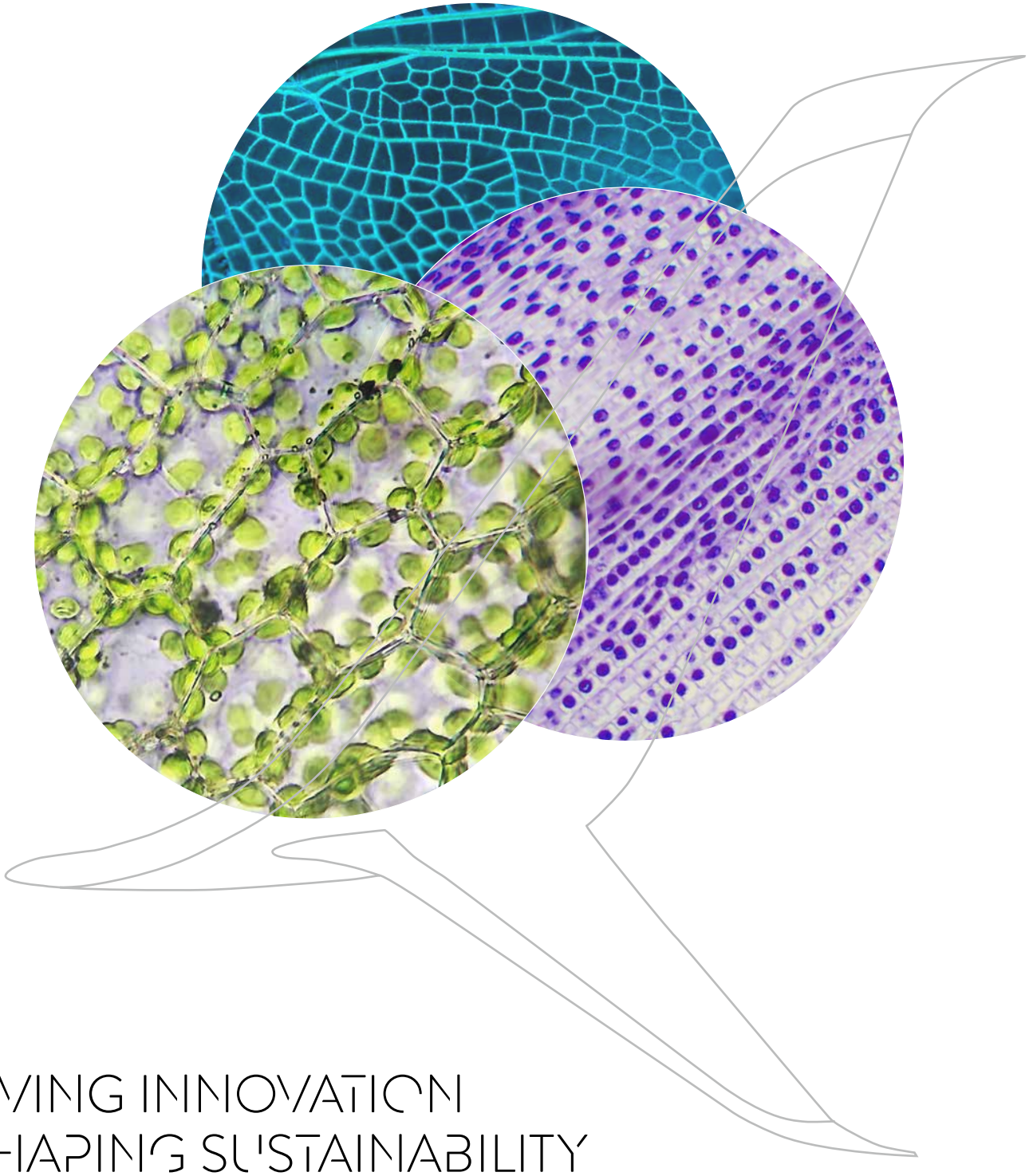
Sustainability Report 2022



LIVING INNOVATION
SHAPING SUSTAINABILITY

About this report

This consolidated non-financial report is intended to meet the reporting obligations of the FACC Group as set out in the Austrian Sustainability and Diversity Improvement Act pursuant to § 267a of the Austrian Commercial Code (UGB), in addition to providing transparent and proactive communication on issues of sustainability.

Reporting period and cycle

The reporting period covers the calendar year 2022 (1 January to 31 December 2022). Activities falling outside of the reporting period are discussed for the sake of greater intelligibility. This non-financial report is published annually in German and English and will be released on 29 March 2023.

Reporting standards and topics

The report has been prepared in accordance with the "Core" option of the Global Reporting Initiative (GRI) standards. The relevant GRI standards are listed at the end of each chapter. The operation of the new company in Croatia was successfully started in December 2021. Data collection could not yet be carried out satisfactorily in the 2022 financial year, as integration and data tracking in FACC's SAP system was only completed seamlessly in the course of the past financial year.

UN Sustainable Development Goals

FACC supports the Sustainable Development Goals (SDGs) of the United Nations and strives to make a contribution to sustainable global development. An analysis of this topic and of the SDGs relevant to FACC's activities can be found in this report.

Taxonomy Regulation of the European Union

The appendix to this report thus discloses the share of sales generated by activities that meet the criteria of the Taxonomy Regulation, the capital expenditures (capex) and the operational expenditures (opex) in or on activities related to these criteria, if relevant.

Key figures and compilation methods

All data and information presented in this report were compiled by the responsible departments using a representative method for the reporting period.

Further information and previous reports

FACC informs its stakeholders of sustainability issues on a regular basis. Further information, in-depth reports, supplements and previous publications are available at www.facc.com.

Furthermore, FACC regularly reports on current and important sustainability issues in key corporate publications and via various communication channels.

The most recent Sustainability Report (calendar year 2021) was published on 29 March 2022 and can be viewed on the FACC website. All references to individuals are to be understood as gender-neutral.

This Sustainability Report has not been subjected to an external audit.

GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

Environment

Carbon-neutral production by 2040

40% reduction in CO_2 emissions by 2030 (relative to 2008)

100% LED lighting by 2024, starting in Austria

Social

Maintaining a women's quota of 50% for scholarships and in apprenticeship training

Active encouragement of women to pursue a career in tech and finance based on two school campaigns per year

Retaining 15 to 20 nationalities at all management levels

Governance

Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

98%

space heating from geothermal energy and heat recovery

~50%

girls in apprenticeship training

0.0 l

water needed for the production

>40

different nationalities in the workforce

Contents

Consciously embracing responsibility

The climate crisis is one of the greatest challenges facing our generation. Every one of us is duty-bound to act responsibly, and FACC is prepared to shoulder this responsibility.

It is therefore all the more gratifying that we succeeded once again in making significant progress in the area of sustainability in the past financial year. The most important milestone in this respect was, without doubt, integrating our sustainability goals into our Group strategy. In doing so, we are clearly demonstrating that the corporate success of FACC is inextricably linked to the attainment of these goals.

We have also made significant progress on our roadmap towards CO_2 neutrality by 2040. This is due, for example, to our new logistics concept, which enables us to save several tons of CO_2 every year by using resource-saving packaging and fuel-efficient trucks. We are also planning to massively expand photovoltaic capacities at all of our locations this year and in the year that follows. In Austria, we already purchase electricity exclusively from hydropower, while the use of geothermal energy has a long tradition at FACC. At the same time, we are trying to progressively reduce our electricity consumption. In this area, too, we have already achieved a great deal by using LED lighting, for example.

In our view, however, sustainability encompasses much more than "merely" ecological aspects. The fact that FACC is excellently positioned in the labor market clearly shows that we create an attractive working environment for many people by treating our employees with respect and holding them in high esteem. To this end, we work extremely hard. We have launched numerous initiatives to promote the health, well-being and personal and professional development of all those who work for us and are key contributors to the success of FACC.

We also strive to cultivate the same respectful relationship with all those individuals and companies with whom we cooperate on a daily basis. As an employer and important economic player, FACC touches the lives of many people. This is the source of a social responsibility which we embrace in every decision we undertake.

It is an enormous challenge for an enterprise to do business sustainably, given the highly competitive environment in which it operates. We willingly accept this challenge for we are convinced that our sustainability strategy will steer us towards an independent, competitive and clean future.

Yours,
Robert Machtlinger

GRI 102-14

COMPANY

Technology know-how from Austria for the whole world

Worldwide presence and high diversity in the workforce

Focus on sustainable growth

FACC at a glance

FACC is a globally operating group with headquarters in Ried im Innkreis, Austria. The company specializes in the development, production and maintenance of lightweight components for the aviation industry.

Clear structure, high efficiency

As of 31 December 2022, Aviation Industry Corporation of China, Ltd. (AVIC) directly or indirectly held 55.5 percent of the voting rights of FACC AG and thus of the entire FACC Group. As of the balance sheet date 31 December 2022, no other shareholders were known to hold more than 10 percent of the share capital.

The free float of FACC shares thus amounted to 44.5 percent as of 31 December 2022.

The share capital of the company listed on the Vienna Stock Exchange amounts to EUR 45,790,000.00 and is fully paid up. It is divided into 45,790,000 no-par value shares of EUR 1.00 each.

The FACC Group comprises the subsidiaries listed in the table below. These are located in Austria, Canada, Croatia, the USA, Slovakia, China and India.

Company	Headquarters	Issued and fully paid nominal capital	Share FACC AG	Primary activities
FACC Operations GmbH	Ried im Innkreis, Austria	EUR 127,000,000	100%	Development and production of aircraft components , customer service and repair
FACC Solutions (Canada) Inc.	Montreal, Canada	CAD 10,000	100%	Production, customer service and repair
FACC Solutions Croatia d.o.o.	Zagreb, Croatia	HRK 20,000	100%	Production
FACC Solutions Inc.	Wichita (Kansas), USA	USD 10,000	100%	Production, customer service and repair
FACC Solutions s.r.o.	Bratislava, Slovakia	EUR 6,639	100%	Design and engineering
FACC (Shanghai) Co., Ltd	Shanghai, China	RMB 2,000,000	100%	Design and engineering
FACC Solutions Private Limited	Pune, India	INR 20,420,530	100%	Design and engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	EUR 35,000	100%	Design and engineering

GRI 102-1, 102-5, 102-18, 102-45

FACC in numbers

In the 2022 financial year, the FACC Group generated revenue of EUR 607.0 million, thus recording an increase in revenue of EUR 109.4 million compared to the previous year.

FACC's reported earnings before interest and taxes (EBIT) stood at EUR 5.5 million in the 2022 financial year (2021: EUR -25.1 million). EBIT was adversely affected by aggravations in the supply chain, increased logistics costs for shipping products to customers, rising material and energy costs in connection with the current geopolitical situation, and product start-up costs for various new projects.

FACC employed 2,919 full-time equivalents (FTE; previous year: 2,538 FTEs), of whom 2,443 worked at the company's Austrian sites. The remainder were employed at the company's global sites.

Business development of the segments

In all three FACC segments, the programs for the A320 Airbus family were the main revenue drivers, in particular in the Aerostructures and Cabin Interiors segments. In the Engines & Nacelles segment, significant sales are generated with products for wide-body aircraft. In this market segment, which as expected is recovering more slowly from the effects of the COVID-19 crisis, sales remained stable compared with the previous year.

The largest sales markets of FACC according to geographical area (contribution to Group sales > 10%)

Sales markets	2021 EUR'000	2022 EUR'000
Germany	189,610	238,622
Canada	86,879	102,099
USA	80,871	81,024
Great Britain	57,652	67,066
China	30,700	34,068
Other countries	51,842	84,098
	497,554	**606,977**

GRI 102-1, 102-2, 102-6, 102-7, 102-8, 102-10, 102-45

Global presence

FACC is represented by subsidiaries in seven countries: from Austria, China and India through to the USA and Canada. More than 2,900 highly qualified employees from 45 nations are at the service of FACC's customers at locations all over the world. This means that FACC is always close to its customers.

1. Ried / Upper Austria
   Headquarters
   Production Plants
   Research & Technology
2. Vienna
   Engineering Center
3. Bratislava
   Design & Engineering
4. Zagreb
   Production Plant
5. Hamburg
   On-Site Office
6. Toulouse
   On-Site Office
7. Pune
   Design & Engineering
8. Bangalore
   Manufacturing Partner
9. Zhengjiang
   Manufacturing Partner
10. Shanghai
    Design & Engineering
11. Montreal
    Manufacturing Site
    MRO Station
12. Seattle
    On-Site Office
13. Wichita
    Manufacturing Site
    MRO Station
14. Melbourne
    Manufacturing Site
    MRO Station
15. São Paulo
    On-Site Office

Production plants

More than 150,000 square meters of net area in Austria and Croatia

Plant 1: Ried im Innkreis, Austria
Core competence: Aerostructures, Engines & Nacelles
Plant 2: Ort im Innkreis, Austria
Core competence: Cabin Interiors
Plant 3: Ort im Innkreis, Austria
Core competence: Aerostructures
Plant 4: Reichersberg, Austria
Core competence: Engines & Nacelles
Plant 6: Jakovlje, Croatia
Core competence: Cabin Interiors

Research and technology

Plant 5: St. Martin, Austria
Technology Center and Test Center CoLT

Engineering centers

Austria: FACC Competence Center Design/Analysis, Vienna
Slovakia: FACC Solutions s.r.o., Bratislava
China: FACC (Shanghai) Co., Ltd, Shanghai
India: FACC Solutions Private Limited, Pune

On-site offices

Customer support, engineering and final assembly

Canada: FACC Solutions (Canada) Inc., Montreal
USA: FACC Solution Inc., Wichita

FACC maintenance service

USA: FACC Solutions Inc., Wichita; Business Jet Facility, MRO Station, Melbourne
Austria: Plants 1, 2, 3, 4 and 5
Croatia: Plant 6

Further production plants and partnerships

China, India, United Arab Emirates and Malaysia

GRI 102-4

Comprehensive product portfolio

FACC manufactures lightweight components for virtually every area of an aircraft.

Aerostructures

Development, manufacture, distribution and repair of structural components

Structural components form the basis for stability as they combine the physical construction and locomotor system of a modern aircraft. They enable and support new design ideas and an increasingly efficient construction of the entire machine. FACC supplies high tech: from winglets to wing-to-body fairings and landing flaps through to control surfaces that determine the flight direction.

Cabin Interiors

Development, manufacture, distribution and repair of cabin interiors

The flight experience crucially depends on the ambience that surrounds passengers during their time on-board. The (living) quality of the cabin contributes to this ambience, as does the perfect functionality of overhead stowage compartments and other equipment. Cabin interiors must therefore not only be practical but also appeal positively to people's senses because quality can be "felt".

Engines & Nacelles

Development, manufacture, distribution and repair of engine components

Modern engines are designed for maximum performance and efficiency. However, they must also undergo critical examination with regard to their "acoustic fitness". FACC's fan cowls not only give jets appropriately designed outfits but have also long since become an integral part of their environmental compatibility. They improve added value in flight operations while also reducing aircraft noise.

Aftermarket Services

Aftermarket services, design services, business solutions

FACC offers not only ready-to-install components, but also a wide range of services. Approved as a design organization under EASA Part 21J and certified under EASA, FAA and TCCA, FACC is a key partner of OEMs, airlines, CAMOs and MRO stations for repair design, refurbishment, retrofits, modifications as well as certification and recertification of components and systems. In addition, the company offers individual services in the areas of engineering, manufacturing know-how and quality assurance, from product development and component manufacturing to complete turnkey solutions.

GRI 102-2

Know-how and expertise

RESEARCH AND TECHNOLOGY

Research and technology have been a central corporate area of FACC since the company was founded. The mobility of the future is based on new technologies, and these often rely on completely new materials. FACC works on this on a daily basis in close cooperation with its customers and experts from all over the world. An international network of industrial partners, universities of applied science, universities and research institutes reinforces FACC's R&T competence.

Making aircraft safer, more efficient, lighter, quieter, with less impact on the environment and greater cost effectiveness: All research activities at FACC are geared towards reaching this key objective. More than 500 company employees work in the field of research and technology. FACC boasts a research quota of around 10 percent and has registered more than 450 patents since its foundation. FACC specialists are continuously developing design concepts in each of the following key areas of competence:

- Additive manufacturing of metal components
- Fiber-reinforced plastics for structural components
- Integral hollow structures
- Prototype development
- Process simulation

Currently, FACC is focusing its research on new, improved processing methods for thermosets.

ENGINEERING

The primary task of engineering at FACC is to develop the best turnkey solutions for wide-body aircraft construction that provide an optimal combination of innovative and proven solutions. Safety and air-worthiness are our top priorities.

The full range of services includes design and feasibility studies, tool and material development and integrated logistics concepts (just-in-time and just-in-sequence).

MANUFACTURING

Choice of materials: Most FACC products are manufactured on the basis of so-called "prepregs", which are selected according to the strictest quality criteria. Prepregs are semi-finished fiber matrix products pre-impregnated with reaction resins and cured at high temperatures and under high pressure for the production of components.

Cutting: Precision cutting takes place on CNC-controlled cutters in the cleanroom under ideal climatic conditions, which are precisely adapted to the material in question.

Positioning: The prepregs are positioned layer by layer on the component mold using state-of-the-art laser technology, automatic tape laying and manual precision work.

Liquid resin infusion: RTM (Resin Transfer Molding) and RIFT (Resin Infusion under Flexible Tooling) enable complex integral composite components to be manufactured efficiently in terms of cost and time.

Curing in autoclaves: The components prepared in the cleanroom are cured in the autoclave for an average of three to five hours under high pressure and at high temperatures.

Curing in presses: Compact parts are cured in special presses.

CNC machining: Operations such as drilling and milling are carried out by state-of-the-art CNC-controlled machining equipment.

Assembling: The individual parts of a component are assembled by teams that have been specially trained on customer-specific products.

Finishing: At the customer's request, manufactured parts can be painted and decorated by FACC before they are delivered.

Completing: FACC prepares the components completely before installation to ensure that assembly at the customer's site is trouble-free.

Quality testing: Accompanying quality checks are carried out after each production step, while finished products are subjected to comprehensive final testing (ultrasonic, X-ray and leak tests).

The FACC benefit promise

FACC has thoroughly addressed the strengths of the company and the needs of its stakeholders. As a result, it has expanded its existing customer benefit promise "Pilot. Passion. Partnership." to include employees, investors and the general public.

For customers ...

Pilot.
We lead our customers and find the best solution for them. Where others reach their limits, we do not stop.

Passion.
Passion is what drives us. It is what motivates us to go beyond existing horizons for our customers every day.

Partnership.
For decades, we have been a reliable partner for so many. We keep developing steadily, and that is part of our DNA.

For investors ...

Security.
We hold a strong market position in a highly attractive industry, with full capacity utilization secured for many years.

