

FORMING THE FUTURE



SUS-TAINABLE

OUR RESPON-SIBILITY



SCHULER 

Member of the ANDRITZ GROUP

02 **Interview**

CEO Stefan Klebert on the importance of sustainability for Schuler.

04 **Compliance**

On responsible corporate management.

06 **Customers**

Our contribution toward the energy- and resource-efficient production of our customers.

10 **Employees**

About the key to success – our dedicated employees.

14 **Environment**

Conserving our natural resources.

16 **Society**

About our corporate social responsibility.

As the technological and global market leader in metalforming, Schuler supplies presses, automation solutions, dies, process technology and services for the entire metal-working industry and the lightweight construction of vehicles. We supply a wide range of innovative products and solutions in all areas of metalforming technology: from mechanical and hydraulic press systems, transfer and tryout presses, automation equipment, dies, high-speed presses, and systems for solid forming, to hydroforming and hot stamping. Our clients include car manufacturers and their suppliers, as well as companies in the forging, household equipment, packaging, energy and electrical industries. Schuler is the market leader in coin minting presses and supplies system solutions for the aerospace, railway and large pipe industries. In addition, we offer our customers an extensive service program. Schuler's technologies and services ensure high productivity, improved energy efficiency and reliable mass manufacturing.

Our leading market position is due mainly to our strength for developing products and solutions with a clear customer benefit – in close cooperation with the customers themselves. We have been active in the metalforming sector for 176 years and have great experience in the handling of projects. In addition to our process know-how in metalforming technology, we have the systems expertise to plan and deliver complete automated press lines according to customer specifications – for numerous metal and lightweight materials.

Our strong international alignment enables us to be on site for our customers around the world. We employ around 5,200 people in over 40 countries and boast a global network of service and sales offices.



Stefan Klebert
CEO of Schuler

**Sustainable.
Our responsibility.**

Mr. Klebert, this is the first time that Schuler has presented its various activities and obligations regarding sustainable management in a separate brochure. Why?

s.k. Schuler is the global market leader in metal-forming technology. For this reason, our internal and external target groups can expect us to conduct all aspects of our business in a responsible way. This not only applies to our customers and employees but also to society in general. Therefore, compliance plays a major role. With the aid of several examples and reports, we aim to show our understanding of sustainability as corporate responsibility.

Which aspect of sustainability is the most important for Schuler?

s.k. There is no ranking as such, but we have identified four equally important areas of our sustainability policy: customers, employees, environment and society. We are strongly committed to our responsibility in these areas. With our new innovations, we provide our customers with increasingly energy- and resource-efficient production equipment. As employers, we are responsible for our employees and their working environment. We protect the environment in which we live and work to the best of our abilities. And as members of society, we are involved in numerous local and social projects beyond the factory gates.

You say that you are responsible for ensuring the company is fit for the future. What does this mean for a traditional company like Schuler?

s.k. It is not the Executive Board alone which is responsible for securing Schuler's future viability – everyone at the company is pulling in the same direction. In just over 176 years, Schuler has transformed itself from a small metalworking shop in Göppingen to a global high-tech corporation. Nobody here believes that Schuler could have achieved that if we had not constantly questioned our approach.

Complacency and sustainability are simply incompatible. However, ensuring the future viability of the company does not mean neglecting our responsibility for the interests of employees, the environment, society or our customers in order to raise profitability in the short term. For a company with such a rich tradition as Schuler, the commitment to sustainable management is part of our roots. This does not exclude such difficult decisions as having to decide for or against a particular production site, for example. And it calls for investment, such as the construction of our future engineering and technology center. We will report on these things in this brochure.

Sustainability means future.

Stefan Klebert



Compliance

As the world's leading supplier of metalforming technology, we are guided by the values of reliability, respect, commitment, innovation, integrity and compliance with legislation.

Legal issues in particular are playing an increasingly important role in shaping our business model. Schuler AG is primarily geared toward achieving sustainable growth in its enterprise value. In addition to the interests of our shareholders, we also take account of the interests of our customers, employees, suppliers, lenders and other important stakeholders.

Schuler operates a Compliance Management System (CMS) to ensure that the Group complies with all relevant legal regulations.

