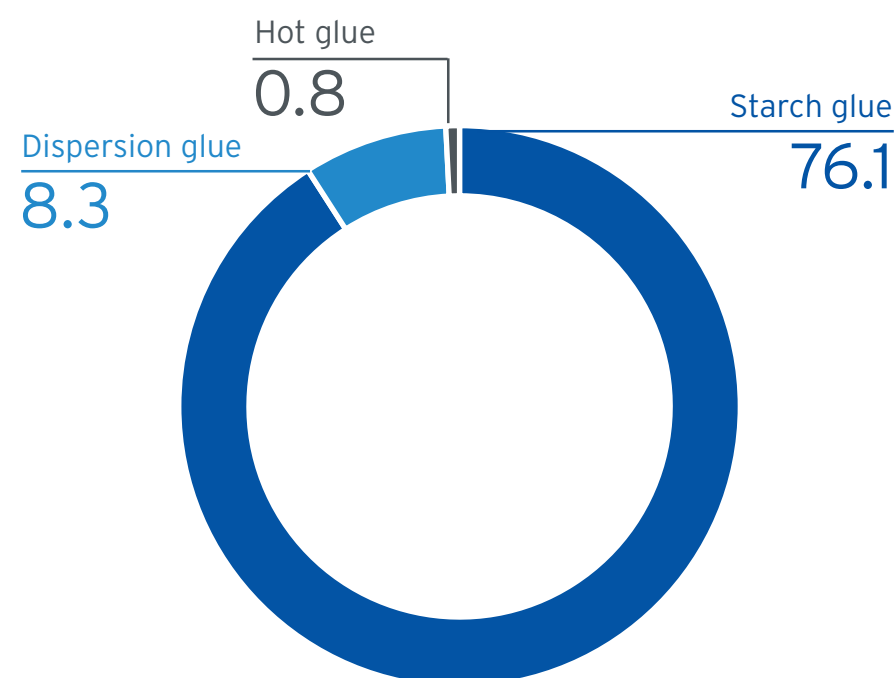
in tonnes



Glue consumption has increased by 11.7 percent in the reporting period. This rise is in line with the increase in our production volume.

PROPORTION OF GLUE CONSUMPTION BY GLUE TYPES

2018 in %



Most of the glues deployed for the production of corrugated cardboard are in the form of starch glue. In the 2018 financial year 90.9 percent of glue consumed was purely for the production of corrugated cardboard.

ECOLOGY

ENERGY USAGE

ELECTRICITY CONSUMPTION

in kilowatt hours

52,177,020

2016*

55,144,478

2017

55,467,471

2018

Electricity consumption has increased by 6.3 percent in comparison to 2016. The increase is proportionately slightly less than the increase in production volume and shows that investments in state-of-the-art technologies and plants lead to energy savings in the medium-term.

* 2016 excludes data for Puebla

NATURAL GAS CONSUMPTION

in kilowatt hours

103,042,225

2016

107,326,668

2017

104,704,978

2018

In comparison to 2016, natural gas consumption has increased by 1.6 percent in the reporting period and in comparison to 2017 even decreased by 2.4 percent. This shows that the energy efficiency measures implemented are having an impact.

HEATING OIL CONSUMPTION

in litres

40,081

2016

44,118

2017

17,451

2018

Fuel oil consumption has decreased by 56.6 percent in comparison to 2016. This is due to the replacement of old heating systems with new and more energy efficient heating systems. In the meantime there is only an oil heating system in one building at the Northeim site, which will also be gradually replaced by newer systems.

ECOLOGY

COAL CONSUMPTION

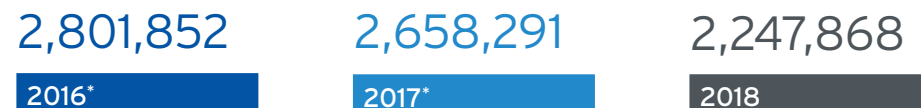
in kilograms



Due to weather conditions coal consumption has increased by 50.2 percent in comparison to 2016. Coal as an energy source is now only used at our Czech site in Chotěšov.

