



**2019**  
**SUSTAINABILITY REPORT**  
Enabling transformation

We are a global technology group active in the field of fine-blanking and show proven expertise in forming and electro-lamination stamping.

As innovation drivers, we continuously expand technological horizons and develop intelligent solutions for our customers – fineblanking systems with innovative tools, on the one hand, and complete processes for high-precision fineblanked, formed, and electro-lamination components in large quantities for demanding industrial applications, on the other. These processes particularly support the trend in the automotive industry towards hybrid and electric drives.

Feintool, headquartered in Lyss, Switzerland, was founded in 1959. 16 locations on three continents ensure being geographically close to our customers.

**2 641**  
employees

**98%**  
recycling rate

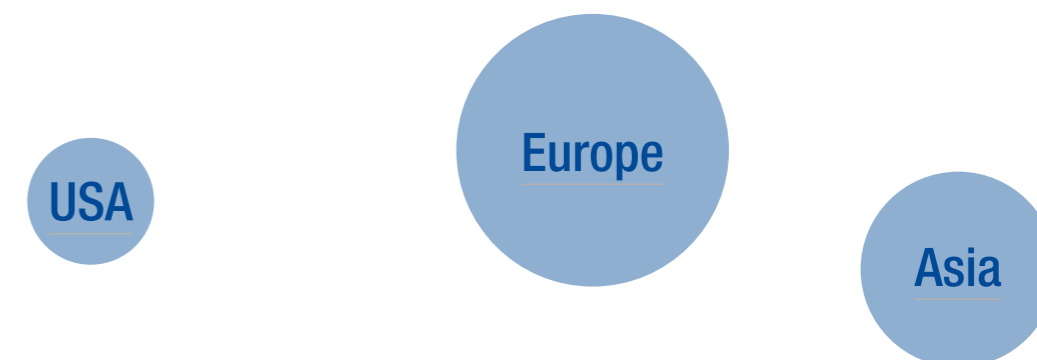
**27**  
nominations for the  
“Best Achievement Awards”

**633 m.**  
net sales in CHF

**1.5 bn.**  
components sold

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**16**  
locations

**USA**

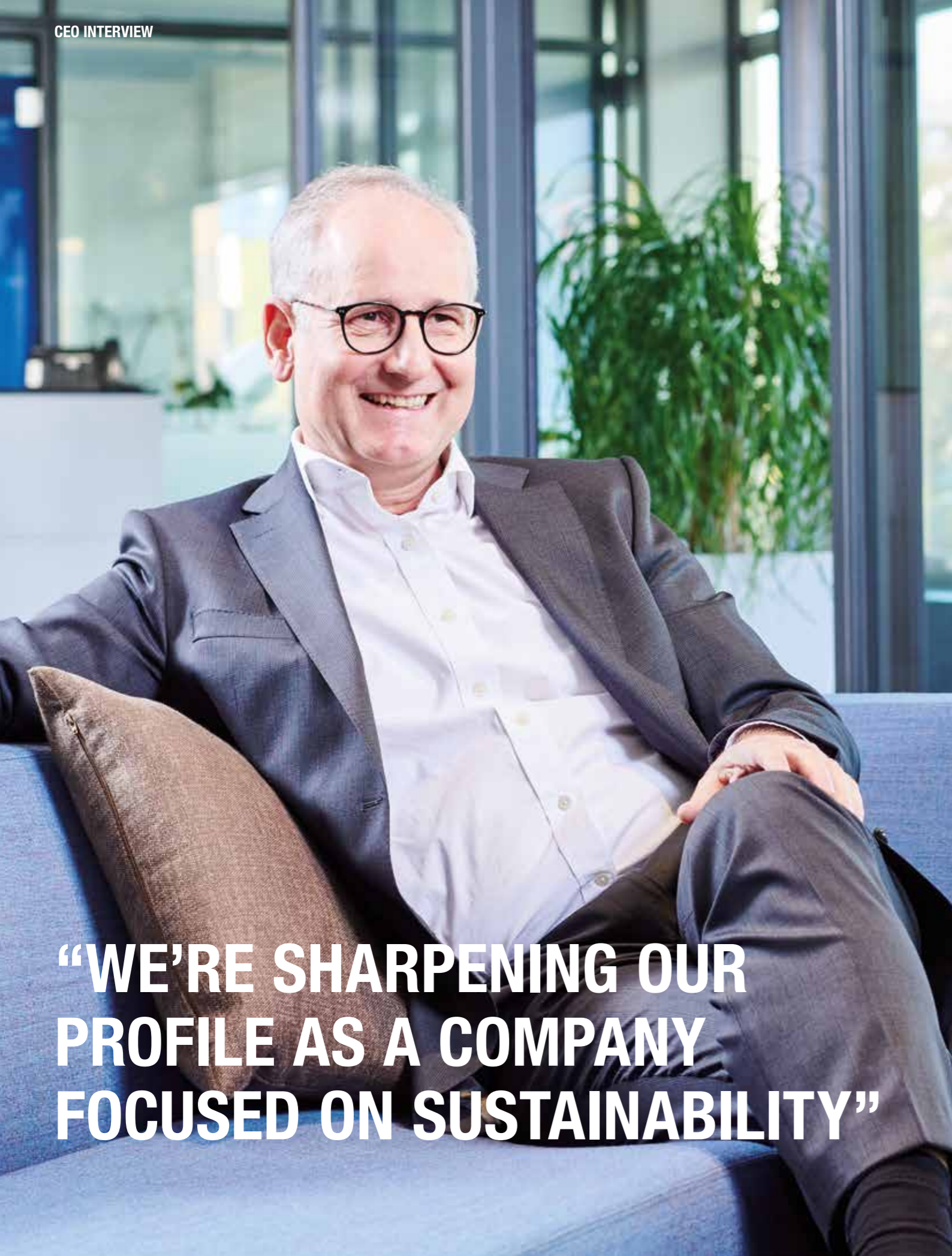
- Cincinnati, US**  
Fineblanking plant  
Service Center
- Nashville, US**  
Forming plant

**Europe**

- Ettlingen, GER**  
Fineblanking plant
- Jena, GER**  
Fineblanking plant
- Jessen, GER**  
E-lamination stamping plant
- Jona, CH**  
Press Center
- Lyss, CH**  
Fineblanking plant  
Technology Center  
Headquarter
- Most, CZ**  
Fineblanking plant
- Obertshausen, GER**  
Forming plant
- Oelsnitz, GER**  
Fineblanking plant
- Ohrdruf, GER**  
Forming plant

**Asia**

- Shanghai, CN**  
Service Center
- Taicang, CN**  
Fineblanking plant
- Tianjin, CN**  
Forming plant
- Atsugi, JP**  
Fineblanking plant  
Service Center
- Tokoname, JP**  
Fineblanking plant



**“WE’RE SHARPENING OUR PROFILE AS A COMPANY FOCUSED ON SUSTAINABILITY”**

For the first time, Feintool is providing information about its commitment to sustainability and the impact of its business activities on the economy, environment, and society in a separate report. CEO Knut Zimmer explains the ways in which sustainability is established throughout the company.

**When you made the decision to issue a sustainability report, you initiated on a major journey. What does sustainability mean to you?**

As a technology company, we don’t pursue quarterly goals, but instead focus our activities on the long term – we cultivate long-term customer relationships, our employee training programs and our high-quality products are designed to be long-lasting, and we review our investments in terms of sustainability. This means that ultimately, this isn’t a new subject for us. We view sustainability as a process that we initiated long ago through our management systems. Most of our plants are certified in accordance with the ISO 14001 international environmental management standard and many also have a certified energy management system. Sustainability is something that needs to be practiced on a daily basis – and that’s what we do. Now we want to go one step further, consolidate our activities, and standardize them in accordance with recognized guidelines. As a result, we’re sharpening our image and intend to communicate this more strongly to our stakeholders.

**To what extent will sustainability reporting have an impact on corporate management and strategy?**

We’re aware of the fact that we not only have a responsibility to achieve business success, but also to the environment and society. As a company that operates on a global scale, we also view this in the context of the UN Sustainable Development Goals. Our objective is for sustainability reporting to support us fine-tune our strategy and further enhance our management systems uniformly throughout the group.

**Which main areas do you have your eye on in this context?**

I have certain areas in mind where we will define specific objectives for our sustainability management – step by step. This, too, is a transformation process. But to do so, we first need a standardized method of collecting data. Finding valid KPIs is by no means a trivial matter, but instead one that truly makes a difference when it comes to managing sustainable development. Our resource efficiency in the supply chain we definitely want to know more about in the future. In the field of human resources, the emphasis is on recruitment and development and, of course, the health and safety of our employees. When it comes to production, our focus is on being the leader in the market for sustainable technologies and on our presence in attractive markets such as China. Here we are pursuing a successful expansion strategy.

**In 2019, you were forced to operate in an uncertain market environment. Where do you see the main challenges for 2020?**

In 2019, we experienced a downturn in our most important market, the automotive industry, for the first time in many years. Sales declined for economic reasons, but also because of Brexit and radical changes in mobility policy. We have responded and are positioned for 2020 in a way that gives us the ability to supply a mix of drive systems with our three technologies of fineblanking, forming, and electrolamination stamping – with increased capacities. That was our plan before the coronavirus pandemic, and that is still our plan today. The virus did, however, give rise to new uncertainties that we cannot assess at the present time. Our top priorities are to protect the health of everyone we interact with and ensure that we can continue manufacturing our products without interruption.