The basis for responsible, transparent and value-oriented corporate management are the applicable laws, the company's articles, and the internationally recognized standards for compliance and corporate governance. Regular reviews and appropriate adjustments to the key functions of our management and control system ensure that we reach our economic goals and meet all legitimate requirements.

We consistently comply with all laws and regulations and do not tolerate any violations. We would rather forego a deal and perhaps fail to reach our internal targets than break the law.

The Schuler Group undertakes to meet its social responsibility in all corporate activities. In all our business decisions and actions, we comply with the respective laws and relevant regulations of those countries in which we operate.

Market participants can only develop freely in an environment of fair competition. We therefore uphold the principle of integrity in our competition for market share. All employees are obliged to respect and observe the rules of fair competition.

We rely on the quality and benefits of our products and services for our customers as well as on reasonable prices. In our dealings with business partners and state institutions, the professional and private interests of our employees are strictly separated from each other. All actions and decisions are made independently of any extraneous considerations or personal interests. Schuler has issued binding guidelines on topics such as business conduct, the acceptance and granting of gifts, as well as invitations, hospitality and entertainment, data privacy and export control.

All Executive Board members and General Managers, all senior executives, and all other employees must be aware of the high risks which law infringements can represent for the Schuler Group and for themselves personally. The Board of Management of Schuler AG therefore already adopted a Code of Conduct in 2012, which was recently revised. This deals with corporate values and compliance principles, general rules of conduct in dealings with third parties, principles of social responsibility and responsibility toward employees, principles on business behavior and conduct toward business partners and investors.

In order to raise awareness and understanding of compliance among staff, training sessions have been held throughout the Group since 2013. Online training was held across the entire Group in fall 2015 in order to enhance understanding of the compliance topics already taught in the foundation courses. In addition, the Group plans to run refresher courses every two years. Staff can find further information and the contact details of all persons responsible on a dedicated compliance microsite.

All Schuler employees are obliged to contact their company's local Compliance Officer or the Chief Compliance Officer of Schuler AG if they have any queries about correct conduct. In 2014, a compliance hotline was also set up which is managed by an external law firm. It is available to all Schuler employees and all other stakeholders. Information on this and other compliance issues is not only provided via the Internet and Intranet, but also by means of regular publications, e.g. via the Group's internal communication.



1

**We are a reliable partner
for leading metalforming
solutions.**

2

**We value our employees
and business partners.**

3

**Based on our traditions,
we are open for innovations.**

4

**We implement our ideas in a lively
and performance-oriented manner.**

5

**We always act in a concentrated
and consistent manner.**



ECOFORM
-
SUSTAINABLE
FORMING
SOLUTIONS

Customers

As the technological and global market leader in metalforming technology, we are responsible for delivering the best possible equipment which ensures energy- and resource-efficient production for our customers. And we provide the necessary support to keep these machines in line with the latest requirements and secure their long-term performance.

Ecoform

Forming systems account for a large proportion of a company's energy costs, which is why sustainability and energy efficiency are also becoming increasingly important topics for the press shops of our customers. Our Ecoform sustainability program combines all measures to raise the energy efficiency of our products: from the analysis and optimization of existing equipment to the development of new processes, subassemblies, and system solutions. Our aim is to conserve resources, reduce energy consumption, and maintain productivity.

Here are a few examples of such projects:

EHF (Efficient Hydraulic Forming) technology offers energy savings of up to 60 percent compared to conventional hydraulic presses used in metalforming and forging.

The latest generation of **servo press lines** consume up to 50 percent less energy. In contrast to conventional mechanical high-speed press lines, they have

their own DC power supply (the so-called Smart DC Grid). They also feature variable-speed and regenerative drive systems, intelligent stand-by and pause switching, as well as energy-efficient components such as an energy-saving bolster cushion. This reduces consumption to three million kilowatt hours per year – the equivalent of 750 to 800 four-person households. In July 2015, Schuler's Smart DC Grid came third in the Energy Efficiency category of Baden-Württemberg's Environmental Technology Award.