LIQUIFIED PETROLEUM GAS CONSUMPTION OF FORKLIFTS

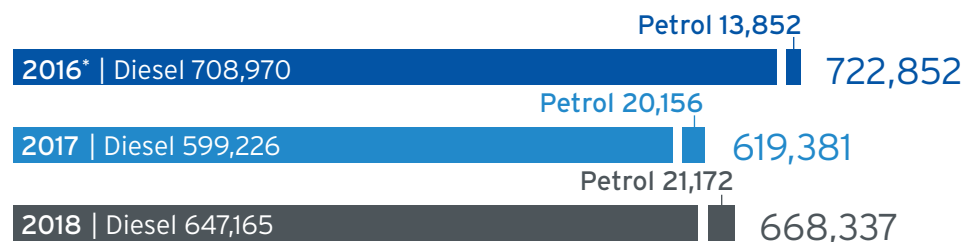
in kilowatt hours



Liquefied petroleum gas consumption has decreased by 19.8 percent in comparison to 2016. The pilot project using electric forklifts in the corrugated cardboard plants has been very successful. Liquefied petroleum gas has not been used in the Alzey and Holledau plants since the end of 2017. The Eberswalde plant has also not been using liquefied petroleum gas since 2018. The Castrop-Rauxel and Northeim plants will also gradually switch to using electric forklifts.

CONSUMPTION OF FUEL

in litres



* 2016 + 2017 excludes data for Puebla

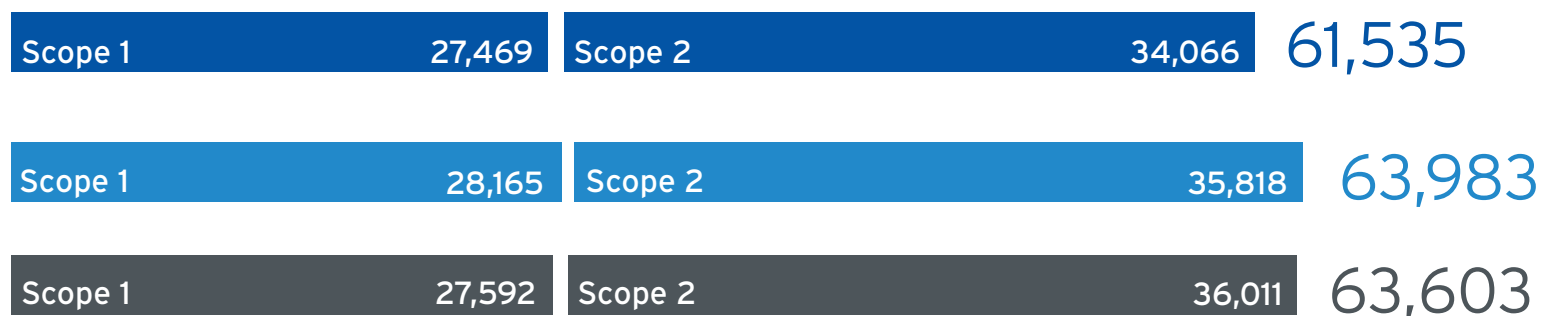
Fuel consumption by THIMM Group has decreased by 7.5 percent in the reporting period in comparison to 2016. This is primarily due to the sale of old HGVs, specifically in the two international locations of Sibiu in Romania and in Tychy in Poland and also at the Wolnzach site (Holledau Plant) in Germany. In principle, more and more focus is being placed on reducing business travel trips, and wherever possible and sensible, digital meetings are held.

