



2013/2014

Sustainability report

Social commitment

Ecological awareness

Economic responsibility



Filling and Packaging – Worldwide



Dear Readers:

What do you think of when you hear the word „sustainability“? Maybe environmentally-friendly products, resource-saving production methods or ethical behavior and clear values. For us at KHS, sustainability means all this and much more – and is incidentally more than just a word. Sustainability is the constant driving force behind over 145 years of innovative strength at KHS and thus deeply rooted in our day-to-day activities.

Society has become more critical; it asks more questions and demands transparent information on the sustainable measures companies adopt. We welcome this development and are happy to meet this challenge. As an international company we assume responsibility for people and their natural surroundings and consider it our duty to practice environmental friendliness and social commitment in all aspects of our work.

We attach great value to maintaining honest, trusting relations with our customers, employees and suppliers. In implementing countless internal and external measures we wish to help strengthen these ties and make our own contribution to creating a present and future world that is worth living in.

With this, our first sustainability report, we are pleased to be able to give you some examples of the many ways we are committing ourselves to a more sustainable environment.

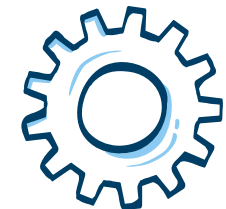
Best regards,

Prof. Dr.-Ing. Matthias Niemeyer
CEO of KHS GmbH

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Our vision

To lead on sustainability and set an example within the industry:

in actively assuming our social, ecological and economical responsibilities we are generating profitable growth and striving for technological and service leadership.

Our mission

It is our goal to do all in our power to create a better world – both today and tomorrow. KHS plans to achieve this by applying a triad of sustainable measures:

Social commitment

This area focuses primarily on our employees and their sense of well-being.

Through targeted further development we promote the potential of each and every individual, aiming to increase his or her motivation and satisfaction in the long term.

Our areas of focus:

- ✓ Health
- ✓ Occupational safety
- ✓ Advanced and further training
- ✓ Social responsibility

Ecological awareness

The protection of the environment and the sustainable use of natural resources are among our most important company objectives.

This is why we want to continue to significantly reduce our energy consumption and that of our products in the future.

Our areas of focus:

- ✓ Resource savings
- ✓ Environmental protection
- ✓ Sustainable products
- ✓ Employee sensitization

Economic responsibility

We aim to provide our customers both now and in the future with durable, top-quality products which prioritize man and the environment in equal measure.

We thus concentrate on developing innovative packaging systems.

Our areas of focus:

- ✓ Sustained growth
- ✓ Innovative systems for customers
- ✓ Standardization
- ✓ Lean manufacturing

Our sustainability management

Without a consistent and continuous system of sustainability management no company is able to meet the demands made by our society in this field. We have therefore increasingly focused on pushing this topic throughout the entire group in the past few years. This not only applies to production and assembly but also to many other areas, such as research and development, technology management (which has its own special sustainability department) and service.

We also opened an environmental and energy management unit in 2010 whose main task is to build up a fundamental system of sustainability

management for KHS and thus anchor this concept within the company in the long term by implementing a great number of different measures.

"It's always a number of small steps which results in success. Our job is to continuously question prevalent states in order to make permanent further improvements."

FLORIAN LERCHE
Head of Corporate Development at KHS GmbH



¹ see glossary on p. 37

Our sustainability management

"We back up our claims with certificates and the appropriate audits performed by neutral experts to also convince the general public of our values."

PROF. DR.-ING. MATTHIAS NIEMEYER
CEO of KHS GmbH

Our customers especially, both those with local and global responsibilities, have a strong interest in knowing which of their suppliers acts according to which values. For them, the issue of sustainability is a fixed feature in their corporate philosophy. It is thus all the more important that this is confirmed by independent institutes of renown. In this respect our certification is an extremely important hallmark of quality for both our customers and our personnel. It convincingly underlines KHS' far-sighted commitment to sustainability, human rights and the protection of the environment.



¹ see glossary on p. 37

² Small factory, doesn't have to have an audit carried out.

SEPTEMBER



Getting down to business

During the German Engineering Association or VDMA campaign we informed employees and interested parties at various in-house and external events about our extensive program of basic and further training.

SOCIAL COMMITMENT

Fit4KHS – a hearty welcome!

Sustainable employer branding: a workshop lasting several days eases new employee entry into the diverse world of KHS and promotes networking across the different departments and production sites.

