

An aerial photograph of a beach. The top half of the image shows clear, turquoise water with visible ripples and some white foam from a wave. The bottom half shows a wide, sandy beach with a light tan color. The overall scene is bright and natural.

FACC

Sustainability Report  
2019

# BEYOND HORIZONS



# CONTENTS

About this report	Editorial	Company	Stakeholder management	Sustainability management
p. 4	p. 5	p. 6	p. 14	p. 21
Responsibility knows no boundaries. Our Sustainability Report is therefore more than just a legal obligation for us. It is our way of actively communicating the issue of sustainability – for both current generations and generations to come.	As a globally operating company, we do not just focus our efforts on technology and research. FACC also seeks to provide answers to issues of social and ecological responsibility.	With its outstanding technological expertise, global network and wide product range, FACC works for renowned customers all over the world.	It is our belief that talking, discussing and cooperating with our stakeholders generates enormous potential for new ideas and product solutions as well as for strengthening confidence in our company.	At FACC, sustainability stands for progress and the future. The company's sustainability management is clearly structured and ensures that all relevant aspects and the interests of stakeholder groups are given due consideration.



Environment	Employees	Society	Economy	Appendix
p. 26	p. 33	p. 38	p. 42	Key figures p. 48
FACC is committed to the protection of the environment and the judicious use of natural resources. Our activities focus on the continuous optimization of material properties and of our internal processes and operations.	The human resources strategy of FACC's management pays particular attention to diversity and equality of opportunity, but also to the satisfaction and ongoing personal development of its employees.	FACC's key objective is to make aircraft safer, more efficient, lighter, quieter, more environmentally friendly and more economical. In order to handle the complexity of this task, FACC has been cooperating with renowned universities, research institutes and professional associations for many years.	Through its Code of Conduct and good governance, FACC acknowledges its responsibility for society and the environment. This benefits the attractive economic region of Upper Austria along with its people.	GRI index p. 57
				Glossary p. 60
				Service/ Imprint p. 61

# About this report

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

This (consolidated) non-financial report serves to fulfill the reporting obligations of the FACC Group with regard to the Austrian Sustainability and Diversity Improvement Act pursuant to § 267a of the Austrian Commercial Code (UGB) in addition to its concern for transparent and proactive communication in the matter of sustainability.

---

## Reporting period and cycle

The reporting period covers the short financial year 2019 (1 March to 31 December 2019). Activities falling outside of the reporting period are also discussed for the sake of greater clarity. The non-financial report is published annually in German and English and will be available online for the first time on 26 March 2020. It should be noted that the reporting period thus only covers ten months. As a result, comparability with previous reports is limited.

---

## Reporting standards and topics

This report was prepared in accordance with the standards of the Global Reporting Initiative (GRI), "Core" option. The relevant GRI standards are listed at the beginning of each chapter. Subsequent to the publication of the previous report, FACC established a new subsidiary in Croatia. Since its production facilities are still under construction, however, this subsidiary is not included in this report.

---

## UN Sustainable Development Goals

FACC supports the Sustainable Development Goals (SDGs) of the UN 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.

---

## Key figures and compilation methods

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

---

## Further information and previous reports

FACC informs its stakeholders about sustainability issues on a regular basis. Further information, in-depth reports, supplements and previous publications can be found at [www.facc.com](http://www.facc.com).

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

The most recent sustainability report (financial year 2018/19) was published on 21 May 2019 and can be viewed on the FACC website.

This Sustainability Report has not been assessed externally.



# Responsibility knows no boundaries

GRI  
102-14



materials of tomorrow. The issues we address in this context range from the development of bionic structures derived from nature, "life cycle monitoring" (self-monitoring primary structures) and integral construction methods for reducing component diversity through to e-mobility such as "urban air mobility" and "air taxis", and self-adapting surface structures ("morphing surfaces").

However, as a high-tech company with a claim to leadership, FACC must not only be better adept at mastering technical challenges than other market players, we must also provide answers to questions of social responsibility and the contributions we can make to the quality of life of future generations. We are committed to this. The present Sustainability Report presents a variety of examples demonstrating how deeply anchored sustainable thinking and action are in our corporate DNA.

Yours,  
Robert Machtlinger

FACC = plastic components = lightweight construction = CO<sub>2</sub> reduction. This simple formula succinctly summarizes the sustainability of our business model. The substitution of aircraft components made of metal for more lightweight plastic components along with newly developed aerodynamic solutions can provide significant advantages for the efficient operation of aircraft. The result is a reduction in fuel consumption and thus a decrease in CO<sub>2</sub> emissions from air traffic. When looking at the actual figures, this becomes all the more evident: Today, air traffic accounts for 2.7 percent of global CO<sub>2</sub> emissions, 50 years ago, this figure was twice as high, standing at 5.4 percent. The fact that the volume of traffic at that time was only a quarter of what it is today highlights the tremendous improvements achieved since then – and to which we have also contributed. The goal now is to further cut CO<sub>2</sub> emissions by half in the face of an expected fourfold increase in passenger kilometers. We will be making an active contribution towards this.

At the same time, we are working intensively on minimizing the direct environmental impacts of our business activities through a comprehensive package of measures. These include raw material and energy savings along with waste avoidance, to name but a few. We are also committed to shaping the mobility of the future with the



# COMPANY





# FACC at a glance

GRI  
102-1, 102-3, 102-5, 102-6,  
102-7, 102-45

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

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 2019.

The share capital of the company, which is 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.

## Clear structure, high efficiency

As of 31 December 2019, AVIC Cabin System Co., Limited, directly or indirectly held a 55.5 percent stake in FACC AG and thus in the entire FACC Group. As of the balance sheet date 31 December 2019, no other shareholders

The FACC Group comprises the subsidiaries listed in the table, which 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	127,000,000 EUR	100%	Development and production of aircraft components
FACC Solutions (Canada) Inc.	Montreal, Canada	10,000 CAD	100%	Customer service
FACC Solutions Croatia d.o.o.	Zagreb, Croatia	20,000 HRK	100%	Production
FACC Solutions Inc.	Wichita (Kansas), USA	10,000 USD	100%	Customer service
FACC Solutions s.r.o.	Bratislava, Slovakia	6,639 EUR	100%	Design and Engineering
FACC (Shanghai) Co., Ltd	Shanghai, China	2,000,000 RMB	100%	Design and Engineering
FACC Solutions Private Limited	Pune, India	20,193,002 INR	100%	Design and Engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	35,000 EUR	91%	Design and Engineering

## FACC in numbers

In the 2019 short financial year, the FACC Group generated sales of EUR 665.9 million.

Earnings before interest and taxes (EBIT) amounted to EUR 34.6 million in the past financial year.

FACC employs 3,471 members of staff, of which 3,225 work at locations in Austria. The remainder are employed at the company's global sites.

Note: Further comprehensive information on key financial figures can be found in the Annual Report 2019 of FACC AG.

**The three largest sales markets of FACC according to geographical area (contribution to Group sales > 10%; in EUR million).**

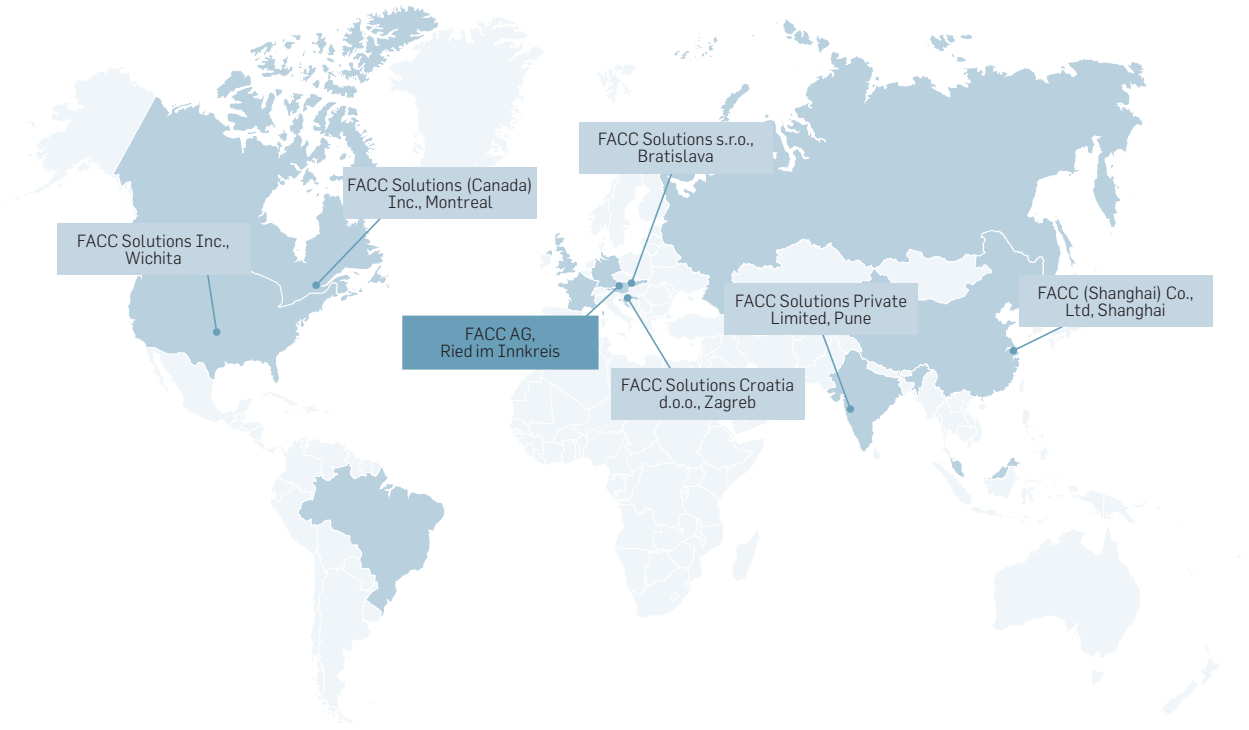
### Business development of the divisions

In the 2019 financial year the Group signed important new contracts in all divisions, which represent a total value of approximately USD 6.5 billion. Sales resulting from these contracts will contribute to further growth in all divisions from the 2020 financial year onwards.

Sales markets	2017/18	2018/19	SFY 2019
EU incl. UK	437.8	461.6	354.6
USA	180.6	155.6	122.7
Canada	81.0	95.9	82.1
Rest der Welt	48.2	68.5	105.6
<b>Total revenues</b>	<b>747.6</b>	<b>781.6</b>	<b>665.0</b>

# Global presence

FACC is represented by subsidiaries in 10 countries: from Austria to China, from India to the USA and Canada. More than 3,300 highly qualified employees from 47 nations are at the service of FACC's customers at locations all over the world – always close to their customers' plants.



GRI  
102-4

## Production plants

**More than 70,000 square meters of production area in Austria**

**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 und 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, final assembly**

**Canada:** FACC Solutions (Canada) Inc., Montreal

**USA:** Wichita

## FACC maintenance service

**USA:** FACC Solutions Inc., Wichita (Kansas)

**Austria:** All plants in Upper Austria

**Croatia:** Plant 6

## Further production plants and partnerships

China, India, Russia, United Arab Emirates and Malaysia



# Comprehensive product range

GRI  
102-2

## Aerostructures

### **Development, manufacture, distribution and repair of structural components**

Structural components form the basis for stability and 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.

## Engines & Nacelles

### **Development, manufacture, distribution and repair**

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

## Cabin Interiors

### **Development, manufacture, distribution and repair of cabin interiors**

The flight experience crucially depends on the ambience that surrounds the 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".

## Aftermarket Services

### **Aftermarket services, design services, business solutions**

FACC provides not only ready-to-install components, but also a wide range of services. Approved as a Design Organization under EASA Part 21J and certified by EASA, FAA, and TCCA, FACC is a valuable partner to OEMs, airlines, CAMOs and MRO stations for repair design services, 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 developments and component manufacturing through to complete turnkey solutions.

# Know-how und expertise

---

## Research and technology

Research and technology has been a key business area of FACC since the very beginning of the company's history. The mobility of the future is based on new technologies, which often rely on completely new materials. FACC is working on this on a daily basis in close cooperation with its customers and experts from all over the world. An international network of industry partners, universities of applied sciences, universities and research institutions strengthens the R&D competence of FACC.

Making aircraft safer, more efficient, lighter, quieter, more environmentally friendly and more cost-effective: All research activities at FACC are geared towards reaching this key objective.

