SUSTAINABILITY REPORT 2014

pure *responsibility*

elringklinger

Contents

Sustainability Report 2014

Ladies and gentlemen,

In today's society, values can no longer be regarded from a purely one-dimensional perspective. Social and environmental sustainability are preconditions for long-term business success. That is why we have made sustainability an important and integral part of our corporate strategy and in particular our mission statement. Overall, ElringKlinger's approach to sustainability can be divided into four main areas: Products and Innovations, Environment and Quality, Employees and Social Commitment.

In today's world, mobility is a prerequisite for freedom and the ability to interact with others beyond our immediate borders. Our job is to make that possible while minimizing any impact on the environment. The automotive industry faces tremendous challenges as it responds to new legislation imposing dramatic cuts in CO_2 emissions all over the world. As an automotive supplier, we can do our bit to help the industry as a whole meet these strict rules. The goal of resource-efficient mobility with a low environmental impact cannot be achieved simply by implementing a few individual measures; it will mean applying a whole raft of smart and innovative solutions. With its clearly defined portfolio, the vast majority of ElringKlinger products used in engine, transmission, vehicle body and exhaust tract applications, as well as in the area of e-mobility, contribute in some way to the reduction of carbon dioxides, nitrogen oxides, hydrocarbons and soot particulates. We help our customers to make their own products even more resource-efficient. In fiscal 2014 we made numerous improvements to our value chain in the area of sustainability, with a wide range of new developments designed to reduce emissions. We also met our target of cutting relative direct and indirect CO_2 emissions by a percentage figure in the low single digits. In large part, this was achieved thanks to the active support of our global workforce.

Our aim in publishing this, our fourth, Sustainability Report, is to promote transparency. The report documents what we have achieved in the four key areas of sustainability. According to the title of the Sustainability Report "pure responsibility" we want our company to be judged on its efforts to protect the environment, look after its workforce and care for our society.

Together we will continue to work for the sustainable development of our company. I hope that you find the report interesting and that the information it contains is as useful to you as it is to us.

Yours sincerely,

Dr. Stefan Wolf
Chief Executive Officer

Profile and period *covered by the report*

This document contains ElringKlinger AG's fourth Sustainability Report. Unless otherwise stated, all data relates to the entire ElringKlinger Group and the period from January to December 2014. The environmental indicators in this report do not yet cover the Group subsidiaries Polytetra GmbH and new enerday GmbH, both of which were acquired in 2014.

The report was published in December 2015 and is available in German and English.

ElringKlinger has taken a conscious decision not to continue publishing the Sustainability Report in printed form, as this is one way in which we can minimize the use of resources. At the same time, ElringKlinger decided to expand the online coverage of sustainability issues to ensure that the information we provide is always up to date. As a result, this Sustainability Report contains more direct links to selected topics.

FOR MORE INFORMATION ON CORPORATE SOCIAL RESPONSIBILITY (CSR), PLEASE SEE OUR WEBSITE.

CSR-REPORT GERMAN

Company *profile*

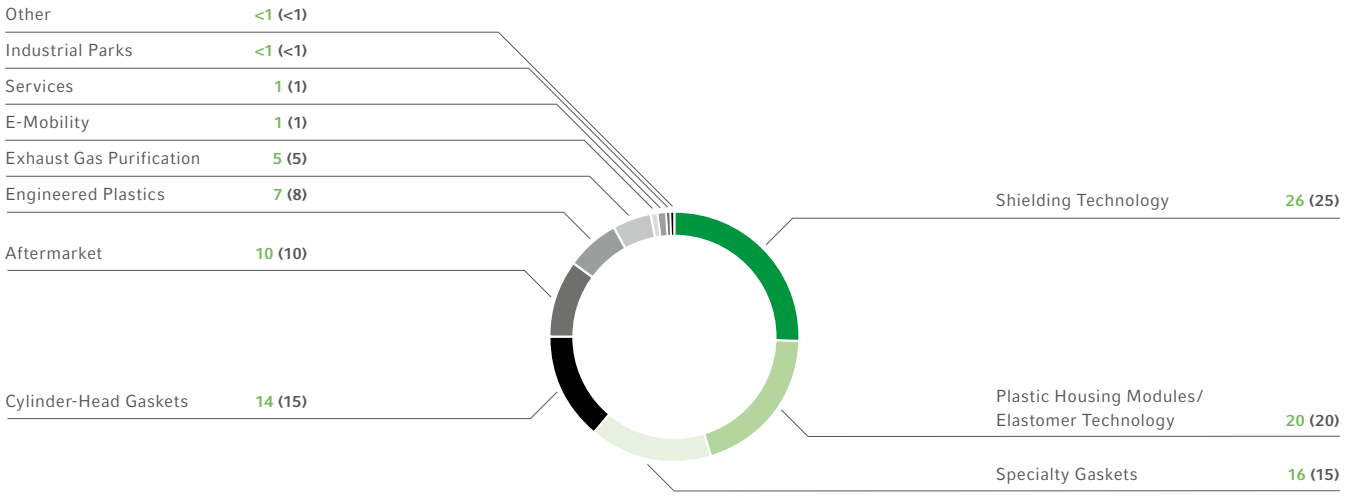
ElringKlinger is an independent and globally positioned development partner and original equipment manufacturer in the field of cylinder-head and specialty gaskets, lightweight plastic components and housing modules for the drive train and the vehicle body, thermal and acoustic shielding components for the engine, transmission, and exhaust tract, and components for lithium-ion batteries and fuel cell systems. The company's portfolio also includes particulate filters and end-to-end exhaust gas purification systems used in ships, buses, trucks and construction and agricultural machinery, locomotives as well as in power stations. This portfolio is complemented by products made of the high-performance plastic PTFE supplied by ElringKlinger Kunststofftechnik GmbH. These are marketed to a wide range of sectors, including those operating beyond the vehicle manufacturing industry. Additionally, the ElringKlinger Group supplies the independent aftermarket, the main focus being on flat metal-based gaskets and complete gasket kits. In fiscal 2014, the Group's total sales revenue rose by 15.3% to EUR 1,325.8 (1,150.1) million.