Performance.
We are a highly efficient company and secure our market position by constantly developing new technologies.

Outlook.
We are firmly anchored in an industry of the future and have access to interesting growth markets.

For employees ...

Fascination.
We are working in an exciting industry of the future and are always offering new and interesting areas of work in a global environment.

Perspective.
In our company, we take care of each other and develop together in every respect.

Purpose.
We want to offer more than just a job. We have set out on a common mission that we can only reach as a team.

For the general public ...

Less weight.
We develop sustainable, lightweight components that require fewer resources and reduce our ecological footprint.

Increased efficiency.
We make aircraft more efficient for their operators and offer advantages to their customers through cheaper tickets and new mobility solutions.

Greater comfort.
Our goal is to make aircraft more comfortable and quieter, and to provide new and simpler ways of using them.

GRI 102-11, 102-16

FACC's stakeholder strategy

If ambitious visions and goals are to be sustained even under challenging conditions, the commitment of all our stakeholders is a decisive factor for achieving success. Open dialogue, debate and cooperation with them offer considerable (growth) potential in both qualitative and quantitative terms. Consistent stakeholder management not only lays a solid foundation for developing and implementing joint ideas and strategies, but also forms the basis for long-term and prosperous development. FACC therefore plans to expand and maintain a stakeholder management system that goes beyond the platforms and mechanisms already in place and has the following objectives:

- Increasing the understanding of stakeholder management throughout the company
- Updating the "stakeholder map" on an ongoing basis
- Providing a detailed analysis of mutual stakeholder expectations through regular surveys within the framework of EN 9100 certification

The insights thus gained are intended to advance ideas and projects, and to facilitate necessary decisions. Similarly, the increase in confidence among stakeholders is expected to strengthen the entire company.

Overall, the key stakeholder groups shown in the illustration on the right were identified.

Stakeholders are identified by means of FACC employee surveys conducted on a multi-year basis. Stakeholder maps and clusters are created on the basis of the groups of individuals identified as relevant to FACC (suppliers, customers, investors, authorities, etc.). Representative stakeholders are then selected from these clusters, subsequently surveyed and their answers collected.

Surveys among the employees of FACC are repeated at regular intervals, with the list of stakeholders updated accordingly. The answers obtained from any new survey are compared with those of the previous survey. FACC subsequently interviews the relevant stakeholders again and assesses their concerns in order to implement appropriate measures.

GRI 102-40, 102-42, 102-43

The FACC stakeholder dialogue

FACC is committed to open, transparent, proactive and regular dialogue with its stakeholders. Since this dialogue is focused on the communication and information needs of the respective stakeholder, it does not adhere to a fixed time schedule. In order to reach as many interested parties as possible and gain valuable feedback, communication is conducted via various channels and platforms, depending on the target groups and topics concerned.

Stakeholders	Topics	Contact methods
Aviation authorities	Flight safety Reduction of aircraft noise emissions Good governance Employee training and further education	Direct communication regarding the approval as a manufacturer of aircraft parts (POA/DOA/MOA) and the approval of the FACC Management Board Direct communication on specific topics such as flight permits (e.g. EHang) Audits Meetings
Other authorities (e.g. district administrations and embassies)	Good governance Secure and equitable workplaces	Residence permits and VISA applications Meetings Audits
Works council		Regular and personal communication
Customers	Occupational safety and health protection of employees Flight safety Fuel efficiency of aircraft	Contracts on all work packages Regular meetings at customer premises or at FACC Participation in aviation trade fairs Phone calls FACC service portal
Investors	Fuel efficiency of aircraft Employee training and further education Good governance	Annual General Meeting Conferences and roadshows Investor talks Trade fairs Financial communication
Research and educational institutions	Occupational safety and health protection of employees Employee training and further education	Joint research projects Supervision of graduate and doctoral students
Suppliers	Flight safety Secure and equitable workplaces Social impacts within the supply chain	Supplier conferences Aviation trade fairs Regular meetings at the premises of suppliers and at FACC to ensure contract fulfillment FACC service portal WKO (Austrian Federal Economic Chamber) events Supplier audits
Logistics partners and forwarding agents	Social impacts within the supply chain Customs processing	Direct communication via sales and customs departments

Stakeholders	Topics	Contact methods
(Potential) Employees	Secure and equitable workplaces	E-mails
	Occupational safety and health protection of employees	Executive employees
	Employee training and further education	Staff meetings
		Management Days
		Employee app
		Company magazine
		Notice board
		Advertising spaces (posters, lock screens, screens in production)
		Social media
		Summer party
		Christmas party
		Flight club
		Jubilee celebration
		FACC Leonardo
		CEO breakfast
Municipalities	Waste and water consumption	E-mails
		Meetings
		Telephone
Approval bodies/Testing institutes	Special testing	Commissions, e.g. from CoLT
Service providers	Repair/maintenance services for customers commissioned by FACC	Contracts
	Catering service for employees	Meetings
Insurance companies	Risk analyses	Contracts
	Compliance	E-mails
	Work safety	Telephone
Banks		Contracts
		E-mails
		Telephone
Media		Contracts
		E-mails
		Telephone

By engaging in ongoing dialogue, FACC continuously reacts to changing stakeholder interests and adapts its products and processes accordingly.

GRI 102-40

Material issues

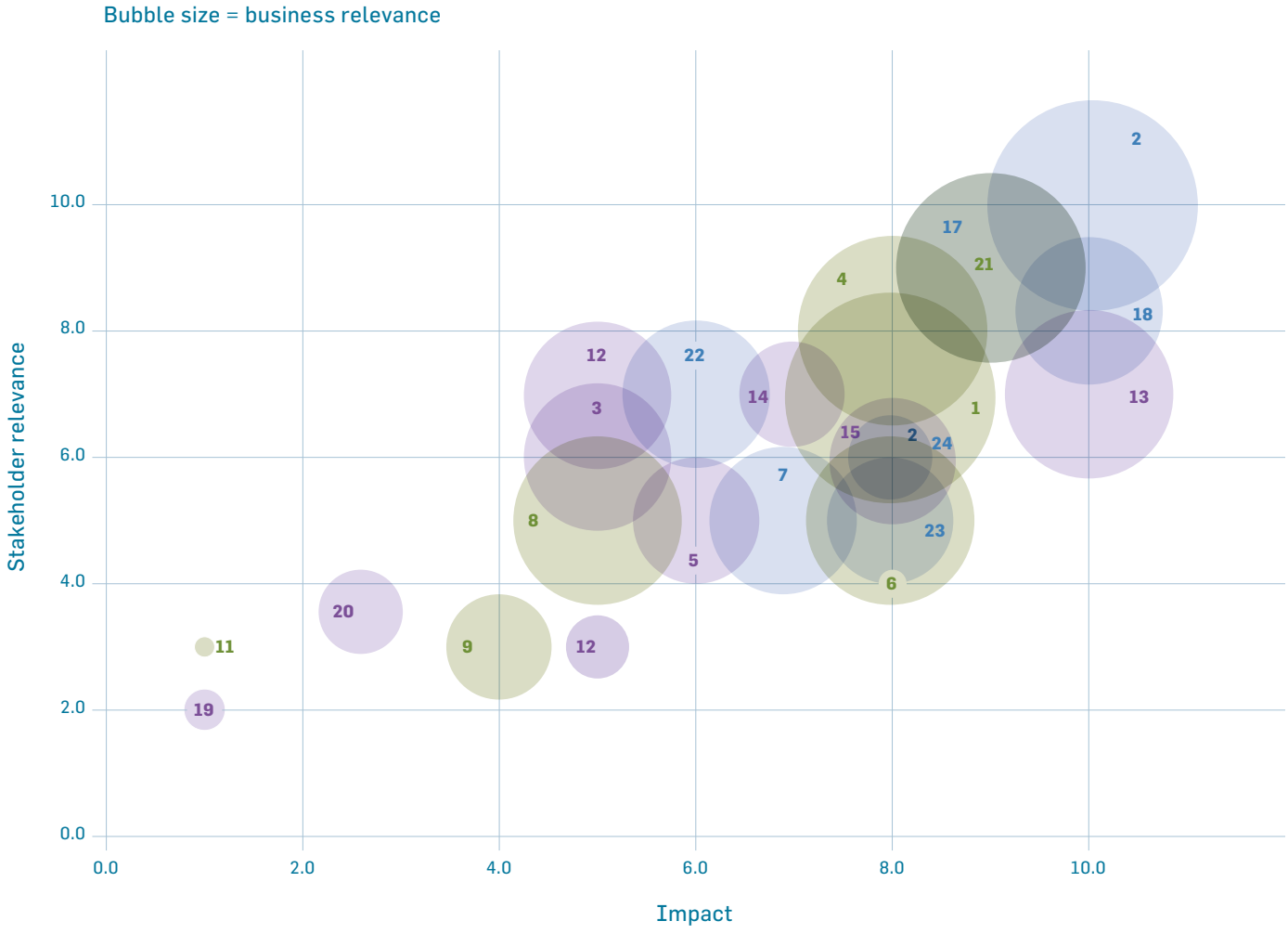
Like many other companies, FACC has taken advantage of the introduction of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) to address the sustainability issues that are essential to its business model and its stakeholders even more comprehensively and in greater detail than before.

In July 2017, all department heads of FACC concerned analyzed the company's value chain within the scope of two workshops and examined its impacts and potential risks for the environment, the economy and society with a special focus on the issues required by NaDiVeG. In 2021, a revision was undertaken within the company based on empirical values.

In addition, the completeness and relevance of the topics covered were ensured on the basis of an analysis of relevant standards and reports from suitable peer groups. The main issues were delimited

The materiality matrix of FACC

The outcome of the process described is a materiality matrix that summarizes the impacts (abscissa), stakeholder relevance (ordinate), and business relevance (bubble size) of the various topics. In order to demarcate the key issues, stakeholder interests were prioritized across all topics, while the impacts were prioritized within each of the topic groups (environment, social and governance). In this way, due consideration was given to all issues of concern.



by analyzing their impact within and/or outside the organization. In doing so, FACC's potential to shape the respective topic was also taken into account.

The foundation for this was laid in 2017 when internal experts assessed the significance of the impact of FACC's corporate activities on the environment, the economy and social issues ("impact"), and some 600 internal and external stakeholders identified priorities in an online survey ("stakeholder relevance").

In the course of the evaluation of topics by internal experts, non-financial issues were also considered as a third dimension in terms of their business relevance for FACC in order to obtain a holistic view as part of the materiality analysis.

This resulted in a list of topics that are addressed in this report and discussed in more detail on the following pages:

GRI 102-44, 102-46, 102-47

Environment	1	Fuel efficiency of aircraft	Significance of FACC products with regard to fuel consumption and aircraft emissions
	4	Product longevity and circular economy	Materials and technologies used that have a positive impact on product life and allow for circular economy
	6	Materials and chemicals used	Quantity and constituents of materials used for production and packaging incl. chemicals
	8	Energy consumption and emissions in production	Consumption and emissions through in-house production (excl. supply chain), incl. CO_2-free energy generation
	9	Emissions through transport and logistics	Transport of resources, products and employees
	12	Waste	Hazardous and non-hazardous waste from in-house production, waste avoidance and sorting
	11	Water consumption	Water management in production, particularly for cooling and product testing
	21	Reduction of CO_2	Measures to reduce CO_2 emissions in production and the supply chain and the goal of achieving carbon neutrality
Social	3	Reduction of aircraft noise emissions	Products which dampen and prevent noise
	5	Increase of mobility	Contributing to increased mobility and globalization, making air travel affordable for everyone by increasing efficiency
	12	Secure and equitable workplaces	Fluctuations in staffing levels (fluctuation, shortage of skilled workers); fulfillment of collective bargaining agreements, allocation of working hours, fair remuneration schemes
	13	Occupational safety and health protection of employees	Accidents, sick leave, mental and physical stress at the workplace (incl. hazardous vapors and substances in production)
	14	Employee training and further education	Employee qualification and promotion
	15	Employee diversity and anti-discrimination	Diversity in terms of type of contract (blue collar/white collar), gender, age, nationality/origin, education, disability, etc. and protection against discrimination.
	19	Residents and local communities	Relationship with abutting owners; promotion of local associations and activities
	20	Dealing with COVID-19	Pandemic control measures such as testing, vaccination, etc.
Governance	2	Product safety	Product quality incl. product documentation and traceability
	7	Supply chain and its effects	Economic, ecological and social
	16	Economic responsibility and impacts on the region	Workplaces; attractiveness of the region; taxes; investments; spatial development; cooperation with educational institutions
	17	Anti-competitive behavior and cartel agreements	Combating corruption and anti-competitive behavior in the company's own business activities and supply chain
	18	Good governance (responsible corporate management)	Transparency; external and internal communication; crisis management; active learning and further development as an organization
	22	Diversification in the product portfolio	Expansion of FACC's product portfolio; development of new markets
	23	Import and export control	Prevention of military/terrorist use (export control); compliance with customs regulations for imports
	24	Measures against bribery and corruption	Educational events addressing the issue of corruption; addition of ethics to education and training content; distribution of ethics rules in the form of a Code of Conduct

Impacts and risks

Environment

Waste and energy consumption and the resulting emissions from FACC's production operations have significant impacts on the environment. The most relevant risks derive from the use of chemicals and hazardous materials. However, these risks are minimized by consistently observing and complying with safety and health regulations.

FACC products are used in aviation, an industry in which the generation of emissions is inherent. However, FACC's lightweight components lead to greater fuel efficiency and minimize noise emissions. They thus make a positive contribution to reducing the burden on the environment.

Further impacts of environmental concern result from the nature of FACC's products. Although components used in aviation are usually in service for several decades, the recycling of such components is virtually impossible, or only achievable at great expense. Despite current state-of-the-art technology, circular economy has not yet been achieved for fiber composites, especially in the area of structural components for the aircraft industry. However, FACC is striving to overcome this obstacle through a variety of research projects and the use of bio-based prepregs.

Social

When it comes to social issues, FACC focuses on equality, non-discrimination, and the health and safety of employees (this primarily applies to its own employees). As in most industrial companies, occupational accidents and impairment to the health of employees can also occur at FACC as potentially hazardous equipment, materials and substances are used in operations.

Psychological pressure caused by stress and occasional overtime also feature among the risks employees are exposed to. Aiming to reduce these risks, FACC has embraced a number of preventive measures such as the "Zero Accident Gate" and "Healthy and Happy" initiatives.

A further risk that is actively countered within the company is the potential use of conflict minerals and the associated possible effects on local communities. FACC thus categorically refuses to purchase conflict minerals either directly or indirectly from certain crisis regions such as the Democratic Republic of the Congo.

FACC products also make a positive contribution towards reducing aircraft noise and increasing the mobility of broad segments of society (closely linked to increased fuel efficiency). In addition, FACC plays an important role for the regional economy through the creation and preservation of jobs, investments, spatial development and the improvement of infrastructure.

Governance

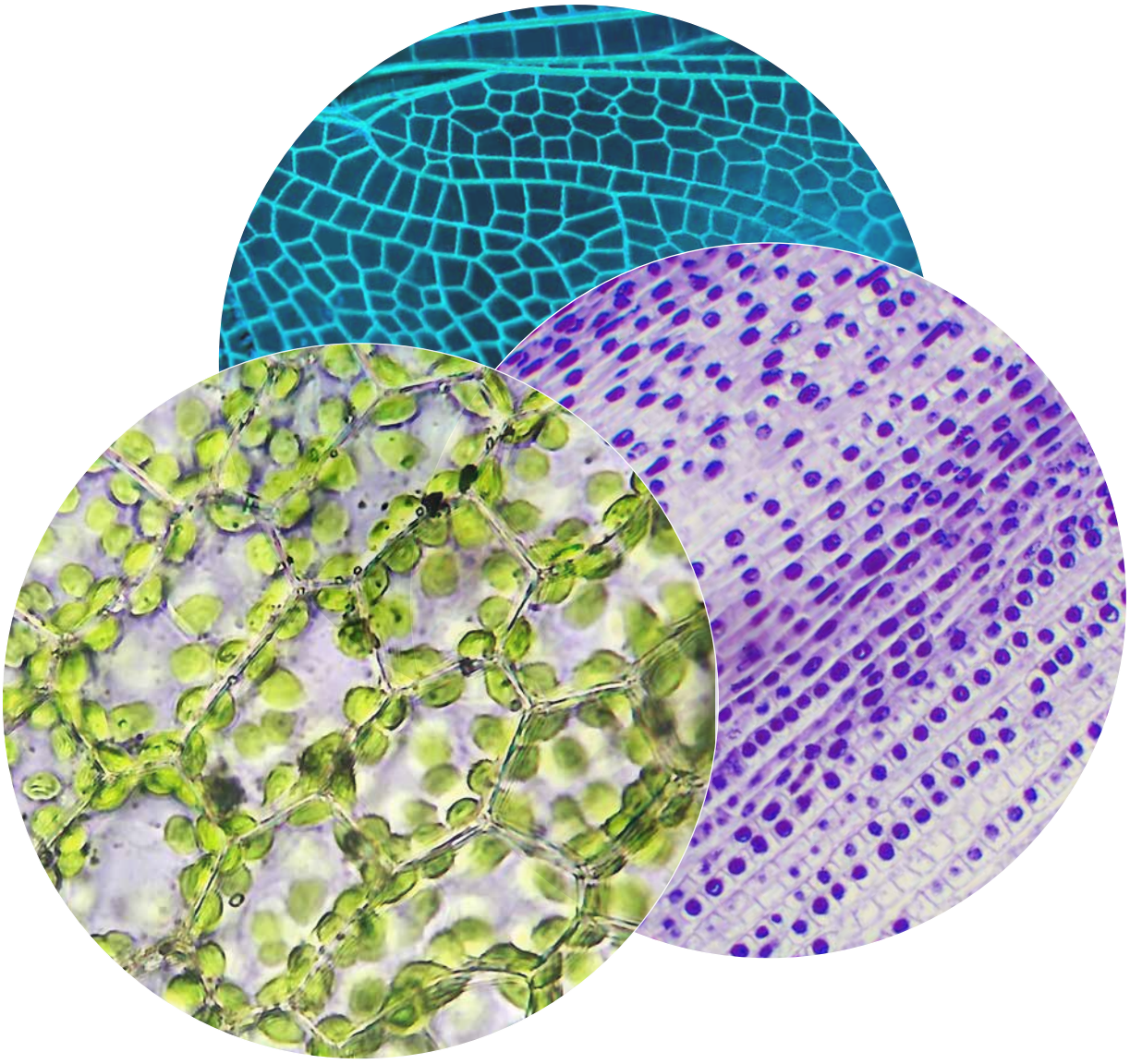
The risks for FACC in the area of governance stem from globalization, a trend that the company views as essentially positive. However, the risks here arise primarily in the supply chains and from a potential Austrian Supply Chain Act. FACC monitors its supply chain closely and imposes high demands on all its suppliers. By way of illustration, zero tolerance applies to issues such as human rights, child labor, working conditions and health protection, conflict minerals, and so forth. FACC's values, which are summarized in the company's own Code of Conduct, are also shared with its suppliers through a Supplier Code of Conduct.