More than 500 employees of the company work in the field of research and technology. FACC has a research quota of around 4 percent and holds more than 300 patents. Specialists are active in each of the following core competences and fields are continuously refining design concepts:

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

---

## 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, which are cured at high temperatures and under high pressure for the production of components.

**Cutting:** High-precision cutting of the respective material on CNC-controlled cutters in the cleanroom under ideal temperature and humidity conditions.

**Positioning:** The layers are positioned using state-of-the-art laser technology, automatic tape-laying (ATL) and manual precision work.

**Liquid resin infusion:** RTM (Resin Transfer Molding) and RIFT (Resin Infusion under Flexible Tooling) ensure the cost-effective and time-saving production of complex integrated composite components.

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

**Curing in presses:** Compact components are cured in special presses.

**CNC machining:** Operations such as drilling or milling are performed using cutting-edge CNC-controlled machinery.

**Assembly:** The individual parts of a component are assembled by special teams trained on customer-specific products.

**Finishing:** FACC offers customization geared to individual preferences: Products can also be painted and decorated according to specific customer designs.

**Completing:** Completion of components in a ready-to-install format for easy assembly at the customer's site.

**Quality testing:** Concurrent quality inspections are conducted after each manufacturing step. All finished products are subject to comprehensive final testing and inspection (ultrasonic, X-ray, immersion leak testing).



# Supply chain

GRI  
102-9, 102-10

A key element of FACC's strategy focuses on the selection of its worldwide suppliers, with which the company maintains close contact. This makes a long-lasting contribution to effective quality management and facilitates, for instance, needs assessments, competence checks, negotiations and payment processes. Procurement at FACC is a secure, SAP-supported and interactive process that benefits all stakeholders. The focus is on a joint effort to find and implement even better and more economical solutions and thus to sustainably increase customer value.

As a successful and globally operating high-tech company, FACC offers many advantages for suppliers:

- Fast growth
- Long-term partnership
- Innovative strength and new technologies
- Access to the global aerospace market

Therefore, it pays off for the suppliers to meet the high requirements of FACC, to maintain close contact and to show clear commitment: Suppliers must deliver above-average quality right from the start, react quickly, be flexible, work with speed, display initiative and demonstrate their ability to think and act "outside the box".

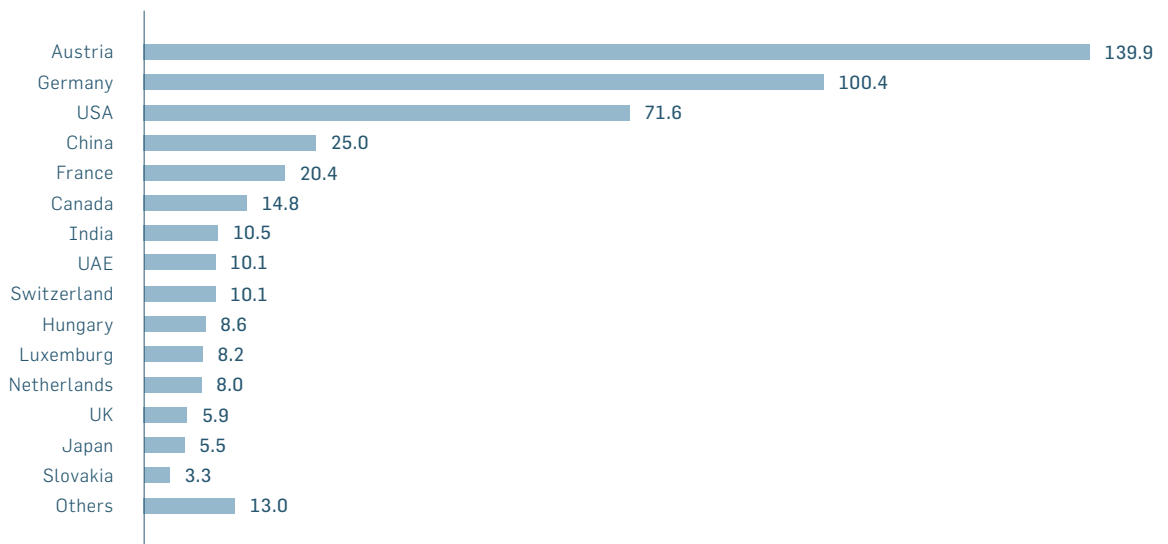
Most importantly, suppliers must make their very own contribution to fulfilling FACC's procurement vision:

**"Our vision of procurement is to consistently and continuously exploit all market potentials in order to secure competitive advantages for FACC in the short, medium and long term, thereby supporting the company's goals."**

## Suppliers: Countries of origin and purchasing volumes

Values in EUR million

**Total purchasing volume:**  
EUR 455.2 million



FACC recorded a purchasing volume of EUR 455.2 million in the 2019 financial year. Around 70 percent of the materials and semi-finished products were purchased from Germany, the USA and Austria. In total, FACC collaborated with 1774 suppliers in the 2018/19 financial year, including both large and small suppliers.

There were no significant changes in the organization of procurement and the supply chain of FACC.

# Procurement standards

Collaboration with suppliers is grounded in the Supplier Code of Conduct, which constitutes a set of binding behavioral guidelines of FACC. It forms an integral part of contracts and specifies all social and environmental standards such as adherence to internationally recognized human rights or the recommendations and conventions of the International Labour Organisation. On signing the contract, all suppliers undertake to comply with these standards and to communicate them in turn to their suppliers. The Supplier Code of Conduct applies to all locations and thus also to all suppliers. Furthermore, FACC's general procurement conditions include compli-

ance, social and environmental requirements as well as adherence to the European chemicals regulation REACH. To ensure compliance with these standards, FACC employees working in procurement receive regular training in compliance behavior and the company's Code of Conduct, which applies to all employees. It covers topics such as bribery, corruption, granting undue advantages and anti-competitive behavior.

Suspected breaches of the Supplier Code of Conduct can be reported anonymously within the company.

## 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." for the benefit of employees, investors and the general public.

### For customers ...

#### **Pilot.**

We lead our clients and find the best solution for them. Where others might stop, we go further

#### **Passion.**

Passion is what drives us and what motivates us to go beyond existing horizons for our clients, on a daily basis.

#### **Partnership.**

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

### 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 workplace. We have established a common mission that we can only reach together.



For investors ...**Security.**

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

**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 the general public ...**Lighter.**

We develop sustainable lightweight components that require less resources and reduce our ecological footprint.

**More efficient.**

We make aircraft more efficient for their owners and offer advantages to their customers – through cheaper tickets or new mobility solutions.

**Added comfort.**

Our goal is to make aircraft more comfortable and quieter as well as to facilitate and create new possible uses.

## Values provide clarity

FACC has very clear ideas (values) concerning the way the company and members of the organization should act in order to be attractive for the best employees and customers worldwide. Human and entrepreneurial values show us the way:

- We wish to be the best partner to our customers.
- Our employees should value FACC as an attractive employer.
- We approach the environment as a conscientious consumer of valuable resources.

Human**Respect and team spirit**

Appreciation of our customers and colleagues as well as of our work and tasks forms the basis on which we act. Furthermore, we consider team spirit to be a central element of our corporate culture. To this end, we are developing together in every respect. Working at FACC means working in a fascinating industry of the future, which provides you with a sense of purpose and opens up new prospects.

Corporate**Performance and output**

Customers of the aviation industry must be able to rely on the quality of our products and services 100 percent. We are committed to performance and success – there can be no success without high performance, and no

company without success. We are driven by our passion for our work and the tasks ahead of us. As a team, we place our joint success above the success of individuals.

Know-how**Knowledge and energy awareness**

At FACC, the responsible use of resources is not just wishful thinking; it is based on scientific sources, on proven facts and on high technology. State-of-the-art processes and standards reduce energy consumption and pollutants. The decisive factor, however, is the awareness of each individual that he/she can "produce" energy by using it efficiently.

Creative drive**Light weight and drive**

Aircraft which have been made lighter and aerodynamically enhanced by FACC components are also beneficial to the environment. Those who make a contribution to even greater efficiency through their work in the company and actively increase the sustainable value creation of FACC are working towards the common good: for themselves, for improving internal processes and for future generations.

# STAKEHOLDER MANAGEMENT, MAIN ISSUES & REPORTING



# FACC's stakeholder strategy

GRI  
102-40, 102-42, 102-43,  
102-44

Ambitious visions and goals, which should be sustainable even under difficult conditions, require the commitment of all stakeholders. Open dialogue, debates and cooperation offer (growth) potential in qualitative and quantitative terms. Consistent stakeholder management not only lays a solid foundation for the development and implementation of joint ideas and strategies, but also forms the basis for long-term and prosperous development. FACC therefore plans to expand and maintain professional stakeholder management in addition to existing platforms and mechanisms with the following objectives:

- Increasing the understanding of stakeholder management throughout the company
- Updating the "stakeholder map" on an ongoing basis
- 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 facilitate necessary decisions. Similarly, the increase in confidence among stakeholders is expected to strengthen the entire company.

Overall, the following key stakeholder groups were identified (in alphabetical order):

Airlines, authorities, aviation authorities, certification and testing institutes, customers, employees, investors, local residents, logistics partners and freight forwarders, media, municipalities, owners, research and educational institutions, service providers, suppliers as well as works councils

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 the answers from the previous survey. FACC subsequently interviews the relevant stakeholders again and assesses their concerns in order to take appropriate measures.

Customers  
Employees  
Investors

Aviation authorities  
Communities  
Freight forwarders  
Local authorities  
Logistics partners  
Media  
Owners  
Research and educational  
institutions  
Suppliers  
Works council

Airlines  
Certifying bodies  
Residents  
Service providers  
Testing institutes



# 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 stakeholders, it does not follow 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 respective target groups and topics.

Stakeholders	Topics	Contact methods
Aviation authorities	Flight safety	Direct communication regarding the approval as a manufacturer of aircraft parts (POA/DOA/MOA) and the approval of the FACC Management Board
	Reduction of aircraft noise emissions	
	Good governance	Direct communication on specific topics such as flight permits (e.g. eHANG) or STC topics
	Employee training and further education	
		Audits Meetings
Other authorities (e.g. district administrations, embassies)	Good governance	Residence permits and VISA applications
	Secure and equitable workplaces	Meetings
		Audits
Works Council		Regular and personal coordination
Customers	Occupational safety and health protection of employees	Contracts on all work packages
	Flight safety	Regular meetings at customer premises or at FACC
	Fuel efficiency of aircraft	Participation in aviation trade fairs
		Phone calls FACC service portal
Investors	Fuel efficiency of aircraft	Annual General Meeting
	Employee training and further education	Conferences & roadshows
	Good governance	Investor talks
		Trade fairs Financial communication
Research and educational institutions	Occupational safety and health protection of employees	Joint research projects
	Employee training and further education	Supervision of graduate and doctoral students
Suppliers	Flight safety	Supplier conferences
	Secure and equitable workplaces	Aviation trade fairs
	Social impacts within the supply chain	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

Stakeholders	Topics	Contact methods
Logistics partners and forwarding agents	Social impacts within the supply chain Customs processing	Direct communication via sales and customs departments
Employees	Secure and equitable workplaces Occupational safety and health protection of employees Employee training and further education	Emails Executive employees 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
Municipalities	Waste and water consumption	E-mail Meetings Telephone
Approval bodies/testing institutes	Special testing	Commissions, e.g. from CoLT
Service providers	Repair/maintenance services for customers commissioned by FACC Catering service for employees	Contracts Meetings

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

# From sustainability strategy to sustainability report

GRI 102-46, 102-47

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

In two workshops held in July 2017, all FACC department heads concerned analyzed the company's value chain and examined its effects and potential risks for the environment, the economy and society with a special focus on the issues required by NaDiVeG.

In addition, the completeness and relevance of the topics covered were ensured on the basis of an examination of relevant standards and reports by suitable peer groups. The main issues were delimited by analyzing their impact within and/or outside the organization. FACC's potential to shape the respective topics was also taken into account.

Priorities were defined for the resulting list of topics following the two workshops: First, the significance of the environmental, economic and social impacts of FACC's corporate activities was assessed by internal experts ("impact"). In addition, around 600 internal and external stakeholders expressed their priorities in an online survey ("relevance to stakeholders").