Today (December 2015), the ElringKlinger Group employs around 7,700 people at 45 locations around the globe. The Group's headquarters are in Dettingen/Erms (Germany).

FOR MORE INFORMATION ON THE STRUCTURE OF THE GROUP, PLEASE SEE OUR WEBSITE.

SALES REVENUE BY DIVISION IN 2014

(prior year) in %



Our commitment *to sustainability*

ElringKlinger was founded over 135 years ago. Over this period, it has evolved into an international group and created a set of values that benefit all its stakeholders – customers, shareholders and employees – as well as the environment and the countries in which it operates. We have always striven to maintain a balance between business success, environmental protection and social responsibility at every point in the value chain.

ElringKlinger's approach to sustainability can be divided into four main areas – Products and Innovations, Environment and Quality, Employees and Social Commitment – each with its corresponding strategy. This report is designed to highlight the progress we made in all four areas in fiscal 2014.

Products and *innovations*

"Green mobility" of the future

A strong culture of innovation across the ElringKlinger Group remains the most important factor in its long-term business success. In this context, the company aims to maintain its leading position in the technology stakes well into the future and extend its competitive edge in terms of product development. In order to achieve this, ElringKlinger invests around 5% of its revenue in research and development each year. The long-term product strategy defined by ElringKlinger AG is firmly focused on the core issues currently driving the automotive industry: downsizing, lightweighting, exhaust gas purification technology and e-mobility. Even now, almost the entire product range offered by the ElringKlinger Group – featuring solutions relating to engine, transmission, vehicle body and exhaust system applications as well as the field of e-mobility – is centered on the goals of reducing emissions and promoting green mobility. We frequently register industrial property rights and patents in order to protect our key technologies and processes.

Megatrends
in the automotive industry

1 … WEIGHT SAVINGS OF UP TO 50%

LIGHTWEIGHTING: Vehicle weight is a major factor in the volume of CO_2 emissions. Lighter vehicles use less fuel and therefore produce lower emissions. Consequently, there is tremendous potential to reduce emissions by replacing metal with plastic components. The aim here is to make vehicles lighter and thus more fuel-efficient. Manufacturers have cut the weight of some products by as much as 50%.

LIGHTWEIGHT PLASTIC COMPONENTS (DRIVE TRAIN)

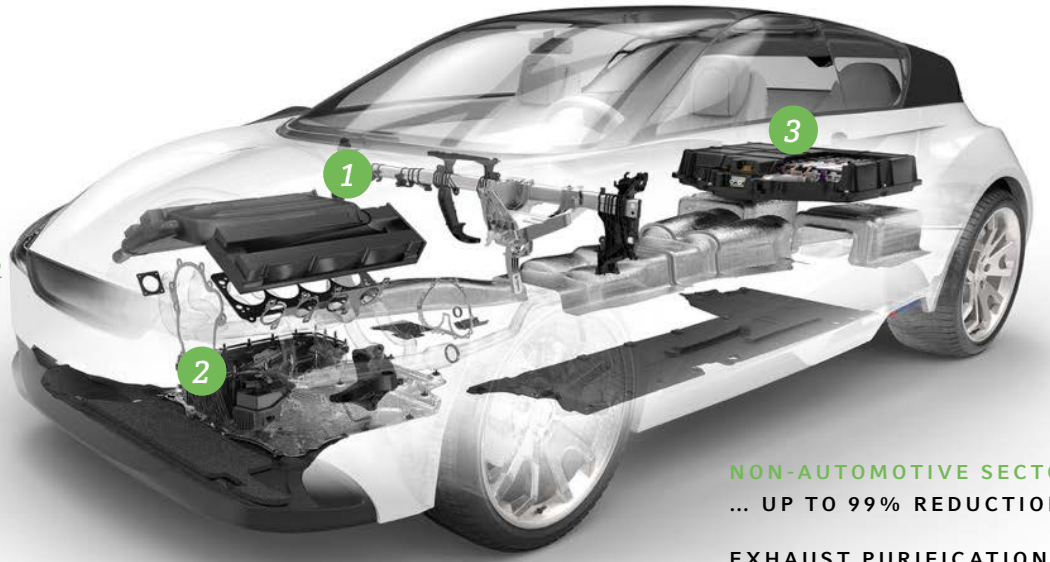
LIGHTWEIGHT PLASTIC COMPONENTS (VEHICLE BODY)