**Has climate change contributed significantly to these market changes?**

Certainly. In the context of climate change, widespread discussions about mobility and new regulatory requirements are taking place. The associated transformation affects us directly. But we are participating in this discussion. In 2019, we placed an order to conduct market research on the speed of this transformation – and as a result, believe that we are pursuing the right strategy. In a rapidly changing mobility landscape we now offer solutions for all drive systems, for e-drives as well as for combustion engines.

**Do you see any other positive prospects for the future?**

We believe in mobility. And the mega-trends in the automotive industry offer opportunities for us. I see considerable potential in new, efficient processes that allow us to add even more value. But I also see potential in sustainable innovations that significantly conserve resources, such as our new FB one fineblanking press. We are also currently developing components for fuel cell that will be used in hydrogen vehicles in the future.

**You mentioned transformation – are your employees prepared for it?**

Transformation processes are taking place at various levels. As far as changes in the mobility industry are concerned, they will take place gradually. We are heavily investing in the relevant innovations through research partnerships and employee training. We’re prepared.



## FLEXIBLE SOLUTIONS

### Feintool responds to mega-trends

Feintool is pursuing sustainable growth. The strategy is clear and based on three key elements: market leadership in technological development, expansion into attractive markets, and optimization of internal processes\*. In this respect, the integration of stamping and laser cutting technologies into the group represented an important boost to innovation in 2019. In doing so, Feintool expanded its range to include the engineering and manufacture of electrolamination rotor and stator stacks which are required for applications such as electric mobility, power generation and distribution, industrial drives, transportation, and robotics – a promising future markets. Feintool's business activities stand out for their cost-effectiveness, precision and innovation, quality, and commitment to an environment worth living in.

In this context, the company, which primarily supplies its processes and precision components to the automotive industry via high-volume series production (though not only), is operating in a market in transformation\*\*. This radically changing environment is being shaped by up to six mega-trends – trends that Feintool is responding to with new solutions. In this context, the group acts as a project and development partner in the areas of lightweight construction/sustainability, module variations/platforms, and alternative drive concepts such as hybrid and electric drives.

#### Trend 1: Alternative drives

The on-going electrification of automotive drive systems and ancillary units as well as large parts of our daily lives (for example, the smart home) represents a tremendous opportunity for Feintool products.

#### Trend 2: Autonomous vehicles

Vehicles driven by computers must remain under control. All-wheel and automatic drives have an advantage in this respect; in the premium segment, there will initially be demand for hybrid engines – and thus the need for automatic, all-wheel drive, and hybrid components.

#### Trend 3: Shared mobility

When vehicles are shared and therefore used more often, overall demand falls, but wear and tear increases. This means higher quality is required.

#### Trend 4: Connectivity

Under the banner of Industry 4.0, Feintool is working to digitize production processes as thoroughly as possible. The new FB one fineblanking press is compatible with Industry 4.0 (see Innovation section).

#### Trend 5: Lightweight construction

Vehicles today are increasingly being built using recyclable plastics and high-tensile steel. The company's latest generation of fineblanking presses and tools supports this trend.

#### Trend 6: Platforms

With plants in Asia, North America, and Europe, Feintool has the right network of locations to meet customer demands for locally sourced products and simultaneously for a single worldwide point of contact.



Feintool is engaged with these mega-trends that are driving the transformation process in the automotive industry. This encompasses the fact that environmental awareness and therefore the demands for sustainable mobility solutions and regulatory requirements have increased worldwide. In this context, in 2019 Feintool commissioned a market and technology study. "Focusing on the three core technologies of fineblanking, forming, and electrolamination stamping continues to be right strategy, as does our focus on regional markets. China and Europe are particularly promising," says Knut Zimmer, CEO of the Feintool Group. This is because, according to the study, the automotive market as it pertains

to drive systems will change significantly over the next ten years and grow overall. Change and growth open up opportunities in equal measure, because Feintool offers the right solutions for the different mixtures of drive systems that vary regionally and over time – i.e. for the systems in use today and in the future.

This market and product strategy with a long-term perspective is also reflected in the commitment to positioning the company as a whole towards sustainability.

\* See 2019 Annual Report, p. 10 ff.; *ibid.*, information on corporate governance, pp. 100–122.

\*\* See 2019 Annual Report, information on risk management, p. 116–117.



## ORGANIZATIONAL CULTURE IN ACTION

### Knowledge and values lead to success

In 2019, the Feintool Group updated its mission statement. Under the headings of motivation, focus, and success, it concisely outlines the company's organizational culture – how Feintool operates, based on which values, and towards which goal.

#### Integrity and respect within the team

Feintool emphasizes international collaboration where diversity is desired and constructive engagement, mutual respect, and polite interaction are absolutely essential. Bullying and sexual harassment are strictly forbidden. Feintool is committed to creating fair working conditions and opportunities for all employees, regardless of gender or ethnic background.

All of the company's policies aimed at ensuring that employees act with integrity and responsibility when interacting with each other within the group and externally are based on the Feintool Code of Conduct, which each and every employee receives. All employees receive regular training in this respect. Among other things, the Code of Conduct addresses topics such as conflicts of interest, information and data protection, conduct towards business partners and third parties, and prohibits any form of preferential treatment. Violations of the anti-corruption policy can lead to dismissal. This set of rules also makes employees aware of their obligations with regard to occupational safety, health protection, fire prevention, and environmental protection.

Irrespective of this, the Feintool Group observes all of the guidelines applicable at its locations.

#### Sets of rules

- ▶ Code of Conduct
- ▶ Employee handbook
- ▶ Occupational safety and health policies
- ▶ Human resource policy
- ▶ Environmental policy
- ▶ Social media guidelines

#### Fair business partnerships

Feintool knows that excellent relationships with customers, suppliers, and researchers are based on values such as reliability, fairness, mutual trust, and a sense of responsibility, but also on professional qualities such as decades of experience and cutting-edge expertise. All of our employees are under an obligation to comply with the rules of fair competition within the framework of the applicable legal requirements. Suppliers are selected exclusively on the basis of objective criteria.

#### A partner par excellence

Feintool Obertshausen has worked with Punch Powertrain for many years – just one of many examples of a long-term customer relationship. The Belgian transmission manufacturer supplies parts for vehicles from well-known brands. Feintool has now signed a new series production agreement to supply precision parts for Punch Powertrain's dual clutch (hybrid) transmissions. Feintool's experience is what made the difference. "We were already on board during the development process. This allowed us to put forward considerations regarding technical feasibility and potential optimizations at an early stage and ultimately save time and money," explained Leonhard Trinkl, key account manager at Feintool.

#### Sustainable and safe

Responsibility for the safety and health of customers and the protection of natural resources are part of our company policies and mission statement. Feintool is guided by the principles of sustainability – all of its products and manufacturing processes must meet stringent environmental, economic, and social standards and always be state of the art. This is why we continuously optimize processes and make them energy-efficient and environmentally friendly. Our objective is to manufacture safe products and do our part to create an environment worth living in. Feintool offers its own training courses for customers' press operators who work on the resource-saving FB one.

#### Complaint management

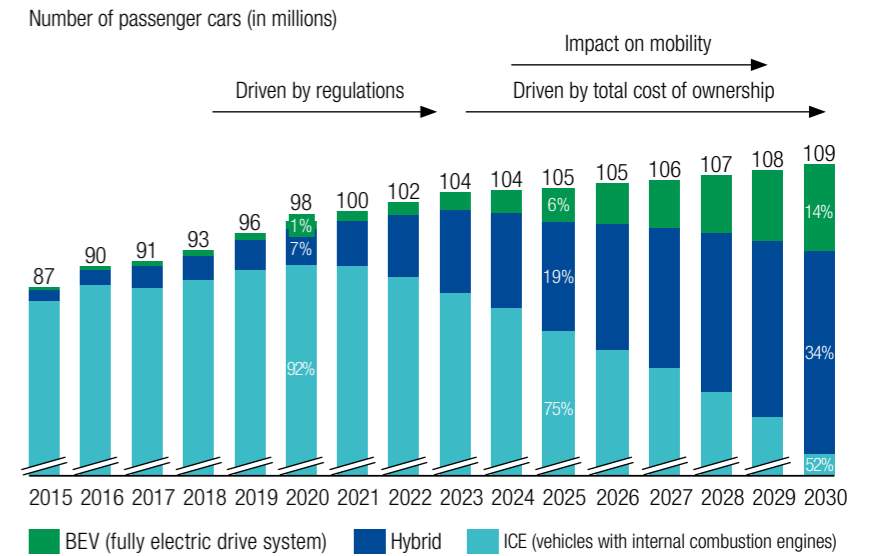
Violations of applicable legal requirements and company policies such as the Code of Conduct are not tolerated. Managers are required to ensure that violations are identified, investigated, and rectified. They are responsible for reporting on these matters to the CFO of Feintool International Holding AG and to the companies' compliance officers at regular intervals. The Executive Board monitors compliance.

If violations occur, employees can contact an ombudsman, even anonymously. Misconduct can have an impact on the employee's employment relationship and lead to claims for damages. Feintool investigates all violations of the rules.