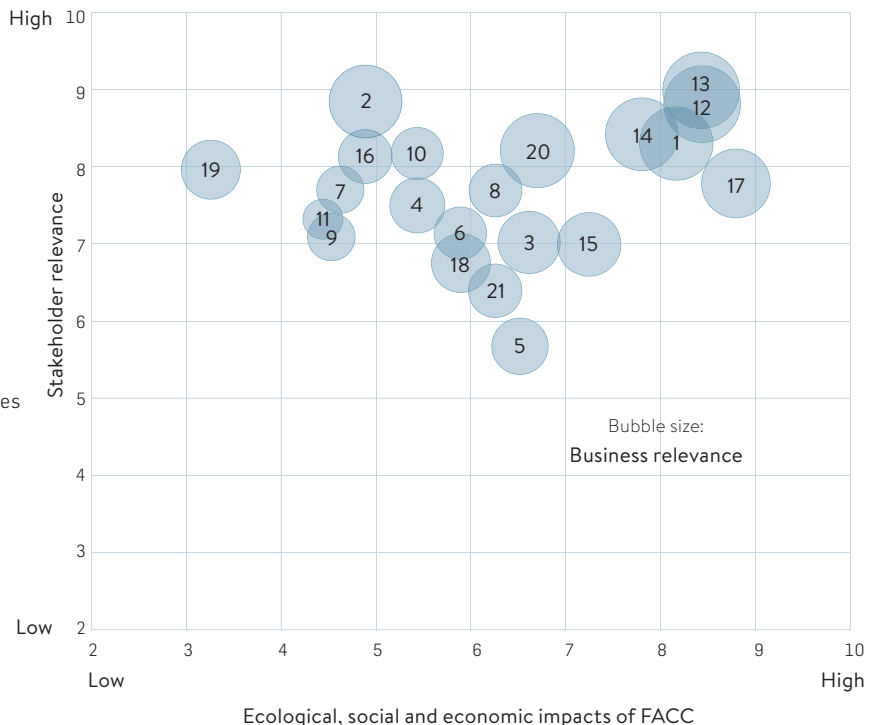
In the course of the evaluation of topics by internal experts, non-financial topics were also considered as a third dimension in terms of their business relevance for FACC in order to arrive at an all-embracing view within the scope of materiality analysis.

## 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.

### Topics

- 1 Fuel efficiency of aircraft
- 2 Flight safety
- 3 Reduction of aircraft noise emissions
- 4 Recyclability and durability of products
- 5 Mobility increase
- 6 Materials and chemicals used
- 7 Environmental impacts within the supply chain
- 8 Energy consumption and emissions in production
- 9 Emissions in transport and logistics
- 10 Waste
- 11 Water consumption
- 12 Secure and equitable workplaces
- 13 Occupational safety and health protection of employees
- 14 Employee training and further education
- 15 Employee diversity and anti-discrimination
- 16 Social impacts within the supply chain
- 17 Economic responsibility and effects in the region
- 18 Economic impact within the supply chain
- 19 Corruption and anti-competitive behavior
- 20 Good governance
- 21 Local residents and communities





In order to demarcate the main topics, priorities were set across all topics with regard to stakeholder interests, while the impacts were prioritized within each topic group (environment, employees and social concerns). In this way, due consideration was given to all issues of concern.

The following list of topics resulting from this process has been included in this report and is described in more detail on the following pages:

Environment	1	Fuel efficiency of aircraft	Significance of FACC products with regard to fuel consumption and aircraft emissions
	6	Materials and chemicals used	Volume and components 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 <sub>2</sub> -free energy generation
	10	Waste	Hazardous and non-hazardous waste from in-house production, waste avoidance and sorting
Employees	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 leaves, mental and physical stress at the workplace (incl. hazardous vapors and substances in production)
	14	Employee training and further education	Employee qualification and promotion (FACC Academy)
Society	2	Flight safety	Prevention of use for military/terrorist purposes (export controls) and product quality (incl. product documentation and traceability)
	3	Reduction of aircraft noise emissions	Products which dampen and prevent noise
	5	Mobility increase	Contributing to increased mobility and globalization, making air travel affordable for everyone by increasing efficiency
Economy	17	Economic responsibility and effects in the region	Jobs, appeal of the region, taxes, investments, spatial development, cooperating with training centers
	20	Good governance	Transparency, external and internal communication, crisis management, active learning and further development of the organization

# Impacts and risks

---

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

Waste and energy consumption and the resulting emissions in production have significant environmental impacts. The most relevant risks derive from the use of chemicals and hazardous materials. These risks, however, are minimized by consistently observing and complying with health and safety 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.

With regard to employee matters, the main focus is on the health and safety of employees (this primarily applies to our own employees). As in most industrial companies, occupational accidents and damages to the health of employees can occur at FACC as potentially hazardous equipment, materials and substances are used within the company. Psychological pressure caused by stress and occasional overtime also figures 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 potential 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.

The positive contribution of FACC products to reducing aircraft noise and increasing the mobility of broad sections of society (closely linked to increased fuel efficiency) also deserves recognition. In addition, FACC plays an important role for the regional economy through the creation and preservation of jobs, investments and spatial development and the improvement of infrastructure. The steering mechanisms and results with regard to the other impacts and risks mentioned above are presented below (see GRI index as of page 50 for page references).



# SUSTAINABILITY MANAGEMENT





# Sustainability strategy

GRI  
102-11

Sustainable management is of vital importance, particularly with regard to the long-term success of FACC. For this reason, we not only focus on economic aspects, but also pay great attention to social and ecological factors along the value chain while maintaining an ongoing dialogue with our stakeholders. Our aim is to firmly anchor sustainability as an essential topic in our corporate goals.

When it comes to innovation, products and services, we already rank among the leaders of the global aerospace industry. In this position, we aim to continue to successfully compete on the global market while contributing to the sustainable development of the industry, society and the environment. We are presently researching innovative solutions to create sustainable mobility concepts in urban areas. Thanks to our products, air travel

has become more comfortable, quieter and more environmentally friendly than ever before. This is because aircraft equipped with FACC components consume less fuel, thereby emitting fewer emissions and generating less noise. Flight safety, fuel efficiency, product quality and the reduction of CO<sub>2</sub> emissions form the core elements of our sustainability strategy along with a long-term increase in value.

# Sustainability management

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

FACC's achievements with respect to sustainability are often neither groundbreaking nor self-explanatory – many times, they are only recognized for what they are at second glance. This is an important task, not least for corporate communication.

Measurability is just as important as communicating the importance of what has been achieved for employees, for the FACC Group, for the company's stakeholders and for the whole world.

After all, sustainability is not a matter of course, but must be actively promoted and professionally managed. Implementing sustainability requires a clear set of values, measurable goals, realistic deadlines, clearly defined areas of responsibility and agreed criteria for success.

An innovative spirit and inquiring mind are just as important as the personal commitment of each individual within the company. Furthermore, advanced technology is usually indispensable for achieving the specified goals.

Improving sustainability in a high-tech company like FACC is not just something for ecological dreamers, but represents a constant challenge to the willingness to learn, the desire to experiment and the teamwork of the best minds.

The FACC Group's sustainability management is deeply rooted in its corporate strategy and reports directly to the Management Board. The aim of sustainability management is to take due consideration of the environmental and societal impacts of each business process, and to reconcile the company's economic imperatives with socio-ecological considerations. Sustainability management and the operating units cooperate closely with each other.

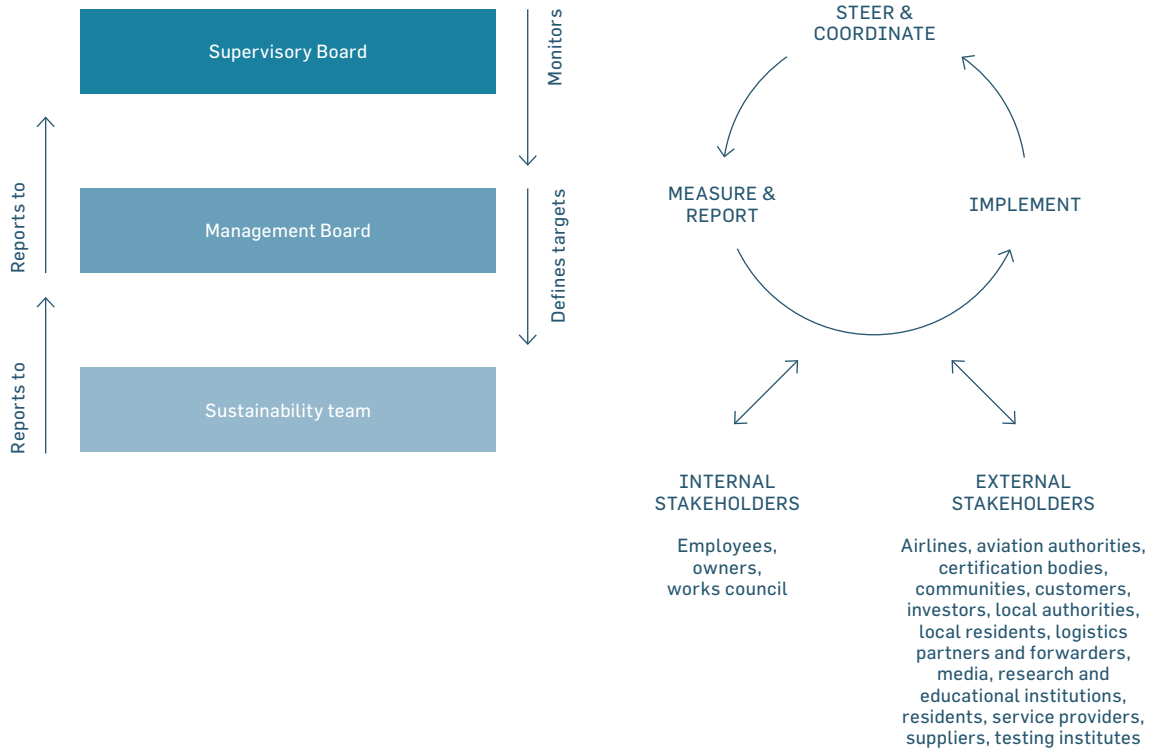


## FACC's stakeholder strategy

FACC thinks and acts in financial, but also in a number of non-financial categories. The Group, for instance, is very much aware of the company's intangible energy balance. This is linked, on the one hand, to the question of what has to be "financed" with how much energy and, on the other hand, to the continuous pursuit of ever increasing degrees of efficiency.

Energy can be saved and even recovered when working in harmony with nature and in agreement with employees, stakeholders and partners.

Airlines appreciate all efforts to render their operations more efficient, and to make their aircraft quieter, safer, greener and more comfortable for passengers. Focusing on these customer requirements, in conjunction with extensive expertise, the targeted application of bionics and a great deal of experience, "automatically" paves the way to more sustainable solutions. Systematic customer focus is therefore a powerful driver of innovation, which ultimately also promotes sustainable action.



## 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. The goals give equal weight to economic, social and ecological aspects and call for

the safeguarding of human rights, the rule of law, good governance, peace and safety. The SDGs thus represent a global first.

# Contributions from FACC to meet the Sustainable Development Goals



## SDG 4: Quality education

Quality education and highly trained employees are of prime importance to FACC. We offer our employees continuous further education opportunities, regardless of gender, age or other personality traits, and thus safeguard educational standards in the region.

FACC also attaches equal importance to the training of young people. The company currently employs 39 apprentices in various fields of training and boasts a proportion of women of nearly 50 percent, which is well above average for both the region and the industry as a whole.

Moreover, FACC offers grants to committed students enrolled in the study program "Lightweight Construction and Composite Materials", supports them with internships and provides them with a mentor from the company.



## SDG 5: Gender equality

Ensuring gender equality is a key objective of FACC. There are currently 15 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 advertize 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.



## 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 our international locations.

Furthermore, our employees have access to numerous initiatives and measures designed to promote health at the workplace. Through our Code of Conduct, we also pass on our standards to our suppliers.



## SDG 9: Industry, innovation and infrastructure

With our products and innovations, we make an important contribution to promoting innovativeness and infrastructure throughout the entire industry. Moreover, our 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 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 our products, and the focus in our maintenance shops lies on resource-saving repairs rather than the replacement of parts.

Our 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. Our entire product development is guided by the goal of eco-efficiency.



## SDG 13: Climate action

Our product development is geared towards substantial fuel savings and thus also towards a considerable reduction in CO<sub>2</sub> emissions.

By making components even lighter, we are making the greatest possible contribution to sustainable aviation. This is also supported by our commitment to urban air mobility.