NOVEMBER



TÜV certificate for KHS glass filler

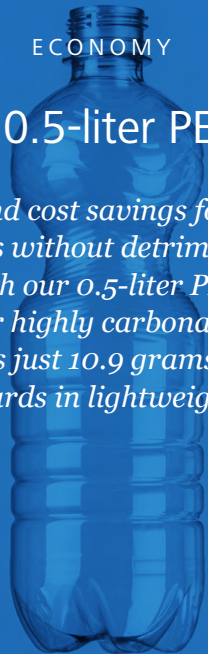
TÜV SÜD confirms the very low electricity and water consumption of our entire Innofill Glass series, measured by physically absolute requirements.

Our sustainability highlights in 2014

ECONOMY

Lightest 0.5-liter PET bottle

Resource and cost savings for beverage producers without detriment to the consumer: with our 0.5-liter PET bottle with a screw cap for highly carbonated beverages, which weighs just 10.9 grams, we set new standards in lightweighting.



NOVEMBER



German Packaging Award

Last November our Direct Print and Nature MultiPack™ innovations were presented with the coveted prize for sustainable ideas as a joint concept.

ECOLOGY

Innovative packaging system

In Nature MultiPack™ we have developed a system which sticks PET bottles together with dots of adhesive, thus reducing the amount of packaging materials required.



About KHS

As an internationally successful company we focus on clear values: reliability, a sense of responsibility and ethical behavior in all areas of our work.

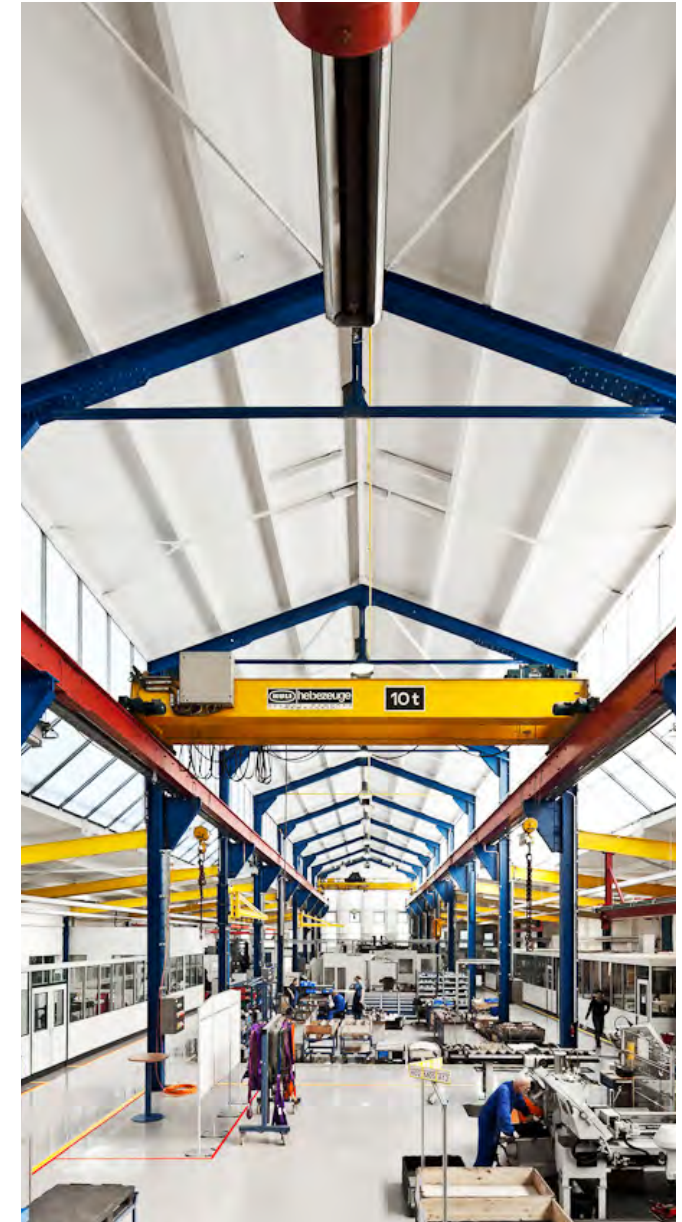
KHS is a leading international manufacturer of filling and packaging systems for the beverage and food industries. In 1868 Karl Kappert and Louis Holstein founded the company in Dortmund, Germany, driven by the vision of being the first to build filling systems for what was then the new 'invention' of bottled beer. Their far-sighted goals were even then based on the desire for excellence and top performance. The ambition and innovative spirit that marked the company's formative years still drive us today and form the pillars of KHS' success.