* 2016 excludes data for Puebla

ECOLOGY

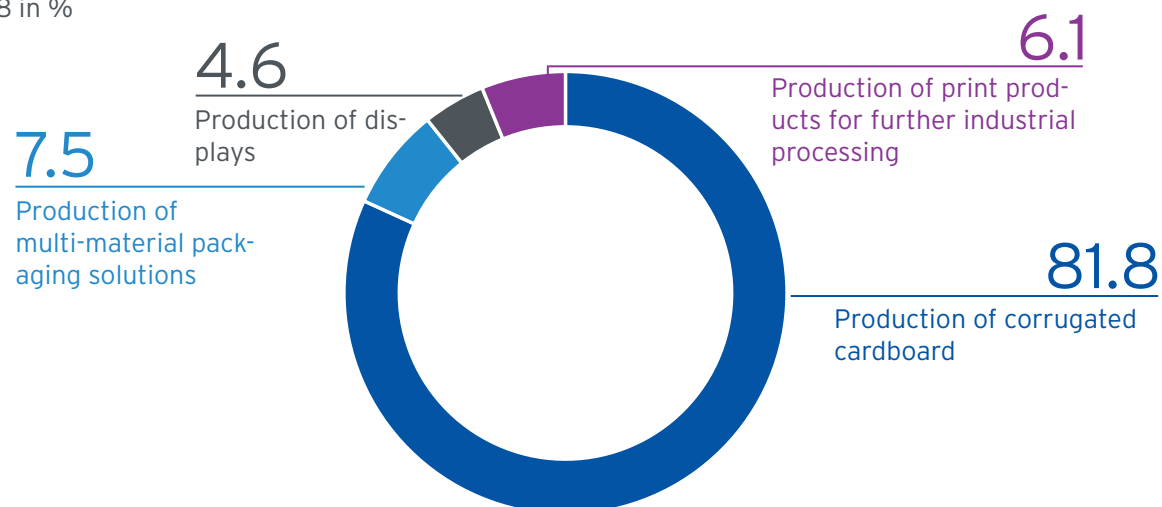
COMPANY CARBON FOOTPRINT

in tonnes CO₂



PROPORTION OF PRODUCTION AREAS IN THE COMPANY CARBON FOOTPRINT

2018 in %



ECOLOGY

WATER

TOTAL WATER CONSUMPTION*

in cubic metres



Water consumption by THIMM Group has increased by 20 percent in the reporting period in comparison to 2016. On the one hand this rise is in line with the increase in our production volume and on the other hand the installation of a new corrugator at the Sibiu location (Romania) has doubled the water consumption there in the reporting period.

* excludes data for Germersheim and Puebla

TOTAL WASTE WATER VOLUME*

in cubic metres



Waste water volume has increased by 7.3 percent in comparison to 2016.

The difference between water consumption and waste water volume is based on the corrugated cardboard production process.