The **new MSC 2000 automatic blanking press** offers 50 percent energy savings compared to previous lines. This is made possible by its new drive system with two electrically coupled, freely programmable pressure points without gear transmission. By linking the pressure points in the press uprights, the machine's rigidity has been significantly increased. The drive concept of the MSC 2000 represents a leap in innovation, as it offers the complete functionality of ServoDirect Technology as well as flexible adjustment to all conceivable die functions and forming processes.

The **Crossbar Robot 4.0** for automating press lines has only half the weight of its predecessor. In combination with its intelligent energy management system and integrated energy recovery, this makes it 20 percent more energy-efficient. A new **linear hammer featuring servo technology** also enables

energy savings of 20 percent. Schuler's new technology offers maximum flexibility in adapting to increasingly specialized application areas and processes in forging. By retrofitting existing equipment, Schuler Service can also quickly tap considerable energy savings potential.





Schuler Service

Schuler Service offers our customers an extensive range of products and services to ensure their competitiveness at all times – even with older machinery. Our network of over 900 service employees is always available and never far away from our customers around the world. Whether refit, modernization or optimization of plant and processes – with over 300,000 presses sold worldwide, our employees have the in-depth expertise to be the best-possible partner for our customers.

Schuler Academy

Skilled employees are a prerequisite for trouble-free production. Machine operators, maintenance staff, set-up specialists, toolmakers, planners, optimizers – everyone involved in the processes of a press shop or the development of machine concepts should be able to perform these tasks as professionally as possible. This is where the Schuler Academy can help with its 50 or so different seminars on basic principles and technologies. The Academy also offers machine specific training directly at the customer's facility to provide operating and maintenance staff with the skills they need to meet the ever-growing and specific challenges.

Employees

Our employees are our most important resource – there can be no success in business without them.

With 5,176 employees worldwide (as of December 31, 2015), we bear great responsibility as an employer for each individual. Schuler ensures occupational safety and health at work within the framework of current legislation. At the same time, we support the continuous improvement of working conditions.

Schuler respects the right of association of its employees within the framework of applicable laws and regulations. We reject all forms of forced labor and child labor.

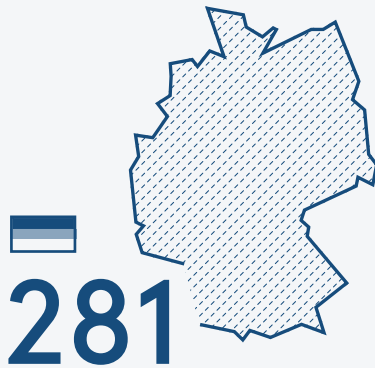
We respect all employees equally – regardless of nationality, culture, religion, disability, ethnic origin, gender, sexual orientation or age. We owe our success to the knowledge and experience of our employees. We therefore invest in the training and expertise of staff and encourage in particular their commitment and performance.

Staff development

To ensure sustainable and comprehensive training and development for our specialists and managers, we have firmly established a center of expertise for personnel development across all Group companies. We offer our employees an internal training program with content which enables them to enhance their professional and personal skills. In 2015, a total of 116 seminars were offered in the fields of methodological skills, specialist topics, PC training, languages and quality management. Around 1,200 employees in total took advantage of this offer.

In 2015, around 100 members of Schuler's global top management team, including the Executive Board, took part in a senior executive program at an international business school. The aim was to systematically and sustainably strengthen the management, leadership and change competencies of our executives.





Apprentices and students in Germany

We also successfully launched the Production Management Program for almost 200 foremen from different locations in 2015. This training helps participants reflect on their understanding of leadership, gives them an extensive repertoire of management tools, and also strengthens contacts across the various locations.

In March 2015, Schuler introduced a new career model for press start-up specialists. We are focusing in particular on the career model for skilled workers. Apprenticeships for electronics or mechanics experts can be combined with the press start-up topic. Participants can qualify as a press start-up specialist within two years or after 240 additional teaching hours. The teaching content was developed jointly by the Training division, the Schuler Academy, Schuler's facility in Hessdorf and the Personnel Development department. The new material is taught by Schuler CAMPUS, i.e. the Training and Personnel Development departments together with internal lecturers from various divisions, the Schuler Academy, and external partners. The career model for press start-up specialists offers attractive future career prospects.