3 … UP TO 100% EMISSION-FREE

E-MOBILITY: Energy and energy efficiency are currently the number one issue in the automotive industry. ElringKlinger's product portfolio already includes a number of battery and fuel cell components. As such we are well equipped to contribute to the long-term goal of zero-emissions mobility.

BATTERY TECHNOLOGY AND ELECTROMOBILITY

FUEL CELL COMPONENTS



2 … POTENTIAL ENGINE EFFICIENCY GAINS OF UP TO 25%

DOWNSIZING: The aim of the automotive industry is to make efficient transmission systems that reduce fuel consumption while also improving performance. This is being achieved by continuous optimization of the engine, e.g. by combining lower engine capacity with a turbocharger to maintain the same level of performance. However, increasingly efficient engines also coincide with higher temperatures and injection pressures. This puts greater demands on shielding parts as well as cylinder-head and specialty gaskets. For this reason ElringKlinger's development activities also focus on continuous upgrades of its product portfolio with a view to delivering further improvements in terms of durability, stability and thermal resistance. There is still potential to optimize the conventional combustion engine by up to 25%.

CYLINDER-HEAD GASKETS SPECIALTY GASKETS SHIELDING SYSTEMS

NON-AUTOMOTIVE SECTOR

… UP TO 99% REDUCTION IN SOOT PARTICULATES

EXHAUST PURIFICATION TECHNOLOGY: Emissions such as nitrogen oxides, hydrocarbons and soot particulates are particularly harmful. Having said that, road traffic is responsible for only a fraction of all emissions. In fact, some large ships produce almost the same volume of soot particulates as one million cars. ElringKlinger's expertise spans the entire range of processes associated with exhaust gas purification – from filter ceramics and coating through to canning. Our purification systems can also be used, for example, in stationary engines and off-road applications. Fitting diesel particulate filters to large ships would reduce the volume of soot particulates entering the atmosphere by up to 99%.

EXHAUST GAS PURIFICATION SYSTEMS

© BMBF-funded project, project sponsor (Karlsruhe)

With new legislation being introduced around the globe, manufacturers have no choice but to deliver substantial reductions in CO_2 emissions. The European Union, the United States and China have all set themselves extremely demanding targets for 2020 and beyond. In Germany, average CO_2 emissions for all the vehicles produced by German manufacturers in October 2014 were still 131 g CO_2/km, a mere 3% down on the previous year. The aim is to cut this figure to 95 g CO_2/km by 2020. New legislation will boost ElringKlinger's efforts in this area, since the Group's innovative technologies can help vehicle manufacturers to meet these strict legal requirements.

In fiscal 2014 ElringKlinger once again increased its spending on research and development. This is reflected in its current product portfolio, around one-third of which is less than three years old. To this end, we are continuing to expand our personnel capacity in those departments involved in R&D. In the year to December 31, 2014, the number of employees in this area rose to 538 (498). Including capitalized R&D costs, R&D expenditure in 2014 stood at EUR 66.5 (65.7) million, equivalent to an R&D ratio of 5.0 (5.7)%. In 2014 we registered 94 (78) new German and international property rights to help us maintain a lasting edge in the field of product development.

		2014	2013
R&D costs	*(in EUR m)*[1]	66.5	65.7
R&D ratio		5.0%	5.7%
Capitalization ratio		16.0%	15.8%
Registered property rights		94	78
R&D employees		538	498

[1] Including capitalized R&D costs

ReLei - ElringKlinger assumes coordination of publicly funded lightweight construction project

The research project ReLei (fabrication and recycling strategies for electromobility to recycle lightweight structures in fiber-reinforced composite hybrid design) was launched on December 1, 2014. The aim of this project is to develop strategies for recycling the carbon fiber-reinforced plastics used in future vehicles. The project is funded by the German Federal Ministry of Education and Research (BMBF). It is being implemented by a consortium of twelve partners drawn from industry and science, and is coordinated by ElringKlinger. As well as innovative manufacturing processes, such as the development of new foam injection-molding systems for complex sandwich structures, the project aims crucially to establish an end-to-end recycling strategy. To this end, the ReLei consortium of partners have adopted an interdisciplinary approach that puts recycling at the heart of all the project's development work. ReLei is set to run for three years. Funds have been allocated to the research and development project out of the BMBF's general budget "Innovations for the Production, Services and Jobs of the Future" (funding reference 02PJ2800 – 02PJ2808), and the Energy and Climate Fund. PTKA, the lead executing organization, is based at the Karlsruhe Institute of Technology.