* excludes data for Germersheim, Puebla and Garancières

ECOLOGY

WASTE

TOTAL WASTE VOLUME*

in tonnes

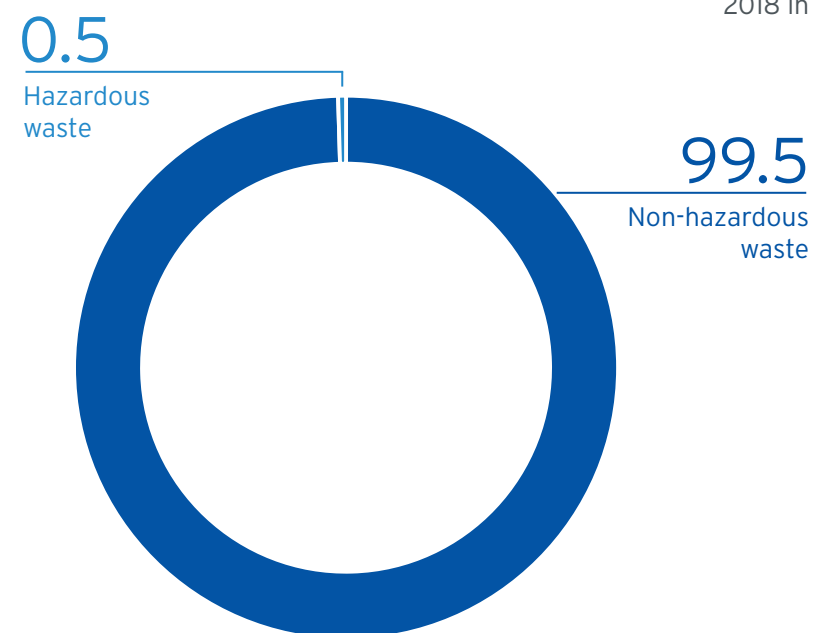


Waste volume by THIMM Group has increased by 13 percent in the reporting period in comparison to 2016. This rise is in line with the increase in our production volume. 99.5 percent of waste is classified as non-hazardous waste, with paper and foam residues in particular being returned to the reusable material cycle.

* 2016 excludes data for Castrop-Rauxel and Puebla, 2017 excludes data for Puebla

PROPORTION OF WASTE

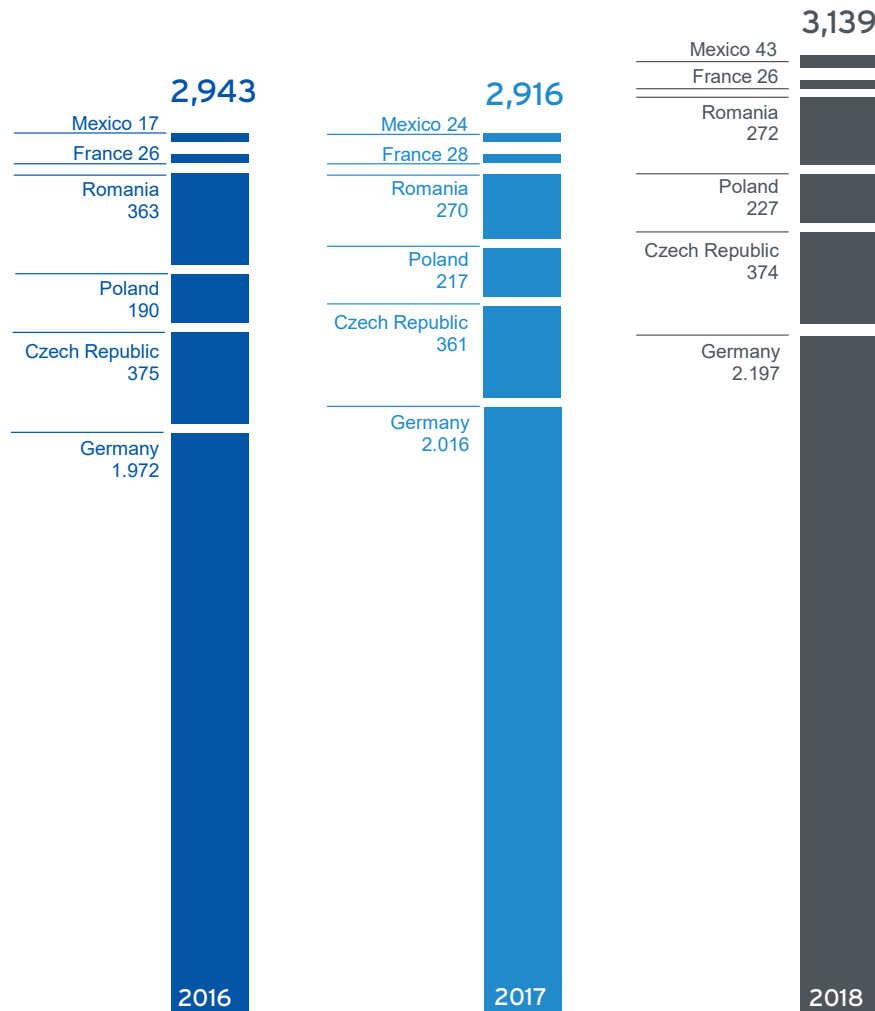
2018 in %



Only 0.5 percent of waste is hazardous waste. This consists of acids, lyes or used oil. We treat and dispose of these in an environmentally-friendly manner in accordance with relevant regulations.