FACC also makes use of a SAP tool to screen all potential business partners (applicants, employees, banks, customers and suppliers, etc.) in order to determine whether they are included in one of the current global lists of sanctions and embargoes.

The steering mechanisms and results regarding the other impacts and risks mentioned here are presented below (see the GRI index on page 71 for page references).

GRI 103-1, 103-2, 103-3, 301-1, 302-5, 405-2

LIVING INNOVATION SHAPING SUSTAINABILITY



Sustainability strategy

By integrating its sustainability goals into the Group strategy in the 2022 financial year, FACC took an important step towards sustainability. As a result, sustainability has become an integral part of the Group strategy. There is no doubt at FACC that business and society must become more sustainable. FACC is convinced that acting sustainably across all the dimensions of sustainability, i.e. environmental, social and that of good corporate governance, will ensure the long-term economic success of the company.

Meanwhile, FACC continues to uphold its concrete sustainability goals. The most important of these are establishing CO_2-neutral production, promoting diversity, and strengthening CSR and a sense of responsibility within the company. These and other sustainability goals were defined in 2021 in a bottom-up process in which representatives of various departments were involved.

Today, the FACC sustainability goals serve as central points of orientation for all decisions made within the company at all levels of the Group – from research and organization through to production and logistics.

Environment

Carbon-neutral production by 2040

40% reduction in CO_2 emissions by 2030 (relative to 2008)

100% LED lighting by 2024, starting in Austria

Social

Maintaining a women's quota of 50% for scholarships and in apprenticeship training

Active encouragement of women to pursue a career in tech and finance based on two school campaigns per year

Retaining 15 to 20 nationalities at all management levels

Governance

Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

GRI 102-11

CSR management

FACC attaches great strategic importance and economic significance to sustainability, which enjoys a high level of recognition. After all, sustainability within the company also stands for progress and the future.

FACC used the coronavirus crisis in 2020 and 2021 as an opportunity to delve further into the topic of sustainability and Corporate and Social Responsibility (CSR). As a result of this sharpened focus, the term "Sustainability Management" was changed internally to "CSR Management". The aim was to reflect the diversity of the topic more accurately in terms of terminology. This is because many people associate the term "sustainability" exclusively with environmental and climate protection, which is far too simplistic for our understanding.

The term "Corporate Social Responsibility", on the other hand, describes the overall social responsibility of a company that voluntarily addresses social and environmental implications of its business activities as well as all interactions with its various stakeholders.

CSR must be actively promoted and professionally managed on the basis of a clear set of values, quantifiable goals, realistic deadlines, clearly defined areas of responsibility, agreed success criteria and close teamwork. In order to oversee all these agendas, FACC has created the position of a CSR manager who reports directly to the Management Board and collaborates with the Management Board in a steering committee to develop and refine FACC's CSR strategy.

Due to its cross-cutting nature, CSR pervades all areas of the company. Under the guidance of the CSR manager, CSR issues at FACC are dealt with by a so-called core team, which is comprised of a departmental manager from each of the eleven core areas: Human Resources, Legal, Purchasing, Marketing & Communication, Customer, Controlling, Environment, Strategy, Quality, Operations and Health & Safety. To ensure diversity within the team, it currently consists of five women and six men. The team's task is to define corporate goals in the area of CSR and thus to exert a decisive influence on the corporate strategy. This bottom-up approach added a completely novel and innovative dimension to the entire goal-setting process, focusing at all times on the international principles, guidelines and standards of the globally applicable CSR guideline ISO 26000.

In order to ascertain its current status with regard to CSR and to identify potential for improvement, FACC performed a CSR assessment together with Quality Austria and eccos22® in November 2020. This assessment was conducted on the basis of international standards for the independent verification of sustainable business practices and the evaluation of a company's capacity for innovation and future viability. As a result of the assessment, FACC was awarded the "eccos22® Excellence in Sustainability and Corporate Social Responsibility" international quality seal as well as the "qualityaustria eccos22®" certificate. In 2022, a reassessment was performed to analyze the progress made, followed by an interim report. The next general assessment will take place at the end of 2023. In addition, FACC became a member of the non-profit organization CSR Dialogforum in 2020.

In August 2021, FACC Plant 4 successfully passed a SMETA (Sedex Members Ethical Trade) audit, one of the most widely used procedures for verifying sustainable and ethical conduct in business relationships. The Sedex audit applies best practices for assessing the ethical conduct of businesses, and covers the entire supply chain of a product along with all relevant processes. Unlike internal measures, this external audit provides an independent review and assessment.

Global development goals

At the 2015 United Nations Sustainable Development Summit in New York, the then 193 UN member states unanimously adopted the Sustainable Development Goals (SDGs) for 2030.

If these 17 sustainability goals are met, poverty and hunger are to be completely eradicated worldwide by 2030. FACC has also explicitly committed itself to five of them in its corporate activities.

SDG 5: gender equality

Ensuring gender equality is a key objective of FACC. There are currently 13 women serving on the Supervisory Board and the Management Board or occupying other top management positions at FACC. In order to increase the proportion of women at lower management levels, we advertise ourselves as a gender-equitable company at job fairs and directly address women with high potential. When filling new positions or replacing existing ones, we take great care to attract female candidates in particular.

SDG 9: industry, innovation and infrastructure

With its products and innovations, FACC makes an important contribution to promoting innovativeness and infrastructure throughout the entire industry. Moreover, its technology which is improved on an ongoing basis through continuous further developments makes a significant contribution to the preservation of resources and to the increasing eco-efficiency of our customers.

SDG 8: decent work and economic growth

Decent work is a fundamental principle upheld by FACC. In Austria, national regulations guarantee occupational health and safety at work. Child and forced labor is not accepted at any of FACC's international locations. Furthermore, the Group's employees have access to numerous initiatives and measures designed to promote health at the workplace. Through its Code of Conduct, FACC also passes on its high standards to its suppliers.

SDG 12: responsible consumption and production

FACC stands for sustainable production and aims to achieve maximum ecological efficiency with its products. Sustainability is the guiding force in the manufacture of its products, and the focus in its maintenance shops lies on resource-saving repairs rather than the replacement of parts.

The company's environmental management follows an integrated approach and evaluates the potential impact of production processes and products as early as the strategic corporate decision-making stage.

SDG 13: climate action

FACC's product development is geared towards substantial fuel savings and thus also towards a considerable reduction in CO_2 emissions.

By continuously reducing the weight of its components, the company is making the greatest possible contribution to sustainable aviation. This is also supported by its commitment to urban air mobility.

With around 3,000 employees, revenues of more than EUR 600 million and locations all over the world, FACC is one of the most prominent companies in the civil aerospace industry. Given this considerable status, the company also bears particular responsibility for its customers, business partners, employees, society and the environment. The Sustainability Master Plan devised by FACC summarizes the most important initiatives on the path to a sustainable future.

Environment

Carbon-neutral production by 2040

40% reduction in CO_2 emissions by 2030 (relative to 2008)

100% LED lighting by 2024, starting in Austria

Green energy and energy efficiency

FACC is a pioneer in the use of energy from renewable sources. The company has been utilizing geothermal energy for around 20 years now. In recent years, the Group has also invested in the exploitation of other sustainable sources of energy. Since the beginning of 2021, it has been purchasing electricity generated exclusively from hydropower at its Austrian sites, and extensive photovoltaic projects are planned for 2023 in addition to the existing plants. However, FACC has also recently taken effective action in terms of its consumption, by completely converting its production sites exclusively to LED lighting, for example.

Changeover to e-mobility

FACC provides its employees with electric vehicles for their commute to work. In order to take advantage of this offer, employees must travel longer distances to work and form car pools. The resultant costs are borne almost entirely by FACC, and the charging current is produced in-house. This is because the e-charging stations are fed by the company's own photovoltaic systems. In the coming months, FACC also intends to electrify its existing vehicle fleet. As a result, company vehicles for employees at management level will gradually be replaced by hybrid and electric vehicles.

Transformation into a circular economy

The focus of our research activities at FACC is on processing environmentally compatible materials such as bio-based synthetic fibers, resins and recyclable thermoplastics. It is the ultimate goal of FACC to transform into a sustainable circular economy in which products can be manufactured using resources sparingly and recycled at the end of their life cycle.

Replacing fossil fuels

Today, the proportion of fossil fuels in the FACC energy mix is barely 30 percent. The aim is to further reduce this figure in the medium term. To this end, various projects are currently under consideration. One possibility is to heat autoclaves with solar energy or to feed waste heat from production into district heating networks. Finally, another option being evaluated by FACC is the use of electricity and heat storage containers.

Social

Maintaining a women's quota of 50% for scholarships and in apprenticeship training

Active encouragement of women to pursue a career in tech and finance based on two school campaigns per year

Retaining 15 to 20 nationalities at all management levels

Attractive employer

FACC is a highly attractive employer and a magnet for people from both Austria and abroad. Currently, the Group employs personnel from 45 different nations. The proportion of women in the workforce is around 30 percent, which is very high when compared to the industry as a whole.

Diversity and responsibility

FACC consciously promotes diversity within its workforce and nurtures a responsible, caring attitude towards its employees. In this way, the Group has secured a good position for itself in a highly competitive labor market. The company also intends to pursue this strategy in the future. Furthermore, FACC also contributes through its activities to the economic development of the regions surrounding its locations.

Governance

Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

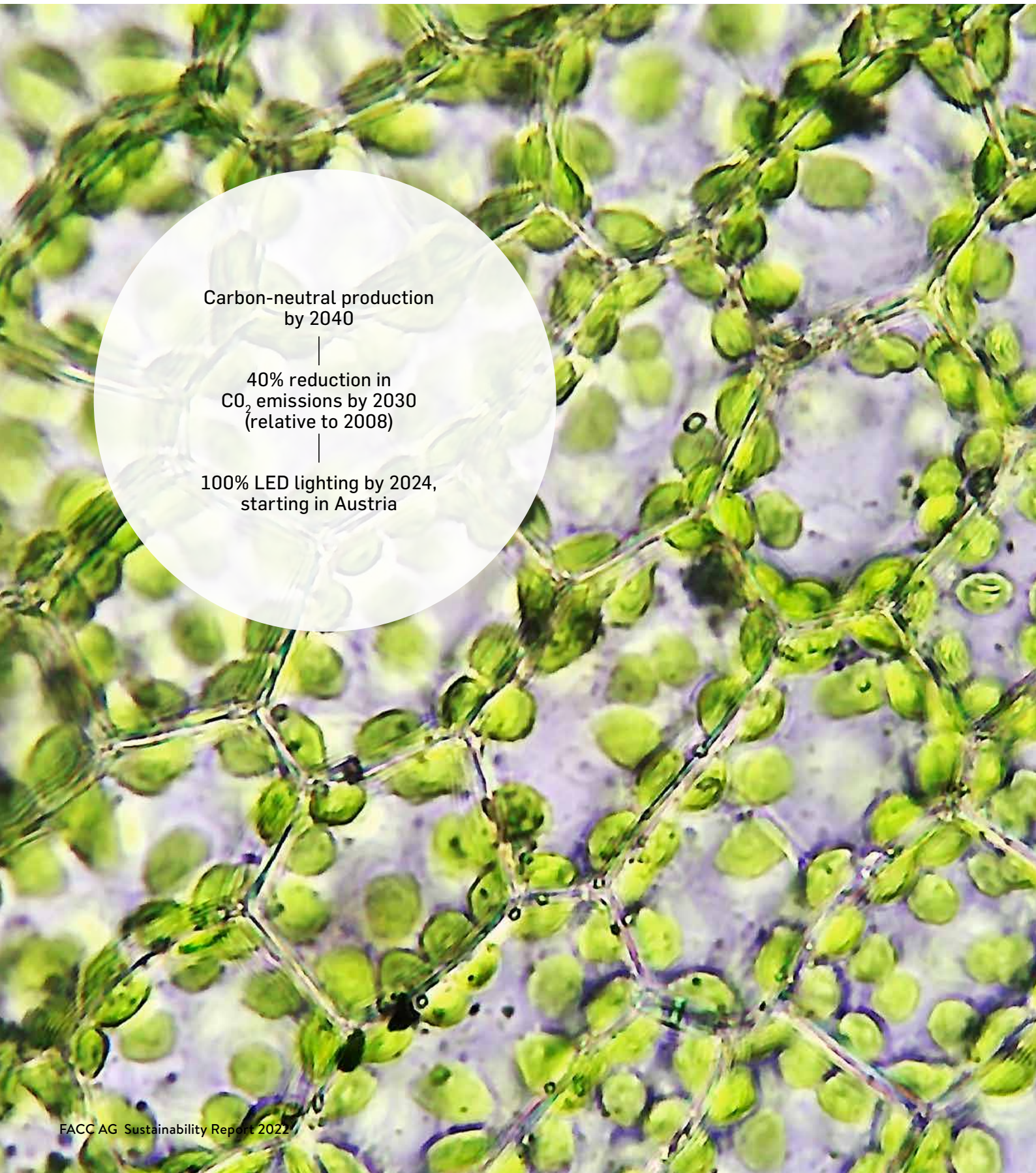
Continued development of good governance

FACC regards good governance not only as an obligation but also as an essential pillar of its corporate culture. Adapting to new legal frameworks and standards on an ongoing basis ensures sustainable economic success. Most recently, the FACC Code of Conduct was updated and extended in the 2022 financial year.

Zero tolerance towards corruption

Employees can use a dedicated whistleblower hotline anonymously to report any violations of the FACC Code of Conduct or of general legal provisions. No violations were reported in the 2022 financial year. In addition, FACC organizes information campaigns to sensitize its employees to the topics of good governance and CSR. At present, FACC is in the process of establishing an internal CSR rating of its most important supplier companies. Around 150 of these have already been evaluated in terms of their CSR activities as part of this initiative. The goal is to reach 250 by the end of 2023.

ENVIRONMENT



Carbon-neutral production by 2040

40% reduction in CO_2 emissions by 2030 (relative to 2008)

100% LED lighting by 2024, starting in Austria

SHAPING THE WORLD OF TOMORROW THROUGH OUR ACTIONS TODAY

The climate crisis is one of the most pressing issues of our times. All of us are compelled to act. Against this background, achieving CO_2-neutral production by 2040 constitutes one of the most crucial sustainability goals set by FACC.

However, the company is also addressing many other areas relevant to sustainability, such as recycling, circular economy or chemicals in production.

As a result of the large volume of energy and raw materials used in production at FACC, each individual measure adopted can have a major impact. The Group is aware that its actions today shape the world of tomorrow and therefore always strives to make careful use of natural resources and minimize its impact on the environment.

FACC regularly monitors its sustainability initiatives by means of internal and external audits which ascertain and confirm their effectiveness. FACC was awarded ISO 14001 certification in Austria as long ago as 2012. The most recent evaluation in the 2021 financial year identified full compliance, but also potential for improvement. The latter is to serve as the basis for further optimization.

CONTACT

Questions and concerns relating to the issues of energy, emissions and waste may be addressed directly to FACC's environmental manager via FACC's corporate website, or by e-mail to umwelt@facc.com. The environmental manager may also be contacted by phone or in person. No complaints were reported in 2022.

GRI 102-53, 103-7

Aircraft fuel efficiency

FACC products represent the greatest influence on environmental and climate protection within the company. Nearly every aircraft model in the world is equipped with an FACC component. Through extensive research and development work, FACC has succeeded in making these components ever lighter and more aerodynamic. In this way, the Group is contributing decisively to ensuring that aircraft consume increasingly less fuel and that global air traffic becomes less hazardous to the environment.

Fuel reduction as a strategic asset

Such an achievement is founded, in part, on minimal manufacturing tolerances on the surfaces, resulting in improved aerodynamics on the aircraft exterior and thus lower fuel consumption. Above all, however, it is the low weight of FACC's lightweight components which is key. With this, the company is making a major contribution to reducing the CO_2 emissions generated by air traffic.

Within the scope of its own development and optimization projects, FACC is continuously striving to improve its products and manufacturing processes, either on behalf of customers or on its own initiative.

Fuel savings through smart cabin equipment

The overhead stowage compartments of an aircraft are designed to be used thousandfold over a period of several years. The demands on material, function, quality and weight are correspondingly high. FACC has managed to reconcile these varying requirements when further developing the overhead stowage compartments for Airbus, and has achieved astonishingly impressive results in the process.

Significant weight reductions and thus fuel savings can be achieved by implementing lightweight solutions for the cabin interiors of passenger aircraft.

Simple calculation – great effect

An amount of kerosene equal to 4.3% of the mass of an aircraft is required for one hour of flight.

- Weight of an Airbus A320: approximately 73.5 t
- Fuel consumption per hour: 3.2 t
- Hours of flight per year: 2,920
- Standard fuel density: 0.796 kg/l
- 1 kg kerosene: 3.15 kg CO_2

Weight reduction per aircraft
Classic Cabin (CC) compared to Enhanced Cabin (EC)

Weight shipset	CC	EC	Weight reduction
reduction	466.0 kg	421.2 kg	9.61%
A320	562.7 kg	491.0 kg	12.74%
A321	715.4 kg	641.0 kg	10.40%

Kerosene savings per aircraft
Kerosene consumption per year and aircraft; Classic Cabin equipment compared to Enhanced Cabin equipment

	CC	EC
A319	58,756.0 kg	53,101.5 kg
A320	70,943.4 kg	61,900.0 kg
A321	90,190.4 kg	80,819.8 kg

Kerosene savings per year and aircraft with Enhanced Cabin

A319	5,654.5 kg (5.6 t) or 7,103.6 l
A320	9,043.3 kg (9.0 t) or 11,361.0 l
A321	9,370.5 kg (9.3 t) or 11,772.0 l

Savings through the development of the Enhanced Cabin and production for all 6,134 delivered shipsets
(from 2006 until the end of 2019; A319/A320/A321)

Kerosene	54,277 t or 68,186,565 l
CO_2	170,971 t

FACC = plastic components = lightweight construction = CO_2 reduction

The Enhanced Cabin of FACC saves an average of approximately 13,200 tons of CO_2 per year. An average of 2.2 people live in an Austrian household, each of whom generates CO_2 emissions of 8.9 tons per capita. One household therefore produces 19.6 tons of CO_2 annually. Using the Enhanced Cabin consequently reduces annual CO_2 emissions by an amount equivalent to the consumption of around 670 households.