The changing nature *of mobility*

Dr. Uwe Maier, Head of Fuel Cell Development at ElringKlinger, on the future potential of fuel cells

Let us try and imagine what the car of the future will look like. It will certainly have no CO_2 emissions, and its environmental footprint will no longer be undermined by nitrogen oxide and soot particulates. The car of the future will not burn fossil fuel and will no longer be a source of pollution. Before we get there, however, the automotive industry as a whole still needs to overcome some technological challenges.

The main drawbacks of today's battery-powered electric vehicles are their limited range and lengthy charging times. From the driver's perspective, this means they are less flexible. Yet at the heart of our relationship with the car is the ability to get in and drive off whenever and as far as we like. Battery-powered vehicles offer many advantages and can be an efficient method of travel in city traffic. However, the commercial success of any car also depends crucially on its range and refueling time. For this reason, alongside battery technology, we are also researching alternative drive systems based, for example, on fuel cells.

Unlike batteries, which combine energy storage and conversion in a single component, the fuel cell functions purely as an energy converter. Fuel cells are a highly effective method of converting chemical fuel energy directly into electrical energy. In order to perform this reaction, low-temperature fuel cells require oxygen and hydrogen. Hydrogen acts as a fuel for vehicles fitted with fuel cells. All that is released into the air from the exhaust pipe of a fuel cell car is zero-emissions, climate-neutral water vapor. Our low-temperature fuel cells based on polymer electrolyte membrane (PEM) technology already generate up to 50 kW and can be used in vehicles and stationary applications as fuel cell-battery hybrid systems. We are now conducting intensive research in order to further boost the performance of our PEM stacks.

In 2014, ElringKlinger acquired the fuel cell specialist new enerday, thus adding high-temperature fuel cell technology to our existing development portfolio and supplementing our own expertise, especially in the core fields of electronics, reformer technology and system integration. Turning to non-automotive sectors, other potentially attractive openings include supplying electricity for construction sites and for measuring and monitoring systems. We are actively marketing the first highly promising products in these areas.

Vehicles based on fuel cell and battery technology can only be regarded as zero-CO_2 alternatives if the hydrogen or electricity they use is generated from non-fossil sources. The industry is therefore making every effort to produce hydrogen from renewable sources. Furthermore, the infrastructure (hydrogen refueling stations) needed by cars and long-distance trucks is not yet fully developed. The technology cannot make further progress in the automotive industry until sustainable solutions are found. Our assessment is that these challenges can be overcome. The whole concept of mobility is being transformed, and our industry in particular has entered a very exciting phase. I am certain that ElringKlinger will play an active role in shaping these developments.

Neat work: Our fuel cell stacks have been certified by well-known independent testing bodies and are thus equal to all the demands of modern vehicles.

Environment *and quality*

Focus on careful use of resources – Clear target for 2014

ElringKlinger set itself the target of reducing its direct and indirect CO_2 emissions (relative to sales) every year by a percentage figure in the low single digits. To this end, ElringKlinger continuously optimizes its internal processes and invests in smart, cutting-edge and resource-efficient production systems in order to keep the emissions from all manufacturing facilities as low as possible, and ensure that we maintain our high quality standards. Wherever they are based in the world, all Group employees are expected to comply with our strict quality and environmental rules. We have also established clear directives for our suppliers.

FOR MORE INFORMATION ABOUT OUR ENVIRONMENTAL AND QUALITY DIRECTIVES, PLEASE SEE OUR WEBSITE.

As our Original Equipment and Aftermarket products have an impact on the environment at every stage of their life cycle, we have introduced strict environmental and quality standards at all our sites throughout the world. Every one of the Group's production sites is already certified to the automotive industry standard TS 16949 or ISO 9001 (with the exception of our production plant in Indonesia). In addition, all production sites work with an environmental management system based on ISO 14001.

ALL THE CORRESPONDING CERTIFICATIONS CAN BE VIEWED ON OUR WEBSITE.

Emissions

Emissions from gas, heating oil, engine test stands, etc. as well as those caused by the company's own vehicle fleet are used to determine the emissions caused directly by the company (scope 1 emissions). Indirect emissions (scope 2 or 3 emissions) encompass emissions attributable to electricity consumption as well as air travel.