SOCIETY | EMPLOYEES

NUMBER OF EMPLOYEES BY PRODUCTION COUNTRIES



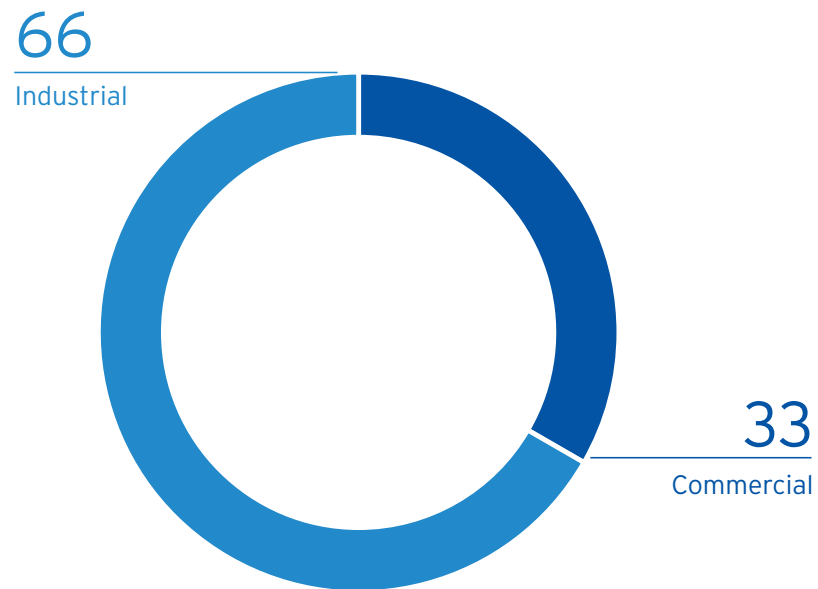
Unless specified otherwise, the employee numbers stated below reflect headcount or proportionate headcount figures.

Within the framework of our growth and internationalisation strategy, the number of our employees has continued to increase in the reporting period. The number of apprentices is stated separately under "EDUCATION AND VOCATIONAL TRAINING". To successfully handle peak order periods, 283 temporary workers supported us (2018 financial year).