13,151 t of CO_2 savings annually

CO_2 emissions generated by approx. **670** households

(Calculation: Statistica)

Moving more efficiently with winglets and sharklets from FACC

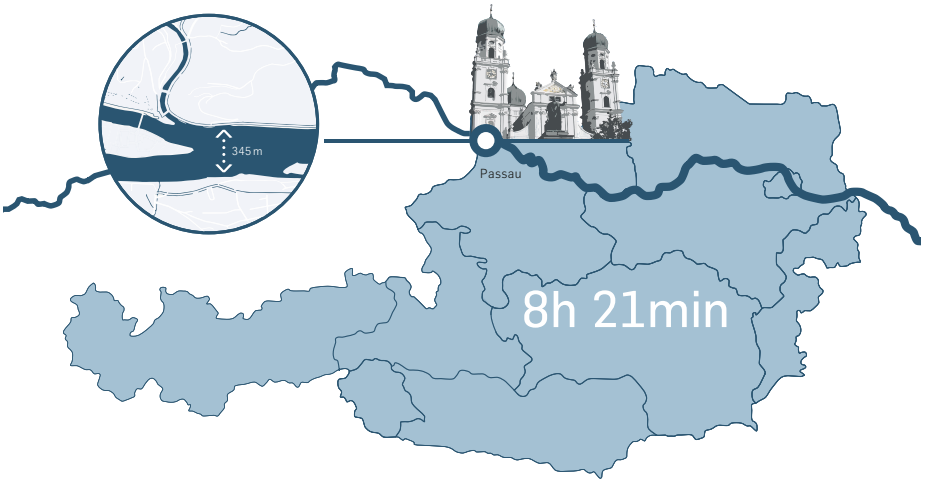
Less aerodynamic drag = lower fuel consumption = lower emissions + less noise. This equation forms the background of a revolutionary innovation from FACC: vertical winglets or sharklets, which reduce the air resistance generated by vortices at the tip of the wings. The principle was developed at the end of the 19th century by the British aerodynamicist F. W. Lancaster; and the concept, which was honed in the late 1970s by NASA scientist Richard Whitcomb, has been put into practice at FACC.

The use of winglets causes a splitting of the tip vortex and thus a reduction of induced drag. The result: more lift, lower kerosene consumption, reduced carbon dioxide and nitrogen oxide emissions, shorter take-off and landing distances, and fewer noise emissions. In addition, the engines work more efficiently, which means that maintenance costs can also be cut. In developing this new technology, FACC has harnessed the results of bionics (BIOlogy + TechNIC), which translates the knowledge gained from analyzing biological systems – in this specific case, the spreading of the wings of large landbirds such as eagles, vultures or storks – into technical solutions. And the principle has proved convincing: immediately after the first – very successful – tests, Boeing and Douglas decided to adopt winglet technology for their aircraft types.

Fuel savings with FACC technology

In total, FACC's winglets have saved 43 billion liters of fuel to date. This corresponds to the volume of water flowing down the Danube at Passau in about eight and a half hours at average water levels.

GRI 103-1, 103-2, 103-3, 302-5



Winglets reduce turbulence at the wingtips and thus enable more efficient flying.

Product durability and a circular economy

In order to be able to use aircraft parts in the future as part of a circular economy, FACC is conducting intensive research into new processing and production techniques. Even though FACC products are usually used for many years, the long-term goal is to recycle them or their components at the end of their life cycle. Hence, the topic of circular economy has become increasingly relevant at FACC during the last few years.

Bio-based prepregs

The mobility of the future depends crucially on new technologies and materials. In this context, FACC thinks beyond existing horizons: from the development and application of new materials through to more sustainable, economical and efficient manufacturing technologies for fiber-reinforced composite components.

Fiber-reinforced composite components in the interior are manufactured from so-called prepregs derived from phenols, various aldehydes and formaldehyde. In the field of bio-based matrix systems, FACC has adopted an innovative idea: the utilization of waste from sugar cane production. After all, new and, above all, sustainable solutions likewise necessitate new approaches to the production of cockpits, aircraft cabins and cargo areas.

This new type of prepreg is a reinforcement material, pre-impregnated with resin, which is mainly used in the production of fiber-reinforced composite components. The raw material for this is bagasse, the fibrous ground residue from sugar production, which remains after the sugar cane has been expressed, and which can be recycled in a variety of ways. One of these is in the aerospace industry.

Together with its partner companies, FACC's Research and Development department is extracting polyfurfuryl alcohol (PFA) from bagasse. This is subsequently converted into resin with only minimal formaldehyde and VOC (volatile organic compounds) content. In addition to its environmentally friendly properties, PFA demonstrates excellent temperature and chemical resistance as well as being fire-retardant. In the manufacture of products from the Cabin Interiors division, the material is cross-linked in autoclaves or presses to create a hard, robust and break-proof surface.

The material costs for bio-based prepregs are at a comparable level to those of conventional materials. However, the improved surface quality saves valuable process time and reduces production costs by around 20 percent. In addition, bio-based prepregs are characterized by their resilience to environmental influences during production: fluctuations in temperature or humidity have no impact whatsoever on the manufacturing quality and efficiency.

With the development of this innovative material matrix, FACC has taken another important step towards sustainability in the field of product design. Following intensive research activities, FACC presented its new aircraft cabin concept featuring bio-based prepregs at the Aircraft Interiors Expo (AIX) in Hamburg in June 2022. Given the current state of development, further national and international research projects are in the planning stage. Major OEMs such as Airbus are showing great interest in new and, above all, sustainable reinforcing materials, thus confirming that FACC is pursuing the right course in terms of technological development.

Life cycle assessments

The term life cycle assessment is used increasingly in the context of the lifetime of a product. It provides an exact investigation of a product's resource consumption and CO_2 emissions from its production to its disposal.

FACC launched one such life cycle assessment last year for the "Wing of Tomorrow" program. In this project, the Group is collaborating with Airbus on the development of a next-generation aircraft wing. For the life cycle assessment, every process step (from the purchase of raw materials and pre-products to finishing) was analyzed in terms of CO_2 emissions and material consumption. FACC anticipates that the coming years will see more and more requests in this direction and that a life cycle assessment will soon be required for all new projects.

In the "Wing of Tomorrow" project, the entire CO_2 consumption, from production to disposal, is accurately recorded within the scope of a life cycle assessment.

Recycling carbon fibers

In cooperation with the Linz-based start-up Carbon Cleanup, FACC has already launched initial trials into how carbon fibers can be recycled efficiently and economically. Processing equipment and collection containers equipped with cameras, sensors and appropriate software are employed to classify the material. In this way, short fibers ultimately emerge in the form of pellets that can be further processed in injection molding plants or used for 3D printing – for example for the production of furniture, sunglasses and much more.

GRI 103-1, 103-2, 103-3, 305-5

SUCCESSFUL CIRCULAR ECONOMY IN THE IT SECTOR

"Green IT" with HP leasing concept

The leasing concept developed by FACC and Hewlett Packard Enterprise (HPE), which has been in place for almost 20 years, shows how IT can be regularly updated while still conserving resources. The two companies consciously apply the principle of "Reuse before you recycle". More than 98 percent of all workstation devices and almost 97 percent of all devices in FACC's data centers are remarketed, having first been returned to HPE after three years as standard. This means: desk equipment, notebooks, monitors, printers, servers, network components and storage media that have served FACC well for over three years, are refurbished at HPE and then reoffered for sale as certified used equipment.

Reducing material and energy consumption, and emissions

This not only means that the IT equipment returned to HPE can be put to good use, but also that considerable material and energy savings can be made and the associated CO_2 emissions avoided. In addition, the recycling process generates an average of only 0.03 per cent electronic waste – all other components re-enter the economic cycle as raw materials. HPE's latest report shows that in the period from January to December 2022 alone, IT equipment from FACC eliminated 188 tons of CO_2 emissions and conserved 651 MWh of energy. In addition, 8.4 tons of waste were prevented and, therefore, did not have to be disposed of. At the same time, 3.0 tons of plastic as well as 0.9 tons of non-ferrous and 7.4 tons of ferrous metals were recycled. To conclude: a win-win situation for FACC, which, thanks to this circular economy project, remains up to date in terms of IT technology while at the same time creating added value, and heeding its sustainability goals.

188 t CO_2 eliminated

This corresponds to the average annual CO_2 emissions of 41 passenger vehicles.

651 MWh of energy saved

This corresponds to the average annual energy consumption of 16 households.

8.4 t of waste prevented

This corresponds to the storage capacity of 283 removal crates.

Materials and chemicals used

Measures in the interest of product and production safety

In the interest of product safety and the safety of its employees working in production, FACC actively seeks to use materials and chemicals responsibly and prudently. The safety and health of employees is of paramount importance at FACC. Occupational safety specialists, a REACH coordinator and an environmental officer ensure that hazardous raw materials are handled correctly. In addition to their services in the areas of assessment, instruction and consulting, they are available to all employees as contact persons at any given time.

At FACC, materials are selected in the areas of engineering and design. Before new materials are introduced, the safety specialist, the competent REACH coordinator and the waste management officer are consulted. They inspect each material with regard to health protection, occupational safety and REACH conformity before it is used at FACC.

In addition, the hazardous substances database is continuously updated and reviewed to comply with the REACH regulation, and assessed for legal compliance in the course of internal environmental audits. This legal compliance is subsequently communicated to the Management Board in the course of the management review.

One example involving the use of chemicals is in the production of winglets. Here, fibers are bonded with chemicals and then cured in an autoclave. During the bonding process, employees wear protective face masks and gloves to prevent them from coming into direct contact with the chemicals.

Use of bio resins

As part of an initiative to develop sustainable feedstocks for its products, FACC is currently working on ways to use bio-based prepregs (for details see page 31 in this report). This material, made from waste products generated during sugar production, could be combined with bio-based resins, which share the same properties as the phenolic resin currently used in terms of flammability, smoke density and toxicity. Moreover, prepregs of this type could be processed and cured using the same machines already used for conventional prepregs. Interestingly, bio-based resins contain less phenol and formaldehyde, which means that lower amounts of these substances are released into the environment during processing. Consequently, this could lead to a further improvement in the working environment of our production staff.

GRI 103-1, 103-2, 103-3, 301-1

Reducing energy consumption and emissions from production

On the way to carbon-neutral production

FACC aims to establish entirely CO_2-neutral production by 2040. By 2030, the company's manufacturing operations are expected to produce around 40 percent fewer CO_2 emissions than in the comparable year 2008. Given its measures in the areas of energy efficiency and the use of renewable energy sources, FACC is well on its way to achieving these goals.

Ongoing optimization

FACC is also making continuous improvements by implementing measures such as energy monitoring, the use of control technology, the central monitoring of building technology, the continuous optimization of capacity utilization and the ongoing, rigorous optimization of all processes.

At present, FACC is investigating the carbon footprint of its Austrian sites. Above all, FACC expects this to yield insights into the potential for reducing CO_2 emissions in its supply chain.

Efficient lighting

FACC is taking a most ambitious and confident approach to these goals. Although the company is also dependent in some areas on technological developments over which it has no direct influence, such as in the field of energy-saving manufacturing technologies, it has already taken some important strategic steps. For instance, the conversion to LED lighting at our production sites was virtually completed in 2022, with around 2,000 lamps having been replaced in the past five years. By 2024, all Austrian FACC locations are to have fully switched to LED technology. Thereafter, this initiative is to be extended to foreign locations as well.

Green mobility and heating supply

The Group's entire vehicle fleet is also to be converted to hybrid or electric mobility by 2030. Currently, FACC's fleet consists of 43 passenger cars. Of these, 27 are combustion engines (62.8 percent), 8 are hybrid (18.6 percent) and 8 are electric (18.6 percent). Thus, FACC has already converted about 37 percent to hybrid or electric drive. In addition, the company supports employees in setting up car pools with electric vehicles.

WHAT DOES "CLIMATE NEUTRALITY" ACTUALLY MEAN?

Expressions like "carbon neutrality", "CO_2 neutrality" or "zero CO_2" are often mistakenly understood to be one and the same. However, they do not produce the same result.

"Climate neutrality" refers to the absolute climate goal. This is achieved when emissions are reduced to a minimum and any remaining emissions are offset by climate protection measures. It is not only a matter of reducing carbon dioxide emissions – as specified by the term "CO_2 neutrality" – but also of reducing other harmful greenhouse gas emissions, such as the release of methane. This is because carbon dioxide only accounts for roughly three quarters of all emissions worldwide, which adversely affect the climate.

"Carbon neutrality" occurs when all carbon sources and sinks become balanced. This means that carbon offsetting can make carbon-generating activities carbon-neutral. Even if carbon neutrality is achieved on a global scale, climate warming will continue, albeit at a much slower rate. Thus, carbon neutrality can only be regarded as an interim goal.

"Net-zero carbon" refers to a carbon-free or emission-free activity. Zero emissions of this kind are achieved, for example, in electric rail vehicles, electric cars or zero-energy houses. In this context, only the emission-free utilization process is taken into account, but not the entire life cycle assessment which also encompasses emissions generated during production and disposal.

Today, 98 percent of the space heating and air infiltration heat for cooling the production areas is already being supplied from renewable sources, such as geothermal energy or heat recovery. By lowering the temperature of heat distribution (for example, the return temperature for space heating is below 32 degrees Celsius), direct heat recovery can also be achieved in most thermal processes, which would otherwise only be possible with the help of heat pump systems.

Clean electricity

Since the first quarter of 2021, FACC has been sourcing electricity exclusively from hydropower for its locations in Austria. Moreover, the company has been using photovoltaics for many years to provide electricity. For example, a photovoltaic system with 200 kWp was put into operation in 2019 on the roof of Plant 3.02; 99.2 percent of the electricity generated is consumed on site. As part of its sustainability strategy, the photovoltaic panels at FACC are to be massively extended in the coming years. For the 2023 financial year, FACC plans to expand facilities at all Austrian locations to a capacity of approximately 4 MW. The expansion process is scheduled for completion in the first quarter of 2024.

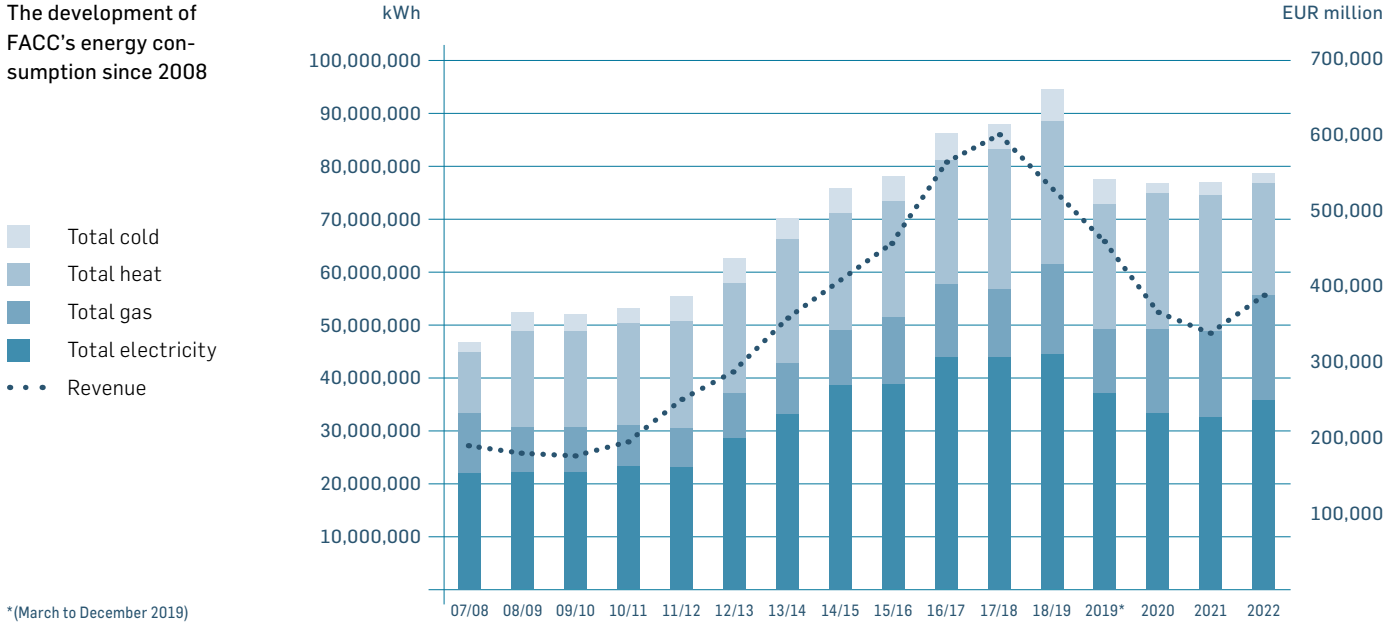
Increasing efficiency over decades

Irrespective of its objectives for the future, FACC can already boast successes in terms of climate and environmental protection. The most energy-intensive process step in FACC's production is the manufacture of composite components in the autoclaves. Here, the components prepared in the clean room from fibers pre-impregnated with resin are cured at high temperature and under high pressure. Since its inception in 1989, FACC has grown continuously, and with it the energy consumption of the company's autoclaves and other equipment. Thanks to a large number of measures to increase efficiency, however, energy consumption overall has risen much less sharply than operating performance.

GRI 103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 305-2, 305-4, 305-5

Energy consumption (kWh)

The development of FACC's energy consumption since 2008



*(March to December 2019)

FEWER CO_2 EMISSIONS THANKS TO ENERGY EFFICIENCY AND CLEAN ENERGY

(Comparison of annual consumption measured against the European energy mix)

LED lighting	Electricity from hydropower	Utilization of waste heat
–455 t CO_2	–4,287 t CO_2	–1,159 t CO_2

Emissions from transport and logistics

In the 2022 financial year, FACC purchased goods with a total weight of 1,426,356 kilograms in the course of approximately 7,637 import transactions.

Since the fourth quarter of 2021, FACC has also been tracking its Scope 3 emissions, i.e. the CO_2 emissions generated in its supply chain. The complex survey shows that a lot of potential exists for achieving CO_2 savings, particularly in the supply chain. However, ways and means of consuming less energy and thus generating less CO_2 are also being analyzed in production, most notably in the operation of autoclaves. The Group will therefore have to deal intensively with this issue as it moves towards complete carbon neutrality.

Green logistics

Logistics and packaging play an important role at FACC. Every month, thousands of aircraft parts have to be packed securely for shipping. At the end of 2022, FACC presented a new and sustainable packaging scheme featuring the following precepts: Packaging and filling material made exclusively from recycled cardboard is to be used for smaller parts. For larger deliveries for which filling material is absolutely necessary, FACC will use two new machines to manufacture its own bubble wrap using 40 percent recycled material – and this will be 100 percent CO_2-neutral. The film will not be filled with air until it arrives at the place where it is needed. As a result, space requirements for transporting the film are around 25 times lower than hitherto. This alone eliminates 30 truck journeys per year. Overall, this measure saves around 40 metric tons of CO_2 annually, which is equivalent to the CO_2 emissions of some 20 single-family homes.