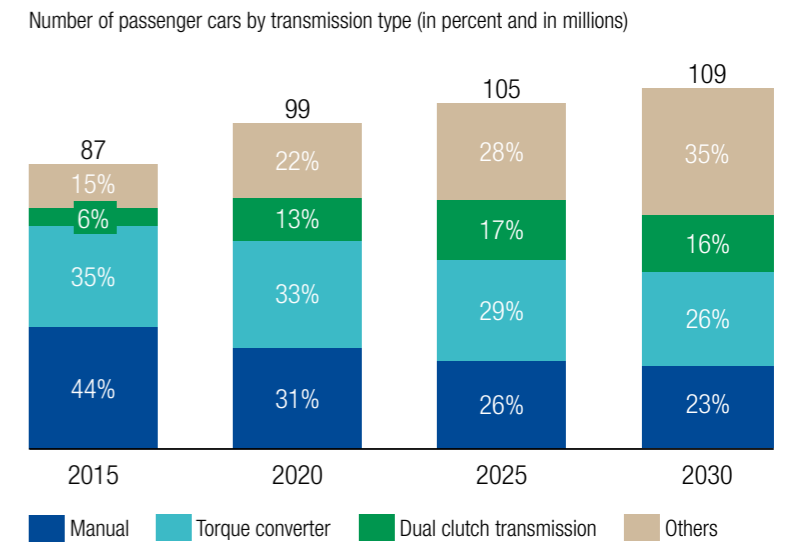
#### Sharing expertise

Feintool develops exactly the right solutions for demanding industries and is synonymous with exceptional service quality. This also includes comprehensive knowledge sharing – the technology leader offers a basic and advanced training program along the entire process chain, making its customers' teams experts in "fit production" and keeping them up to date on the latest developments. Experienced instructors share first-hand knowledge in training modules that can be selected according to trainees' needs and requirements.

#### Change in automotive drive systems



#### Transformation of the transmission market



The annual customer symposium organized by Feintool US Operations is also dedicated to sharing knowledge and exchanging ideas. In 2019, around 50 leading OEMs and automotive suppliers came together for the event in Cincinnati focused on "Navigating the Unknown." As such, the event centered around the question of whether it is possible to increase productivity in an environment that is primarily shaped by pressure from international competition and disruptive technologies, but also by trade wars.



# BUSINESS PERFORMANCE

After years of growth, 2019 was a challenging year for the Feintool Group. The complex negative market trends around the world caused performance to decline, although in different ways – we suffered sales reductions in the United States and Europe, for example, as well as in the presses and systems segment. On the other hand, business in Asia grew by around 10 percent. Thanks to its technical innovations, Feintool is well prepared for a market recovery.

## SUSTAINABLE VALUES

### Feintool covers the entire fineblanking process

The automotive market is essential to Feintool's business activities. The technology company manufactures fineblanking systems (Fineblanking Technology segment) and, through its second segment (System Parts), is a global supplier of fine-blanked, formed, and electrolamination components of the highest quality and cost-effectiveness. These high-quality precision components are manufactured in large quantities and are needed in correspondingly large volumes – for example, in the automotive industry – where they help improve vehicle safety and are sometimes used in seat mechanisms and drivetrains. With locations in Europe, the United States, China, and Japan, the Feintool Group is active in the world's leading automotive markets – and is therefore close to its customers.

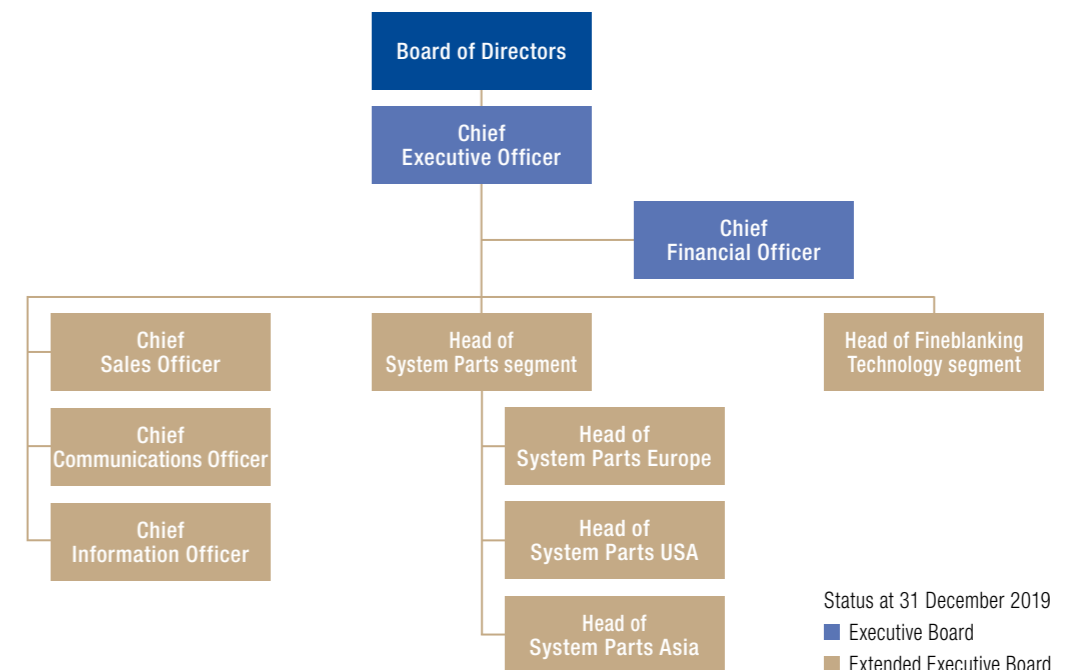
#### Added value

Feintool covers the entire fineblanking process, from component design and tool construction to system engineering and large-scale parts manufacturing. In addition, the group uses other key processes such as cold forming and electrolamination stamping, thereby creating added value for its customers. In addition to financial resources; property, plant, and equipment; raw materials; and components, value is primarily created through the knowledge and expertise of our employees, who continuously upskill and expand their qualifications. Patents are developed in close collaboration

with research institutions. As a result, Feintool not only creates jobs, but also new knowledge. The company then facilitates the transfer of this expertise through customer training and knowledge sharing at technological symposia and conferences. With its innovative technologies, the group helps conserve resources.

#### Supply chain

To conduct its business activities, Feintool purchases steel from suppliers in Germany, the United States, China, Taiwan, and Japan and operates a corresponding business continuity management (BCM) system. In Europe, components are ordered from Switzerland, Germany, Turkey, Korea, and China. In the United States and in China as well as Japan, the company mainly uses components from local suppliers. Most of the machine components come from Germany and Japan. Feintool does not purchase conflict materials. With the exception of the goods and supplier locations listed above, the group prefers working with local partners. In 2019, Feintool procured materials with a value of around 300 million Swiss francs alone. Feintool is itself part of the supply chain for third parties and, like all other suppliers in the automotive sector, is therefore subject to the Automotive Supply Chain Standard with the corresponding audits.





### Profits and distribution

The slowdown in the global economy has led to a slowdown in growth, accompanied by additional global trends and the transformation process in the automotive industry. The uncertainties in the economic and political market environment also affected Feintool's business performance\* in the period from January 1, 2019, to December 31, 2019, with consolidated sales falling by 6.9 percent in the reporting currency to 632.7 million Swiss francs. Operating earnings (EBIT) came to 18.9 million Swiss francs. The consolidated financial statements encompass Feintool International Holding AG, headquartered in Lyss, Switzerland, and its subsidiaries. The group of consolidated companies did not change in 2019.

In 2019, the Feintool companies made tax payments totaling 4.5 million Swiss francs.

The Feintool Group's profits are distributed to its owners in the form of dividends and to its employees through their compensation. Employee compensation can include shares of the company's stock.

Feintool has various pension systems in place for its employees, which vary according to government requirements at the respective locations. The pension systems are funded by employer and/or employee contributions to state pension plans, to legally independent pension plans (foundations, insurance companies), or by creating a corresponding provision on the company's balance sheet.

### Long-term outlook

Feintool is preparing for continuing uncertainties with regard to sales. At the same time, developments in the regions are different and can vary due to changes in trade flows and regulatory environmental requirements. Feintool was able to increase the percentage of sales generated in the United States and Asia, but overall sales in both segments fell. In this context, however, Fineblanking Technology was affected more heavily than the System Parts segment. But another thing is also certain – in the coming decade, the automotive

**“90 percent of our activities in support of sustainable business practices generate a financial return for the company.”**

Thomas Bögli, CFO of the Feintool Group

market will change and open up new sales opportunities, particularly in the premium segment, in hybrid technology, in vehicles with automatic or all-wheel drive, and in electric vehicles. In light of the volatile market situation, CFO Bögli is taking steps to ensure that outstanding customer accounts and inventories are reduced and investments postponed, among other measures. But cutting back investments in employee training, in resource-friendly technologies, and in efficient production is not an option for him, because they pay for themselves almost completely.

\* See Feintool's 2019 Annual Report, p. 18–99; ibid. information on risk management, p. 116–117.