At five plants within Germany, as a subsidiary of Salzgitter AG KHS develops and manufactures the full range of filling and packaging machines. Outside Germany we operate production facilities in the USA, Mexico, Brazil, India and China. With our reliable and highly efficient products and worldwide on-site service, available 24/7, KHS achieved a turnover of over €1 billion in 2014.

Each and every day our over 4,600 employees¹ ensure that our customers can rely on us. For their satisfaction is our top priority and one we identify ourselves with every single day, with us in every new development we make. We do everything to make sure that KHS customers are ready to meet the demands of tomorrow today. This is why we think with a view to the future and focus on sustainable, intelligent systems.

 [Read more about KHS](#)

¹ KHS Group within the Salzgitter consolidation





Social commitment

The further training and development of our employees and potential young professionals form a composite part of our sustainability strategy.



3,182

employees



468

women



251

apprentices and trainees



47

nationalities



44 : 22

Average age of the core workforce vs. apprentices/trainees in years



17

Average years of service with the company in years



Our focus: further training and development

Our employees are the heart of our company. With our numerous further training and development programs we therefore do all we can to make them feel comfortable at our company, enabling them to unfold their true potential.

The innovative systems we have been developing for our customers for many years form one major pillar of our success. Without the day-to-day commitment and willingness to perform of the people who work for KHS, these systems would simply not be possible. Well-trained, motivated personnel are of inestimable value to us. This is why their continuous development and advance is an essential part of our corporate strategy. Together with our parent company Salzgitter AG we have been running successful, mutually devised courses of basic and further training for many years, constantly further developing these areas.

The portfolio ranges from initial training on a certain topic to management lectures and the TOP program. Our specialist, methodical yet personal further training and development measures are geared towards everybody – from beginners to experts and top managers.

Our focus: further training and development

256

further training courses in house

396

personnel development measures

1,315

trained employees

	Initial situation	Status quo	Goal for 2020
Personnel development	Our personnel development measures used to be more or less demand oriented and primarily covered the technical aspects of our work.	Our current personnel development program is now supply oriented and derived from our corporate strategy goals. In addition, it not only caters for various specialist topics but also focuses on interdisciplinary areas and soft skills.	For the future we are aiming for an even more proactive interlacing of corporate strategy and personnel development measures in order to give our employees the best possible support.
Recruiting and developing junior employees	In 2012 trainee programs for the systematic development of junior personnel were introduced for university graduates and skilled workers.	At present we have already successfully established individual trainee concepts for university graduates (Engineer4Future) and skilled workers (Fit4Commissioning).	By 2020 we will be offering more trainee programs, thus building up our position on the labor market for graduates and trainees.
Training	In the past industrial technical training courses had more of a national focus and thus chiefly catered for requirements at our German production sites.	As we are continuing to strive towards an even higher degree of internationalization, we have extended our KHS training courses to include various international components, such as visiting installation sites outside Germany.	We want to continue to further our global commitment. To this end we are consistently reworking and standardizing our international training concepts at all of our plants worldwide.

Personnel development measures

In order to realize our vision we need qualified, motivated and committed employees both now and in the future. The continuous encouragement of young talent and targeted personnel development are thus a core issue at KHS.

We consider the promotion of young people an essential corporate responsibility and have thus been involved in the Girls' and Boys' Day for many years now. As part of this scheme school students not only have the chance to visit our factories but also to actively participate at KHS on a regular basis. One skill they have recently been able to practice is to make a smartphone holder out of steel. Another important target group for KHS are potential young professionals who are just about to choose their career path or course of study. In order to show them the perspectives KHS can offer them, we work with over 20 national and international colleges and universities and have introduced various promotional programs for apprentices and trainees within the company.

Efficient personnel development

Innovations evolve where expertise and creativity converge – in the heads of the people who work for KHS all over the world. Specially trained expert personnel make a difference, whether at a basic or advanced level, giving us the edge over our competitors and securing our company success in the long term. As a result, the individual development of our personnel is of great significance at KHS.