FACC customers can use a QR code on the company website to call up information from a central location on current CO_2 savings.

Thanks to its new logistics concept, FACC is drastically reducing its ecological footprint.

When it comes to road haulage, FACC has also been using so-called eco-liners wherever possible since 2018. These are particularly long semi-trailer trucks that can carry up to 50 percent more cargo and consume 20 percent less fuel in relation to their capacity than conventional trucks. All in all, the combined CO_2 reductions achieved through these measures amount to around 400 metric tons per year.

GRI 103-1, 103-2, 103-3, 305-1, 305-2, 305-3

Waste and water consumption

Waste

Waste prevention

FACC has set itself ambitious goals in converting waste into recyclable materials. The largest amounts of waste in the company are generated by packaging material from logistics as well as chips that accumulate from milling operations. Where it is not possible to avoid such waste, FACC is committed to recycling as much material as possible or to having it professionally disposed of by qualified companies.

Converting waste into recyclable materials

By implementing a variety of measures, FACC has managed to steadily increase the proportion of waste materials that are converted into recyclable materials. This means that an increasing number of materials no longer have to be disposed of at great cost, but can be reused meaningfully. One example of this is the recycling of film waste: Originally incinerated, films are now fed into a recycling process. Moreover, if they are not excessively contaminated, films (such as bubble wrap) are reused automatically.

Blasting sand (2022 about 70 tons) from Plant 4 is also recycled. Aluminum waste (2022 about 102 tons), by contrast, is collected, sold to a regional waste management company and remelted. By doing so, FACC is not only helping to recycle materials in a meaningful way, but also generated revenues of around EUR 133,000 in 2022. Additionally, in some areas, a collection system is in place for PET bottles and aluminum cans.

Responsibility for such measures and initiatives lies with the waste management officer or environmental manager at FACC, in accordance with ISO 14001.

Minimizing problematic substances

For its manufacturing processes, FACC requires solvents that can be recycled in certain areas. In order to optimize the quantities dispensed and thus reduce solvent consumption, FACC has introduced solvent filling stations. Any residue that cannot be recycled (e.g. wipes and other items or materials contaminated with solvents) is consigned to qualified waste-disposal companies.

In order to minimize the number of disposal trips – and thus CO_2 emissions and costs – FACC has also optimized its disposal equipment. For example, roller compactors are in use for wood waste, intelligent presses for controlling and optimizing the filling level of commercial waste, and special collection equipment for materials containing solvents.

In special filling stations, solvents are dispensed in doses and unnecessary additional consumption is avoided.

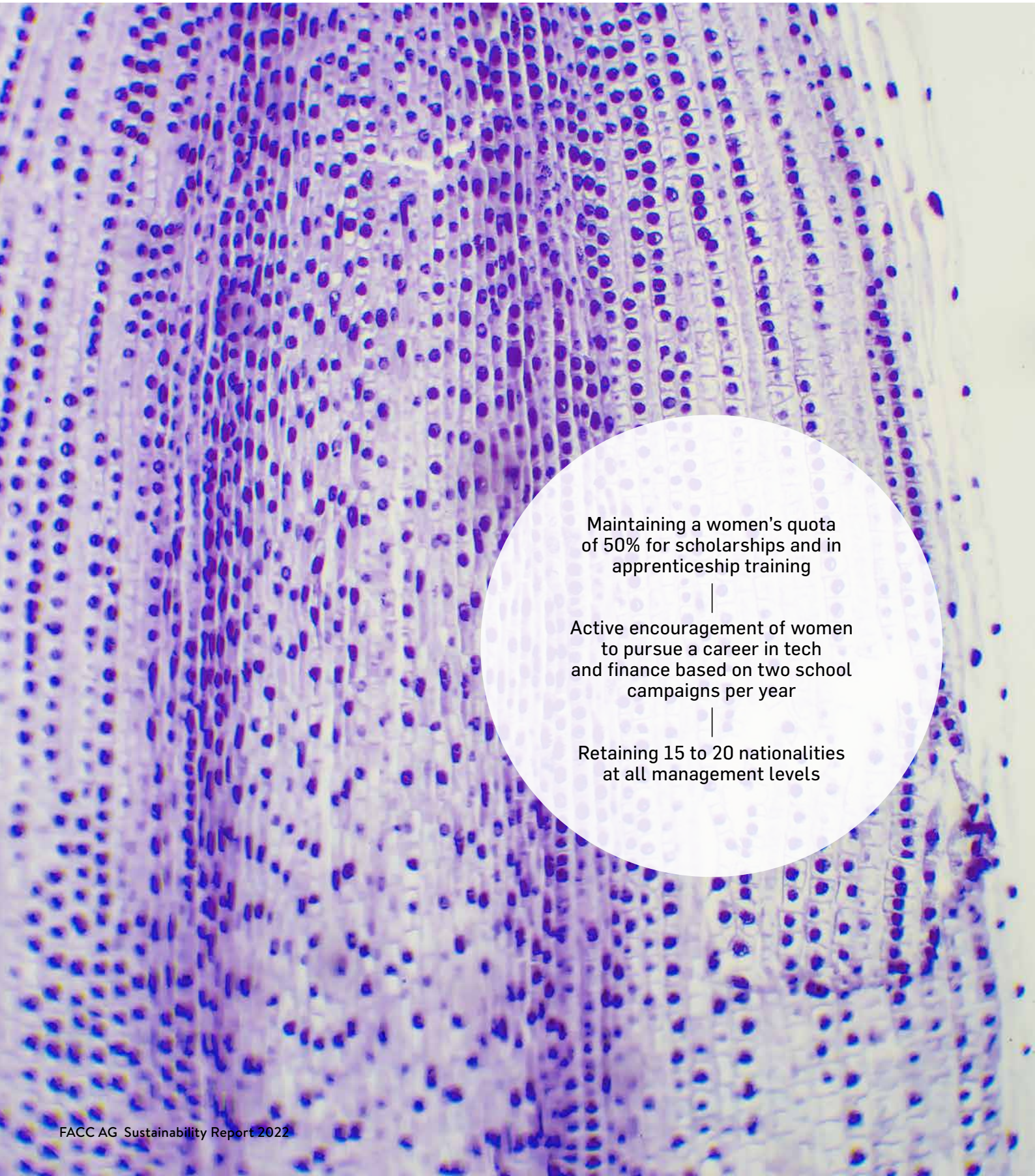
GRI 303-1, 303-5, 306-2, 306-4

Water consumption

No water is needed for the production of FACC components. Therefore, no waste water is generated during manufacturing. In the 2022 financial year, FACC's water consumption totalled 69,597 cubic metres. This consisted of consumption through humidification (18,836 cubic metres), through cooling (27,382 cubic metres) as well as drinking and faecal water (23,379 cubic metres). The amount of water FACC uses for humidification in winter is approximately recovered in summer in the form of condensed water generated by the ventilation systems.

GRI 103-1, 103-2, 103-3, 306-2

SOCIAL



Maintaining a women's quota of 50% for scholarships and in apprenticeship training

Active encouragement of women to pursue a career in tech and finance based on two school campaigns per year

Retaining 15 to 20 nationalities at all management levels

ACHIEVING LONG-TERM SUCCESS WITH A MOTIVATED AND PRODUCTIVE CREW

The cornerstones of FACC's corporate success are based on its employees' solidarity, commitment, innovative spirit and productivity. The Group consciously promotes these attributes in its human resources strategy and treats its employees with esteem and respect.

In addition to exciting workplaces in a high-tech environment, FACC offers anyone who is interested a comprehensive range of professional training and further education opportunities as well as programs to promote occupational health and safety.

In addition to these internal measures, FACC also addresses the impact of its entrepreneurial activities on its surroundings and society. These and many other topics will be explored in the following section.

Aircraft noise reduction

Components manufactured by FACC for engine cowlings help to reduce aircraft noise.

Noise is one of the greatest impacts air traffic has on the environment. Legal provisions and customer requirements for reducing aircraft noise have become increasingly stringent in the past few decades. Many airports have banned night-time flight operations and prohibited older aircraft from taking off and landing if they do not comply with the noise limits currently in force.

Advances in this area are aided by ongoing research projects in which FACC is working on the development of new structures, materials and processes to optimize the acoustic properties of aircraft components. One such improvement involves perforated surfaces, which significantly reduce aircraft noise when applied to engine components and cowlings. However, other FACC products – especially those of the Engines & Nacelles division – also boast properties that can contribute to noise reduction.

In addition to this, passive noise reduction is of particular significance. Unlike earlier applications, all lightweight components developed by FACC and produced in series actively contribute to passive noise reduction, both directly and indirectly. Winglets generate more lift during aircraft take-off, which means that the aircraft requires a shorter take-off distance and can take off at a steeper angle. The direct advantage of this is that lightweight components also reduce the amount of kerosene consumed by an aircraft. This is because less weight also requires less engine power.

The effectiveness of official or customer specifications with regard to aircraft noise reduction and compliance with these are reviewed on an ongoing basis. The quality criteria are reviewed

- when a new product is approved and
- during quality control before the product is delivered.

GRI 103-1, 103-2, 103-3

Increased mobility

Contributing to resource-efficient mobility

Ultra-light aircraft components manufactured by FACC play a major role in enhancing the efficiency and cost-effectiveness of all types of aircraft. The resultant reduction in resources and fuel consumption means that these aircraft are also less harmful to the environment when in operation. This is of significance given that the desire for mobility, together with economic and demographic developments, is prompting a steady increase in global travel. Through its products, FACC is helping to mitigate the negative impact of this trend on the environment.

Current estimates predict that passenger numbers will rise from around 4.6 billion in 2019 to just under 10 billion by 2040. By then, the number of passenger kilometers flown worldwide is also expected to be more than double the 2019 levels. The main drivers of this development are not least rising prosperity in the Asia-Pacific region and the global increase in an affluent middle class that is keen to travel. The fact that around 80 percent of the world's population has never used an airplane further underscores this immense potential.

FACC components make Rolls-Royce's Pear 10X engine more efficient and quieter.

Aircraft are becoming ever more sustainable

Not surprisingly, this growth will also require corresponding fleets: Boeing, for example, expects to deliver more than 41,000 new aircraft by 2040. The challenge here is to make the design as sustainable as possible by implementing measures and initiatives such as fuel and emission reduction, material savings, noise abatement, recycling and a circular economy, to name only the most important ones. In all areas, FACC makes valuable contributions with its high-tech parts and concepts. For example, FACC's lightweight plastic components, whose predecessors were made of metal, can save considerable amounts of fuel and thus avoid emissions due to the weight reduction achieved (for details, see page 28 ff). Similarly, engine components, spoilers and turbine components from FACC, for example, make a noticeable contribution to reducing noise emissions – an essential prerequisite for responsible aviation, especially in the vicinity of airports (see also page 30). Other examples include cabin interiors that significantly reduce the weight of an aircraft and thus lower CO_2 emissions (see also page 29).

GRI 103-1, 103-2, 103-3

Secure and equitable workplaces

The situation on the labor market has lately become considerably grimmer. Many companies are desperately looking for skilled workers. Within this environment, FACC sees itself as a highly attractive employer, offering potential recruits not only employment in a successful high-tech company, but also numerous opportunities for their personal and professional development along with programs to improve their health and well-being. In addition, the Group collaborates with schools, universities and universities of applied science in its search for top talent, not only in the region but also throughout Austria and in neighboring EU countries.

Areas of responsibility of the human resources department

- Personnel administration and accounting
- Consulting and coaching executives to help them fulfil their managerial tasks
- Recruiting and personnel marketing
- Hiring vacation interns and students preparing their diploma thesis
- Providing structures and conditions which support personnel development
- Designing the communication between existing and future employees
- Co-ordinating with employee representatives
- Contributing to the development of the company

Positioning in recruiting

In the competition for talented employees, FACC emerges as the first port of call for the best people. Due to the large number of specialist departments with varying requirements, FACC employees must demonstrate a broad range of knowledge and skills. Highly qualified personnel are essential for satisfying the high commitment to excellence of the aerospace industry at all levels.

Jobs with potential

Employees enjoy a successful career within the company

Almost all vacancies at FACC are also advertised on the internal job exchange. Existing employees can develop their professional skills and move up the career ladder to management positions. FACC also takes care to offer applicants other vacant positions, if they do not meet the requirements for the position originally offered, or if the position has already been filled.

A representative of the department concerned is also present at job interviews, and applicants are provided with comprehensive, practical and up-to-date information about FACC and the area of responsibility in question.

A standardized personality test (profiling values) is also conducted when awarding management positions.

Staff loyalty and the retention of key employees

FACC places high demands on the skills of its managers at all levels. In order to retain these key personnel in the company, FACC specifically promotes communication and dialogue with its employees, for instance through employee appraisals. Promising prospects for the future of the company are also decisive for successfully retaining employees. FACC offers such perspectives through its Strategy 2030.

Motivation and health: FACC as a pioneer in employee satisfaction

It is precisely in challenging times that the particular importance of a motivated and fit workforce becomes apparent. FACC was quick to recognize this and for many years it has therefore been providing a wide range of measures to maintain and promote health, motivation and satisfaction as part of the “Healthy and Happy” campaign for employees.

FACC offers its employees subsidized childcare places in its Kids Clubs both during the year and during the summer vacation. A new Kids Club was opened in Ried im Innkreis in the spring of 2021, in addition to the one already in existence in St. Martin, with the aim of offering even more employees excellent childcare facilities.

Numerous employees also took advantage of the TBE and influenza vaccinations on offer. Furthermore, FACC was one of the first companies in Austria to enable its employees and their next of kin to be vaccinated against COVID-19 directly on the company premises. With its two vaccination campaigns in early summer and fall 2021, FACC actively encouraged the immunization of its employees by offering a readily available vaccination program.

Distributing isotonic drinks to employees in production during the summer months and the annual blood drive in the fall are further contributions FACC makes towards the health of its employees. These and other measures are an integral part of the “Healthy and Happy” campaign, for which FACC was awarded the seal of approval for workplace health promotion (Gütesiegel Betriebliche Gesundheitsförderung – BGF) by the Upper Austrian Regional

Every year, FACC honors the outstanding, innovative achievements of its employees with the Leonardo Award. In 2022, first place went to a project team that succeeded in greatly improving FACC's vertical integration, thus making the company less dependent on global influences.

With its Kids Clubs, FACC provides its employees with attractive childcare services during the summer vacation, but also during the year.

Health Insurance Fund for the first time in 2017; it is now valid until 2022 following recertification in 2019. The BGF seal of approval is regarded as a visible indicator and a recognized standard of high-quality workplace health promotion in Austria.

Evaluating the management approach

At FACC, the Key Performance Indicators (KPI) defined for Human Resources are reviewed every six months, and discussed in teams. HR issues are also discussed and brought to the attention of the Management Board during the management reviews, which take place twice a year.

GRI 102-41, 103-1, 103-2, 103-3

Occupational safety and health protection

In the 2022 financial year, the Lost Time Injury Frequency Rate (LTIFR) at FACC stood at 12.5, which was below the target value of 15, to our great satisfaction. By contrast, however, occupational accidents in some areas witnessed a slight increase.

As a result of the corona pandemic, FACC was obliged to reduce its workforce. In the meantime, however, the company has intensified its recruiting activities once more, with the result that it now employs around 2,900 staff members. The partial increase in LTIFR is due to this personnel turnover triggered by the pandemic, as well as to the reincorporation of logistics into the Group.

FACC attaches great importance to measures aimed at enhancing occupational health and safety. A dedicated system designed to reduce absenteeism as a result of accidents and work-related illnesses provides for the following tools:

- Regular Zero Accident Gate meetings (ZAG meetings)
- Daily safety walks
- A comprehensive training and instruction program
- A Group-wide reporting platform for near accidents
- A planned expansion of the accident tracking system with a focus on cuts and musculoskeletal accidents such as bruising

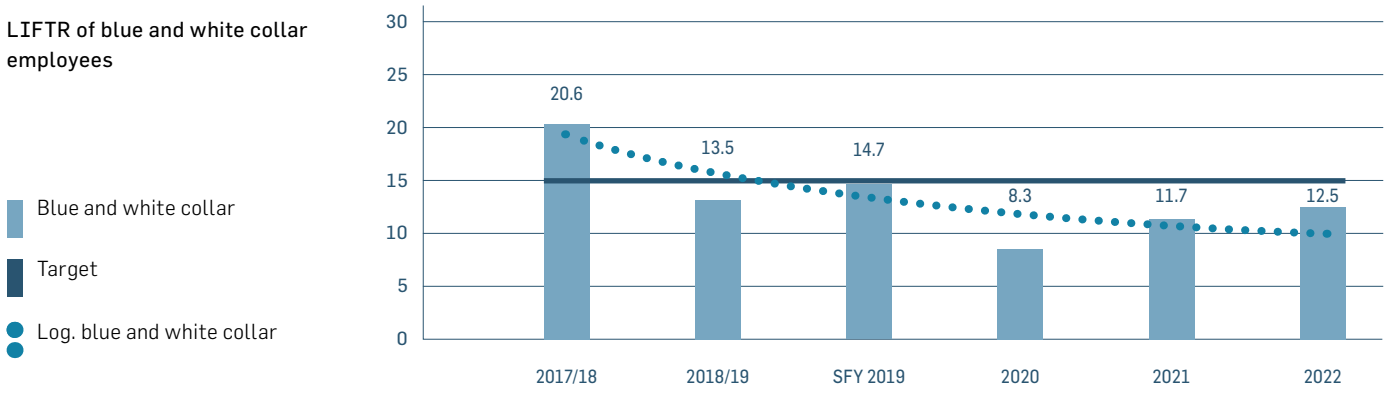
In 2022, FACC successfully concluded ISO 45001 certification. As a result, safety tasks have been further systemized and processes streamlined. This certification plays a major role in the ongoing improvement of legal security, transparency, awareness of risks to occupational safety and acceptance of the measures adopted by the FACC Management Board. Systematic process monitoring, analyzing, and implementing and evaluating policies all contribute to increasing productivity and safeguarding and maintaining health at the workplace.

FACC is constantly striving to establish occupational health and safety as part of its corporate ideology and culture, and to ensure that it is integrated into the mindsets of its employees and put into practice. Avoiding mistakes, working safely, internalizing standardized processes, learning from near-accidents and deriving appropriate measures constitute key management tasks at FACC.

FACC takes the protection and the promotion of health seriously. To illustrate this point, company skin-protection programs are having an obvious effect. A significant reduction in skin problems among the FACC workforce has been achieved through special evaluations, training sessions and awareness-raising, along with collaborations with dermatologists from the General Accident Insurance Institution (AUVA) and prevention specialists.