Total direct and indirect CO_2 emissions stood at 90,840 metric tons in 2014, exceeding the figure for the previous year (88,300 metric tons) by 2.9%. On the basis of sales revenue, however, relative CO_2 emissions (CO_2 emissions in metric tons per EUR 1 million in sales) were down by 6.6 percentage points. The ElringKlinger Group therefore achieved its target of cutting its relative CO_2 emissions by a percentage figure at the lower end of the single-digit range in the financial year 2014.

	2014	2013
Total direct and indirect CO_2 emissions in metric tons	90,840	88,300
CO_2 emissions in metric tons per EUR 1 million in sales	68.5	75.1

In 2014, direct energy carriers (gas and heating oil), our engine testing stations and the fuel used by our vehicle fleet generated total CO_2 emissions of 22,240 (23,300) metric tons. This reduction of 4.6% is due to the high outside temperatures in 2014. 2014 was one of the warmest years since records began.

In 2014, average CO_2 emissions for the company's vehicle fleet fell once again to 144 (145) g/km. This was partly due to the purchase of two more electric vehicles, which were added to the company's fleet. These will be used for journeys within a radius of up to 50 km.

	2014	2013
Total direct emissions in metric tons	22,240	23,300
Of which direct CO_2 emissions from gas, oil, engine test stands, etc. in metric tons	21,400	22,600
Of which CO_2 emissions for vehicle fleet[1] in metric tons	840	660

[1] Vehicle fleet of ElringKlinger sites in Germany – Dettingen/Erms, Gelting, Langenzenn, Runkel, Thale, Lenningen and (since 2014) Bietigheim-Bissingen, Idstein, Magdeburg and Rottenburg

Indirect CO_2 emissions rose by 5.5% and therefore at a slower rate than sales revenue. In 2014, the energy consumed by ElringKlinger in the form of electricity produced CO_2 emissions of 65,300 (62,000) metric tons. This figure includes our factory in Indonesia for the first time. The increase was also due to the commissioning of a new factory in China and the resulting commencement of production. Furthermore, we expanded our capacity in preparation for new series production ramp-ups, mainly in our Plastic Housing Modules/Elastomer Technology and Shielding Technology divisions. Another factor in the increased consumption of electricity was a shift in our product portfolio towards more energy-intensive components.

During the year under review, business trips generated total CO_2 emissions of 3,300 (3,000) metric tons.

	2014	2013
Total indirect CO_2 emissions in metric tons	68,600	65,000
Of which indirect CO_2 emissions from electricity in metric tons	65,300	62,000
Of which indirect CO_2 emissions from flights[1] in metric tons	3,300	3,000

[1] Air travel attributable to sites in Germany, Switzerland and France as well as centrally recorded flights relating to sites in the UK and US

	2014	2013
Absolute energy consumption (electricity, gas and other energy sources) in MWh	249,700	240,000
Absolute energy consumption per EUR 1 million in sales in MWh	188.3	204.2
Of which electricity consumption in MWh[1]	155,700	144,200
Electricity consumption per EUR 1 million in sales in MWh	117.4	122.7

[1] Excluding output from in-house CHP units

Energy consumption

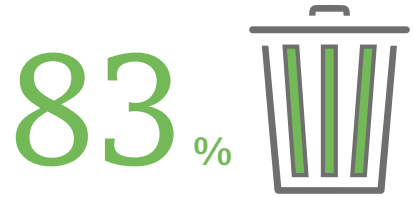
The Group's absolute consumption of energy (electricity, gas and other energy carriers) rose accordingly to 249,700 (240,000) MWh. This is equivalent to 188.3 (204.2) MWh per EUR 1 million of sales revenue, down almost 8% on the previous year.

Water and wastewater

In 2014, the Group's consumption of water rose by a normal amount from 163,400 to 173,200 m³. In general, there is no correlation at ElringKlinger between increased production volume and water consumption. However, it is to be expected that total water consumption will increase when new factories or buildings commence operation, as was the case in Suzhou, China in 2014.

Waste

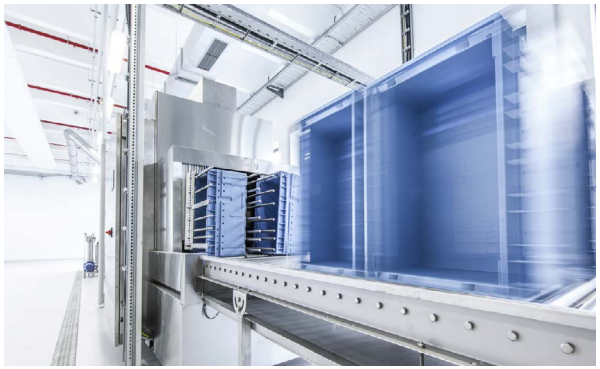
The total volume of waste produced in 2014 rose in line with production volume. As in previous years, metal waste accounted for 83% of the total. This mainly arises from the stamping processes used in production. This waste material is then sold. A specially accredited company removes all waste for either recycling or disposal.