Apprenticeships

Vocational education plays a major role for Schuler. As of December 31, 2015, the number of apprentices and students throughout the Group amounted to 311, of which 281 were in Germany. We offer apprenticeships for a total of 12 industrial-technical professions and two commercial professions. The portfolio is rounded out by seven dual and cooperative degree programs with a technical or business orientation. In September 2015, the first joint induction days for all new Schuler apprentices and students in Germany were held. In addition to getting to know each other and the company, the main focus was on developing key competencies.

At Schuler's vocational training center in Puebla (Centro de Especialización Dual or Cedral for short), the first intake of apprentices received their leaving certificates in October 2015. The industrial and tool mechanics all passed their German Chamber of Commerce and Industry exams with flying colors and are the first skilled workers in Mexico to have completed a three-year apprenticeship based on the German dual education standard.

Cedual was founded in 2012 by Schuler and the companies Allgaier, ThyssenKrupp Presta, ThyssenKrupp Materials, LuK, Gestamp and PWO. The training center is designed to alleviate the shortage of skilled labor in Mexico.

In December 2015, the second generation of trainees began their development program at Schuler. Five young people, selected from over 500 applicants, will be trained over a period of two years in preparation for their targeted positions. During this time, they will gather experience in challenging projects and complete various qualification modules, such as the basics of mechanical presses, communication, conflict management, project management and cross-cultural training. They can then apply these skills during periods spent abroad.

The six trainees of the first generation took up their targeted positions in December.



New building

In July 2015, work started on the construction of a new engineering and technology center in Göppingen, the so-called Schuler Innovation Tower (S.I.T.). With an investment of 40 million euros, the 54-meter, twelve-story building will provide space for 750 modern and well-equipped workplaces which will create an attractive environment and room for new ideas. Schuler cooperated with Fraunhofer Institute on developing this new office concept.



The Schuler Innovation Tower (S.I.T.) will offer 750 modern and well-equipped workplaces.

Vocational health management

Schuler offers a wide range of activities to promote and preserve the health of its employees in Germany. Staff can join courses on yoga and back training, for example, or benefit from special offers from fitness studios and health institutes. Employees also regularly participate in group activities, such as local company runs and cycling events.

In addition to these offers, the latest occupational health regulations and new prevention regulations were implemented at all locations in 2015.

Around 740 employees in Germany have taken advantage of our free skin cancer screening. Due to the efficiency of such screening in reducing specific health risks, similar examinations are to be offered for other medical conditions in the future.

Since January 2015, all German sites have had access to the "Employee Assistance Program", a 24/7 hotline provided by Insite Interventions. The experienced experts of this social service provide support for our employees experiencing various



Group events are a particularly popular component of our vocational health management program. Schuler entered the largest team at the AOK Company Run in Göppingen.

problems or personal crises. At numerous workshops, our executives were given detailed information about this service.

As of March 2015, we offer thorough medical check-ups for all non-tariff staff. The offer is available to these employees every 24 months and comprises both internal and orthopedic examinations. The participants also receive training and behavior tips tailored to their particular needs.

FACTS AND FIGURES VHM

Vocational health program

	2015
Various course offers	27
Course hours	266
Participants of vocational health program courses	229
Participants at group events (Alb Extreme Cycling Marathon, AOK Health Run, Erfurt Company Run)	163
German staff participating in skin cancer screening	742
Managers participating in workshops to improve use of Employee Assistance Program	84
Basic medical examinations at various locations	>1,500

Environment

Schuler attaches great importance to conserving the natural environment and safeguarding the livelihoods of future generations.

We minimize potential hazards for the environment with the aid of our quality and environmental management systems. A central component of this integrated management system is ensuring compliance with our legal obligations and other requirements, such as permit conditions, DIN standards, VDI guidelines and customer demands.

The environmental impact of our products or activities is identified, assessed and reviewed by environmental officers. Using an established evaluation system, we determine whether any action is needed. Following regular inspections and internal audits, environmental aspects are constantly updated and new measures introduced where necessary.

In order to ensure quality, we have installed local quality assurance departments at all production facilities. Sources of error are systematically analyzed and production processes optimized. A central quality management system ensures standard processes, methods and regular audits.

In addition to quality assurance and economic efficiency, protecting the environment plays an important role for our company. Ecological aspects are largely integrated into our company processes.