Development of the Lost Time Injury Frequency Rate

LIFTR of blue and white collar employees



GRI 403-1, 403-5, 403-6, 403-9, 403-10

Employee training and further education

Training and further education of employees

The fact that FACC currently employs people from 45 countries is compelling proof that the Group complies with legal requirements and the Anti-Discrimination Act. Specific guidelines for dealing with diversity are also provided in the company's Code of Conduct. Intercultural training and ongoing investment in human capital are a key driver of FACC's success. In line with the motto "Lifelong Learning", the company offers its employees comprehensive in-service training and further education opportunities.

FACC Academy: hub for training and further education opportunities

At the heart of this is the FACC Academy. Compared to the previous year (196 internal training programs for 1,452 employees), the FACC Academy organized 362 internal training programs, attended by a total of 3,328 employees in the 2022 financial year. The average duration of these in-house training measures was 6.1 hours per employee (previous year: 3.7 hours).

The number of extensive external training programs organized by the FACC HR department (ADR, first aid, injection molding, customs course, mental fitness, etc.) amounted to 28, involving a total of 204 employees. The average duration of the external training courses was 13.9 hours per employee (previous year: 24 external training courses for 282 employees; an average of 1.4 training hours per employee).

In the past financial year, particular attention was paid once again to leadership training, especially for forepersons. FACC prioritized the areas of "challenging leadership situations", "conflict management", "burnout prevention" and "employee appraisal management". In total, 57 employees completed leadership training in the 2022 financial year. 30 percent of these were women (previous year: 31 percent).

When it comes to professional development, intercultural training is also on the agenda at FACC and is implemented as an integral part of all training courses. This is intended to provide forepersons in production, for example, with the appropriate "tools" for dealing appropriately with questions surrounding this topic area. In the second half of 2022, numerous German language training courses were introduced – ranging from weekly German courses to intensive courses lasting one month, in which German and intercultural topics are taught throughout the day. Almost 200 employees took part in German classes in the previous financial year.

At FACC, personnel development is the responsibility of the Human Resources department in the area of Training & Development and is regulated by a qualification system. The process description includes internal and external training measures as well as e-learning offers. In order to manage the time resources of its employees responsibly, FACC offers selected training courses via e-learning. E-learning content is also created by internal developers, thus tailoring the portfolio specifically to the workforce and the company.

Comprehensive e-learning portfolio

In addition to e-learning in the areas of "SAP Basic", "SAP Advanced" and "System Management", web-based training courses are also available on topics such as "Export Control Advanced", "Known Consignor", "Counterfeit & Suspected Unapproved Parts", "Construction Deviation", "Material Flow" or "Foreign Object Damage", "Emergency Preparedness & Response", "Waste Separation and Wrong Objections", "Fire Protection", "General Documentation", "Health & Safety for White-Collar", "Internal Auditor" and "Safety Briefing General CoLT". The learning units can be completed directly at the workplace via FACC's SAP system.

In order to ensure that employees meet all their job requirements at FACC, the training matrix is always evaluated for both FACC's Austrian and international locations. The so-called LSO Learner in SAP provides each manager and employee with an overview in real time of which qualifications they have already acquired or still need to acquire in order to perform their respective jobs. Internal training courses can be booked directly or additional training needs can be registered with the FACC Academy at any time. The ongoing expansion of the training portfolio includes, among other things, specially designed new training programs for forepersons, executives, SCRUM or project managers.

Apprenticeship training is a central pillar of FACC's training and further education program.

Focusing on apprenticeship training

FACC also places special emphasis on the training of its apprentices, who are offered a wide range of additional opportunities such as driving lessons and English courses in addition to vocational training. FACC's apprentice training has already received several prestigious awards. One particularly pleasing aspect is that the proportion of female apprentices in the company is around 50 percent.

GRI 103-1, 103-2, 103-3

Employee diversity and anti-discrimination

Diversity of strengths and competencies

As of the reporting date 31 December 2022, the FACC Group employed 2,919 full-time equivalents (FTE, previous year: 2,538 FTE). Of these, 2,353.9 were employed by FACC Operations GmbH, 524.2 by other subsidiaries and 41.6 by FACC AG. The majority of FACC's workforce is therefore employed in Austria, with 275 employees in the rest of Europe. A total of 118 employees work at the North American locations in Wichita and Montreal, while in Asia FACC employs 83 members of staff.

31 December 2022 (in FTE)	Blue-collar workers	White-collar workers	Total
Central Services	242.81	412.5	655.3
Aerostructures	575.5	163.7	739.2
Engines & Nacelles	179.2	103.2	282.4
Cabin Interiors	522.9	154.0	676.9
Subsidiaries	253.0	271.0	524.0
FACC AG	0	41.6	41.6
Total	**1,773.4**	**1,146.3**	**2,919.7**

		31 December 2021	31 December 2022
Number of leased employees	FTE	40	118
Share of the total workforce	%	1.6	4.0

Positioned internationally and globally successful

People from 45 nations are employed at FACC in Austria. Around 67 percent of these come from Austria and Germany, 6 percent from Romania and approximately 5 percent from Hungary. As of 31 December 2022, FACC in Austria (FACC Operations GmbH, FACC AG and CoLT Prüf und Test GmbH) counted:

- 67 percent men, 33 percent women
- 33 apprentices (FACC Operations GmbH)
- 324 part-time employees (of which 79 are men)

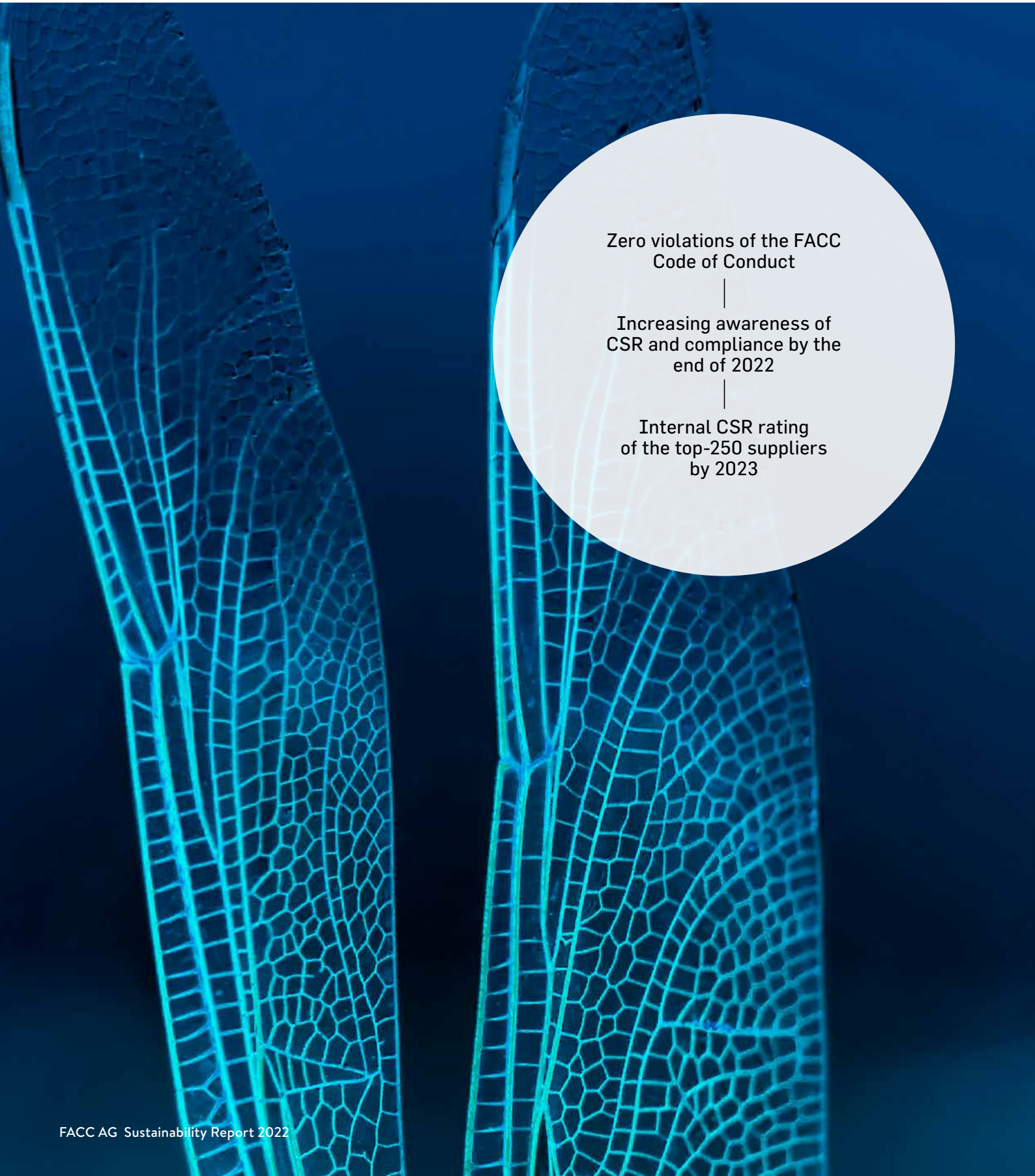
GRI 102-8, 103-1, 103-2, 103-3

Residents and local communities

FACC manufacturing operations have virtually no impact on the local residents through emissions or ambient air pollution. The company manufactures at all of its locations in compliance with statutory requirements, and in some cases even surpasses these. All the production sites are located outside of city centers, which is why they do not interfere with traffic in any way. Nor do emissions from waste water, light pollution or noise play a role at any of the FACC production sites. Far more, the company believes that its production sites enhance the value of the region in which they are located. More information on this topic can be found in the section "Governance" starting on page 50.

GRI 103-1, 103-2, 103-3

GOVERNANCE



Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

RESPONSIBLE CORPORATE GOVERNANCE: COMMITMENT AND COMPETITIVE ADVANTAGE

Governance has an impact on almost every area of an enterprise. The term encompasses the measures taken by a company to ensure responsible, qualified and transparent corporate management with a view to long-term success. The focus of interest is on the shareholders and all other stakeholder groups – from investors, employees and citizens to market participants and society as a whole.

When implementing good governance, the FACC Management Board is guided by numerous legal requirements and other established standards, thus ensuring responsible corporate governance.

One of the most important elements of this wide-ranging topic is compliance. FACC has defined rules of conduct and guidelines for all its employees, thus ensuring that business is conducted in compliance with legislation and with integrity. In addition, it ensures that violations of its compliance rules are prevented or exposed. In this way, risks under criminal and civil law are minimized. A well-functioning compliance organization can also create a competitive advantage as many contractors – especially in the public sector – only award projects to companies that can demonstrate consistent compliance management.

This is evidenced at FACC by relevant ISO certifications, work instructions and a wide range of employee training courses in this area, among other things. Further information about this and other aspects of good governance at FACC can be found in the following section.

Diversification in our product portfolio

FACC is, and will remain, an enterprise dedicated to the aircraft industry. With this pronouncement, the Group is emphasizing that it will remain true to its core business – namely the production of lightweight systems for the global aircraft industry – well into the future. Nevertheless, FACC has expanded into completely new lines of business in recent years, thus positioning itself more broadly in the market. In order to open up new sectors, the company draws on its vast experience in lightweight construction and the innovative strength of its employees.

Meanwhile, FACC aims to further strengthen its position in the core market of the aircraft industry in the coming years through efficiently produced and environmentally compatible products along with a number of disruptive innovations. These strategic goals are to be pursued with a view to gaining market share, expanding the customer and product portfolio, and increasing vertical integration. In the future, FACC intends to develop and manufacture entire subsystems such as primary structures or complete cabin concepts. Furthermore, FACC is looking to expand its highly successful Aftermarket Services.

Added potential through urban air mobility

In addition, FACC is also focusing on new forms of mobility. Together with its partner EHang, FACC ranks among the global pioneers in the field of urban air mobility (UAM). A new development and production contract was awarded in the 2022 financial year by the Californian drone manufacturer Archer, whose first model is to be approved in 2024. FACC was commissioned to manufacture key fuselage and wing elements for the electrically powered, vertical take-off and landing aircraft.

The company has been active in this promising future market for environmentally friendly urban and interurban mobility for many years. By 2030, FACC aims to increase the revenue it generates with transport drones, air taxis and the like to 10 percent of total sales. As has been the case in its core business for many years, the company is aiming for the broadest possible product and customer portfolio in this area also.

Space – a market of the future

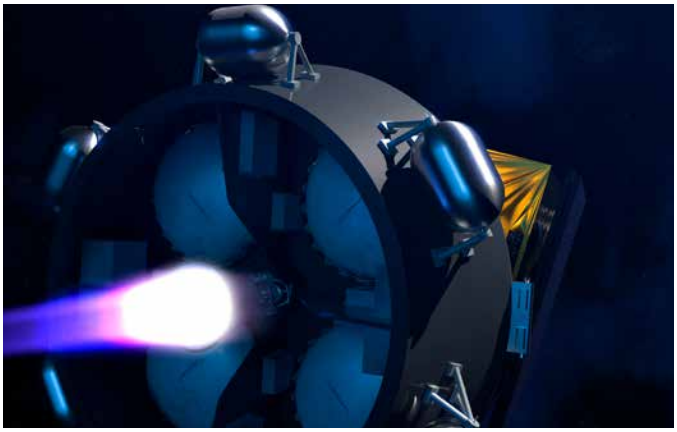
Finally, FACC would like to venture into a segment of which the public is barely aware. Space is currently developing into a highly interesting market for FACC. This is because the growing demand for global communication solutions is accompanied by an increasing need for the necessary infrastructure in Earth orbit. With its lightweight solutions, FACC aims to establish itself as a recognized technology partner to the space industry, thereby giving additional impetus to its organic growth along the way.

GRI 103-1, 103-2, 103-3

FACC has been implementing its first project in the Space segment since November 2021. This involves the development and production of a structural component for the Ariane 6 launcher. Due to delays in some subsequent engine and avionics components from other manufacturers, the originally targeted ESA demand date of October 2022 has been postponed to probably the end of 2023 or even 2024. FACC can exploit its technological and manufacturing expertise to the full in this project. The so-called kick-stage main structure of the Ariane 6 must be as light as possible, while at the same time being able to withstand the highest loads. After all, the module carries four fuel tanks, the engine and the avionics in addition to the actual cargo of the rocket.

For FACC, this first order from the space sector is a decisive milestone on its roadmap for 2030, in which the development of new business fields in addition to the aerospace industry plays a central role.

After collaborating with EHang for many years, the order from Archer marks another important step in the market for urban air mobility.



The kick-stage main structure for the Ariane 6 launch vehicle: Developed and manufactured by FACC, the carbon component must withstand the highest loads.

Flight and product safety through product quality

Legal requirements and approvals

Since FACC was founded, international aviation authorities have not only guided the company through a demanding approval process, they also implement ongoing checks to ensure that the agreed standards are being complied with in full. In order to maintain its approvals, FACC undergoes external audits several times a year. This means that its customers can depend on proven premium quality.

The company holds official approvals for the production and maintenance of aircraft components. In addition, FACC is a certified development organization authorized to develop and approve repairs and modifications independently.

100 percent reliability

FACC always focuses on the regulatory requirements placed on a new component, even during the development phase. In order to ensure that each prototype ultimately meets such requirements, it is subjected to numerous tests. When developing new products, FACC always strives to make components even lighter, more efficient and more economical than their predecessors.

Only after a new component has been approved by the relevant authorities does it go into series production. Prior to delivery, precise documentation of the airworthiness of each individual component is prepared and the component is clearly labeled. However, FACC not only manufactures new components, but also repairs damage to existing ones as part of its portfolio of repair services. Repairs are also offered for components that were not originally produced by FACC. The company was granted the requisite official authorization to carry out these repairs on the basis of its extensive technological know-how. Committed to using resources carefully, FACC only replaces defective components in repair orders if there is no doubt they are beyond mending.

In compliance with strict aviation regulations, but above all in the interest of its customers and the safety of all air travelers, FACC rigorously pursues its goal of 100 percent reliability.

Quality Management

Evaluating the effectiveness of all measures taken is an integral element of FACC's strategy to ensure flight and product safety. In numerous internal audits, conducted on a regular basis and covering all areas of FACC, the company's Quality Management reviews compliance with all applicable regulations and requirements in order to determine conformity.

So-called Quality Management Reviews, in which the findings of the internal audits are presented to the Management Board, also address topics such as product safety and product quality at the highest management level.

FACC is heavily oriented towards its process structure and the entire company strives to improve its procedures continuously. In doing so, existing processes are consistently called into question in order to achieve ongoing improvements, leading to greater product quality and competitiveness.

The Vice President Quality is the first point of contact for authorities on all issues relating to aviation safety.

EASA austro CONTROL Nadcap Administered by PRI

FACC Operations GmbH — ENVIRONMENTAL MANAGEMENT SYSTEM — ISO 14001:2015

FACC Operations GmbH — Central Function — QUALITY MANAGEMENT SYSTEM — EN 9110:2018 — ISO 9001:2015

FACC Operations GmbH — Central Function — QUALITY MANAGEMENT SYSTEM — EN 9100:2018 — ISO 9001:2015

FACC Operations GmbH — Central Function — QUALITY MANAGEMENT SYSTEM — EN 9100:2018 — ISO 9001:2015

GRI 103-1, 103-2, 103-3, 416-2, 417-1

Economic responsibility and impacts on the region

FACC is committed to its production sites in Austria and Croatia. This awareness generates a variety of added value for each region, which benefits from the overall economic upswing triggered by FACC jobs, investments and purchasing activities. This will improve the quality of life of residents currently living in the region and of future generations over the long term.

At the same time, FACC also benefits from its regional roots. The attractiveness of the company for skilled workers and high potentials and their families is a major advantage when competing for the very best employees.

The Upper Austrian town of Reichersberg is not only the location of FACC's Plant 4, but is also one of the municipalities with the highest credit rating in Austria.[1)] The municipality of St. Martin is also doing well economically; schools and childcare facilities are being expanded, thus creating an ideal living environment for young families. Due to FACC's stable and sustainable growth, the entire region is also growing constantly. Supplier companies are flourishing in parallel with the positive development of FACC. Services and products are created that are purchased nationwide and beyond the needs of FACC: a win-win situation for the entire region.

Croatia: new plant on course for growth

The new FACC plant in Croatia was officially opened in mid-June 2022. Production, however, already commenced at the end of 2021, and FACC is now planning to significantly expand the capacities of this location.

The establishment of the new location for Cabin Interiors in Croatia is part of the FACC strategy to enlarge its global footprint in the long term. Around 200 employees manufacture cabin equipment here for business jets and passenger aircraft in lightweight construction. However, plans are in place to increase the workforce at the site to 600 by 2025.