METAL WASTE

The total volume of waste produced in 2014 rose in line with production volume. As in previous years, metal waste accounted for 83% of the total.

Potential energy savings – *selected measures 2014*



A LOGISTICS MASTERPIECE

Our new two-storey packaging logistics center covers almost 3,500 m². It contains a washing facility for reusable delivery containers. Previously, the containers were collected from our factories in Dettingen/Erms and Runkel by a specialist firm, then taken 150 km to Heidelberg for cleaning before being returned. From now on, with help from BruderhausDiakonie, the facility in Dettingen will be able to prepare over 4,500 containers a day and make them available for new deliveries. As well as saving time and transport costs, this will of course reduce our environmental impact.

NEW CHP PLANT STARTS OPERATION

A new combined heat and power (CHP) facility and an absorption cooling system began operation at the Group's headquarters in Dettingen/Erms in mid-2014. This means that waste heat can now be used in the summer for cooling purposes. Altogether there are four CHP plants improving the company's energy performance.

POWER FROM THE WIND

September 2014 saw the completion of a new windpower facility at the Group's Redcar factory in the UK. Thanks to its proximity to the coast, the site is ideally located for generating energy from the wind. The turbine has been operational since December 2014 and, given an average wind speed of 6.1 m/s, produces approximately 1,400 MWh of green electricity. This translates into an annual saving of 600 metric tons of CO_2. With the help of the wind turbine, the production facility will be looking to generate 60% of the energy required over the 12,000 m² covered by the site.

Employees

Committed and motivated workforce

ElringKlinger relies on the technological expertise, creativity, diligence and in particular the commitment displayed by a team of around 7,700 people currently employed by the Group around the globe, all of whom are highly motivated, well qualified and extremely dedicated. These employees are responsible for developing the innovative products and production processes needed to ensure that future mobility choices are more compatible with the preservation of the environment. Employee satisfaction is a top priority. This means providing an attractive and motivating workplace environment and a stimulating and varied range of tasks.

ElringKlinger AG has drawn up binding rules of conduct based on its corporate values. These rules must be applied by all employees worldwide without exception.

THE RULES ARE PUBLISHED ON OUR WEBSITE IN THE FORM OF CODES AND GUIDELINES.

Personnel management

As a leading technology business, ElringKlinger is particularly reliant on the expertise, dedication and experience of its employees. The Group places great importance on regular professional development interviews. In 2014, a total of 5,648 (5,379) such interviews were held across the Group as a whole. Their purpose is to evaluate the professional development needs of individual employees and identify corresponding training opportunities. Individually targeted measures of this kind to support professional development as well as personal advancement are very important. Events are held several times a year for new employees to find out more about specific ElringKlinger products. Worldwide, the Group spent a total of EUR 1.3 (1.0) million on training and professional development in 2014.

As part of what we term our "Employees with Potential" activities, skilled workers and managers are trained for future leadership roles within the ElringKlinger Group in a series of specially chosen seminars. In 2014, the number of employees in management positions at ElringKlinger was 565 (525). The percentage of women in such positions was 13%.

For several decades, the ElringKlinger Group has taken on young people as technical and commercial apprentices for the purpose of securing next-generation talent. In 2014, ElringKlinger achieved an apprenticeship ratio of 4.0% (3.9%) at its German sites. Each year the company also recruits students who are completing dual work/study programs at university. All over the world we offer internships and opportunities to prepare Bachelor's and Master's theses with a practical focus. In 2014, the company hosted a total of 69 (51) students and interns at various sites in Germany.

In 2014, four youngsters began a year-long pre-apprenticeship induction program. Its focus is on promoting specialist abilities as well as job, performance and interpersonal skills among young school-leavers who have yet to meet the requirements of vocational training schemes. The school-leavers are prepared for apprenticeship programs by providing them with practical job-related skills and specialist support from vocational colleges and trained youth workers.

ElringKlinger's Idea Management policy is designed to encourage proposals that have the potential to improve day-to-day operations. The company provides its employees with the necessary opportunities to play an active role in enhancing processes, workplace health and safety standards and environmental protection. Furthermore, in recognition of their willingness to embrace new approaches, ElringKlinger offers a number of attractive prizes. In 2014, the company received a total of 364 (289) proposals for improvements, 74 of which we were able to implement. Altogether 105 proposals had to be rejected. The above figures are based on German sites only.

364

PROPOSALS FOR IMPROVEMENT

submitted by our employees in 2014, 74 of which were able to implement.

Personnel structure

As of December 31, 2014, the ElringKlinger Group employed 7,255 (6,716) people. A large proportion of the newly created posts are based in Germany and at various European subsidiaries. Our factories in Asia also expanded their personnel capacity by 15.2%. As an international Group, ElringKlinger is represented in many countries. In 2014, almost 54% of the workforce was based outside Germany. The percentage of female employees was unchanged at just under 30%.