## SDG 16: Peace, justice and strong institutions

Thanks to a sound compliance system combined with a zero tolerance approach towards bribery and corruption, FACC actively promotes peace, justice and strong institutions.

Compliance with internal regulations and legal provisions and the trust placed therein are essential to us. With our Code of Conduct, we also pass on this attitude to our suppliers.



## SDG 17: Partnerships for the goals

We can only solve the challenges of the future together with our partners. For this reason, FACC collaborates with future-oriented OEMs, universities and educational institutions and enters into strategic partnerships.

These cooperation efforts are based on a worldwide network of customers, suppliers and research partners. Together, we are pursuing the goal of making air traffic more efficient and more environmentally friendly in the near future.



# ENVIRONMENT





# Our environmental, health and safety policy

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

The composite components produced by FACC often replicate the nature of lightweight construction with the aim of guaranteeing optimized material properties according to defined requirements. Optimizing weight while maintaining or improving the performance of the aircraft enables the operating airlines to significantly reduce fuel consumption, emissions and immissions.

Production at FACC consistently takes place under eco-friendly, ergonomic and safe conditions.

With FACC's environmental, health and safety policy, every effort is made to protect the environment and the lives and health of our staff, visitors, external companies working for us and, above all, the users of our products – the passengers.

FACC fulfills these obligations in a comprehensive manner, with managers acting as role models in accordance with FACC's set of values and helping to create awareness of the environment, health and safety among all employees within the company. Obligatory compliance with and the continuous improvement of our internal processes and procedures is based on relevant laws, international norms and standards as well as customary codes of conduct as used in practice.

Stress and risk potentials are analyzed and assessed in the course of workplace evaluations. Identified risks arising in connection with work processes are sustainably reduced with the participation of employees through continuous technical or organizational changes and personal protective measures.

When selecting materials, FACC attaches great importance to health considerations, the careful handling of raw materials and the prudent use of operating resources, from electricity through to water and heat. A sophisticated materials management system with the aim of optimizing material cycles to increase recycling rates also makes its contribution to ensuring compliance with all legal obligations.

Environmental, health and safety targets are set by the Management Board, are reviewed on a regular basis and form an integral part of FACC's corporate culture.

## Fuel efficiency

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

The continuous further development of FACC's products in terms of weight reduction and aerodynamic properties also ensures the company's future fitness.

FACC takes responsibility for these fields of competence in the areas of development and production. Requirements either come from our customers or are defined and implemented in the course of our own development or optimization projects.

### Fuel reduction as a strategic asset

Lower manufacturing tolerances with regard to the surface area result in higher efficiency and lower fuel consumption. The same applies to the weight of the components. Efficient and lightweight components not only reduce fuel consumption and average costs per revenue passenger kilometer, but also make a significant contribution to reducing CO<sub>2</sub> emissions in air traffic.

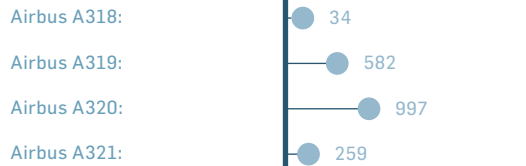
## Fuel savings in the Cabin Interiors division

Weight and kerosene savings through the further development of the Classic Cabin (CC) to the Enhanced Cabin (EC) overhead stowage compartments for Airbus.

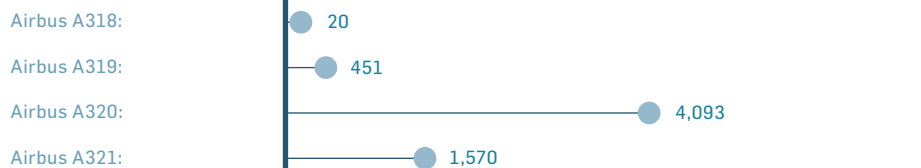
The further developments within the Cabin Interiors division clearly show that FACC product innovations not only increase comfort and safety for air passengers; they also make a significant contribution to reducing weight and thus fuel consumption.

### Deliveries

#### Classic Cabin 1991–2012 Produced shipsets:



#### Enhanced Cabin 2006–2019 Produced shipsets:



## Small calculation – big effect

- An amount of kerosene equal to 4.3% of the mass of an aircraft is needed for one hour of flight
- An Airbus A320 weighs around 73.5t (MTOW)
- Its operation therefore requires 3.2t of fuel per hour
- The average duration of flight is 1.875 hours
- Flight hours per year: 2,920
- Standard fuel density: 0.796kg/l
- 1 kg of kerosene equals 3.15kg CO<sub>2</sub>

### Weight savings per aircraft Classic Cabin compared to Enhanced Cabin

Weight shipset	Classic	Enhanced	Weight savings
A319	466.0kg	421.2kg	9.61%
A320	562.7kg	491.0kg	12.74%
A321	715.4kg	641.0kg	10.40%

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

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

### Kerosene per year and aircraft with Enhanced Cabin

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

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

Kerosene	54,277t
Kerosene	68,186,565l
CO <sub>2</sub>	170,971t



# Materials und chemicals used

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

---

## Increased product and production safety

Safe and conscientious handling of materials and chemicals within the company is essential to ensure the long-term protection and health of FACC employees. Occupational safety experts, a REACH coordinator and environmental officers make a significant contribution in this regard through evaluations, instructions and advice, and are happy to address any queries you may have.

At FACC, materials are selected in the areas of engineering and design. Before new materials are introduced, the safety expert and the responsible REACH coordinator as well as the waste management officer are consulted. All materials are checked with regard to health, occupational safety and REACH conformity before being released for use at FACC.

In addition, the database of hazardous substances is continuously updated/checked with regard to the REACH regulation and assessed for legal conformity in the course of internal environmental audits. Legal conformity is then communicated to the Management Board in the course of the management reviews.

An example involving the use of chemicals is the production of winglets. Here, fibers are bonded with chemicals and then cured in an autoclave. During bonding, employees wear protective masks and gloves to prevent any contact with chemicals.

# Energy consumption and emissions in production

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

The most energy-intensive production process at FACC occurs in autoclaves during the manufacture of composite components. Here, the components prepared in the clean room, which consist of fibers pre-impregnated with resin, are cured at high temperature and high pressure.

FACC has steadily grown since its foundation in 1989, and with it the energy consumption of autoclaves and other production facilities of the company. However, thanks to a number of efficiency improvement measures, energy consumption has increased at a much slower rate than the operating performance during this period. In concrete terms, FACC's specific energy consumption in the period from 2011 to the present day has dropped to 50.34 percent of its former level.

This development has been made possible by a whole range of measures, including the use of heat recovery, the systematic optimization of plant utilization and the reduction of operating temperatures at the supply level.

Over the past few years, FACC has switched 40 percent of its production to LED lighting, with the conversion of the entire lighting system scheduled to be completed by 2022. In addition, the plant heating and cooling systems have been made more efficient. 98 percent of

the company's space heating is thus generated from renewable energy in the form of geothermal energy or by means of heat recovery. Energy savings have also been realized in the production process itself by reducing process heat (heat transfer oil supply, which is generated 100 percent from gas) from 295 to 240 degrees Celsius.

FACC also achieves continuous improvements through measures such as energy monitoring, the use of control technology, the central monitoring of building services and the continuous further optimization of plant utilization, as well as through process optimization in general. The installation of a roller compactor for wood waste, for instance, has significantly reduced the number of disposal trips, which in turn has resulted in a reduction of CO<sub>2</sub> emissions.

The energy consumption of FACC in the financial year 2019 illustrates the effectiveness of all these measures: Despite the commissioning of new production areas and plants, specific energy consumption barely increased over the previous year. Overall, energy consumption has even fallen by around 19 percent over the last four financial years.

# Conservation of resources and waste avoidance

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

FACC has set itself ambitious (environmental) targets:

- FACC aims to make the best possible use of the energy required to operate the company.
- FACC wishes to avoid any kind of wastefulness.
- FACC wishes to reduce emissions.
- FACC wishes to convert waste into recyclable materials.
- FACC aims to continue to refrain from using water in production.

What this means in concrete terms: a general improvement of energy efficiency through a more efficient use of existing possibilities and the development of new potentials.

- Avoiding emissions in production
- Avoiding waste where possible
- Optimally converting waste into recyclable materials

FACC relies on an environmental management system certified according to ISO 14001, the effectiveness of which is regularly reviewed in internal and external audits, as well as on processes and procedures in accordance with the new ISO 45001 standard for health and safety management systems at all of its Upper Austrian locations.

In order to be able to oversee, interpret and demonstrably fulfill the legal requirements of both systems, a separate legal management system has been put in place: more than 100 laws and regulations must be observed or fulfilled.

For the purposes of implementing the requirements of the ISO 14001 standard, manuals and follow-up procedural instructions have been prepared in order to communicate the day-to-day processes resulting from these requirements throughout the entire organization.

---

## Keeping problem substances to a minimum

FACC relies on solvents for its manufacturing processes, which can be recycled in certain areas. The remainder is disposed of by qualified disposal companies.

---

## Waste avoidance

The largest waste volumes are incurred through packaging material in logistics and wood shavings generated by milling machines. FACC strives to avoid waste wherever feasible. Where this is not possible, the company relies on extensive recycling or professional waste disposal services provided by qualified companies.

---

## Turning waste into recyclable materials

Through various measures, FACC has succeeded in increasing the proportion of waste converted into recyclable materials. This means that an ever increasing proportion of materials does not have to be disposed of at great expense, but can be used for other useful purposes. A case in point is the recycling of film waste, which was originally subject to waste-to-heat treatments and is now fed into a recycling process. According to ISO 14001, the responsibility for the corresponding measures and initiatives lies with the waste manager or the environmental manager.

Complaints concerning energy, emissions and waste can be addressed directly to FACC's environmental manager through the FACC corporate website, via email to [umwelt@facc.com](mailto:umwelt@facc.com), by phone or in person. No complaints were raised in 2019.



---

## Professional evaluations are of high priority

The aforementioned measures are evaluated on an ongoing basis and formally discussed with the Management Board during the management reviews.

The entire environmental management system of FACC is regularly reviewed in internal audits. Moreover, an external audit in accordance with the ISO 14001 standard is conducted annually by an accredited body. The environmental team under the chairmanship of the environmental manager holds meetings if and when required to discuss aspects relevant to environmental protection.

During the last evaluation in 2019, full conformity was confirmed from an external perspective. No immediate need for adjustment was detected, but further potential for continuous improvement was identified and is now being implemented.



# EMPLOYEES





# Highly competent and motivated

GRI  
102-8, 102-41

FACC's human resources strategy combines advanced technology and intense human-to-human interaction. With the goal of fully exploiting reliability, creative potential and productivity, the company promotes personal closeness, mutual trust and cooperation among its employees. This is how the spirit which shapes FACC and makes it future-proof emerges.

All employees at the Austrian FACC sites, which account for around 93 percent of the Group's total work-

force, are subject to collective bargaining agreements. The corresponding collective agreement was concluded between the Association of the Austrian Wood Industries and the Union of Building and Wood Workers of the Austrian Trade Union Federation. Austrian regulations do not apply to all subsidiaries located in other countries.

## Diversity of strengths and competences

As of 31 December 2019, the FACC Group employed 3,371 full-time equivalents (FTE; previous year: 3,465 FTE). Of these, 3,125 were employed at FACC Operations GmbH, 299 at other subsidiaries and 47 at FACC AG. The majority of FACC employees thus work in Austria, with around 79 members of staff working abroad. FACC employs a total of 96 members of staff at its North American locations in Wichita and Montreal, and 71 in Asia.

31 December 2019 (FTE)	Blue-collar workers	White-collar workers	Total
Central services	139.4	484.7	624.1
Aerostructures	704.8	218.1	922.9
Engines & Nacelles	417.5	124.1	541.6
Cabin Interiors	764.9	171.1	936
Subsidiaries	61.0	238	299
FACC AG	-	47.1	47.1
<b>Total</b>	<b>2,087.7</b>	<b>1,283.2</b>	<b>3,370.8</b>

		28 February 2019	31 December 2019
Number of leased employees	FTE	68	17
Share of total workforce	%	1.96	0.50

### International diversity within the company and world-wide success

FACC employs staff from 47 nations. More than 75 percent are from Austria and Germany, and 4 percent from Turkey, Romania and Hungary each.

As of 31 December 2019, the FACC sites in Austria (FACC Operations GmbH, FACC AG and CoLT Prüf und Test GmbH) counted

- 262 part-time employees (61 of whom are men)
- 73.4% men, 26.6% women
- 39 apprentices (FACC Operations GmbH).