It is important to us that we give our employees a sense of perspective, both personally and professionally. We thus offer them a wide range of courses as part of our KHS campus in-house program of further training. This covers many topics, from IT and engineering through sales and service to language courses, methodology and leadership.



 [Read more on the subject here](#)

Occupational safety

The safety of our employees always comes first for us at KHS. In order to minimize the risk of accidents at work we believe in constantly heightening awareness of this important topic above all else.



Safety at work is a matter of thought

We want to encourage the safety awareness of all of our KHS employees in the long term. We do this by launching preventive measures such as the Safety at work is a matter of thought campaign, for example. Regular training courses and briefings are also held at all KHS production sites on the subject so that our lines and machines are among the safest in the world – both now and in the future.

As another important step our Executive Management Board has passed a uniform guideline on occupational health and safety which has been communicated to the entire Group. The guideline covers aspects of the KHS safety policy and emphasizes its obligation to the well-being of all KHS and customer employees who operate our machines.

Systematic occupational health and safety management

KHS GmbH's occupational health and safety management system conforms with the most modern standards; our company has been certified according to the internationally recognized OHSAS 18001 standard since 2010. This standard focuses on the protection of people, occupational safety and health care. In granting us this certification external auditors testify that we meet the high requirements of the safety standard and operate an effective system of occupational health and safety management. This is also regularly confirmed by technical supervisors from the Trade Association of Metal and Wood Manufacturers on their visits to our factories. In order to encourage our employees to identify themselves more strongly and motivate them to address the subject of safety at work we want to involve all management levels in our occupational health and safety processes. It is thus standard practice at all of our plants that instructions are issued in an exemplary manner by management personnel.

.....
*»Solidarity is of the utmost importance
– both in your private and working
life. For you can only achieve a com-
mon goal with a strong team, in
which each person can unfold his or
her personal potential.«*
.....

Detlef Hirse
Industrial mechanic,
youth soccer coach and
part of KHS for eight years



Health

The demands of everyday life are becoming increasingly more complex – both at work and at home. This is why we support our employees with various courses and campaigns run as part of our company's health management program.



In order to be able to master our daily challenges in the long term, we need a fit, motivated and efficient team. At the beginning of 2012 we thus launched a company health management program as a fixed feature of our corporate organizational structure. Able to choose from a number of suggestions for the program motto and logo, our employees opted for KHS fit & active. Under this title we offer a full range of measures which all have a common goal: the responsible treatment of mind, body and soul to fortify our employees' health and further improve their sense of well-being in the workplace.

Courses and campaigns

We wish to cover a wide range of topics in the program. We therefore work in close cooperation with our partner Praeveno, among others. Further partners include – in particular – Caritas and the BKK Vital and Barmer GEK health insurance companies. Together we offer a number of seminars on topics which include the work/life balance (for all management levels), healthy leadership or stress and time management. We also work with local fitness studios, organize and take part in sports events and offer a balanced selection of dishes in our works canteens.





Social benefits

We want our employees to feel good whatever the situation. We thus offer them a positive working environment, attractive additional benefits and performance-oriented remuneration.

Our success is based on us employing satisfied and motivated people who like working for us. We therefore endeavor to provide a pleasant, friendly working atmosphere and act towards our employees in a social and responsible manner.

To this end we have long offered various flextime models and measures which take company framework conditions into account yet are tailored to suit the personal requirements of the individual.

Work/life balance – for us, more than just a phrase.

For our employees on parental leave it goes without saying that they can attend information days and further training events during this time to make their return to work as smooth as possible. At the end of their leave we ensure that they can achieve a good

balance between family and work by offering flexible working hours.

Fair salary and a safe pension.

All of our employees, whether on the regular pay scale or not, receive a fair and attractive salary. In addition, extraordinary performance is rewarded by a variable pay element.

So that our personnel are optimally provided for when they grow older, they can make their own contribution to their later financial situation through our company pension program. Here, a percentage of their salary is invested in payments for later retirement – which we then add to.

Compliance – Code of Conduct

As a company operating worldwide, we are characterized by great cultural diversity. With a view to our social responsibilities we find it extremely important that we specify a common system of values and basic principles. We have thus established a system of compliance management.