## FEINTOOL TIANJIN

### Employees grow with the company's success

In China, Feintool's sights are set on expansion – this was true in 2019 and will be the case in the years to come. After the acquisition of a new, state-of-the-art forming plant in Tianjin near Beijing in 2017, which closed a geographical gap in the product range, the location rapidly continued to develop successfully. In order to secure production capacities, a further hall with press lines was opened in the fall of 2019. Feintool is investing – including in the development of its employees.

It wouldn't be China without lucky charms, especially when there's something to celebrate. And at Feintool in Tianjin, there were plenty of reasons to do so – in the fall of 2019, CEO Knut Zimmer and his employees and guests celebrated the opening of a new production hall in the metropolis south-east of Beijing with 3.8 million residents. The investments in the plant that the company had been making since 2017 paid off after only two years. The market is there, the quantity of orders climbed, and the number of employees grew to 130 by the end of 2019.

The acquisition of the Tianjin plant is of strategic importance to Feintool. Through its acquisitions, the group is meeting customer demands for a global presence and worldwide expertise – and Feintool Tianjin is the first company in China to offer a solution in which fineblanking is integrated into the forming process. “This is extremely helpful when manufacturing special parts that have to meet exceptionally high standards

**“We are investing in the plant's existing structures and in training. After all, we need well-trained employees and prefer to rely on our internal expertise before recruiting external staff.”**

Knut Zimmer, CEO

when it comes to the cutting surface and mass – such as internal bores, for example,” explains Xiangjun Bao, head of the Chinese locations. As the company's technical edge and success increases, so does its need for qualified personnel.

Can you find enough experts in China? As CEO Knut Zimmer explains, Feintool has opted for the “train the trainer” approach to HR development as a first step. To put it simply, this means that the company is first training its existing staff. Experts from Europe are training their colleagues in China or in the United States during their daily work on joint projects. Fein-



tool also participates in the tried-and-true cooperative education system and provides theoretical and practical instruction to trainees. In Tianjin, the company entered into a partnership with the Yantai Vocational College for its junior employees.

Feintool is committed to upskilling its employees at the various plants over the long term. The second step is to recruit experts on the Chinese labor market. The same applies to the plant in Taicang, which was established in China and opened in 2011. In addition to fineblanking, the company plans to manufacture electrolamination components for the promising future of electric mobility here.

### Tianjin plant

- ▶ 130 employees
- ▶ 11 274 m<sup>2</sup> building space
- ▶ 3 forming press lines in total
- ▶ Further processing infrastructure including laser welding line, washing, and vibratory grinding machine
- ▶ Production of 8 million cold formed parts per year

# INNOVATIVE TECHNOLOGIES

The ability to innovate is essential to remain competitive in the long term, i.e. permanently. This is why Feintool has continued to make targeted investments in employee training and teamwork in 2019 and has pursued joint research and development projects with ETH Zurich, RWTH Aachen University, and Jiao Tong University Shanghai. Feintool sees great potential in metallic bipolar plates for fuel cell production. The company has made significant progress in this respect, with a complete production concept and important partnerships in place.

## A BREAKTHROUGH IN THE DATA ECONOMY Feintool achieves success with research partnerships

Between 2018 and 2019, researchers from RWTH Aachen University, together with Feintool, introduced the first prototype of a data marketplace based on the example of a fineblanking system – thereby opening the door to new digital business models in industry. The future after the Internet of Production (IoP) has begun. This was only possible through the close collaboration between the two partners – which has lasted for more than 20 years.

A truly groundbreaking achievement – this is how Dr. Andreas Feuerhack, senior engineer for forming production processes and head of the Arbeitskreises Feinschneiden at RWTH Aachen University's Laboratory for Machine Tools and Production Engineering (WZL), sums it up. What is new about this project related to digitization? In essence, it's about a fundamental change in production. In the case of fineblanking technology, digital twins were created for all of the components in the value creation process – that is, for the XFT 2500speed fine tool press, for components, lubricants, raw materials, and operators. This data not only provides information that can be used to optimize existing physical systems. In fact, for the very first time, the data itself becomes an asset that can be bought and sold – creating a new virtual market for data in the process. What is missing, however, are prices, because there are neither rules nor any precedents for them. The Feintool project is a proof of concept of the overall project, incorporating the knowledge and many years of experience of the research team. The next step will be to test demand in Aachen – and offer data for sale via a platform to determine prices.

"Our vision is for all of the entities along the entire value chain to work together seamlessly in a collaborative process based on data sets whose prices are negotiated between machines themselves," explains Dr. Daniel Trauth, who, like his colleague Andreas Feuerhack, works at the WZL as a senior engineer and head of digital transformation. This future also has a name: the machine economy. "Today, collaborative

process optimization is not yet the norm. A steel producer, for example, delivers its steel and that's basically the end of the deal for them. In addition, all of the parties involved have concerns about sharing their data transparently. In the machine economy, however, the data is paid for. This will lead to new business activities such as in service – a digital transformation," says Daniel Trauth.

Feintool is at the forefront of this future scenario – in addition to many other projects with the WZL and other research institutions. As a technology group and innovation driver, digital transformation is obviously at the top of the agenda. This is also why Feintool was appointed to an expert commission for the 30th Aachen Machine Tool Colloquium 2020, which has been postponed due to the coronavirus pandemic. The unique thing about this international conference format is that it isn't focused on sharing information about the current state of technology. Instead, the organizers have the courage to anticipate the future and to talk about things like the monetization of machine data that doesn't even exist yet. Not every company can do that. But Feintool is the perfect partner: "With Feintool, we can identify exciting projects at the cutting edge of technology that will also truly have an impact. The lines of communication are short, we chat almost weekly, and are delighted that the projects are a priority for Feintool," says Andreas Feuerhack, with satisfaction.

### 4

renowned universities have been Feintool's premium partners in research and development for decades.

**ETH Zurich**  
Institute for Virtual Production IVP, D-MAVT

**RWTH Aachen University**  
Machine Tool Laboratory (WZL)

**Technical University of Munich**  
Chair of Metal Forming and Casting

**Jiao Tong University Shanghai**  
National Engineering Research Center of Die and Mold CAD (ERC)

### 3

corporate partners

**Fuchs Wisura GmbH**  
Lubricants  
**Holifa Fröhling GmbH & Co. KG**  
Lubricants  
**ARKU Maschinenbau GmbH**  
Peripheral systems



## INNOVATION MADE IN SWITZERLAND

### FB one: a press in a class of its own

With the development of the “FB one” fineblanking press, Feintool has achieved a quantum leap – an environmentally optimized high-tech press featuring numerous functional details that are all designed to perfectly harmonize with one another in the interest of conserving resources. The FB one works efficiently and precisely, is powerful, versatile, and flexible while still operating profitably. It represents a new class of fineblanking performance – designed with the market in mind.

Cutting more efficiently with less energy – this is how you can sum up the advantages of FB one in a nutshell. In 2019, Feintool developed this new hydraulic press generation for fineblanking metallic parts ready for assembly with a multitude of complex innovations and released it for comprehensive field testing. It was clear from the very beginning of this process that energy efficiency and other environmental aspects were key issues for the future. The technological and simultaneously sustainable masterpiece has now been available on the market since end of 2019. Feintool developed this high-precision press – with four patents pending – over a period of several years, creating a production system that stands out in four areas at once: energy consumption, control, performance, and adaptability to different environments, referred to as “production layouts” (see p. 17).

The FB one’s environmental performance is extremely impressive. Andreas Walther, head of product development in the presses and systems department and, in this capacity, also responsible for the development of FB one, explains: “A key improvement offered by FB one is the hydraulic direct drive. On the one hand, this drive, called FeinDrive, makes higher cycle times and stroke rates possible, resulting in higher productivity. On the other hand, it allows us to reduce energy consumption by 30 percent and oil consumption by 50 percent. That’s huge.” For comparison, today’s presses require 2 000 to 3 000 liters of hydraulic oil to operate, while the FB one uses 600 to 800 liters of oil. And since the oil ages more slowly, the intervals between oil changes are longer – **another thing that speaks for the FB one.**

When it comes to sustainability in mechanical engineering, Feintool is affected in two ways. On the one hand, the company manufactures tools that operate as efficiently as possible and are therefore environmentally friendly. On the other hand, Feintool is itself a user of presses and is there-

fore all too familiar with the needs of customers who want to save energy and disposal costs in production.

Andreas Walther explains: “For the FB one, we compared all our existing presses, pulled out the best features of each, and developed them further.” Because conserving resources was an important issue, a great deal of time and energy was spent working on the hydraulic concept. The result is impressive, with lower energy consumption and higher performance – “Swiss designed.” Energy is also saved during waste separation. Feintool carefully audited its suppliers and components and complied with all environmental standards, including RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) and the REACH guidelines for chemicals (REACH stands for Registration, Evaluation, Authorization, and Restriction of Chemicals).

Apart from the environmental aspect, the FB one is considerably easier to operate than previous models and opens up completely new options in tool making. And the new press line also does justice to the rapid pace of digitization in mechanical engineering, because the FB one can be integrated into digital production processes and transforms them into a production system compatible with Industry 4.0 – but with lower energy consumption.

Last but not least, customers can expect to receive outstanding service – Feintool is not only available around the world at any time of day or night via its hotline, but can also use built-in sensors to continuously monitor the technical condition of the fineblanking presses and prevent unplanned downtime.