The human factor was a key criterion in deciding to establish the plant in Jakovljanska near Zagreb. In addition to optimal infrastructure and ideal transport links to FACC and its customers, the region also offers a superbly skilled workforce, universities and specialists from a variety of disciplines.

The plant was conceived and built in close cooperation with the Fraunhofer Institute. Not only does the plant operate in line with the latest industrial standards, it also pursues a concept that makes scaling possible at any given time. Both the interior and exterior of the plant buildings are modular in design, allowing them to be adapted to increasing volumes with relative ease.

Planning has already been initiated for another two expansion stages of the site. During the next few years, the production areas are to be tripled over two phases. Accordingly, Plant 6, which opened only recently, is already on a steep growth course from which the Jakovljanska region is also likely to benefit.

Establishing a plant in Croatia is strategically important for FACC and is the key to further success. Pictured: COO Croatia Edvin Brcic, Chairman of the Supervisory Board Pang Zhen, CFO Croatia Matija Feric, CEO Robert Machtlinger, CFO Aleš Stárek, and COO Andreas Ockel.

[1)] Study by the magazine "public"; annual assessment of the creditworthiness of all Austrian municipalities by the KDZ – Center for Administrative Research; in the last study published, covering the years 2013 to 2019, Reichersberg was ranked tenth in terms of its creditworthiness.

GRI 102-12, 103-1, 103-2, 103-3

FACC promotes location quality through:

- Cross-border job creation (FACC currently employs more than 350 members of staff from neighboring Bavaria in Germany)
- Strategic regional and thematic development ("Composite Valley" in Ried and the Innviertel)
- Site investments: FACC has invested a total of more than EUR 500 million in Upper Austrian sites since 2010. In the coming years, the company plans to make continued investments in its domestic plants.
- Project specific investments: the purchase of tools, amongst others, from regional manufacturers, who thus benefit from local added value.

Support for regional training opportunities

However, FACC wants to motivate young people to pursue a career in technology and give their professional interest a home to flourish. Until 20 years ago, Ried im Innkreis did not have a higher technical college (HTL). For 14 years now, there have been HTL graduates, of whom about 50 percent continue to study at a university and 50 percent take up a job in regional industry. FACC has supported the HTL Ried project from the outset, and is also represented on the board of the school's support association.

Intensive cooperation with training institutions

- Specialist cooperation with educational institutions (e.g. HTL Ried) and universities (e.g. University of Applied Sciences Upper Austria, Campus Wels, Johannes Kepler University in Linz, the Linz Institute of Technology)
- Support of endowment professorships
- Funding for research units
- Decisions to cooperate with training institutions are made jointly by the Management Board and the Human Resources managers.

The supply chain and its impacts

Supply chain and supply chain legislation

In the past financial year, FACC concluded almost 7,637 import transactions with hundreds of different suppliers from all over the world.

As a company, FACC is required to take a holistic approach to its supply chains, that is to say in economic, ecological and social terms. Sustainability does not stop at a company's factory gate or at the door to its offices. Our own purchasing decisions have an impact beyond FACC: Are raw materials mined by children and does their extraction pollute the environment? What transport routes, what energy consumption and what CO_2 emissions does this entail? In other words, what is the actual long-term price paid by the company for its purchasing decisions and what proportion of this is borne by society?

It is with this in mind that the European legislator is currently working on uniform supply chain legislation. What the content of this legislation will entail and how Austria will implement it will become clear in the near future. The discussions at the European level were one of the reasons that prompted FACC to examine the issue of its supply chain in more detail.

Internal CSR rating of the top 250 suppliers by 2023

In the first quarter of the 2021 financial year, FACC sent its 150 most important suppliers a CSR questionnaire. The 17-page document contains numerous questions relating to economic, ecological and social issues, such as: Does the supplier concerned have a Code of Conduct? Does the supplier comply with human rights? Does the supplier have ISO certifications in the areas of the environment and occupational safety? The list goes on. This preliminary step allowed FACC to form a clear picture of its supply chain, before drafting measures to comply with the announced supply chain legislation. As part of the initiative, around 150 suppliers have already been assessed for their CSR activities. The target is 250 by the end of 2023.

In the next few years, the Group plans to introduce a performance-rating tool of this kind for all its suppliers and to incorporate the results into the supplier rating process.

FACC also adopted a Supplier Code of Conduct some years ago. By signing this document, suppliers commit themselves to complying with all the values, laws and requirements that FACC places on a sustainable supply chain.

Economic impacts

The corona pandemic has severely disrupted global supply chains. Open and integrated markets are essential for supply chains to function effectively. However, their mechanisms are under increasing pressure from external events, market intervention and manipulation, and planned disruptions to the movement of goods and services. FACC stays abreast of the overall global situation on a daily basis. Experts from the Purchasing and Risk Management departments, among others, have been working intensively on ways to avoid or minimize potential risks and their impact. One of the FACC measures is to keep its supply routes as short as possible. For example, 60 percent of the company's suppliers come from German-speaking countries.

Ecological impacts

A regionalized supply chain can help to reduce the risks of globalization, while at the same time saving resources and energy through shorter transportation routes. For this reason, FACC has launched a project to analyze the carbon footprint at all its locations in Austria. This is intended to allow a more accurate assessment of the Scope 3 emissions generated by its supply chain.

FACC's long-term goal is to record and evaluate the entire effects of its sourcing operations in order to manage raw material, energy and transport costs more efficiently.

Social impacts

FACC is committed to identifying potential human rights violations that could result from its business activities. As a company, our due diligence obligations extend to the entire supply chain, from the raw material to the finished product.

It is essential that FACC adopts measures to prevent violations of fundamental human rights. Respect for human rights must be ensured within the Group, and at its direct suppliers, by prohibiting forced labor and child labor, for example, and by complying with internationally recognized social standards.

In the case of indirect suppliers, due diligence only applies as and when necessary. FACC is only obliged to conduct investigations and take action if specific incidents suggesting human rights violations are brought to its attention.

FACC selects its suppliers very carefully and imposes strict demands with respect to compliance with human rights. The company communicates these demands to its suppliers through the Supplier Code of Conduct.

Breaches of the Supplier Code of Conduct

In the past financial year, FACC did not identify any violations of the ecological and social standards stipulated in the Supplier Code of Conduct. Compliance is ensured through regular supplier audits, which include on-site inspections.

Should any violations occur, however, FACC will implement remedial action immediately and, if necessary, terminate the business relationship with the supplier in question.

GRI 102-9, 103-1, 103-2, 103-3

Good Governance – measures to combat bribery, corruption, anti-competitive conduct and cartel agreements

FACC commits all people and organizations working for the company to adhere to predefined values and principles of conduct. FACC thereby acknowledges its responsibility towards society and the environment insofar as this lies within its sphere of decision-making and influence. The company also requires its customers and suppliers to adhere to certain values and principles of conduct. An essential instrument for this is FACC's Code of Conduct.

In addition to the issues of corruption and bribery, as well as human rights (e.g. fair working conditions), the Code of Conduct includes the following topics: general conduct, health and safety, company property, conflicts of interest, prohibition of cartels, insider information, export control, environmental protection and quality policy. The Code of Conduct is available to all employees via the FACC intranet in German and English, and can also be downloaded from the company website.

In the 2017/18 financial year, a communication initiative was launched to strengthen awareness of the Code of Conduct and its provisions. As part of this initiative, the Code of Conduct was adapted and brought to the attention of all employees of the Group in a separate mailing by the Management Board. Since then, employees belonging to the internal management circle have received separate training on the overriding topics of compliance, anti-corruption, export control and data protection.

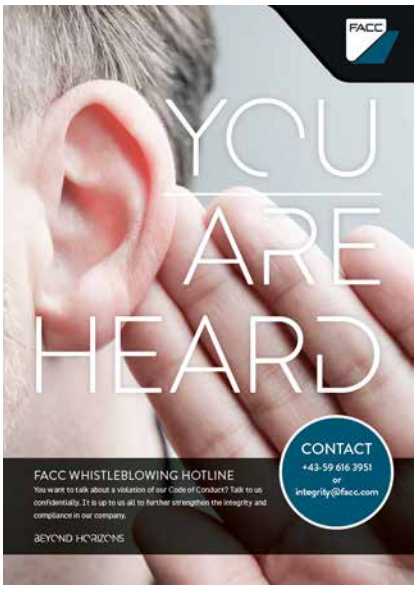
At FACC, the continuous work on good governance is an interdisciplinary field involving the Organizational Development department and organizational units such as Communication, Legal, Business Strategy, Internal Audits, and in the future Digitalization. The Legal department is primarily responsible for the Code of Conduct.

New whistleblowing hotline

The corporate values of FACC are reflected in cohesion, mutual respect, trust and a professional approach when dealing with one another and with customers. In order to strengthen these values further, FACC has set up a whistleblowing hotline. This internal system enables FACC employees to report potential violations of the company's Code of Conduct. The whistleblower remains completely anonymous: the employees are protected by law and can communicate their concerns and misgivings in confidence.

Contact: integrity@facc.com or +43-59-616 3951

The system has been in operation since 15 December 2021, and can be accessed around the clock. There were no reports in the previous financial year.



Evaluation

Compliance violations are evaluated twice a year during the FACC Management Days, where the topic of continuous improvement also features on the agenda. If necessary, specific tasks are assigned to improve compliance, and their completion is regularly monitored at divisional level. In addition, a dedicated compliance system with audits, evaluations and management reviews is currently being set up.

Other initiatives to be implemented over the next few years include mandatory self-disclosure by suppliers and a comparison of purchasing volumes per country with the corruption index. The Code of Conduct has already been updated.

GRI 102-16, 102-53, 103-1, 103-2, 103-3, 205-1, 206-1, 305-2, 305-3

Cooperation and memberships

The increasing complexity of tasks requires solutions that can only be developed and implemented in a joint effort. This is why FACC has developed into an international and very active cooperation platform over the years.

After all, it is an illusion to believe that all questions can be solved in-house and with personal resources. Qualified and specialized expertise can be found among leading know-how carriers and scientists all over the world.

Progressive digitization in this area allows FACC to concentrate on the core services of the Group.

GRI 102-13

Membership of professional associations (among others)

- AAI – Austrian Aeronautics Industries Group: Chairmanship
- AC Styria: member
- Carbon Composites Austria: Management Board mandate
- Civil Aviation Business Unit of ASD (AeroSpace and Defense Industry Association of Europe): permanent representative
- University of Applied Sciences Upper Austria, Campus Wels: member of the Strategy Advisory Board
- Hot Spot! Innviertel: member
- Higher Technical College (HTL) Support Association: executive chairmanship
- Federation of Austrian Industries: member of the Federal Board
- Federation of Upper Austrian Industries: member of the Regional Executive Board
- Lightweight platform A2LT: platform spokesperson
- European Aerospace Quality Group (EAQG): permanent representative
- International Aerospace Quality Group (IAQG): permanent representative
- PFI – Platform for Innovations Management: member
- Austrian Chinese Business Association (ACBA): representative
- Upper Austrian Chamber of Commerce: member of the Technology & Innovation[DP4] Strategy Group

Import and export control

Due to its specific line of business, FACC is subject to international export control regulations. These ensure that FACC cooperates exclusively with organizations and persons with which it is permitted to do so.

1. Sanctions: Business partners are screened on the basis of current global sanctions lists.

2. Embargo check: If there is any indication that a particular destination is located in a country under embargo, an automatically generated blocking notice is issued, which is then checked manually.

3. Dual-use goods: If products are classified as dual-use goods under EU or US export control law, i.e. they can be used for both civilian and military purposes, blocking signals are also issued, which are specifically evaluated on a case-by-case basis.

4. ITAR goods: These are goods that undergo particularly close scrutiny as part of export controls, as they are subject to the International Traffic in Arms Regulations (ITAR), i.e. the US regulations governing military equipment. Due to the strict controls and the associated high penalties imposed by the relevant US authorities, FACC faces export compliance risks in this area. The company therefore takes care to ensure that ITAR goods are generally no longer purchased (ITAR-Free Compliance Plan).

5. Export licenses: Export licenses are applied for from the competent authorities if they are requisite for exporting components or goods.

All these points are monitored on an ongoing basis and continuously adapted in an optimized form to constantly evolving international legislation.

FACC is both concerned with, and committed to, completely fulfilling contractual obligations, requirements, laws and regulations, as well as customer specifications and standards at all times. Legal conformity and contractual compliance are just as important as the long-term safety of the components manufactured and delivered to customers.

FACC components should never become the underlying cause of aviation safety incidents or accidents. This ambitious goal has been achieved to date. Quality Management at FACC was, and still is, responsible for this.

Specially trained Export Control managers are responsible for this particular area. Any complaints or other issues are addressed to these members of staff and dealt with by them.

The evaluation for the previous and current reporting year concluded that requirements were being fully complied with throughout the Group. While no need for adjustments was identified in 2022, there is still potential for further improvements.

Conflict minerals (tantalum, tin, tungsten, gold = 3TGs)

The Dodd-Frank Act (Sec. 1502) stipulates that companies subject to US reporting requirements for trading in securities must disclose annually whether so-called conflict minerals, necessary for the manufacture or function of their products, originate from the Democratic Republic of the Congo, or one of its neighboring states. The aim of this ruling is to prevent armed groups from being financed from the extraction and trade of raw materials.

Since FACC products are supplied directly to US customers, FACC is indirectly obliged to observe US legislation. For this reason, FACC analyzes its supply chain once a year by means of a conflict minerals report template. Should a business partner require such a template, FACC will make one available directly.

Contact: tradelaw.compliance@facc.com

GRI 103-1, 103-2, 103-3

APPENDIX

Key figures and EU taxonomy

GRI index

Glossary

Contact/note/imprint

KEY FIGURES AND EU TAXONOMY

At the 5th Annual General Meeting of FACC AG, it was decided, among other things, to change the company's financial year to the calendar year. The key figures for the 2022 calendar year cover the period from 1 January 2022 to 31 December 2022.

Due to the materiality, there is no breakdown on a regional basis in the following key figures, with the exception of the human re-sources key figures, the existing values are cumulated totals of the respective production sites. The human resources indicators apply to all locations, incl. Croatia.

Due to corrections, there may be deviations from the values in the previous report. This is pointed out in footnotes.

EU taxonomy

In the 2022 financial year, there were no expenses or income at FACC that would have to be reported within the meaning of the taxonomy regulation of the European Union.

The reportable expenses mainly relate to investments in maintenance, service and servicing of the photovoltaic and geothermal plants as well as investments in FACC's electric fleet. In total, they amount to approximately EUR 450,000.

Currently, FACC is awaiting the changes planned in the EU taxonomy regulation with regard to the topic of circular economy. Then, all investments in the areas of thermoplastics and bio-based prepregs (approx. EUR 1.03 million) as well as in the area of urban air mobility (approx. EUR 3.6 million) will be included in the calculations.

PRODUCTS

KPI	Description	Unit	SFY 2019	2020	2021	2022
Flight safety						
Incidents in the health and safety area	Total number of violations of regulations and/or voluntary codes relating to the health and safety impacts of products and services during the reporting period	Number	0	0	0	0
… Fines	Number of violations of regulations regarding the impact of products on the health and safety of customers resulting in a fine or sanction	Number	0	0	0	0
… Fines – value	Violations of regulations regarding the impact of products on the health and safety of customers, incl. product labeling	EUR	0	0	0	0
… Non-monetary sanctions	Number of violations of regulations regarding the impact of products on the health and safety of customers resulting in a warning notice	Number	0	0	0	0
Purchasing categories	Number of key purchasing categories	Number	24	24	24	24
Certified purchasing categories	Number of key purchasing categories with which a manufacturer's certificate/indication of origin is attached	Number	17	17	17	17
Product categories	Number of key product categories	Number	3	3	3	3
… Proven origin	Number of key product categories, to which a manufacturer's certificate is attached	Number	3	3	3	3
… Proven contents (e. g. chemi-cals from REACH)	Number of key product categories, to which a description of the contents is attached	Number	0	0	0	0
… Required disposal	Number of key product categories, to which a description of the disposal is attached	Number	0	0	0	0
… Export certificates	Number of key product categories, for which export certificates are (must be) created	Number	3	3	0	0

ENVIRONMENT

KPI	Description	Unit	SFY 2019	2020	2021	2022
Energy and emissions						
Total energy consumption		kWh	89,620,496	77,799,743	80,120,911	83,859,337
Non-renewable fuels total	Total fuel consumption from non-renewable sources	kWh	13,254,822	16,827,723	18,937,594	22,252,596
… Natural gas, including, LNG	Direct GHG emissions (scope 1) in CO_2 equivalents from the use of fuels	kWh	12,667,324	16,222,070	16,754,928	22,701,840
… Gasoline, Diesel	Consumption for vehicle fleet	kWh	587,558	605,653	447,270	600,695
Geothermal	From own plants	kWh	11,232,625	13,677,364	15,801,753	11,922,842
Photovoltaic, wind and hydro power	From own plants	kWh	207,300	237,960	232,005	233,920
Electricity purchased for consumption total	Total electricity purchased for consumption (renewable and non-renewable)	kWh	38,186,174	34,084,156	32,731,577	37,984,636
Heating/cooling	Quantity purchased for consumption; incl. district heating/cooling	kWh	26,739,515	27,239,177	20,198,613	16,867,035
Direct GHG emissions (scope 1)	Direct GHG emissions (scope 1) in CO_2 equivalents from the use of fuels	t	10,123	12,566	12,970	8,846
Indirect GHG emissions (scope 2)	GHG emissions in CO_2 equivalents of (purchased) electricity, heating and cooling	t	14,246	13,416	1,332	3,718
Energy intensity	Emissions in relation to operating performance or production volume	kWh/EUR	0.1624	0.2097	0.2283	0.2004
GHG emissions intensity	Direct GHG emissions in relation to operating performance or production volume	kg/EUR	0.018	0.026	0.0253	0.0320
Operating performance	Operating performance in the reporting period	EUR	551,712,883	463,771,778	341,271,753	392,489,105

For reasons of materiality, the table contains only values from the production facilities.