# Secure and equitable workplaces

GRI  
103-1, 103-2, 103-3, 401-1,  
404-1

FACC is committed to finding the right employees, empowering and motivating them to reach the company's goals and to foster diversity amongst its workforce: FACC's human resources management not only fulfills important administrative tasks, but also plays a decisive role in shaping the company's corporate culture.

## The Human Resources department is responsible for

- Personnel administration and accounting
- Consulting and coaching to help managers fulfill their managerial tasks
- Recruiting and personnel marketing
- Hiring holiday trainees and students preparing their diploma thesis
- Providing structures and conditions which support personnel development
- Designing communication with existing and future employees
- Contributing to the development of the company

## Positioning in recruiting

Competing for talented employees, FACC positions itself as the best address for the best people. Human Resources management at FACC works closely with schools, universities and universities of applied sciences, both in the region and throughout Austria as well as in neighboring EU countries.

Due to the large number of specialist departments with varying requirements, FACC personnel must possess a wide range of knowledge and skills. In addition, highly qualified personnel are essential to meet the high quality demands of the aviation industry at all levels.

The fact that FACC currently employs staff from 47 different countries constitutes impressive evidence that the Group is fulfilling legal requirements and anti-discrimination law. The FACC Code of Conduct also contains specific guidelines on dealing with diversity. Intercultural training helps employees to deal with different ways of thinking and working in a delicate and appreciative manner. This creates the dynamism that ensures the internal growth of FACC.

## Jobs with big potential

### Employees build careers within the company

Most job vacancies at FACC are also advertised on the internal job market. Current employees can develop further and move up the career ladder to management positions. FACC also takes care to offer applicants other vacant positions in the event that they do not meet the requirements for the initially advertised position or if it has already been filled.

A representative of the respective department is always present during job interviews. Applicants are provided with in-depth, practical and up-to-date information on FACC and the area of responsibility in question.

In addition, a standardized personality test (profiling values) is conducted when assigning management positions.

### Employee training and further education

Ongoing investments in human capital contribute significantly to the corporate success of FACC. The company is committed to lifelong learning and, for this purpose, offers its employees a wide range of extra-occupational education and further training opportunities.

The FACC Academy, which serves as the central hub for all training activities, organized 343 internal training sessions with a total of 4,239 participants in the 2019 financial year alone. The average duration of internal training measures was 7.8 hours per employee (previous year: 427 internal training sessions for 5,505 employees; on average 9.3 training hours per employee).

In addition, 100 external training sessions attended by 542 employees were held in the past financial year. The main focus was on communication, role clarity and burnout prevention (leadership training) as well as conflict management, time management and communication behavior in production-related areas. Language courses were also offered to all employees. The average duration of external training measures was 3.3 hours per employee (previous year: 146 external trainings for 959 employees; on average 4.3 training hours per employee).

Special attention was also paid to leadership training in the past financial year. The main topics covered were equal treatment of employees, burnout prevention and situational management. The topic of women in management positions was also addressed. The fact that FACC is focusing on an issue of key importance is also reflected in the increasing number of female participants.



In total, 63 employees completed leadership training in the 2019 financial year, of whom 22 percent were women (previous year: 17 percent).

Intercultural training, which has become a standard part of all training courses, is also high on the agenda at FACC. This is intended to provide foremen in production, for instance, with the appropriate "tools" for the correct handling of questions relating to this subject area.

Personnel development at FACC is part of the Human Resources department in the Training & Development sector, and is regulated by means of a qualification system. The process description includes internal and external training measures as well as e-learning offers.

---

## Evaluation of the management approach

The KPIs defined for Human Resources are reviewed every six months at FACC 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.

The fluctuation rate in the past year was 13.1 percent. Management aims to achieve a lower rate in the future.

# Occupational safety and health protection

---

GRI  
103-1, 103-3, 103-3, 403-2

Compared to 2018, the Lost Time Injury Frequency Rate (LTIFR 1,000,000 h) showed a slight increase in 2019. FACC was therefore unable to achieve its goal of an LTIFR of under 15. Nevertheless, the number of lost hours declined due to a decrease in serious occupational accidents. For the 2020 financial year, FACC has once again set itself the target of achieving a LTIFR of less than 15. From a long-term perspective, a clear downward trend in absences caused by occupational accidents can already be observed at FACC.

### Measures to reduce absences due to occupational accidents and diseases

- Consolidation of existing routines in the field of health and safety through measures such as Zero Accident Gate (ZAG) meetings, consistent processing of safety-relevant topics, daily safety walks, sensitizing and informing teams with regard to the compliance with guidelines, role model functions of executive employees and the proactive contribution and implementation of ideas of employees and superiors to continuously improve occupational safety
- In the 2019 financial year, the focus was additionally placed on the topic of near misses, which are documented and evaluated together with the respective plant managers. Appropriate countermeasures are then implemented.

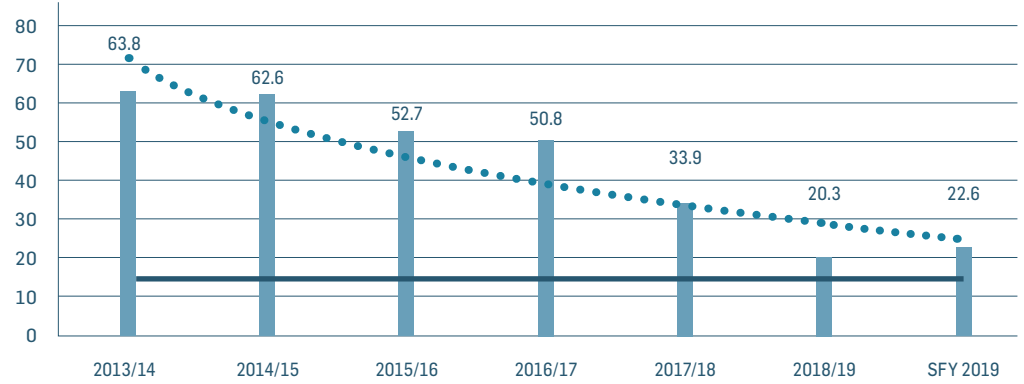
### Measures to improve the health and safety of employees

- Introduction of ergonomic furniture for employees suffering from health problems
- Group-wide information campaigns on the topics of skin protection, cut protection and falls
- Vaccination campaigns (TBE and influenza)
- Promotion of smoking cessation programs
- Thorough monitoring of occupational diseases through cooperation in the field of occupational safety and occupational medicine
- Internal workplace health promotion program

## Development of the Lost Time Injury Frequency Rate

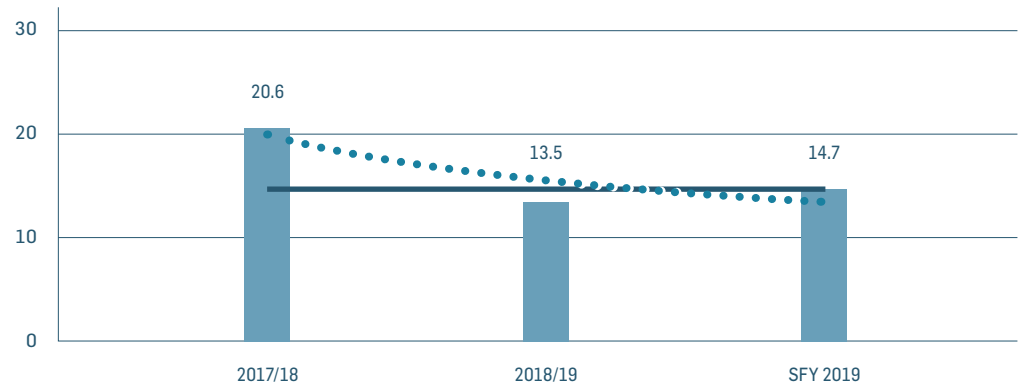
From 2013/14 to 2019, the LTIFR at FACC decreased from 63.3 to 22.6.

- LTIFR
- Target
- Log. (LTIFR)



Including white-collar employees, the LTIFR has fallen to 14.7 since the 2014/15 (start of recording).

- LTIFR
- Target
- Log. (LTIFR)





# SOCIETY





# Flight safety und product quality

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

In order to fulfill the stringent aviation regulations, but above all in the interests of its customers and millions of air travelers, FACC is consistently geared towards the goal of 100 percent reliability.

FACC holds official approvals for the production and maintenance of aircraft components. Moreover, FACC is a certified development organization which is authorized to develop and also approve repairs and modifications independently.

International aviation authorities not only initially guided FACC through a demanding approval process. They also verify on an ongoing basis whether the agreed standards are being complied with in full. In order to maintain these approvals, FACC is externally audited eight times a year to obtain the coveted certificates. This means that FACC customers can rely on proven premium quality.

## The product life cycle at FACC

FACC processes products throughout their entire life cycle – from development and manufacture to maintenance and recycling of the materials used. In doing so, the company fully complies with the legal regulations regarding security, occupational safety and environmental protection that apply at the respective locations.

Even during the development phase, FACC focuses on the official requirements of new components at all times. In order to ensure that components actually fulfill these requirements, numerous tests are carried out on prototypes. With its latest developments, moreover, FACC pursues the goal of making components even lighter, more efficient and more cost-effective than their respective predecessor products.

New components are only released for series production once they have been approved by the relevant authorities. Prior to delivery, detailed documentation of the airworthiness of each individual component is prepared, and components are clearly labeled.

However, FACC not only manufactures new components, but also repairs defects in existing components within its portfolio of repair services. Repairs are also offered for components that were not 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 a sparing use of resources, FACC only replaces defective components in repair orders if there is no doubt that they are beyond repair.

FACC also addresses the recycling of components at the end of their life cycle. This poses a major challenge, particularly for composite parts. Composites are separated into their individual material components at high temperatures by means of pyrolysis with the aim of re-using these materials, such as carbon fibers.

# Reduction of aircraft noise emissions

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

The permissible level of aircraft noise emissions as specified by official regulations and customer requirements must be fully observed or, ideally, even under-shot. Many airports have already banned older-generation aircraft from taking off and landing if they do not comply with current noise limits.

Progress in this field is supported by ongoing research projects in which FACC works on the development of new structures, materials and processes to optimize the acoustic properties of aircraft components. One example of such improvements is the application of perforated surfaces onto FACC engine components and fan cowls, which significantly reduce aircraft noise emissions. Other FACC products, particularly of the Engines & Nacelles division, also possess properties that can actively contribute to noise reduction.

Moreover, passive noise reduction is of particular importance. Compared to previous applications, all lightweight components developed by FACC and produced

in series make a positive contribution to reducing noise emissions, both directly and indirectly. Winglets generate more lift during takeoff so that aircraft require a shorter takeoff distance and can take off at a steeper angle. An immediate advantage is that lightweight components also reduce the kerosene consumption of aircraft. This is because less weight also requires less engine power.

The effectiveness of official regulations and customer requirements regarding aircraft noise reduction as well as the compliance with these specifications are continuously monitored: The fulfillment of quality criteria is verified

- when a new product has been approved and
- during quality control before delivery of the product.

# Cooperation and memberships

GRI  
102-13

Increasingly complex tasks require solutions which can only be developed and implemented in a joint effort. This is why, over the years, FACC has developed into an international and very active cooperation platform.

After all, it is an illusion to believe that all questions can be solved in-house and with one's own means. Qualified and specialized expertise can be found amongst the leading know-how and knowledge workers all over the world.

Progressive digitization allows FACC to concentrate on the core services of the company.

## Partnerships with universities and research-related institutions

- University of Applied Sciences Graz (FH Joanneum Graz): degree program Aviation
- University of Applied Sciences Rapperswil: Institute for Materials Technology and Plastics Processing
- University of Applied Sciences Wels: Research Group Non-Destructive Testing
- University of Applied Sciences Wels: Materials and Production Engineering
- Montan Universität Leoben: Founding member of the Polymer Competence Center Leoben PCCL
- Johannes Kepler University Linz: Institute of Structural Lightweight Design
- Johannes Kepler University Linz: Linz Institute of Technology
- Montan Universität Leoben: Chair of Processing of Composites
- Montan Universität Leoben: Chair of Design Plastics and Composite Materials
- Montan Universität Leoben: Chair of Materials Science and Testing of Polymers
- TU Wien: Institute of Lightweight Design and Structural Biomechanics
- TU Wien: Chair of Cyber-Physical Systems & Industry 4.0
- TU Wien: Institute of Production Engineering
- Technical University of Munich: Chair of Carbon Composites
- Christian Doppler Laboratories in Leoben and Linz: Processing of Composites (Leoben) and Structural Health Monitoring (Linz)
- Various project-related partnerships: Polytechnico Milano, London Imperial College, TU Dortmund, ETH Zurich, etc.