Waste

Proper disposal and process optimization is ensured by regular inspections and instructions. Waste sorting is a key element of the concept and is explained to employees by their respective managers in the form of training and guidelines. Each site prepares an annual waste management report which states their total waste volume.

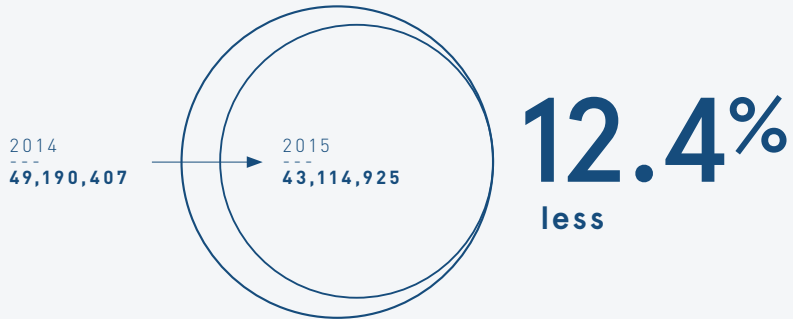
Energy and water consumption

Schuler has developed its own environmental program for reducing power and water consumption. The program aims to reduce the company's use of energy and water.

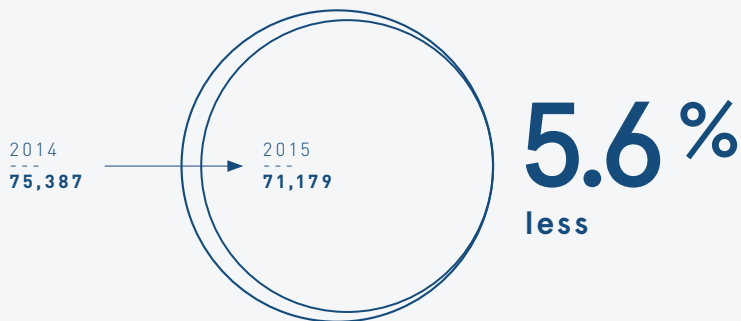
Certification

The standards we apply range from DIN EN ISO 9001 to the quality management standard of the German automotive industry VDA 6.4 for production equipment suppliers as well as the international standard ISO/TS 16949 for manufacturers and suppliers of the automotive industry. Our environmental management system complies with the relevant DIN EN ISO 14001 standard.

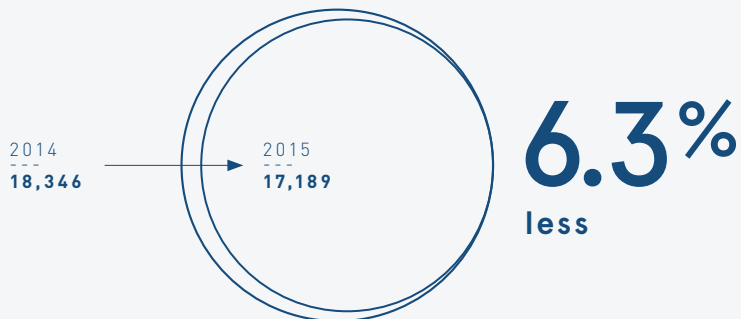
Energy consumption [kWh]



Wastewater discharge [m³]



Waste [t]



Data based on those production sites which have more than 50,000 production hours per year.

Society

As a company with a long tradition, corporate social responsibility is an integral part of our commitment to society. Our main focus areas are education, science and technology.

We attach great importance to providing support for children and young people. We demonstrate social responsibility within our local community and forge medium- to long-term partnerships in this field.

Start Helpers

In 2013, Schuler launched the coaching project "Start Helpers" in its home town of Göppingen. It is aimed at schoolchildren whose social background means they cannot afford extra tuition. To help us identify such pupils, we have close partnerships with four local schools. Up to six private tutors paid by Schuler teach mathematics, German and English to up to 20 pupils in small groups.