ENVIRONMENT

KPI	Description	Unit	SFY 2019	2020	2021	2022
Waste (by type)						
Waste total		kg	3,914,040	2,846,849	2,626,401	2,910,219
Non-hazardous waste total		kg	3,502,415	3,053,807	2,544,992	2,756,209
… Commercial waste	Stone dusts, polishing dusts, blasting agent residues with application-specific non-harmful admixtures, phenolic and melanin resin, other cured plastic waste, videocassettes, magnetic tapes, tapes, ribbons (carbon ribbons), toner cartridges without hazardous ingredients, municipal and similar commercial waste, residues from mechanical waste treatment	kg	1,631,596	1,359,706	651,760	710,645
… Metals	Non-ferrous metal scrap, non-ferrous metal packaging, nickel and nickel-containing wastes, copper, ferrous and steel waste (contaminated), aluminium, aluminium foil	kg	154,845	210,398	171,314	163,334
… Paper and packaging materials	Waste paper, paper and paper board (coated and uncoated)	kg	472,920	380,178	289,986	495,978
… Plastics	Plastic films, polyurethane	kg	248,210	187,240	160,190	116,150
… Other non-hazardous waste	Construction debris, tree and shrub pruning, street sweepings, paper/paper board/cardboard, wood, packaging materials, polyurethane, plastic, metal scrap	kg	453,240	380,139	735,614	641,156
Hazardous waste total	"Hazardous" according to legal definition	kg	411,625	267,075	81,409	152,196
… Liquid hazardous waste	Solvents, acids, bases, oil-water mixtures, coolants and lubricants	kg	18,697	24,865	23,764	42,207
… Solid/pasty hazardous waste	Used oil binder materials, solvent-containing sludge/production materials, paint and paint sludge	kg	383,225	218,860	14,093	16,440
… Containers with hazardous residual contents	Iron metal packaging, compressed gas packages	kg	9,343	8,800	11,172	23,350
… Other contaminated materials	Laboratory waste, building rubble containing harmful contaminants, asbestos waste/soils, filter cloths	kg	360	14,550	32,380	46,369
Waste (per GRI index – by disposal method)						
Non-hazardous waste total	"Non-hazardous" and "hazardous" according to legal definition; total weight (ton wet mass) of non-hazardous waste (excl. non-hazardous wastewater), split into the following disposal methods where applicable	kg	3,502,415	3,053,807	2,544,992	2,740,229
… Re-usage on site	Used for manufacturing other company products	kg	-	-	-	-
… Recycling	Except re-usage	kg	837,097	902,497	859,894	870,263
… Recovery	Incl. energy recovery (e. g. combustion with energy recovery)	kg	1,593,776	711,880	614,260	904,408
… Landfill	Disposal of the waste in a landfill	kg	1,045,407	992,854	734,788	937,055
… Others	Non-hazardous waste disposed of differently	kg	26,135	446,576	336,050	28,503
Hazardous waste (total)	"Hazardous" according to legal definition	kg	411,625	280,205	81,409	87,833
… Recovery	Incl. energy recovery (e. g. combustion with energy recovery)	kg	4,134	1,420	1,282	1,926
… Landfill	Disposal of the waste in a landfill	kg	82,819	241,610	74,120	76,149
… Others	Hazardous waste that was disposed of differently	kg	322,860	-	-	-
… Waste (by type)		kg	5,946	17,075	7,289	9,758

For reasons of materiality, the table contains only values from the production facilities.

MATERIALS

KPI	Description	Unit	SFY 2019	2020	2021	2022	Dangerous goods share 2021	Dangerous goods share 2022
Use of material								
Non-renewable materials	Total quantity of non-renewable materials used by FACC	EUR	309,579,602	293,863,799	262,193,779	327,641,249	2%	2%
Purchased part marking	Parts by marking – mainly out of metal or plastic	EUR	105,297,850	45,919,472	46,865,909	57,797,104	0%	0%
Composite materials	Impregnated and dry tissues and honeycomb materials	EUR	75,742,864	58,129,286	43,664,795	55,717,816	5%	0%
Precast	Precast	EUR	66,673,403	132,342,244	121,969,914	147,875,577	0%	1%
Standard parts	Parts by specification, e. g. screws, rivets, bolts, etc.	EUR	14,263,161	10,596,989	7,500,395	9,561,801	0%	0%
Catalog parts	Parts by manufacturer definition	EUR	15,853,539	15,574,800	15,514,597	19,497,136	1%	0%
Paints, adhesives	Paints, adhesives	EUR	11,883,527	10,009,507	7,291,125	8,627,522	26%	39%
Selant, seals, potting, foam, etc.	Sealing and fillers	EUR	10,263,859	8,215,121	7,133,315	8,605,965	8%	33%
Tools, indirect materials	Drills, cutters, masking tapes, gloves, etc.	EUR	5,997,490	4,243,028	3,363,889	4,397,456	1%	5%
Miscellaneous	Decorative materials, raw materials, bagging materials	EUR	3,603,909	8,969,341	8,992,753	15,560,871	0%	0%
Renewable materials	Total quantity of renewable materials used by FACC (excl. packaging material)	EUR	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.

For reasons of materiality, the table contains only values from the production facilities.

ECONOMY, COMPLIANCE

KPI	Description	Unit	SFY 2019	2020	2021	2022
Economic responsibility and effects in the region						
Revenue	Direct economic value: net sales plus income from financial investments and the sale of assets	TEUR	667,769	526,891	497,554	606,977
Operating expenses	Distributed economic value: cash payments to third parties for materials, product components, facilities and externally sourced services	TEUR	400,985	334,850	289,316	414,655
Wages and company social benefits for employees	Distributed economic value: total payroll plus the total-company benefits	TEUR	158,156	160,722	149,693	177,228
Payments to lenders	Distributed economic value: dividends to all shareholders plus interest payments to lenders	TEUR	17,286	9,044	7,677	10,212
Payments to the government	Distributed economic value: all taxes paid by the organization at the international, national and local level plus the associated fines	TEUR	2,355	1,175	68	44
Investments in the community	Distributed economic value: actual expenses during the reporting period excl. requirements, incl. voluntary donations and investments in the broader community, such as: donations to charities, non-governmental organizations and research organizations (not related to the commercial R&D of the organization); funds to support community infrastructure (e. g. recreational facilities); direct costs for social programs (incl. cultural and educational events)	TEUR	3	0	0	13
Anti-corruption and anti-competitive behaviour						
Employees informed about anti-corruption	Number of company personnel who have been notified of company policies regarding anti-corruption (total), e. g. via the Code of Conduct	% Heads	100 3,470	100 2,753	100 2,598	100 3,037
Informed board members	Number of board members who have been notified of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	4	4	4	4
Informed white-collar workers	Number of white-collar workers (incl. management) who have been informed of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	1,326	1,176	1,060	1,217
Informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	2,140	1,573	1,540	1,820
Business partners informed about anti-corruption	Business partners (e. g. suppliers, cooperation partners) to which the company policies regarding anti-corruption were communicated to	% Heads	100 1,774	100 >1,600	100 >1,600	100 >1,600
Employees trained in anti-corruption	Number of company personnel trained in anti-corruption (total)	% Heads	100 3,470	100 2,753	100 2,598	100 3,037
… Trained board members	Number of board members trained in anti-corruption	Heads	4	4	4	4
… Trained white-collar workers	Number of white-collar workers (incl. management) trained in anti-corruption	Heads	1,326	1,176	1,060	1,217
… Trained blue-collar workers	Number of blue-collar workers trained in anti-corruption	Heads	2,140	1,573	1,540	1,820
Corruption cases	Total number of confirmed cases of corruption (incl. cases where employees have been dismissed or disciplined for corruption, and cases where contracts with business partners have been terminated/not extended due to corruption)	Number	0	0	0	0
Claims due to anticompetitive behaviour	Number of pending or completed claims in the period under review for anticompetitive behaviour or antitrust and monopoly violations in which the company was identified as a party	Number	0	0	0	0

COMPLIANCE

KPI	Description	Unit	SFY 2019	2020	2021	2022
Human rights						
Employees informed about human rights	Number of company personnel who have been 'notified of company policies regarding human rights (total), e. g. via the Code of Conduct	%	100	100	100	100
		Heads	3,470	2,753	2,642	3,037
Informed board members	Number of board members who have been notified of company policies regarding human rights (total), e. g. via the Code of Conduct	Heads	4	4	4	4
Informed white-collar workers	Number of white-collar workers (incl. management) who have been informed of company policies regarding human rights, e. g. via the Code of Conduct	Heads	1,326	1,176	1,036	1,217
Informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding human rights, e. g. via the Code of Conduct	Heads	2,140	1,573	1,506	1,820
Sites with significant risk of incident for (a) child labour and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labour	Sites with significant risk, e.g. due to operating mode (e. g. manufacturing) or country/region	By name	0	0	0	0
Countries of the top 5 suppliers	Country of manufacture of materials of the top 5 suppliers (based on purchase value)	By name	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE
Suppliers with significant risk of incident for (a) child labour and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labour	Names of suppliers with significant risk, e.g. due to operating mode (e. g. manufacturing) or country/region	By name	0	0	0	0

HUMAN RESOURCES

KPI	Description	Unit	SFY 2019	2020	2021	2022
Employees and diversity						
Total employees – male	Number of male employees, incl. board members and management, excl. non-employees (employee leasing)	Heads	2,582	2,055	1902	2,134
Total employees – female	Number of female employees, incl. board members and management, excl. non-employees (employee leasing)	Heads	888	698	696	903
Temporary employees – male	Number of male employees with fixed-term contract	Heads	260	154	66	96
Temporary employees – female	Number of female employees with fixed-term contract	Heads	121	87	41	57
Part-time employees – male	Number of male part-time employees as defined by national law	Heads	61	51	63	75
Part-time employees – female	Number of female part-time employees as defined by national law	Heads	202	169	183	214
Full-time employees – male	Number of male full-time employees	Heads	2,521	1,999	1,812	2,061
Full-time employees – female	Number of female full-time employees	Heads	686	529	498	687
Management – male	Number of male employees in management functions/ positions (incl. board members and department heads)	Heads	239	220	223	272
Management – female	Number of female employees in management functions/ positions (incl. board members and department heads)	Heads	37	36	30	45
Non-management – male	Number of male employees without management function	Heads	2,343	1,830	1,663	1,864
Non-management – female	Number of female employees without management function	Heads	851	662	651	657
White-collar workers – male	Number of male white-collar workers (incl. management and board)	Heads	996	892	794	910
White-collar workers – female	Number of female white- collar workers (incl. management and board)	Heads	334	288	266	307
Blue-collar workers – male	Number of male blue-collar workers	Heads	1,586	1,163	1,105	1,224
Blue-collar workers – female	Number of female blue-collar workers	Heads	554	410	435	596
Non-employees (employee leasing)	Blue-collar workers who are not in a direct contractual relationship with FACC but contracted through a third party (temporary workers)	Heads	17	7	46	114
Employees under collective agreements	Number of employees, who are under collective agreements	Heads	3,345	2,537	2,380	2,594
Employees <30 – male	Number of male employees under 30 years of age	Heads	600	433	370	410
Employees <30 – female	Number of female employees under 30 years of age	Heads	304	213	196	232
Employees 30–50 – male	Number of male employees 30 to 50 years of age	Heads	1,611	1,306	1,191	1,336
Employees 30–50 – female	Number of female employees 30 to 50 years of age	Heads	489	409	426	570
Employees >50 – male	Number of male employees over 50 years of age	Heads	371	311	314	388
Employees >50 – female	Number of female employees over 50 years of age	Heads	95	72	70	101
Employees leaving total – male	Number of male employees who have left the company (voluntarily), were laid off, retired or have died	Heads	349	648	297	333
Employees leaving total – female	Number of female employees who have left the company (voluntarily), were laid off, retired or have died	Heads	89	288	101	150
Employees leaving total – white collar	Number of white-collar workers who have left the company (voluntarily), were laid off, retired or have died	Heads	123	225	146	148
Employees leaving total – blue collar	Number of blue-collar workers who have left the company (voluntarily), were laid off, retired or have died	Heads	315	747	252	335
Employees leaving unplanned – male	Number of male employees who have left the company by mutual agreement or voluntarily	Heads	213	597	259	257
Employees leaving unplanned – female	Number of female employees who have left the company by mutual agreement or voluntarily	Heads	39	254	80	85
Employees leaving unplanned – white collar	Number of white-collar employees who have left the company by mutual agreement or voluntarily	Heads	98	197	118	116

HUMAN RESOURCES

KPI	Description	Unit	SFY 2019	2020	2021	2022
Employees and diversity						
Employees leaving unplanned – blue collar	Number of blue-collar employees who have left the company by mutual agreement or voluntarily	Heads	154	654	221	226
New hires <30–male	Number of newly hired male employees under 30 years of age	Heads	114	58	60	269
New hires <30–female	Number of newly hired female employees under 30 years of age	Heads	66	45	30	165
New hires 30–50 – male	Number of newly hired male employees 30 to 50 years of age	Heads	107	60	54	319
New hires 30–50 – female	Number of newly hired female employees 30 to 50 years of age	Heads	45	40	27	228
New hires >50 – male	Number of newly hired male employees over 50 years of age	Heads	15	23	15	84
New hires >50 – female	Number of newly hired female employees over 50 years of age	Heads	4	7	2	31
New hires – white collar	Number of newly hired white-collar workers	Heads	88	58	73	218
New hires – blue collar	Number of newly hired blue-collar workers	Heads	263	173	114	886
Training and development						
Training hours	Total number of training hours for all employees. incl. internal and external training and development; personal training and e-learning	Hours	38,215	17,314	14,514	33,172
Training hours – management	Total number of training hours for all management functions (Management Board and directors)	Hours	5,733	3,248	2,041	3,176
Training hours – non–management	Total number of training hours for all non-management employees	Hours	32,482	14,057	12,473	29,995
Training hours – internal Trainings	Average number per employee	Hours	7.81	3.94	3.0	7.93
Training hours – external Trainings	Average number per employee	Hours	3.27	0.61	1.0	1.11
Health and safety						
Work-related injuries blue collar male	Notifiable accidents at work according to AUVA (from the absence of three days) – blue collar	Number	46	22	27	31
Work-related injuries blue collar female	Notifiable accidents at work according to AUVA (from the absence of three days) – blue collar	Number	17	7	10	14
Injury rate – blue collar	LTIFR (Lost Time Injury Frequency Rate): number of accidents with days of absence (three and more) per 1 million working hours/number of productive hours effectively worked blue collar	LTIFR	22.6	13.9	21.8	18.6
Injury rate – blue and white collar	LTIFR (Lost Time Injury Frequency Rate): number of accidents with days of absence (three and more) per 1 million working hours/number of productive hours effectively worked blue and white collar	LTIFR	14.7	8.3	25.3	12.5
Occupational injuries – types	Types of injuries occurred most frequently	De-scrip-tion	Cut/ contusion	Cut/ contusion	Cut/ contusion	Cut/ contusion
Downtime due to such injuries – white collar male	Calendar days from the first day of absence	Days	663	472	385	496
Downtime due to such injuries – white collar female	Calendar days from the first day of absence	Days	201	57	185	149
Downtime due to such injuries – blue collar male	Calendar days from the first day of absence	Days	568	432	342	474
Downtime due to such injuries – blue collar female	Calendar days from the first day of absence	Days	170	39	170	140

HUMAN RESOURCES

KPI	Description	Unit	SFY 2019	2020	2021	2022
Health and safety						
Occupational injuries – blue-collar male non-employees	Number of injuries as defined by law for male non-employees (temporary workers)	Number	2	0	1	19
Occupational injuries – blue-collar female non-employees	Number of injuries as defined by law for female non-employees (temporary workers)	Number	0	1	0	3
Occupational deaths blue-collar male employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for male employees	Number	0	0	0	0
Occupational deaths blue-collar female employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for female employees	Number	0	0	0	0
Occupational deaths blue-collar male non-employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for male non-employees	Number	0	0	0	0
Occupational deaths blue-collar female non-employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for female non-employees	Number	0	0	0	0
Hours worked – male employees	Total number of hours worked by all male employees	Hours	3,605,280	3,011,771	2,935,210	3,393,023
Hours worked – female employees	Total number of hours worked by all female employees	Hours	1,081,130	867,210	864,122	1,185,017
Hours worked – male non-employees	Total number of hours worked by all male non-employees	Hours	37,414	3,653	12,574	88,720
Hours worked – female non-employees	Total number of hours worked by all female non-employees	Hours	15,050	908,95	4,184	31,669
Absences – male employees	Number of absence hours regardless of the cause for male employees (incl. planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	816,203	799,292	910,324	708,779
Absences – female employees	Number of absence hours regardless of the cause for female employees (incl. planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	405,415	461,579	477,755	452,576

GRI INDEX

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103 Management approach	103-1	Explanation of the material topic and its boundary	47	
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205 Anti-corruption	205-1	Business premises that have been checked for corruption	55	
	305-2	Communication and training on anti-corruption policies and procedures	55	
	305-3	Confirmed incidents of corruption and actions taken	55	
206 Anticompetitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	55	
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GLOSSARY

Autoclave	Gas-tight sealable pressure vessel for the thermal treatment of substances in the overpressure range
Cleanroom	Also clean room; Space in which the concentration of airborne particles can be kept very low
CNC-controlled machinery (Computerised Numerical Control)	Machines that can automatically produce workpieces with high precision, even for complex shapes, thanks to modern control technology
Composite	Composite material made from two or more materials combined, which has different material properties than its individual components
Conflict Minerals	Minerals, raw materials and other natural resources extracted in conflict-affected or high-risk areas. The production or mining of these substances takes place illegally and outside state control. Systematic violations of human rights and international law are accepted for the extraction of the substances.
Dual-use goods	Components, machines, technical documents or software that are used for both civil and military purposes can become
EASA Part 21J	EASA approval for design organizations. Such establishments are authorized to develop and make changes to aeronautical products, parts or equipment.
Embargo controls	Sensitive goods (dual-use goods) may not be sold to countries, organizations, companies or sold to individuals who are subject to sanctions. These sanctions are government-imposed coercive measures (embargoes) that prevent trade in goods with a specific country.
Export controls	The cross-border movement of goods and data exchange is subject to legal requirements – also called export controls.
Fiber-matrix semi-finished products	Semi-finished products made from reinforcement fibers impregnated with a plastic matrix (e. g. prepreg)
Manufacturing tolerance	Deviation of a size from the standard state that may be achieved in the production area
ITAR goods	Goods that are subject to particularly thorough checks as part of export controls because they are subject to US regulations relating to armaments, the International Traffic in Arms Regulations (ITAR). Due to the strict controls and the associated severe penalties imposed by the relevant US authorities, there are export compliance risks here. FACC therefore makes sure that it generally no longer purchases ITAR goods.
OEM (Original Equipment Manufacturer)	Also original equipment manufacturers; manufacturer of components, but who does not sell them himself
Prepreg	Fabric pre-impregnated with resin, e. g. carbon or glass fiber
Reaction resins	Liquid or liquefiable synthetic resins that harden in a relatively short time through a chemical reaction
RIFT (Resin Infusion under Flexible Tooling)	Flexible tool for the efficient production of complex molded parts
RTM (Resin Transfer Molding)	Process for the efficient manufacture of complex molded parts
Shipset	Delivery unit, complete package per aircraft
Turnkey solution	Tailor-made individual solution that can be used immediately without further preparatory work and can be integrated into aircraft or aircraft engines

GRI 102-53

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Note

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