## THE BENEFITS OF THE FB ONE AT A GLANCE

# 1

### Energy and environment

- ▶ Up to 30 percent less energy consumption
- ▶ Up to 50 percent less oil consumption
- ▶ Oil ages more slowly and doesn’t need to be changed as frequently
- ▶ Energy-saving waste separation – optimally adapted to the strip skeleton

# 2

### Ergonomics and connectivity

- ▶ An open system in every respect
- ▶ Compatible with Industry 4.0
- ▶ Intuitive control system
- ▶ FEINmonitoring always keeps an eye on the condition of the press
- ▶ Audit trail means all process settings are traceable
- ▶ Compatible with existing tools
- ▶ Optimal accessibility
- ▶ Simplified strip threading

# 3

### Performance

- ▶ Higher number of strokes
- ▶ Higher repeat accuracy
- ▶ Improved process reliability
- ▶ Increased stiffness of the press mechanism
- ▶ Enlarged hydraulic working area
- ▶ More robust design
- ▶ Longer service life of tools and presses

# 4

### Flexibility

- ▶ Modular design creates adaptability
- ▶ Press concept on two levels saves space
- ▶ A foundation pit is no longer necessary
- ▶ Greater possibilities in production design
- ▶ Compatible with existing tools



## ENVIRONMENTAL RESPONSIBILITY

Environmental issues are at the top of Feintool's agenda for employees and management. The group management pursues a clearly defined environmental policy that applies to all companies. The objective is to protect people from health impacts and conserve natural resources. Feintool's environmental management is based on the international ISO 14001 standard. In line with its Expanding Horizons slogan, the company is developing its environmental activities in the narrower sense into a comprehensive sustainability management system.

## SUCCESSFUL CERTIFICATION

### Feintool steps up environmental management

Environmental and energy management is a process that, by definition, can never end. Feintool is determined to continuously optimize the environmental footprint of its products and its entire operations. Feintool's risk management activities, and in particular its comprehensive quality and safety management, are closely tied to this goal.

Protecting the environment doesn't just start behind the factory gate. Feintool already takes the impact on natural resources into account during the procurement of raw materials, consumables, and supplies; the development of new products; manufacturing processes; and the associated waste disposal aspects. These efforts are a top priority, "they secure our future," as it says in the company's mission statement. In this context, energy, emissions, material consumption and recycling, as well as waste – most notably oils, emulsions, solvents, and hazardous substances – are key issues for Feintool.

All of the group's production facilities meet the internationally recognized ISO 9001 (quality management) and ISO 14001 (environmental management) standards, as well as IATF 16949, a binding quality assurance standard for suppliers in the automotive industry. The abbreviation IATF stands for International Automotive Task Force. The German plants in Jena, Ettlingen, Obertshausen, and Ohrdruf are also certified in accordance with ISO 50001, which focuses

on improving a company's energy-related performance. More plants will meet this standard in the future.

Thanks to its ISO 14001 certification, Feintool meets all the requirements of environmental protection within the company. The focus is on the planning, management, monitoring, and improvement of all activities, as well as on environmentally friendly business and employee management. At Feintool, the latter is also shouldered by the environmental officers at the individual locations, who conduct training courses and draw up emergency response plans. Certification not only covers the legal requirements (compliance), but goes beyond that to help improve the company's performance.

#### Our certifications

IATF 16949  
 ISO 9001  
 ISO 14001  
 ISO 50001  
 IQNet\* ISO 9001  
 IQNet ISO 14001  
 IQNet ISO 50001  
 BGHM "Sicher mit System"  
 (systematic safety) seal of approval\*\*  
 Environmental protection certificate (China)

\* IQNet is a global management system certification network.

\*\* Employers' liability insurance association for the wood and metal industry (DE).

# FACTS AND FIGURES

The four main areas of energy, emissions, waste, and materials play a key role in Feintool's business activities. Sustainability reporting is based on the locations listed at the beginning of this report (p. 3) and encompasses all of the company's production facilities and organizational units with the exception of the service centers in Atsugi and Shanghai, which are not material to the data presented in this report.

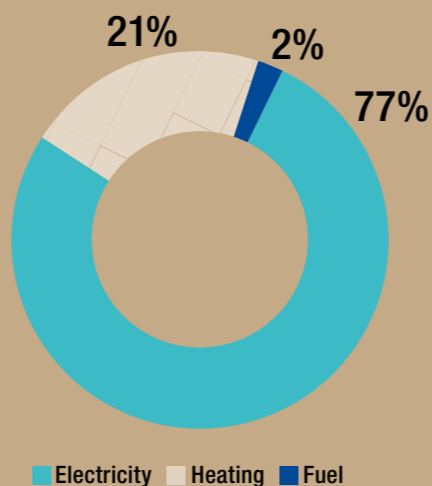
## ENERGY

### Consumption

The consumption of energy and raw materials, especially steel, is of central importance to Feintool's production processes and core business activities. This is why ongoing measures are implemented throughout the group to increase energy efficiency and thus reduce greenhouse gas emissions. In 2019, this included optimizing building technology (air conditioning and lighting) and technical processes (e.g. modernizing machines, optimizing compressed air supply and distribution).

Feintool's total energy consumption in 2019 stood at approximately 133 000 megawatt hours (MWh). At almost 77 percent, electricity accounts for the largest share, followed by combustibles, fuels, and district heating.

ENERGY CONSUMPTION (MWH)	2019
<b>Electricity</b>	<b>102 376</b>
<b>Heating</b>	<b>27 798</b>
Natural gas	26 988
Heating oil	433
District heating	377
<b>Fuel</b>	<b>3 430</b>
Diesel	2 587
Gasoline	703
Liquid petroleum gas (LPG)	140
<b>Total energy consumption</b>	<b>133 603</b>



The totals in the tables on pages 20 and 21 may not add up precisely due to rounding effects.

## EMISSIONS

# CO<sub>2</sub>

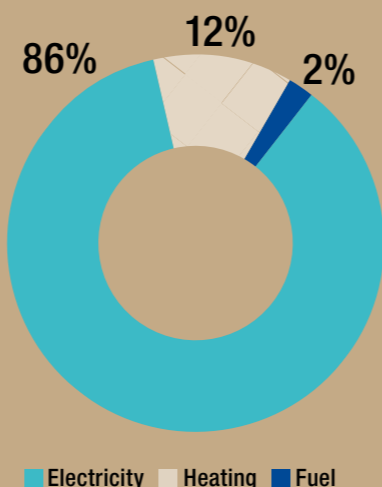
# 540

tons of CO<sub>2</sub> emissions cut through targeted measures

Feintool has long been committed to reducing its greenhouse gas emissions. The quantifiable energy savings in 2019 primarily stemmed from a reduction in electricity consumption and amounted to more than 1 000 MWh for the reporting period, which was accompanied by a reduction in greenhouse gas emissions of almost 540 tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

In 2019, greenhouse gas emissions totaled approximately 48 000 tCO<sub>2</sub>e. At more than 86 percent, electricity consumption was the largest source of emissions, followed by the consumption of combustibles, fuels, and district heating.

GREENHOUSE GAS EMISSIONS (tCO <sub>2</sub> e)	2019
<b>Scope 1 (direct emissions)</b>	<b>6 540</b>
Combustibles	5 634
Fuels	905
<b>Scope 2 (indirect emissions)</b>	<b>41 647</b>
Electricity <sup>1)</sup>	41 576
District heating	71
<b>Total emissions (Scope 1 and 2)</b>	<b>48 186</b>

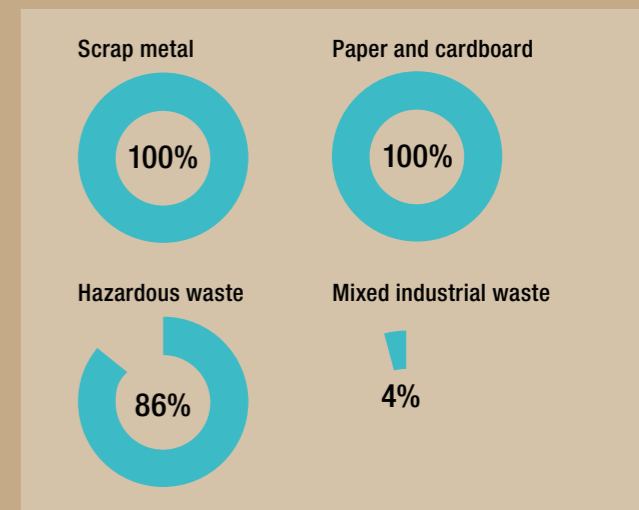


<sup>1)</sup> The greenhouse gas emissions associated with electricity consumption are reported using the "market-based" method in accordance with the Greenhouse Gas Protocol Scope 2 standard. Using the "location-based" method, emissions in 2019 totaled 44 996 tCO<sub>2</sub>e.

## WASTE

Through systematic waste management, Feintool ensures that the majority of its production waste is recycled and can therefore be reused as raw material. Different types of waste are produced at the production facilities, with scrap metal accounting for the largest share. All waste fractions are recycled using specific recycling methods. Feintool recycles 100 percent of its metallic production waste as well as paper and cardboard. The company also achieved a high recycling rate of 86 percent for hazardous waste. In total, the percentage of waste that was recycled stood at 98 percent. As a result, Feintool is making an important contribution to the conservation of natural resources.