~7,300

EMPLOYEES

employed at ElringKlinger at 44 sites (as of December 31, 2014).

There is a good balance of ages across the Group. 55.3% (56.0%) of our employees are aged between 30 and 50. The proportion of employees under the age of 30 rose slightly to 25.3% (24.9%).

In the financial year 2014, the staff turnover rate increased slightly from 5.2% to 5.4%. It must be borne in mind that staff turnover tends to be higher when the employment situation is good in key markets. The decisive factor here was strong growth in the number of employees at sites in Asia. Because the automotive sector in China is booming, the churn rate there is higher by comparison with Europe.

Reconciling the demands of work and family life

For those who face a particular challenge reconciling their work and family commitments, the option to work flexible hours can be very attractive. Such arrangements are also used as an important incentive by employers competing for the best available talent on the labor market. Flexible working structures, flexi-time systems and part-time employment models are in use to differing degrees at all of ElringKlinger's locations, helping to ensure that our employees' career objectives and personal requirements are harmonized as effectively as possible. 4.6% (4.7%) of all Group employees work on a part-time basis. In 2014, a total of 32 (24) employees took parental leave, while 6 (8) took maternity leave; 72 (76) staff approaching retirement were working on a part-time basis. The above figures are based on German sites only.

Occupational health and safety

ElringKlinger places great importance on creating a working environment in which employees are and remain healthy and workplace-related cases of illness and accidents are avoided as far as possible.

FOR MORE INFORMATION ON OUR OCCUPATIONAL HEALTH AND SAFETY POLICY, PLEASE SEE OUR WEBSITE.

Group employees are expected to comply with all occupational health and safety legislation. In the financial year 2014, the number of workplace accidents leading to absence from work for more than three days fell to 253 (292). The average number of sick days per employee rose to 9.6 (9.1).

THE ELRINGKLINGER GROUP – KEY HR INDICATORS

	2014	2013
Absolute number of employees	7,255	6,716
Of which men	70.7%	70.1%
Of which women	29.3%	29.9%
Average number of employees	7,081	6,543
Breakdown by age group		
Less than 30 years old	25.3%	24.9%
30 to 50 years old	55.3%	56.0%
Over 50 years old	19.4%	19.2%
Vocational training ratio	4.0%	3.9%
Interns and thesis students	69	51
Staff turnover rate	5.4%	5.2%
Average number of sick days per employee	9.6	9.1
Employees covered by collective agreements	4,913	4,728
Number of qualification interviews conducted	5,648	5,379

KEY HR INDICATORS FOR DOWNLOAD

ElringKlinger *wins TOP Innovator award*

In 2014, ElringKlinger Kunststofftechnik GmbH received a TOP 100 award at the German SME Summit in Essen, cementing its position as one of the country's most successful creative hothouses. Through a variety of training courses and regular opportunities for staff to meet and exchange information, the company actively promotes creativity and gives employees the courage and confidence to think outside the box and develop new ideas.

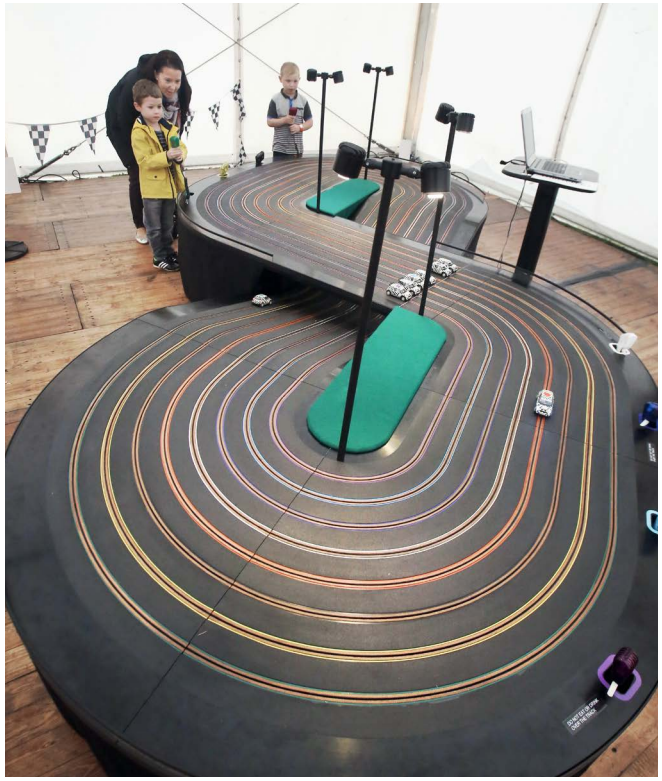
Raik Lüder, Managing Director of ElringKlinger Kunststofftechnik, and TOP 100 mentor Ranga Yogeshwar at the award ceremony.