## Memberships of professional associations (among others)

- AAI – Austrian Aeronautics Industries Group: Chairmanship
- 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 Wels: member of the Strategy Advisory Board
- Hot Spot! Innviertel: member
- Association of higher technical college (HTL): 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
- Austrian Chinese Business Association (ACBA): representative
- Upper Austrian Economic Chamber: member of the Technology & Innovation Strategy Group



# ECONOMY





# Economic responsibility and effects in the region

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

FACC's clear commitment to its production sites in Upper Austria has generated diverse added value for the region. FACC thus pursues a clear goal: The company's appeal to skilled workers and high potentials and their families should enjoy further growth. Similarly, the region and its economy should also benefit from the upturn induced by FACC jobs, investments and purchasing activities. This will further improve the quality of life of the inhabitants and future generations living there.

The Upper Austrian village 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.<sup>1)</sup> The municipality of St. Martin is also doing well economically - schools and childcare facilities are being expanded, thus creating an ideal environment for young families. Thanks to FACC's stable and sustainable growth, the entire region is also continuously growing. Supply companies are flourishing parallel to the positive development of FACC. Services and products are created which are purchased nationwide and beyond the needs of FACC - a win-win situation for everyone.

## FACC promotes location quality through:

- Cross-border job creation (FACC currently employs 800 members of staff from neighboring Bavaria)
- Strategic regional and thematic development ("Composite Valley" in Ried and the Innviertel region)
- Site investments: FACC has invested more than EUR 500 million in its Upper Austrian sites since 2010. This has led to the creation of 1,800 jobs. Continuous investments in the domestic plants are to be made in the coming years.
- Project-specific investments: the purchase of tools, amongst others, from regional manufacturers, who thus benefit from local added value.

## Support for regional training opportunities

FACC also wants to motivate young people to take up a career in technology and give their interests a home to flourish. Until 18 years ago, Ried im Innkreis did not have a higher technical college (HTL); for twelve years now there have been HTL graduates, of whom about 50 percent continue to study while the other 50 percent find a job in regional industry. FACC has supported the HTL Ried project from the very beginning and is still represented on the board of the association today.

## Intensive cooperation with training institutions

- Specialist cooperation with training institutions (e.g. HTL Ried) and universities (e.g. the University of Applied Sciences Wels and the Johannes Kepler University Linz)
- Support of endowment professorships
- Funding for research units (2019 financial year: EUR 787,245).

Decisions regarding cooperation with training institutions are taken by the Management Board together with the Human Resources manager.

<sup>1)</sup> Study conducted by the magazine "public"; annual evaluation of the creditworthiness of all Austrian municipalities by the KDZ Center for Management Research (Zentrum für Verwaltungsforschung); in the latest published study covering the years 2013 to 2019, Reichersberg was ranked tenth in terms of creditworthiness.

# Good governance

GRI  
102-16, 103-1, 103-2, 103-3

FACC commits all people and organizations working for the company to adhere to certain values and principles of conduct. This is because FACC acknowledges its responsibility towards society and the environment in so far as it is within its sphere of decision-making and influence. We also require our customers and suppliers to adhere to certain values and principles of conduct. An essential instrument for this is the FACC Code of Conduct.

In addition to the issues of corruption and bribery and human rights (fair working conditions), the Code of Conduct includes the following topics: general conduct, safety and health protection, 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 on the FACC intranet in German and English and can also be viewed by interested parties on the company website.

In the 2017/18 financial year, a communication initiative was launched to increase awareness of the Code of Conduct and its regulations. 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, members of the internal management circle have received separate training on the subordinate topics of compliance, anti-corruption, export control and data protection.

At FACC, the ongoing work on good governance is an interdisciplinary field in which the department of Organizational Development and organizational units such as Communication, Legal, Compliance, Business Strategy, Internal Audits and in future also Digitization are involved. The Legal department is primarily responsible for the Code of Conduct.

As part of the revision of the Code of Conduct in 2017/18, a whistleblower system was also set up as a complaint mechanism to report complaints and offences. No reports were made in the past financial year.

The evaluation is carried out twice a year during the FACC Management Days, whose program also includes "continuous improvement". If necessary, specific tasks to improve compliance are assigned here, and their completion is regularly monitored at divisional level. Furthermore, there are plans to establish an in-house compliance system with audits, evaluations and management reviews.

Other initiatives to be implemented in the coming years include mandatory self-disclosure by suppliers or a comparison of the purchasing volume per country with the corruption index. A further update of the Code of Conduct is also planned.

## Excerpts from the FACC Code of Conduct

GRI  
102-12

Dear employees,

Customers choose us as a strong partner because they value our experience and innovative strength. We are able to convince our applicants by offering them an interesting range of tasks, numerous opportunities for personal development and a strong sense of solidarity between our co-workers, which is renowned beyond the borders of our company.

Each and every employee – whether male or female, worker or salaried employee, Austrian or foreign – makes a significant contribution to our company's success and justifies the trust that is placed in us in his or her respective field of work. In order to sustainably secure and strengthen this solid foundation, we have prepared the present Code of Conduct as a binding behavioral guideline for the entire Group.

This Code of Conduct reflects our corporate culture and lays down the rules and basic principles which govern the way we work together. In addition to offering us support in our day-to-day work, it also strives to make us aware that our actions directly reflect on our department, our division and our company.

Let us implement the values embodied in this Code of Conduct in our daily work so that FACC continues on its road to success.

Robert Machtlinger, CEO  
Andreas Ockel, COO  
Aleš Stárek, CFO  
Yongsheng Wang, CCO

### Guidelines

The following guidelines supplement and substantiate our values and guiding principles. They are intended to offer support to all employees and facilitate compliance with legal and corporate provisions and guidelines in their day-to-day work.

In many areas, they are supplemented with detailed regulations specific to certain topics or locations.

### Fair working conditions

Labor law and all provisions deriving thereof must be complied with in full. No person is to be unfairly disadvantaged, favored, harassed or ostracized because of his or her race, ethnic origin, gender, religion or political views, handicaps, age or sexual identity. Bullying and sexual harassment of any kind are also strictly forbidden.

The regulations specified in the ILO Convention on child labor are not only to be observed by FACC, but also by its partner companies and suppliers. All employees have the right to be protected from discrimination and harassment.

Every employee who is either involved in, or witness to, a conflict must report this to a competent supervisor or the Human Resources department. This can be done informally, in person, via telephone, email or in writing.

### Corruption

FACC has a zero-tolerance policy towards corruption or business transactions involving prohibited gifts and benefits. With this in mind, any type of gift which could wrongfully influence the decisions or actions of involved persons, especially public officials, is to be refrained from.

Please bear in mind that any semblance of such behavior must be systematically avoided. Should you have any questions or doubts, please consult the Vice President Legal.



# Export control

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

Due to its specific line of business, FACC is subject to international export control regulations. These ensure that the company cooperates exclusively with permissible organizations and persons.

1. **Sanctions:** Business partners are screened on the basis of current global sanctions lists.
2. **Embargo checks:** If there is any indication that a particular destination is located in a country under embargo, an automatically generated embargo block notice is sent, which is then checked manually.
3. **Dual-use goods:** If products are classified as dual-use goods under EU or US export law, i.e. they can be used for both civil and military purposes, blocking signals are also issued, which are then specifically evaluated on a case-by-case basis.
4. **ITAR goods:** These are goods that are examined in great detail within the framework of export controls as they are subject to the International Traffic in Arms Regulations (ITAR), i.e. US regulations relating to military equipment. Due to the strict controls and the associated high penalties imposed by the relevant US authorities, FACC faces export compliance risks. The company therefore takes care to ensure that ITAR goods are generally no longer purchased (ITAR Free Compliance Plan). Furthermore, FACC pursues the strategy of not offering or handling military goods.
5. **Export licenses:** Export licenses are applied for from the competent authorities if required for exporting components or goods.

All these points are continuously monitored and optimally adapted to 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 contract compliance are just as important as the long-term safety of the components manufactured and delivered to customers.

FACC components should never be 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 achievement.

The Quality Manager is the first point of contact for authorities in all matters relating to aviation safety. The Quality Manager is also responsible for export control. His or her team consists of two experts, who have been specially trained for this purpose. Any complaints or queries are addressed to, and dealt with, by these individuals.

Evaluation of the effectiveness of all adopted measures is an integral part of FACC's strategy to ensure flight safety and export control. In more than 100 internal audits covering all areas of FACC Operations GmbH, Quality Management reviews compliance with all applicable regulations and requirements at least once a year in order to establish conformity.

Two Quality Management reviews, in which the findings of the internal audits are presented to the Management Board, also address export control at the highest management level.

The evaluations for the past and current reporting year showed comprehensive conformity with the requirements throughout the company. No necessary adjustments were identified in 2019, but there is potential for further improvements.

Ried im Innkreis, 6 March 2020

Robert Machtlinger m.p.  
Andreas Ockel m.p.  
Aleš Stárek m.p.  
Yongsheng Wang m.p.

# APPENDIX

[Key figures](#)

[GRI index](#)

[Glossary](#)

[Service/Imprint](#)

# KEY FIGURES

At the 5<sup>th</sup> Annual General Meeting, a resolution was passed including the change of the financial year to the calendar year. 2019 is thus a short financial year ending on 31 December 2019 (1 March 2019 to 31 December 2019). Comparability of the figures for the short financial year with previous year's figures is therefore limited.

Since the publication of the previous report, FACC has established a new subsidiary in Croatia. However, as the plant of this subsidiary is still under construction, it is not included in this report.

For reasons of materiality, the following figures have not been broken down by region. With the exception of human resources key figures, the present figures are cumulative totals for the respective production sites. The human resources key figures apply to all sites.

Due to corrections, there are deviations from values in the previous report.

## Products

KPI	Description	Unit	2018/19	SFY 2019
<b>Flight safety</b>				
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
... 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
... fines – value	Violations of regulations regarding the impact of products on the health and safety of customers, including product labeling	EUR	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
Purchasing categories	Number of key purchasing categories	Number	24	24
Certified purchasing categories	Number of key purchasing categories with which a manufacturer's certificate/ indication of origin is attached	Number	17	17
Product categories	Number of key product categories	Number	3	3
... proven origin	Number of key product categories, to which a manufacturer's certificate is attached	Number	3	3
... proven contents (e.g. chemicals from REACH)	Number of key product categories, to which a description of the contents is attached	Number	0	0
... required disposal	Number of key product categories, to which a description of the disposal is attached	Number	0	0
... export certificates	Number of key product categories, for which export certificates are (must be) created	Number	3	3



## Environment

KPI	Description	Unit	2018/19	SFY 2019
<b>Energy and emissions</b>				
Total energy consumption		kWh	108,370,469	89,620,496
Non-renewable fuels (total)	Total fuel consumption from non-renewable sources	kWh	17,603,004	13,254,882
... natural gas, incl. LNG	Incl. fuel for company-owned vehicles	kWh	16,889,745	12,667,324
... gasoline, diesel	Consumption for vehicle fleet	kWh	713,259	587,558
Renewable fuels	Total energy consumption from renewable sources	kWh	13,153,088	11,439,925
... geothermal	From own plants	kWh	13,153,088	11,232,625
... photovoltaic, wind and hydro power	From own plants	kWh		207,300
Electricity purchased for consumption (total)	Total electricity purchased for consumption (renewable and non-renewable); excluding self-generated electricity (for example from fuels) to avoid double counting with fuels	kWh	44,817,359	38,186,174
Heating/cooling	Quantity purchased for consumption; including district heating/cooling	kWh	32,797,018	26,739,515
Direct GHG emissions (Scope 1)	Direct GHG emissions (Scope 1) in CO <sub>2</sub> equivalents from the use of fuels	t	n.a. <sup>1)</sup>	10,123
Indirect GHG emissions (Scope 2)	GHG emissions in CO <sub>2</sub> equivalents of (purchased) electricity, heating and cooling	t	16,505	14,246
Energy intensity	Emissions in relation to operating performance or production volume	kWh/EUR	0.1567	0.1624
GHG emissions intensity	Emissions in relation to operating performance or production volume	kg/EUR	n.a. <sup>2)</sup>	0.018
Operating performance	Operating performance in the reporting period	EUR	691,565,252	551,712,883

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

<sup>1)</sup> No values available for 2018/19

<sup>2)</sup> The value for 2018/19 cannot be calculated due to missing values for the previous year.