### Recycling rates by type of waste



WASTE (TONS)	2019
<b>Nonhazardous waste</b>	<b>124 016</b>
Scrap metal (recycled)	121 916
Mixed industrial waste	1 862
<i>Total recycled</i>	81
<i>Total incinerated</i>	202
<i>Total landfilled</i>	1 579
Paper and cardboard (recycled)	152
Quartz sand (landfilled)	85
<b>Hazardous waste</b>	<b>5 574</b>
Emulsions, waste oil, and oil-contaminated waste	5 413
<i>Total recycled</i>	4 659
<i>Total incinerated</i>	753
<i>Total landfilled</i>	1
Sludge	161
<i>Total recycled</i>	116
<i>Total landfilled</i>	44
<b>Total waste</b>	<b>129 590</b>

## MATERIALS

Metals are clearly the main focus of Feintool's production processes. Steel plays a particularly important role in the manufacture of high-precision components, which is why almost 99 percent of our total material input consists of this raw material. The extraction and production of metals is both resource- and energy-intensive. At Feintool, metal production waste is therefore systematically returned to the material cycle via recycling.

MATERIAL CONSUMPTION (TONS)	2019
<b>Raw material</b>	<b>208 090</b>
Steel	207 377
Copper (incl. brass)	552
Aluminum	161
<b>Supplies and consumables</b>	<b>809</b>
Fineblanking oils	733
Quartz sand	75
<b>Packaging material</b>	<b>745</b>
Paper and cardboard	232
Plastic	303
Wood	211
<b>Total material consumption</b>	<b>209 644</b>

## SUSTAINABILITY ARISES AT THE PLANT

### Feintool uses district heating and electric forklift trucks

Sustainable business operations not only entail manufacturing economical products from safe materials, but also require rethinking how the company's systems, operations, and transport processes are set up. Feintool is committed to conducting its business in a sustainable manner. Switching to district heating at our headquarters in Lyss, Switzerland, and to battery-powered forklift trucks at our plant in Obertshausen, Germany, are two prime examples of this.

#### Switch from natural gas to district heating

Feintool reached further steps on its path to becoming more sustainable in 2019.

A Feintool building on Industriering 3 in Lyss was newly heated via district heating from the local supplier "Wärme Lyss Nord" and no longer with natural gas. This investment was a reflection of Feintool's decision to operate in a more resource-efficient manner and to reduce the emissions previously generated through its use of natural gas.

District heating is nothing other than energy that is generated at one location, yet cannot be used there. It is therefore transported by means of a water system to places where it is needed. Once there, it is withdrawn via a heat exchanger and fed into a building's heating system. In the case of Feintool's location at Industriering 3, the waste heat from industrial drying processes from the neighboring GMZ Extraktionswerk AG is used to heat the building and produce hot water. As such, Feintool's system is a particularly environmentally friendly solution – and

in accordance with the ISO 14001 international management standard, which requires companies to continuously improve their environmental performance. The Feintool location in Lyss is also certified in accordance with ISO 14001.

Andreas Schindler, head of facility management at the Lyss sites, explains: "Investment in a connection to the district heating network has paid off for Feintool in numerous ways. The new installation is more maintenance-friendly, space-saving, and more sustainable than the previous heating system. District heating provides us with 500 000 kilowatt hours of heating capacity per year." In comparison, Switzerland's annual consumption per capita is approximately 7 000 kilowatt hours. Overall, the benefits of district heating for the environment are enormous – according to the energy supplier Wärme Lyss Nord, the use of district heating can reduce CO<sub>2</sub> emissions by up to 6 000 tons in the area covered by the heating network.



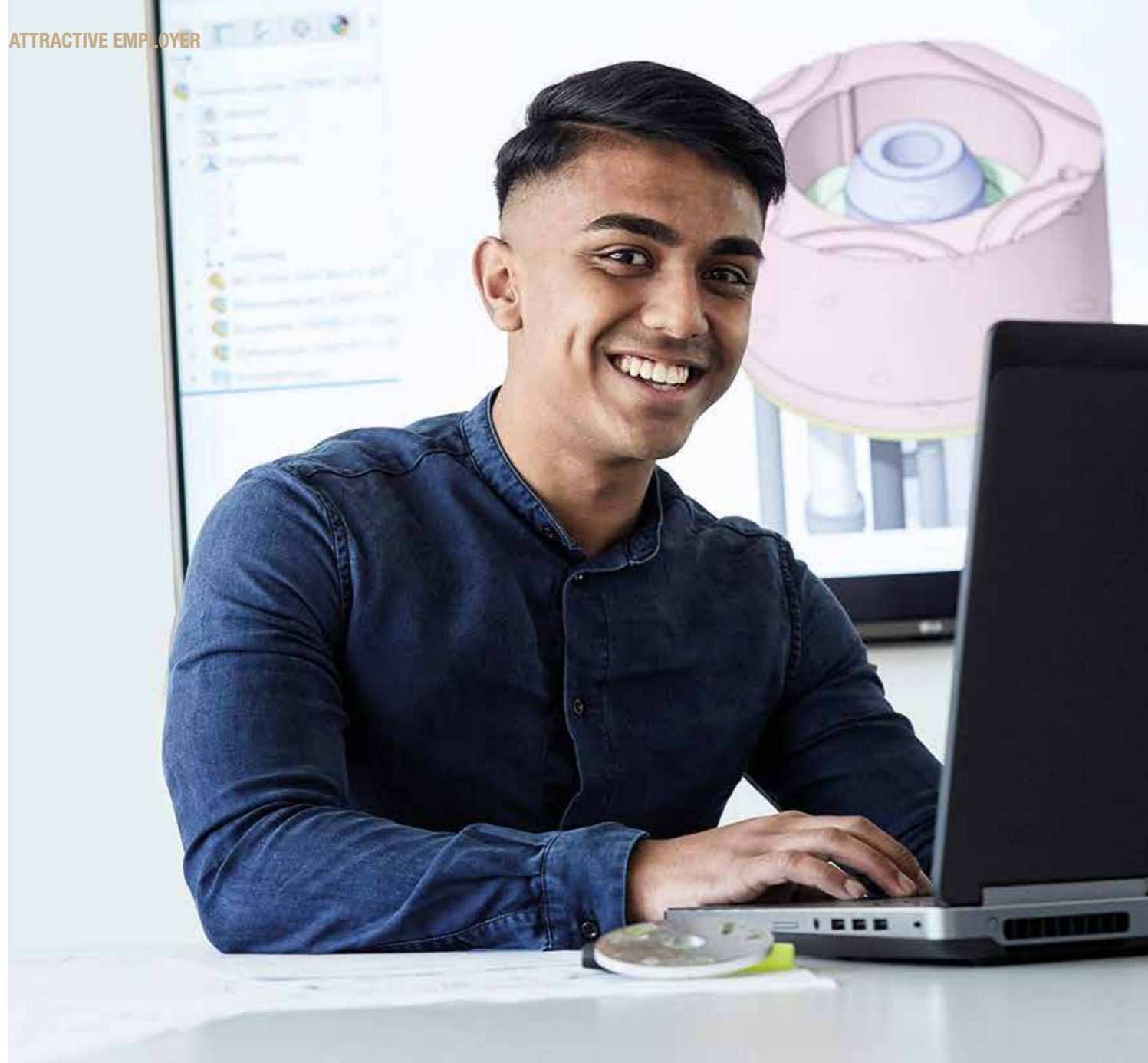
#### Lithium-ion technology for the fleet

The need to make a change was obvious – at the Obertshausen plant, the logistics fleet consisted of a large number of vehicles with different drive concepts from various manufacturers. The plan was to standardize this in order to cut costs and reduce the maintenance requirements, while simultaneously ensuring that the fleet of the future would be sustainable. After consulting with employees, Feintool therefore decided to replace its previous fleet of diesel vehicles and forklifts powered by lead batteries – in the first phase, the company would equip 12 forklifts with lithium-ion technology. After that, it would also successively convert the hand pallet trucks. This was an important step towards implementing an internal electric mobility concept that is both environmentally friendly and easy to use, as well as cuts costs.

The main benefit of switching to li-ion batteries consists of 7 500 liters of diesel – this is how much three diesel vehicles consumed each year alone before reaching the end of their lifespan. In addition, this step also saved emissions that are generated when fuels are created and stored. By comparison,

the new forklift trucks' lithium-ion technology is completely carbon-free, generating zero emissions. Compared to lead-acid batteries, the new drive systems also stand out thanks to their higher energy density and increased effectiveness. This means that twice the amount of energy can be stored in the same space and up to 95 percent of the battery capacity can be used. Another major advantage relates to service life, as lithium-ion batteries can handle almost twice as many charging cycles as lead batteries – and the charging cycles themselves are significantly shorter. As a result, lithium-ion batteries are particularly suitable for vehicles that are often used in shift work – as is the case with forklift trucks, for example.

Around 100 of the total of 400 employees participated in training sessions to familiarize themselves with the software and charging technology. What do they think of the new equipment? Outstanding – users particularly appreciate the lower maintenance requirements and standardized operation of the now homogeneous forklift fleet. Furthermore, noise and exhaust fumes have also decreased.