SOCIETY | EMPLOYEES

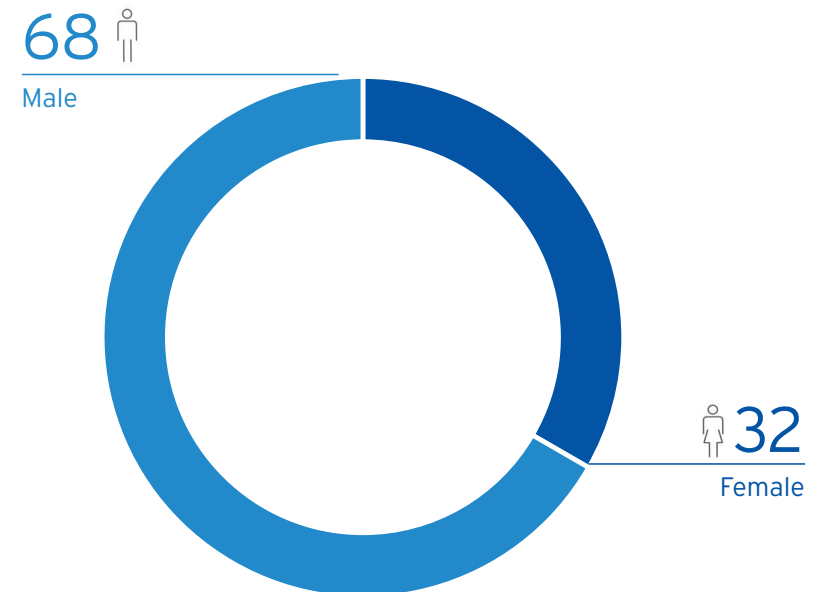
PROPORTION OF EMPLOYEES BY WORK AREAS

2018 in %



PROPORTION OF FEMALE & MALE EMPLOYEES

2018 in %

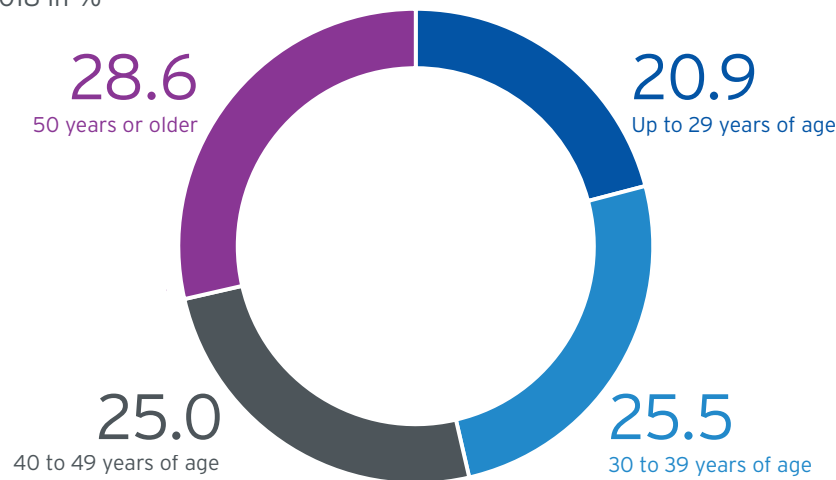


SOCIETY | EMPLOYEES

DIVERSITY & EQUALITY OF OPPORTUNITY

AGE GROUPS OF EMPLOYEES

2018 in %



WOMEN IN MANAGEMENT POSITIONS

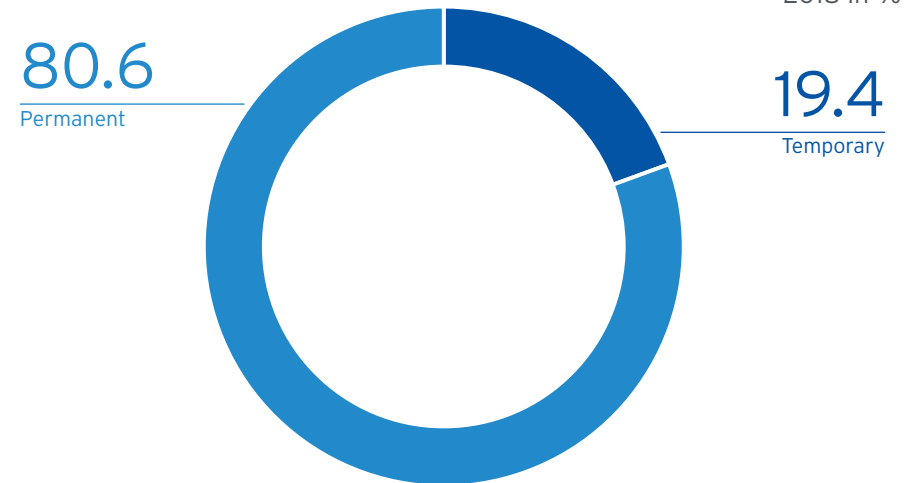
2018 in %



In the reporting period the proportion of women in management positions has continued to rise slightly. In 2018 out of 196 managers, 39 were female which corresponds to a proportion of 19.9 percent.