## Environment

KPI	Description	Unit	2018/19	SFY 2019
<b>Waste (by type)</b>				
Waste (total)		kg	3,845,554	3,914,040
Non-hazardous waste (total)	"Non-hazardous" according to legal definition	kg	3,291,695	3,502,415
... 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	1,181,215	1,631,596
... metals	Non-ferrous metal scrap, non-ferrous metal packaging, nickel and nickel-containing wastes, sopper, ferrous and steel waste (contaminated), aluminum, aluminum foil	kg	187,464	154,845
... paper and packaging materials	Waste paper, paper and paper board (coated and uncoated)	kg	520,173	472,920
... plastics	Plastic films, polyurethane	kg	244,920	248,210
... other non-hazardous waste	Construction debris, tree and shrub pruning, street sweepings, paper/paper board/cardboard, wood, packaging materials, polyurethane, plastic, metal scrap (without environmentally relevant quantities of hazardous waste or ingredients)	kg	1,157,923	453,240
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859	411,625
... liquid hazardous waste	Solvents, acids, bases, oil-water mixtures, coolants and lubricants	kg	17,650	18,697
... solid/pasty hazardous waste	Used oil binder materials, solvent-containing sludge/production materials, paint and paint sludge	kg	498,367	383,225
... containers with hazardous residual contents	Iron metal packaging, compressed gas packages	kg	12,691	9,343
... other contaminated materials	Laboratory waste, building rubble containing harmful contaminants, asbestos waste/soils, filter cloths	kg	25,151	360
<b>Waste (per GRI index – by disposal method)</b>				
Non-hazardous waste (total)	"Non-hazardous" and "hazardous" according to legal definition; total weight (ton wet mass) of non-hazardous waste (excluding non-hazardous wastewater), split into the following disposal methods where applicable	kg	3,291,695	3,502,415
... re-usage on site	Used for manufacturing other company products	kg	n.a.	
... recycling	Except re-usage	kg	500,640	837,097
... recovery	Incl. energy recovery (e.g. combustion with energy recovery)	kg	1,181,215	1,593,776
... landfill	Disposal of the waste in a landfill	kg	554,110	1,045,407
... others	Non-hazardous waste disposed of differently	kg	1,055,730	26,135
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859 <sup>1)</sup>	411,625
... recovery	Incl. energy recovery (e.g. combustion with energy recovery)	kg	29,050	82,819
... landfill	Disposal of the waste in a landfill	kg	n.a.	322,860
... others	Hazardous waste that was disposed of differently	kg	518,241	5,946

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

<sup>1)</sup> The value for 2018/19 includes recycling in the amount of 6.568 kg, which is included in other values in 2019.

## Materials

KPI	Description	Unit	2018/19	SFY 2019	Dangerous goods share 2018/19	Dangerous goods share SFY 2019
<b>Use of material</b>						
Non-renewable materials	Total quantity of non-renewable materials used by FACC	EUR	406,245,754	309,579,602	3%	2%
Purchased part marking	Parts by marking – mainly out of metal or plastic	EUR	168,154,616	105,297,850	0%	0%
Composite materials	Impregnated and dry tissues and honeycomb materials	EUR	86,607,027	75,742,864	0%	0%
Precast	Precast	EUR	76,424,674	66,673,403	0%	0%
Standard parts	Parts by specification, e.g. screws, rivets, bolts, etc.	EUR	18,526,788	14,263,161	0%	0%
Catalogue parts	Parts by manufacturer definition	EUR	18,897,123	15,853,539	0%	0%
Paints, adhesives	Paints, adhesives	EUR	14,002,249	11,883,527	27%	26%
Sealing and fillers	Sealing and fillers	EUR	10,815,735	10,263,859	49%	19%
Tools, indirect materials	Drills, cutters, masking tapes, gloves, etc.	EUR	8,190,406	5,997,490	1%	0%
Miscellaneous	Decorative materials, raw materials, bagging materials	EUR	4,627,137	3,603,909	1%	0%
Renewable materials	Total quantity of renewable materials used by FACC (excl. packaging material)	EUR	n.a.	n.a.		

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



## Economy, Compliance

KPI	Description	Unit	2018/19	SFY 2019
<b>Economic responsibility and effects in the region</b>				
Revenue	Direct economic value: net sales plus income from financial investments and the sale of assets	EUR'000	785,170	667,769
Operating expenses	Distributed economic value: cash payments to third parties for materials, product components, facilities and externally sourced services	EUR'000	461,815	400,985
Wages and company social benefits for employees	Distributed economic value: total payroll plus the total company benefits	EUR'000	203,274	158,156
Payments to lenders	Distributed economic value: dividends to all shareholders plus interest payments to lenders	EUR'000	15,880	17,286
Payments to the government	Distributed economic value: all taxes paid by the organization at the international, national and local level plus the associated fines	EUR'000	997	2,355
Investments in the community	Distributed economic value: actual expenses during the reporting period excluding requirements, including 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 (including cultural and educational events)	EUR'000	13	3
<b>Anti-corruption and anticompetitive behavior</b>				
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 (CoC)	in % Headcount	100 3,566	100 3,470
... informed board members	Number of board members who have been notified of company policies regarding anti-corruption, e.g. via the CoC	Headcount	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 CoC	Headcount	1,354	1,326
... informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding anti-corruption, e.g. via the CoC	Headcount	2,208	2,140
Business partners informed about anti-corruption	Business partners (e.g. suppliers, cooperation partners) to which the company policies regarding anti-corruption were communicated to	in % Headcount	100 over 1,600	100 1,774
Employees trained in anti-corruption	Number of company personnel trained in anti-corruption (total)	in % Headcount	100 3,566	100 3,470
... trained board members	Number of board members trained in anti-corruption (total)	Headcount	4	4
... trained white-collar workers	Number of white-collar workers (incl. management) trained in anti-corruption (total)	Headcount	1,354	1,326
... trained blue-collar workers	Number of blue-collar workers (incl. management) trained in anti-corruption (total)	Headcount	2,208	2,140
Corruption cases	Total number of confirmed cases of corruption (including 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
Claims due to anticompetitive behavior	Number of pending or completed claims in the period under review for anticompetitive behavior or antitrust and monopoly violations in which the company was identified as a party	Number	0	0

## Compliance

KPI	Description	Unit	2018/19	SFY 2019
<b>Human rights</b>				
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 (CoC)	Headcount	3,566	3,470
... informed board members	Number of board members who have been notified of company policies regarding human rights, e.g. via the CoC	Headcount	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 CoC	Headcount	1,354	1,326
... informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding human rights, e.g. via the CoC	Headcount	2,208	2,140
Sites with significant risk of incident for (a) child labor and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labor	Sites with significant risk, e.g. due to operating mode (e.g. manufacturing) or country/region	Description	0	0
Countries of the top 5 suppliers	Country of manufacture of materials of the top 5 suppliers (based on purchase value)	Description	Germany, USA, Austria, UAE, France	Germany, Austria, China, USA, UAE
Suppliers with significant risk of incident for (a) Child labor and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labor	Names of suppliers with significant risk, e.g. due to operating mode (e.g. manufacturing) or country/region	Description	0	0

## Human Resources

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019
<b>Employees and diversity</b>				
Total employees – male	Number of male employees, incl. board members and management, excl. non-employees (employee leasing)	Headcount	2,695	2,582
Total employees – female	Number of female employees, incl. board members and management, excl. non-employees (employee leasing)	Headcount	871	888
Temporary employees – male	Number of male employees with fixed-term contracts	Headcount	350	260
Temporary employees – female	Number of female employees with fixed-term contracts	Headcount	160	121
Part-time employees – male	Number of male part-time employees as defined by national law	Headcount	54	61
Part-time employees – female	Number of female part-time employees as defined by national law	Headcount	180	202
Full-time employees – male	Number of male full-time employees	Headcount	2,641	2,521
Full-time employees – female	Number of female full-time employees	Headcount	691	686
Management – male	Number of male employees in management functions/positions (incl. board members and department heads)	Headcount	232	239
Management – female	Number of female employees in management functions/positions (incl. board members and department heads)	Headcount	34	37
Non-management – male	Number of male employees without management function	Headcount	2,463	2,343
Non-management – female	Number of female employees without management function	Headcount	837	851
White-collar workers – male	Number of male white-collar workers (incl. management and board members)	Headcount	1,024	996
White-collar workers – female	Number of female white-collar workers (incl. management and board members)	Headcount	334	334
Blue-collar workers – male	Number of male blue-collar workers	Headcount	1,671	1,586
Blue-collar workers – female	Number of female blue-collar workers	Headcount	537	554
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)	Headcount	68	17
Employees under collective agreements	Number of employees, who are under collective agreements	Headcount	3,444	3,345
Employees < 30 – male	Number of male employees under 30 years of age	Headcount	708	600
Employees < 30 – female	Number of female employees under 30 years of age	Headcount	311	304
Employees 30 – 50 – male	Number of male employees 30 to 50 years of age	Headcount	1,631	1,611
Employees 30 – 50 – female	Number of female employees 30 to 50 years of age	Headcount	472	489
Employees > 50 – male	Number of male employees over 50 years of age	Headcount	356	371
Employees > 50 – female	Number of female employees over 50 years of age	Headcount	88	95
Employees leaving total – male	Number of male employees who have left the company (voluntarily), were laid off, retired or have died	Headcount	363	349
Employees leaving total – female	Number of female employees who have left the company (voluntarily), were laid off, retired or have died	Headcount	113	89
Employees leaving total – white-collar workers	Number of white-collar workers who have left the company (voluntarily), were laid off, retired or have died	Headcount	131	123
Employees leaving total – blue-collar workers	Number of blue-collar workers who have left the company (voluntarily), were laid off, retired or have died	Headcount	345	315
Employees leaving unplanned – male	Number of male employees who have left the company by mutual agreement or voluntarily	Headcount	203	213
Employees leaving unplanned – female	Number of female employees who have left the company by mutual agreement or voluntarily	Headcount	63	39
Employees leaving unplanned – white-collar	Number of white-collar employees who have left the company by mutual agreement or voluntarily	Headcount	87	98

<sup>1)</sup> The deviation from the previous year's report is based on the change of the reference period of the calendar year for the financial year and the inclusion of the foreign subsidiaries.

## Human Resources

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019
<b>Employees and diversity</b>				
Employees leaving unplanned – blue-collar	Number of blue-collar employees who have left the company by mutual agreement or voluntarily	Headcount	179	154
New hires < 30 – male	Number of newly hired male employees, under 30 years of age	Headcount	181	114
New hires < 30 – female	Number of newly hired female employees, under 30 years of age	Headcount	94	66
New hires 30 – 50 – male	Number of newly hired male employees, 30 to 50 years of age	Headcount	174	107
New hires 30 – 50 – female	Number of newly hired female employees, 30 to 50 years of age	Headcount	71	45
New hires > 50 – male	Number of newly hired male employees, over 50 years of age	Headcount	35	15
New hires > 50 – female	Number of newly hired female employees, over 50 years of age	Headcount	5	4
New hires – white-collar workers	Number of newly hired white-collar workers	Headcount	224	88
New hires – blue-collar workers	Number of newly hired blue-collar workers	Headcount	336	263
Employee fluctuation rate	Percent of employees leaving of the total workforce	Percentage	13	13
<b>Training and development</b>				
Training hours	Total number of training hours for all employees, incl. internal and external training and development; personal training and e-learning	Hours	49,579,84	38,215
Training hours – management	Total number of training hours for all management functions (Management Board and directors)	Hours	5,837,64	5,733,00
Training hours – non-management	Total number of training hours for all non-management employees	Hours	43,379,20	32,481,68
Training hours – internal trainings <sup>2)</sup>	Average number per employee	Hours	9.31	7.81
Training hours – external trainings <sup>2)</sup>	Average number per employee	Hours	4.30	3.27
<b>Health and safety</b>				
Occupational injuries – male employees blue-collar	Reportable accidents at work per AUVA (General Accident Insurance Institution) (starting from a three-days absence) blue-collar male	Number	61	46
Occupational injuries – female employees blue-collar	Reportable accidents at work per AUVA (General Accident Insurance Institution) (starting from a three-days absence) blue-collar female	Number	12	17
Injury rate – blue collar workers	LTIFR (Lost Time Injury Frequency Rate): Number of reportable accidents at work (> 3 days) x 1.000.000/number of productive hours effectively worked blue-collar.	Number	20.3	22.6
Injury rate – all employees	LTIFR (Lost Time Injury Frequency Rate): Number of reportable accidents at work (> 3 days) x 1.000.000/number of productive hours effectively worked blue-collar.	Number	13.5	14.7
Occupational injuries – types	Types of injuries occurred most frequently	Description	Falling down and cutting damages	Cutting and bruising damages
Downtime due to such injuries – blue-collar male employees	Calendar days, from the first day of absence	Days	1,259	663
Downtime due to such injuries – blue-collar female employees	Calendar days, from the first day of absence	Days	337	201
Downtime due to such injuries – blue-collar male employees	Calendar days, from the third day of absence	Days	1,101	568
Downtime due to such injuries – blue-collar female employees	Calendar days, from the third day of absence	Days	303	170

<sup>1)</sup> The deviation from the previous year's report is based on the change of the reference period from calendar year to financial year and the inclusion of the foreign subsidiaries.