## ATTRACTIVE EMPLOYER

For a technology leader like Feintool, having expert employees and sharing knowledge on international teams are among the most important success factors. The Executive Board takes its responsibility as an employer seriously – advanced training and personal development, diversity with mutual respect, as well as personal responsibility and motivation in a safe and healthy working environment are all top priorities. The next global employee survey will be conducted in 2021. In 2018, a total of 70 percent of employees responded, and Feintool was rated extremely highly in the categories “occupational safety” and “willingness to engage in a dialog.”

## WORKING AT FEINTOOL

### Safe, fair, and digital

The Feintool Group pursues a clear human resources policy: the needs of its employees, particularly in terms of development, occupational safety, protection from discrimination, and social participation, are given as much consideration as are the company’s expectations of its employees with respect to their dedication and willingness to assume responsibility. It is no coincidence that Feintool System Parts Jena GmbH once again received the award for sustainable HR management from the Thuringia Economic Institute (IWT) in 2019.

Protecting employees’ health and occupational safety are top priorities, and the company complies with and routinely monitors regulatory requirements at all of its locations. Each location has qualified teams of first responders, safety officers, and fire protection officers. Feintool continuously optimizes lighting conditions and ergonomics at the workplace and reduces emissions. The management system clearly specifies how hazardous waste and hazardous substances are handled. The occupational health and safety management at the Jena plant has been awarded a seal of approval by the employers’ liability insurance association for the wood and metal industry. The company’s objective is to implement standardized occupational health and safety policies across all of its locations.

Feintool Systems Parts Jena GmbH has also received another award – the ITW found the company’s sustainable HR management worthy of recognition for the second time in a row and awarded Feintool the “Strong Future – Demographic Change-Oriented Company” seal of approval. The company was also rated highly in the categories human resources development and management, knowledge and expertise, equal opportunities, diversity, and health. The seal also qualifies the company to participate in the Thuringian Sustainability Agreement (NAT).

Throughout the Feintool Group, advanced training and career advancement for employees are central concerns, since the knowledge and skills needed to manufacture quality products and create innovations are crucial to the company’s future success –

especially in the face of a competitive market environment that is undergoing profound change. Feintool knows how to identify talented employees, foster their development through internal training, and retain them over the long term. Performance reviews are held every year to identify and evaluate employees’ performance, achievements, and training needs. This requires dedication and a willingness to develop on the part of employees, and leadership skills and a sense of responsibility on the part of management. Fair compensation with a bonus system and equal pay for equal work are components of human resources management.

In 2019, international collaboration received an important innovation boost. After a detailed preliminary assessment phase, a joint decision was made to roll out the digital workplace under the name FEINnet. The system, which is based on Office 365, offers both a modern intranet and improves the efficiency of project teams working across all of the company’s locations thanks to its easy-to-use features. FEINnet also promotes transparency and enables uniform standards and procedures to be implemented throughout the group. In the eyes of CEO Knut Zimmer, FEINnet is “an important piece of the digital puzzle that will help us remain competitive as a technology company.” The widespread rollout of the system with comprehensive training for employees with PCs is planned for 2020. The importance of international knowledge sharing and collaboration for Feintool is also demonstrated by the annual Best Achievement Awards for successful projects by mixed teams, such as in the field of electrolamination stamping.

#### Health and Occupational safety

- ▶ Waste management
- ▶ Elimination of hazardous substances
- ▶ Training for all employees
- ▶ Drills (evacuation, fire extinguishing)
- ▶ Athletic activities

#### HR development

- ▶ Well-established HR management
- ▶ Internal promotion of young talents
- ▶ Equal treatment and opportunities

#### International project work

- ▶ Digitization of work processes
- ▶ Best Achievement Awards: 27 nominated projects, 4 winners in 3 categories
  - Development of the FB one (Innovation & Technology, see p. 16/17)
  - Innovative automated surface testing (Innovation & Technology)
  - Collaboration ZF 8HP (Team, Effort & Extra Mile, see p. 29)
  - Japanese plant: delivery of 50 million parts without a single complaint (Quality)

In 2019, Feintool invested in the promotion of skilled junior employees in all of its regions. The company's dedication to providing comprehensive support and personalized development opportunities for young talents pays off over the long term. For example, the German fineblanking plant in Jena was awarded the title of "Top Training Company" by the Eastern Thuringia Chamber of Industry and Commerce.

A total of around 80 vocational training positions in 16 technical and business-related fields are available at seven Feintool locations. The demand for toolmakers is particularly high. How do the young people view the time spent in their vocational training programs themselves?

Zach Kater from Cincinnati, Ohio, United States and Sophie Hofmann from Lyss, Switzerland (see interview on the right, p. 27) offer a glimpse into their day-to-day lives as trainees.

#### Why did you choose this profession?

**Zach Kater:** I was tired of working in a job that didn't mean anything to me. This led me to look for a career that would allow me to work as a skilled craftsman. And this is how I learned about the profession of toolmaker. I'm very glad that I took this step.

#### What have been some of your recent successes?

It turned out that I'm able to implement the knowledge I've acquired quite quickly. I've learned to operate the water jet cutter. Since then, I can also work on the lathe.

#### What are some downsides?

The greatest challenge is learning how all of the different machines work. Some of them seem a little intimidating at first. But once I understand how they work, I get used to them and enjoy operating them.

#### Where do you feel more comfortable, at school or at the workplace?

I am more of a hands-on kind of guy and like to help out.

#### What are your plans for the future?

So first I want to finish school and get my journeyman's certificate together with my

diploma. Then I want to get married, and after that we'll start a family.

#### Can you imagine working abroad after your training?

The idea of working abroad obviously has its appeal. But I don't think I'd be able to leave my family alone for a longer period of time. It would be interesting to visit the locations in Switzerland.

#### What do you like most about your training location?

The people who work here. Everyone is extremely kind and helpful. They teach me new things every day and offer their support.

### A top training company

It's no coincidence that young people are interested in training at Feintool – word has got around about the opportunities to learn about the programs in depth prior to beginning training and the first-class support provided to the trainees. Feintool Systems Parts in Jena has entered into partnerships with schools, participates in education fairs, and gives young people the chance to become more familiar with the technology group through its College on Tour program or internships before making a career decision. In addition, Feintool provides personalized support to help dropouts, underachieving boys and girls, and refugees get their careers off to a good start. The East Thuringia Chamber of Industry and Commerce found Feintool Systems Parts GmbH to be "worthy of a recognition" and honored it as a top training company in 2019.



#### Why did you choose this profession?

**Sophie Hofmann:** Technical design was one of my favorite subjects at school, and it turned out that I also had a talent for it. So I wanted to learn something technical, and working with metal was what excited me the most. My mother then drew my attention to the profession.

#### What jobs do you find easy?

I like assembling the tools, and one of my favorite jobs is wiring and tubing – it comes easy to me. At the moment, I'm working on a three-way plate tool. This tool can be used to simultaneously produce three parts with one stroke. This is extremely exciting, but also challenging, because I work with really large sizes with this tool, meaning there's a lot of weight to lift.

#### Theoretical knowledge or hands-on experience? Which do you prefer?

I don't mind going to school. But now I miss the physical fatigue whenever I spend the whole day at school. When I come home from work, both my mind and my body are tired. I like that.

#### What are your plans for the future?

I'm going to finish my training in 2020. Then I'm planning on taking a three-month break. After that, I'd like to work here again and enroll in an advanced training program at a polytechnic university.

#### Can you imagine working abroad after your training?

That depends on the next steps I take. I can't imagine working overseas for multiple years at the moment. But I would like to spend some time in the Czech Republic or Germany.

#### What do you like most about your training location?

One cool thing is that there are so many of us in training. We often discuss our experiences, and we also push and motivate each other. I also appreciate the fact that at our location, theoretical knowledge and practical application go hand in hand. I go to school once a week and can apply this knowledge directly to my work.

### Global career advancement

In China, Feintool's vocational trainees benefit from the advantages of the cooperative education system. Thanks to a partnership agreement the company entered into with the Yantai Vocational College in 2019, seven trainees will be able to begin training in the areas of press operation, tool maintenance, and operation of coordinate measuring machines for the first time in 2020. In the United States, Feintool also intensified its partnership with Butler Tech in Ohio in order to recruit highly talented young people with a technical background for its vocational training program.

Sophie Hofmann, in her fourth year of training to become a polymechanic specialized in tool-making at Feintool System Parts, Lyss, Switzerland

# FACTS AND FIGURES

Feintool is active worldwide and values cultural diversity among its employees. All of the key figures applicable to employees pertain to the organizational units listed on page 3, with the exception of the service centers in Atsugi and Shanghai, which are not material to the data presented in this report.

## DIVERSITY

The Feintool Group's mission statement and Code of Conduct make it clear that the company expressly promotes diversity and requires all employees to treat each other with respect – regardless of age, gender, background, or worldview.