TEMPORARY & PERMANENT EMPLOYMENT CONTRACTS

2018 in %



It is our objective to offer our employees a safe working environment. At a level of 80.6 percent, the majority of our employees are employed by us on permanent contracts.

DIFFERENT EMPLOYEE NATIONALITIES

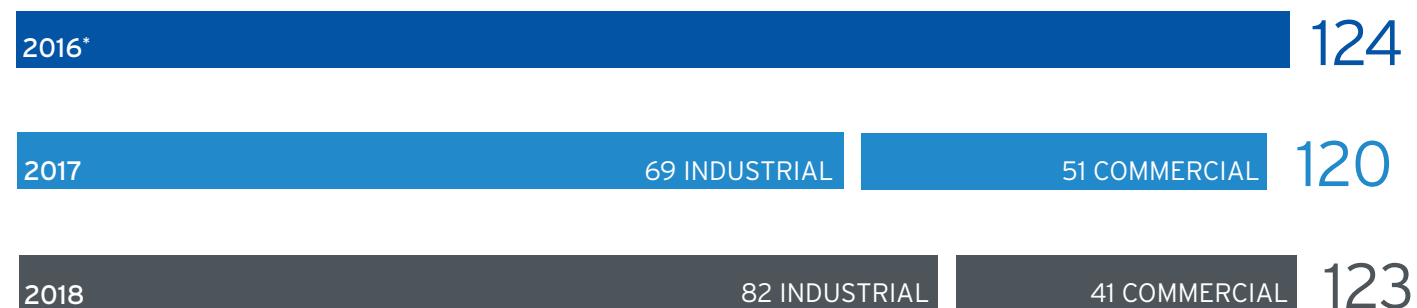
14.3 % of employees have a different nationality to the respective site nationality. Many people of different nationalities work for THIMM Group. Of the over 40 different nationalities, the nationalities of our production sites - German, Czech, Romanian, Polish, Mexican and French - form the biggest groups.

SOCIETY | EMPLOYEES

EDUCATION AND VOCATIONAL TRAINING

We are training more than 120 young people in nine different job profiles and in two dual study courses. We create knowledge and therefore offer long-term career prospects.

NUMBER OF APPRENTICES



* For the year 2016 a classification between industrial and commercial apprentices was not possible.

TOTAL EXPENDITURE FOR CONTINUING AND VOCATIONAL TRAINING

in euros



SOCIETY | EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY

NUMBER OF WORK-RELATED & COMMUTING ACCIDENTS CAUSING LOST WORK DAYS

total



We strive consistently to offer our employees a health-promoting working environment. This has enabled us to reduce the total number of work-related and commuting accidents by 20 percent in comparison to 2016.