UK subsidiary marks anniversary *with Family Fun Day in Redcar*

More than 350 guests came to Elring Klinger (Great Britain) Ltd's Family Fun Day in Redcar, UK, to celebrate the 50th anniversary of the company.

In fact, the UK subsidiary of ElringKlinger had multiple reasons to rejoice in 2014: not only did the company celebrate its 50th birthday, it also expanded its production area, brought a new plant on line and won a business award. The production site was crowned Manufacturer of the Year at the North-East Manufacturing Awards, an achievement that was only possible thanks to the tremendous motivation and commitment shown by the entire workforce. "We wanted to organize a whole-company celebration to thank our employees and encourage them to join us as we move forward," said Ian Malcolm, Managing Director at Elring Klinger (Great Britain) Ltd.

Many of the site's employees took the opportunity to show family members around their workplace. As well as numerous tours of the factory, there was a host of other attractions and activities all over the site.



Social *responsibility*

For the world in which we operate

ElringKlinger considers itself an active member of society. It benefits from a high level of education, political stability and an attractive environment. Therefore, it is of immense importance to us that we make a positive contribution to the various regions and communities in which we do business. We believe that by taking a proactive role in this area we can contribute to society and have a positive impact. As part of that community commitment, we support social welfare organizations and invest in science and education projects, especially at a regional level.

ElringKlinger also provides indirect support for social projects through the Paul Lechler Foundation. This trust is supported by the Lechler families, who are also major shareholders of ElringKlinger AG. Part of the company's profits are channeled each year into the Paul Lechler Foundation, which supports a variety of good causes, including a project to provide vocational training for young people with disabilities and integrate them into working life. The Paul Lechler Award is presented annually to organizations that run innovative projects and activities designed to help integrate those with particular needs into society.

For some years, ElringKlinger has worked closely with the BruderhausDiakonie Foundation and the associated disabled persons' workshops in Dettingen/Erms, which carry out a variety of tasks such as finishing and packing gasket sets for the Aftermarket division as well as other ElringKlinger products.

The company also sponsors and makes donations to various causes and projects. These can be selected by the local management teams at the Group's production and sales companies. All such activities are subject to ElringKlinger's compliance guidelines and must not under any circumstances be undertaken with a view to gaining a direct commercial benefit.

We believe it is important to cooperate with and support charitable organizations as a way of expressing our social responsibility.

Environmental initiative: Stop talking. Start Planting.
Felix Finkbeiner, an 18-year-old high-school graduate, is the founder of the "Plant for the Planet" initiative. By 2020, together with other campaigners, he wants to plant a trillion trees worldwide as one way of helping to prevent climate change. Trees convert CO_2 into clean air. Felix Finkbeiner aims to raise awareness of climate change among children and train them as ambassadors tasked with spreading the message that we need to build a climate-friendly future. ElringKlinger supports Mr. Finkbeiner's exceptional dedication and held a "Plant for the Planet" academy at its Dettingen site in 2015.

FOR MORE INFORMATION, PLEASE SEE OUR WEBSITE.

Ratings and *rankings*

There is growing recognition for ElringKlinger's commitment to sustainability – even within the capital markets. More and more, investors are showing that they value the responsible conduct of companies whose business activities are centered on principles of sustainability. ElringKlinger's stock is regarded by such investors as a particularly attractive choice.

The company is listed in the DAXglobal® Sarasin Sustainability Germany Index and is awarded with the DZ Bank quality mark for sustainability since 2012.

CARBON DISCLOSURE PROJECT

The focus here is on efforts to reduce greenhouse gases and on strategic measures to deal with the impact of climate change.

ElringKlinger's CDP score for 2014 was „84 D".

OEKOM RESEARCH

Oekom Research AG is a German rating agency in the sustainable investment segment. It assesses companies on the basis of numerous environmental and social criteria covering employees, suppliers, social and product responsibility, corporate governance, product sustainability, environmental management and environmental efficiency.

In 2014, Oekom Research gave the ElringKlinger Group an overall grade of C+ and confirmed its „Prime" investment status.

EIRIS (ENVIRONMENTAL, SOCIAL AND GOVERNANCE RATINGS)

The ratings produced by EIRIS cover the environment, stakeholder relations, governance, human rights and working conditions in the supply chain.

EIRIS has kept and rated the corresponding data for ElringKlinger since 2009.

SUSTAINALYTICS

The assessments published by Sustainalytics focus on environmental and social issues and corporate governance.

ElringKlinger currently ranks 5 out of 64 in the „Automotive Components" segment.

IMPRINT

ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
Phone +49 7123 724-0
Fax +49 7123 724-9006
www.elringklinger.com

CSR contact
Kathrin Graf
Phone +49 7123 724-88279
Fax +49 7123 724-858279
kathrin.graf@elringklinger.com

FOR MORE INFORMATION,
PLEASE SEE OUR WEBSITE AT
WWW.ELRINGKLINGER.DE/EN/SUSTAINABILITY