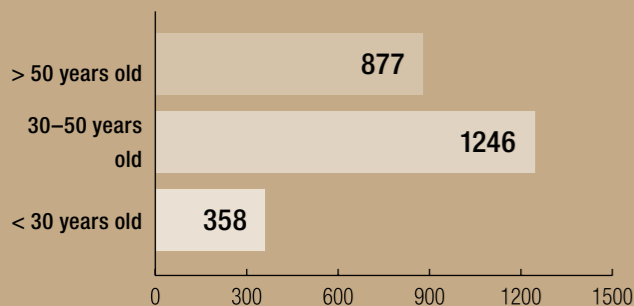
	Total	Male	Female
<b>By region</b>	<b>2 481</b>	<b>2 067</b>	<b>414</b>
Europe	1 676	1 397	279
USA	456	383	73
Asia	349	287	62
<b>By employment contract</b>	<b>2 481</b>	<b>2 067</b>	<b>414</b>
Permanent	2 328	1 955	373
Temporary	153	112	41
<b>By type of employment</b>	<b>2 481</b>	<b>2 067</b>	<b>414</b>
Full-time	2 332	1 998	334
Part-time	149	69	80

Composition of employees at the end of 2019 excluding students, trainees, interns, and temporary workers

### Qualified employees

Approximately two thirds of the 2 481 Feintool employees included in this dataset work in Europe. Only around six percent work on a part-time basis. Women account for approximately 17 percent of the workforce. In addition, 105 students, vocational trainees, and interns were trained in the past financial year. At the end of 2019, Feintool employed 248 temporary workers. Approximately 40 percent of employees are represented by a trade union or are subject to collective bargaining agreements. The age distribution shows that Feintool benefits from experienced specialists. Retaining these employees over the long term is central to the company's success. This is why Feintool offers both older and younger employees professional development and advanced training opportunities.

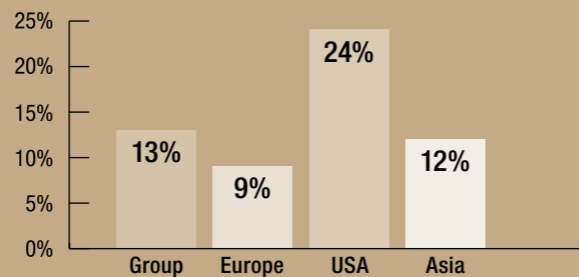
### Employees by age group



## EMPLOYEE TURNOVER

Recruitment and training are key areas of activity at Feintool in order to retain employees over the long term. In 2019, the turnover rate across the entire group stood at 13 percent. Turnover was higher in the United States than in the other regions, partly due to restructuring activities and the labor laws applicable there. As expected, the number of employees under 30 years of age who left the company was higher than in the other age groups. Our focus on the core areas of recruitment and training should help to ensure that employees remain loyal to the company over the long term.

### Turnover overall and by region



Employee turnover is calculated on the basis of employees with permanent employment contracts and does not include employees leaving due to retirement.

## OCCUPATIONAL SAFETY

The safety and health of our employees is our top priority. As such, Feintool's management strictly monitors compliance with company policies and the code of conduct in order to prevent workplace accidents and avoid or prevent illnesses. In a workplace accident that resulted in the death of an employee in the United States, the supervisory authority determined that Feintool was not at fault. The case was closed.

	2019
Number of workplace accidents	130
Accident frequency rate (AFR)*	5.67
Number of lost workdays due to accidents	1 329
Accident severity rate (ASR)**	58
Number of serious workplace accidents***	2
Number of fatalities from workplace accidents	1

\* Accident frequency rate (AFR): number of accidents per 200 000 hours worked.

\*\* Accident severity rate (ASR): number of lost workdays due to accidents per 200 000 hours worked.

\*\*\* At least 180 lost workdays per case.



Three parts that traveled around the world: a piston, a guide disk, and a ring gear carrier (from left to right).

# TEAMWORK MAKES IT POSSIBLE

## Knowledge from three continents for high standards

Who knew that these three formed parts – a piston, a guide disk, and a ring gear carrier – could have so much inside? Because behind these components for an eight-speed automatic transmission is a wealth of knowledge, experience and logistical ability. And these are three core competencies that Feintool was able to draw on at short notice in perfectly coordinated collaboration between around 60 employees on three continents.

The customer's specifications were clear: tryout samples of formed parts for an automatic transmission with eight gears needed to be completed within nine months – with outstanding quality and as close as possible to the target design. A further condition was that the parts would need to be manufactured in China as soon as series production began. This is due to the fact that the end customer is located in India and wants to keep transport distances as short as possible.

Feintool didn't have the production lines in China in place when the bidding process began, but nevertheless was dead set on winning the contract. To do so, Feintool pooled the respective forming expertise and infrastructures of the teams in Germany (Obertshausen, Ohrdruf), China (Taicang,

Tianjin), Japan (Atsugi), and the United States (Nashville) under the leadership of project manager Tobias Gries. Every step of the process at the plants – spread over three continents – had to be perfect and was meticulously planned down to the smallest detail in order to adhere to the ambitious schedule.

This challenge could only be successfully met as a team. Feintool delivered on time and in the desired quality and, in the end, the customer was more than satisfied. This is a prime example of quality work produced within a culture of collaboration. So it's no coincidence that the project received a Best Achievement Award in 2019, which Feintool presents internally every year in various categories to recognize outstanding achievements.

### The project

- ▶ Tryout samples of formed parts for an eight-speed transmission
- ▶ 60 employees involved
- ▶ Germany: material, forming
- ▶ Japan: fineblanking
- ▶ USA: further processing
- ▶ China: series production

# ABOUT THIS REPORT

Feintool International Holding AG is publishing a separate sustainability report for the first time for the 2019 reporting year. All of the information and figures apply to the Feintool Group – namely, to the 16 locations in Switzerland, Germany, the Czech Republic, China, Japan, and the United States mentioned at the beginning of the report (p. 3). We view sustainability reporting as a process and proceed step by step. Initially, we have roughly adhered to Global Reporting Initiative (GRI) standards. In the future, we want to align our sustainability reporting more closely with this leading international framework in harmony with our annual financial and company reporting.

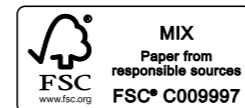
We believe that collecting data and information on the economic, environmental, and social impact of our business activities on an annual basis provides an additional basis for the Feintool Group's strategic development and innovative capacity, including in line with the Sustainable Development Goals of the United Nations (SDG). In 2020, we will focus on the question of what contribution the Feintool Group can make to achieving selected SDGs.

The areas relevant to this year's report were identified in a workshop with the Feintool Group's Executive Board. In this process, we have taken the interests of our stakeholders, who we are familiar with through regular communication, into account. The table on page 31 shows which stakeholder groups Feintool engages in a dialog with and in what form.

Knut Zimmer, CEO Group Feintool

## Key reporting areas

- ▶ Business performance
- ▶ Anti-corruption
- ▶ Customer health and safety
- ▶ Use of materials
- ▶ Energy consumption
- ▶ Emissions
- ▶ Wastewater and waste
- ▶ Environmental compliance
- ▶ Employment conditions
- ▶ Occupational health and safety
- ▶ Vocational and advanced training
- ▶ Diversity and equal opportunity
- ▶ Nondiscrimination



**Publishing information:**  
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 Feintool International Holding AG  
 Corporate Communications

Photos:  
 Feintool archive

Consulting, text,  
 Data management:  
 Sulytics GmbH  
 ZURBONSEN C&CSR

# DIALOGUE WITH THE STAKEHOLDERS

Stakeholder	Needs	Dialogue format	Periodicity	Responsible
<b>Shareholders / Investors</b>	Continuous dividend payout policy, rising market value, good reputation, legal compliance	- Investor relations: - General Assembly - Annual Report - Roadshow - Guided plant tours - Media relations (Ad hoc releases, one-to-one meetings) - E-communication (web, social media)	- annually - annually - half-yearly - as needed - ongoing	- FIH*
<b>Legislators / Authorities</b>	Legal compliance, job offers/retention	- Petitions/approvals - Tax return - Stock market report	- as needed	- per company/FIH
<b>Customers</b>	High-quality, innovative and on time products and services for fair market value, good reputation, legal compliance	- Key account management - Trade fairs/events/conventions - Media relations (trade media) - Public relations - E-communication	- ongoing - according to activities' plan - ongoing - ongoing - ongoing	- per segment and region - FIH - FIH - FIH - FIH
<b>Employees</b>	Attractive workplace, market-based salary, development opportunities, legal compliance	- Communication via superiors - Employee magazine - Announcements - Intranet - Management and Employee events - Employee activities - Employee survey	- ongoing - half-yearly - ongoing - ongoing - half-yearly - as needed - every 3 years	- per company/FIH - FIH - per company/FIH - per company/FIH - per company/FIH - per company/FIH - per company/FIH
<b>Partners/Suppliers</b>	Long-term and reliable cooperation, fair partnership (prices, conditions), legal compliance	- Supplier management - Visits - Evaluations - Trade fairs	- ongoing - ongoing	- per segment and region
<b>Regional/local environment</b>	Minimal negative impacts (through traffic, emissions, transformation of the landscape), sustainable engagement, open culture of dialogue and cooperation, attractive employer and training institution in the region, good reputation, legal compliance	- Media relations (local media) - E-communication - Personal contacts (community representatives) - Media relations (local media) - Events (tours) - Vocational orientation offers for pupils - Public relations (membership at the local Chamber of Commerce and Industry) - E-communication	- as needed - ongoing - as needed - as needed - as needed - ongoing - as needed - ongoing	- per company/FIH - FIH - per company/FIH - per company/FIH - per company/FIH - per company/FIH - per company/FIH - FIH
<b>Associations</b>	Compliance with commitments	- Events - Individual meetings	- as needed	- per company

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