EMPLOYEE PARTICIPATION

PROPORTION OF EMPLOYEES REPRESENTED BY A WORKS COUNCIL

in %

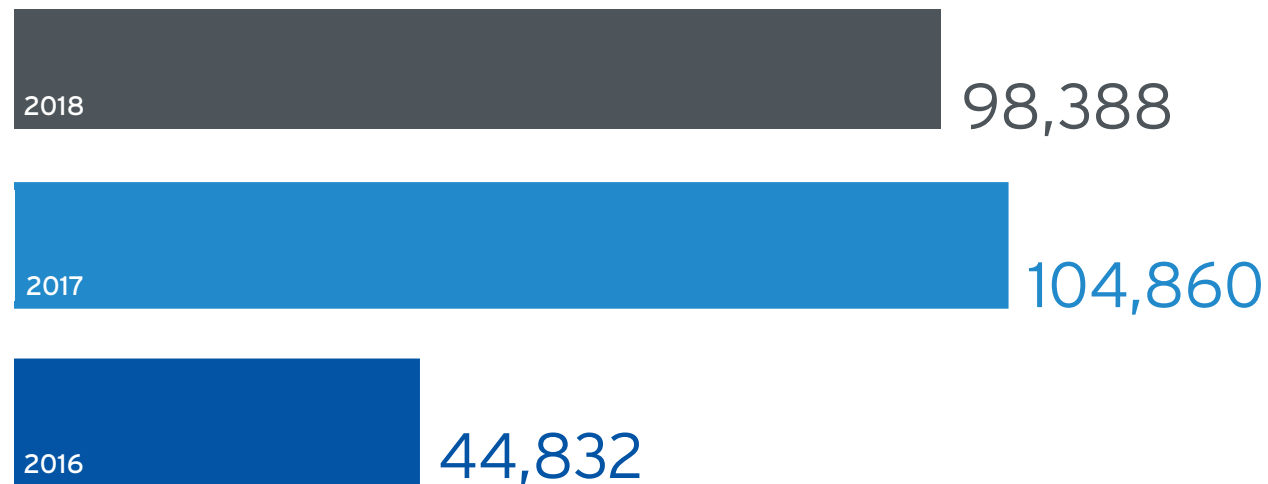
58

In the 2018 financial year around 58 percent of all employees have been represented by Works Councils. In 2015 this number was 50 percent. At sites with no Works Councils, employees regularly exchange views directly with the management board or via employee representatives in order to intensively cultivate constructive dialogue. The intensive participation in employee representations has been further reinforced during the reporting period and has had a positive effect on collaboration. There was one strike in the Company group in 2018. Through this action the company-organised employees highlighted the pending salary negotiations.

SOCIETY | COMMUNITY

THIMM GROUP DONATION EXPENDITURE

in euros



Every year the company management defines a monetary amount to be allocated to financial donations. In the 2018 financial year donations amounted to 98,388 euros. This includes the monetary donations. Material donations are not considered here.

KEY FIGURE UPDATE 2019

Our objective as part of our corporate responsibility is to provide transparent information about the sustainability performance of the company and to enter into a constructive dialogue with our stakeholders. Since the last Sustainability Report, THIMM Social Responsibility (TSR) has now become Corporate Responsibility (CR). As was also the case in the past, the CR concept stands for responsible and future-oriented corporate management and is oriented to the three pillars of Economy, Ecology and Society. At the end of 2018 we started the process of reorienting our CR strategy and we are still in the midst of this process.

The Key Figure Update gives a compact and concise update, on the basis of some relevant key figures, on the developments and activities of our company as regards sustainability in the financial years 2016, 2017 and 2018. A financial year corresponds to a calendar year. This Key Figure Update will help us gain an instinct during the ongoing strategy process for the measures already instigated. At the same time it provides us with the basis for the definition and further development of specific objectives and key figures in relation to our CR activities.

We shall be using this current year to finalise our corporate responsibility vision. We will derive our specific CR objectives in the first quarter of 2020 on the basis of this Key Figure Update and we will communicate this in association with our further-developed vision in the next Sustainability Report. We are planning to publish the next report in the 2020 financial year.

As part of our strategy revision we are also paying particular attention to the issue of human rights. Since 2016 we have been consistently monitoring the national regulatory changes so that we can proactively make the necessary process adjustments within the THIMM Group.

Unless stated otherwise, the figures stated in the Report refer to all

companies in the THIMM Group, including its sites in Germany and in other countries. This Report includes the Puebla (Mexico) production site for the first time. The Lohhof/Unterschleißheim site relocated in the 2017 financial year to the newly built Holledau plant in Wolnzach and is continued accordingly in the reporting. The Cartonara and next49 companies are operated from the headquarters in Northeim. They are included accordingly in the figures for the Northeim site.

All forward-looking statements in this Key Figures Update are based on current assumptions.

To facilitate readability, we do not use gender-specific duplicate mentions. This does not represent a value judgement of any kind. All pronouns and nomenclature are to be considered gender-neutral.

For any questions about the Key Figure Update, please contact:



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LEGAL NOTICE

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