KiTec

Using games to inspire children's love for technology is the aim of "KiTec – Kids Discover Technology", a lighthouse project of "Wissensfabrik – Unternehmen für Deutschland e.V." ("Knowledge Factory"). Schuler has been partnering with eight elementary schools at its German sites since 2014. These schools all use KiTec in their classes and receive boxes with materials and tools from us. Using short stories, children are given tasks which involve some form of construction. In this way, they discover the basic principles of building, vehicle and electrical engineering

themselves. The KiTec content can be integrated into all German school curricula, so that theory in the classroom can be complemented by targeted practical sessions using the boxes. The schools are supported with technical aspects by Schuler employees at the respective local sites.

The eager beavers

At its site in Göppingen, Schuler has a partnership with a local kindergarten which places particular emphasis on technology. Once a month, our apprentices run a technology project with the children. They also provide help with technical work on the premises.



Partnership with “Staufen Arbeits- und Beschäftigungsförderung gGmbH (SAB)”

Schuler in Göppingen has been supporting SAB in a neighboring town with donations since 2012. The money is collected during the company’s annual tombola run by the apprentices at the Christmas party. The takings are always doubled by the Executive Board members. SAB has set itself the target of providing therapeutic employment for unemployed people with poor job prospects, the long-term unemployed, and people with particular difficulties, and to help integrate these people into the general labor market. A particular focus of the project is to provide professional skills as well as social and pedagogical support for this group of people.



Our Göppingen site has a long-standing partnership with Staufen Arbeits- und Beschäftigungsförderung gGmbH

Robotics team USA

In the USA, Schuler Inc. has been supporting a high school mobile robotics team for the past three years. The team takes part in various contests where it competes against over 3,000 teams from all 50 US states and numerous other countries.

transport to Schuler’s facility. The project helps prepare them for their first job.

Support for underprivileged districts in Brazil

Prensas Schuler, our subsidiary in Brazil, supports the poorer districts around its base in São Paulo with a number of projects. The main focus is on the field of education, health and safety. Schuler aims to play its part in helping society and awake an understanding among its staff for the importance of such social responsibility.

Police officers working in the neighboring districts of “Vila São Jose” and the second district of Diadema can have lunch in Schuler’s works canteen. Up to 150 meals are served every month.

In the field of health, pupils of the Antonio Branco Rodrigues school have the possibility to have their eyes tested twice a year. Schuler pays for the tests. The company’s employees are also involved and make generous donations to buy glasses for the children.

In the “winter campaign”, staff donate warm clothes which are distributed to those needing help in the local community.

21 teenagers of the “CAMP” project receive a monthly scholarship from Schuler, as well as meals and

In 2002, Schuler launched its own bio farm on the company’s premises. Staff from the Lar Mamãe Clory charity, which helps children and adolescents

in the city's poor quarters, grow fruit and vegetables here. The monthly crop is cooked in Schuler's canteen and sold to employees. All proceeds go to the charity.

At Easter and Christmas, Prensas Schuler donates gift packages and food hampers to disadvantaged children and families.



Library for Xiuyan

A team of ten employees from Schuler in Shanghai, China, helped build a library for an elementary school in the Xiuyan province. As there is a lack of reading material – especially outside the books used in class – Schuler donated around 700 books. The pupils also received new school satchels with exercise books and writing utensils, as well as raincoats, umbrellas, and sports goods. The 99 schoolchildren thanked the donors with a traditional dance.



Our facility in China supports an elementary school in Xiuyan by providing a library and new school materials.



Around 320 scholarship recipients have been supported since the Louis Schuler Fund was founded almost 50 years ago.

Louis Schuler Fund

Since the foundation of the Louis Schuler Fund in 1967, Schuler has been helping future graduates of technical degree courses by providing them with scholarships. In addition to this financial support, Schuler organizes regular meetings for the scholarship recipients to meet those responsible for the Fund. The focus here is on networking and technical discussions.

We also bestow the Louis Schuler Fund Award for exceptional achievements. Worth up to 300 euros, it honors the best theses at the University of Esslingen

in the field of MechatronicsPlus, Mechatronics/Precision and Microsystems Engineering, Mechatronics/Automation Technology, and Mechatronics/Electrical Engineering.

The best high school graduates in mathematics at Göppingen's seven high schools are also rewarded with the achievement award.

In addition, the Louis Schuler Fund supports specific university and college projects, as well as helping various educational institutes acquire modern equipment and technology.

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