<sup>2)</sup> Only Austrian sites



## Human Resources

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019
<b>Health and safety</b>				
Occupational injuries – blue-collar male non-employees	Number of injuries as defined by law for male non-employees (temporary workers)	Number	0	2
Occupational injuries – blue-collar female non-employees	Number of injuries as defined by law for female non-employees (temporary workers)	Number	0	0
Occupational deaths blue-collar – male employees	Number of work-related deaths within 30 days of the accident, including road accidents for male employees	Number	0	0
Occupational deaths blue-collar – female employees	Number of work-related deaths within 30 days of the accident, including road accidents for female employees	Number	0	0
Occupational deaths blue-collar – male non-employees	Number of work-related deaths within 30 days of the accident, including road accidents for male non-employees	Number	0	0
Occupational deaths blue-collar – female non-employees	Number of work-related deaths within 30 days of the accident, including road accidents for female non-employees	Number	0	0
Hours worked – male employees	Total number of hours worked by all male employees	Hours	4,497,214,02	3,605,280,60
Hours worked – female employees	Total number of hours worked by all female employees	Hours	1,273,344,89	1,081,130,04
Hours worked – male non-employees	Total number of hours worked by all male non-employees	Hours	90,349,29	37,414,14
Hours worked – female non-employees	Total number of hours worked by all female non-employees	Hours	24,327,99	15,049,67
Absences – male employees	Number of absence hours regardless of the cause for male employees (including planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	953,370,10	816,202,93
Absences – female employees	Number of absence hours regardless of the cause for female employees (including planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	460,328,00	405,415,33

<sup>1)</sup> The deviation from the previous year's report is based on the change of the reference period from calendar year to financial year and the inclusion of the foreign subsidiaries.

# GRI INDEX

---

 GRI  
102-55

## General information

GRI standard	Description	Page	Comment
102 General information	102-1	Name of the organization	7
	102-2	Activities, brands, products and services	9
	102-3	Location of headquarters	8
	102-4	Location of operations	8
	102-5	Ownership and legal form	7
	102-6	Markets served	7
	102-7	Scale of the organization	7
	102-8	Information on employees and other workers	34, 54
	102-9	Supply chain	11
	102-10	Significant changes to the organization and its supply chain	11
	102-11	Precautionary approach or precautionary measures	22
	102-12	External initiatives	44
	102-13	Membership of associations	41
102 Strategy	102-14	Statement from senior decision-maker with regard to the significance of sustainability and the organizations sustainability strategy	5
102 Ethics and integrity	102-16	Values, principles, standards and norms of behavior	44
102 Governance structure	102-18	Governance structure	23
102 List of stakeholder groups	102-40	List of stakeholder groups	15
102 General information	102-41	Collective bargaining agreements	34
	102-42	Identifying and selecting stakeholders	15
	102-43	Approach to stakeholder engagement	15
	102-44	Key topics and concerns raised	15
102 Reporting practice	102-45	Entities included in the Consolidated Financial Statements	7
	102-46	Defining report content and topic boundaries	18
	102-47	List of material topics	18
	102-48	Restatements of information	4
	102-49	Changes in reporting	4
	102-50	Reporting period	4
	102-51	Date of most recent report	4
	102-52	Reporting cycle	4
	102-53	Contact point for questions regarding the report	61
	102-54	Claims of reporting in accordance with GRI standards	4
	102-55	GRI content index	57-59
	102-56	External assurance	4

## Main topics

GRI standard	Description	Page	Comment
<b>Economic responsibility in the region</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	43
	103-2	The management approach and its components	43
	103-3	Evaluation of the management approach	43
201 Economic Performance	201-1	Direct economic value generated and distributed	43
<b>Effects and results</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	20
	103-2	The management approach and its components	20
	103-3	Evaluation of the management approach	20
301 Materials	301-1	Materials used by weight and volume	20
<b>Materials and chemicals used</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	29
	103-2	The management approach and its components	29
	103-3	Evaluation of the management approach	29
301 Materials	301-1	Materials used by weight and volume	29 Due to the availability of data, figures can only be presented in their EUR equivalents.
<b>Energy consumption and emissions in production</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	30
	103-2	The management approach and its components	30
	103-3	Evaluation of the management approach	30
302 Energy	302-1	Energy consumption within the organization	30–31 Data for the previous year cannot be provided as it has not yet been included.
	302-2	Energy consumption outside the organization	49 Calculations are based on the invoices of the respective providers.
	302-3	Energy intensity	49
305 Emissions	305-1	Energy direct GHG emissions	49
	305-2	Energy indirect GHG emissions	49
	305-4	GHG emissions intensity	49
<b>Waste</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	31–32
	103-2	The management approach and its components	31–32
	103-3	Evaluation of the management approach	31–32
306 Effluents and waste	306-2	Waste by type and disposal method	31
<b>Secure and equitable workplaces</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	35–36
	103-2	The management approach and its components	35–36
	103-3	Evaluation of the management approach	35–36
401 Employment	401-1	New employee hires and employee turnover	36 Fluctuations cannot be broken down according to gender or age.
<b>Occupational safety and health protection of employees</b>			
103 Management approach	103-1	Explanation of the material topic and its boundary	36–37
	103-2	The management approach and its components	36–37
	103-3	Evaluation of the management approach	36–37
403 Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	36–37

## Main topics

GRI standard	Description	Page	Comment
<b>Employee training and further education</b>			
103	103-1	Explanation of the material topic and its boundary	35
Management approach	103-2	The management approach and its components	35
	103-3	Evaluation of the management approach	35
404	404-1	Average hours of training per year per employee	35
Training and education			Continuing education and further training cannot be broken down according to gender or age.
<b>Fuel efficiency</b>			
103	103-1	Explanation of the material topic and its boundary	27
Management approach	103-2	The management approach and its components	27
	103-3	Evaluation of the management approach	27
	302	302-5	Reductions in energy requirements of products and services
Energy			
<b>Flight safety</b>			
103	103-1	Explanation of the material topic and its boundary	39
Management approach	103-2	The management approach and its components	39
	103-3	Evaluation of the management approach	39
	416	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
Customer health and safety			
417	417-1	Requirement for product and service information and labeling	39
Marketing and labeling			100% of product categories are checked for the respective requirements.
<b>Reduction of aircraft noise emissions</b>			
103	103-1	Explanation of the material topic and its boundary	40
Management approach	103-2	The management approach and its components	40
	103-3	Evaluation of the management approach	40
	<b>Mobility growth</b>		
103	103-1	Explanation of the material topic and its boundary	40
Management approach	103-2	The management approach and its components	40
	103-3	Evaluation of the management approach	40
	<b>Good governance including anti-corruption, bribery and human rights</b>		
103	103-1	Explanation of the material topic and its boundary	44
Management approach	103-2	The management approach and its components	44
	103-3	Evaluation of the management approach	44
	205	205-2	Communication and training about anti-corruption policies and procedures
Anti-corruption			
206	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	44
Anti-competitive behavior			
408	408-1	Operations and suppliers at significant risk for incidents of child labor	44
Child labor			
409	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	44
Forced or compulsory labor			



# GLOSSARY

<b>ATL (Automated Tape Layer)</b>	Device which uses computer-guided robotics to lay layers of material
<b>Autoclave</b>	A gas-tight sealable pressure chamber for the thermal treatment of substances in the overpressure range
<b>Biopregs</b>	Semi-finished fiber matrix products pre-impregnated with natural resins instead of chemical resins
<b>Cleanroom</b>	Space in which the concentration of airborne particles can be kept very low
<b>CNC-controlled machines (Computerised Numerical Control)</b>	Machine tools which, thanks to modern control technology, can produce workpieces automatically and with high precision, even for complex shapes
<b>Composite</b>	Composite material made up of two or more constituent materials with significantly different properties than its individual components
<b>Conflict minerals</b>	Mineral resources, raw materials and other natural resources extracted in conflict or high risk areas. These substances are produced or mined illegally and beyond state control. Extraction of these substances involves systematic violations of human rights and international law.
<b>Dual-use goods</b>	Components, machines, technical documents or software which can be used for both civil and military purposes
<b>EASA Part 21J</b>	EASA approval for design organizations, which are authorized to develop and modify aeronautical products, components or equipment
<b>Embargo check</b>	Selling sensitive goods (dual-use goods) to countries, organizations, companies or individuals against whom sanctions apply is prohibited by law. These sanctions are imposed by the state (embargoes), which prevent trade in goods with a particular state.
<b>Export control</b>	Cross-border trade and data exchange are subject to legal requirements – also known as export controls
<b>ITAR goods</b>	Goods that are examined in great detail within the framework of export controls as they are subject to the International Traffic in Arms Regulations (ITAR), i.e. US regulations relating to military equipment. Due to the stringent controls and the associated high penalties imposed by the relevant US authorities, we are faced with significant export compliance risks. FACC therefore takes care to ensure that ITAR goods are generally not purchased.
<b>Manufacturing tolerance</b>	Permissible level of deviation of a quantity from the standard state in production
<b>MTOW</b>	Maximum Take Off Weight
<b>OEM (Original Equipment Manufacturer)</b>	Companies that manufacture components, but do not sell them to end users
<b>Prepreg</b>	Material made of e.g. carbon or glass fibers and pre-impregnated with resin
<b>Reaction resins</b>	Liquid or liquefiable synthetic resins which cure in a relatively short amount of time through a chemical reaction
<b>RIFT (Resin Infusion under Flexible Tooling)</b>	Flexible tool for the efficient production of complex moulded parts
<b>RTM (Resin Transfer Moulding)</b>	Process for the efficient production of complex moulded parts
<b>Semi-finished fiber matrix products</b>	Semi-finished products made of reinforcing fibers impregnated with a plastic matrix (e.g. prepreg)
<b>Shipset</b>	Delivery unit, complete package per aircraft
<b>Turnkey solutions</b>	Tailor-made individual solutions that can be used immediately and integrated into aircraft or aircraft engines without any further preparatory work

---

## Contact

### Contact

Manuel Taverner  
Director Investor Relations  
m.taverner@facc.com  
Telephone +43 59 616 2819  
Fax +43 59 616 82819  
www.facc.com

---

GRI  
102-53

---

## Note

This Sustainability Report was prepared and the data contained therein verified with the utmost care. However, rounding and typesetting errors as well as misprints cannot be entirely ruled out. Where rounded amounts and percentages are aggregated, rounding differences may occur due to the use of automated calculation aids. This Sustainability Report contains forward-looking assessments and statements, which were compiled on the basis of information available to the Group at the time the report was prepared. Such forward-looking statements are usually introduced with terms such as "expect", "plan", "anticipate", "estimate" etc. We would draw your attention to the fact that various factors could cause actual conditions and results to deviate from the expectations outlined in this report. This report is also available in German. In cases of doubt, the German version shall prevail.

Editorial deadline: 23 March 2020

---

## Imprint

### Media owner and editor:

FACC AG, Fischerstrasse 9, 4910 Ried im Innkreis/Austria

**Project team:** Manuel Taverner, Eduard Biller

**Layout, graphics, concept:** Heidlmair Kommunikation, Linz

**Editing & project management:** be.public Corporate & Financial Communications, Vienna

**Pictures:** FACC AG, Werner Bartsch, Getty Images, Robert Gortana, Georg Tiefenthaler