Our Code of Conduct defines minimum standards throughout the company and applies to all of our personnel and governing bodies. The Code aims to create a working environment that is distinguished by integrity, respect and fair, responsible behavior. The following statements form the core of our Code of Conduct:

- ✓ Observation of applicable laws
- ✓ Fair competition
- ✓ Condemnation of corruption
- ✓ Avoidance of conflicts of interest
- ✓ Fair working conditions
- ✓ Loyal and transparent reporting
- ✓ Safety and protection of the environment
- ✓ Duty of confidentiality
- ✓ Protection of data privacy
- ✓ Internal organization for the adherence to and implementation of the Code of Conduct

 You can find the full KHS Code of Conduct on our website.



Compliance – Supplier Code of Conduct

Based on our vision and our Code of Conduct we have drawn up a Supplier Code of Conduct that also obligates our suppliers to preserve and respect human rights and laws.

As a global company we are also suppliers to our customers. Accordingly, fair treatment of our customers comes first. We of course also expect this of our suppliers. Our Supplier Code of Conduct is thus obligatory for all suppliers to the KHS Group. The following statements form the core thereof:

Legality and integrity

- ✓ Compliance with applicable laws as a minimum standard
- ✓ Condemnation of any form of corruption
- ✓ Respect for cartel law
- ✓ Export control guaranteed
- ✓ Compliance with anti-money laundering laws
- ✓ Protection of secrecy and data privacy

Human rights and working conditions

- ✓ Respect freedom of association
- ✓ Adherence to working hours
- ✓ Fair wages
- ✓ No child labor
- ✓ No forced labor
- ✓ No discrimination

Environmental and climate protection/energy/natural resources

- ✓ Environmental provisions
- ✓ Sustainability
- ✓ Energy
- ✓ Climate protection

Occupational health and safety

- ✓ Safe and healthy work
- ✓ Accident prevention

Monitoring/adherence/control/audits

We subject ourselves to internal and external audits in order to ensure the supply chain in the long term and improve it.

We expect our suppliers to cooperate with this in a suitable manner.

We appreciate it if suppliers have their management systems certified as KHS does and can prove this to KHS.

We also reserve the right to take random samples at suppliers.

 You can find the full KHS Supplier Code of Conduct on our website.



Ecological awareness

The protection of the environment and sustainability when using natural resources are among our most important company objectives.

Select key figures

	2012	2013	2014
Electricity consumption per €m turnover [MWh/€m]	28.9	28.1	24.5
Gas consumption per €m turnover [MWh/€m]	32.3	34.7	23.4
Heating required per day heated and °C temperature difference [kWh/d/ΔT]	1,413.8	1,391.7	1,168.0
Total consumption ¹ per €m turnover [MWh/€m]	65.4	66.9	51.6
Water consumption per €m turnover [m ³ /€m]	69.1	72.4	63.8
Diesel consumption per 100 km [l/100 km]	6.7	6.5	5.8
Amount of waste per €m turnover [t/€m]	5.7	6.7	6.1
CO ₂ emissions per €m turnover [t/€m]	25.1	25.0	20.4



15%

less electricity consumed



28%

less gas consumed



19%

fewer CO₂ emissions

Explanation of our key figures:

In order to provide informative and comparable ecological key figures we have decided to quote our turnover² as a reference value as this can be recorded with the greatest accuracy. We have included the figures for diesel consumption per 100 km mileage as these most clearly demonstrate changes in employee behavior or the use of more efficient engines.

¹ Gas, heating oil, electricity ² Turnover at all German plants



Our focus: to reduce our energy consumption

We also want to optimize our use of energy and resources in all areas in the future and thus make our own contribution to the protection of the environment.

As an international industrial company we consider it our duty to practice environmental friendliness and to continuously monitor and improve our processes to this end. The sustainable use of natural resources is of major relevance to us. The figures for the last three years prove that our countless internal and external measures have already had a positive effect on our consumption levels. We therefore wish to continue to focus on making a further significant reduction in our use of energy in the future, too.

During the process for ISO 14001 environmental management and ISO 50001 energy management certification we drew up a comprehensive list of ideas and measures which we are continuously further developing. For us, this list also acts as a knowledge database which all German production sites can access and profit from in relation to their own work processes. Our measures will help us to achieve our strategic objectives for 2020. Our environmental and energy teams at the individual plants and the environmental and energy management officers are responsible for monitoring these. You will find a summary of our goals for 2020 and our progress on the following pages.

Our focus: to reduce our energy consumption

79,000 kWh/a

energy saved through reconstruction of the laser systems

90 %

energy saved through replacement of high-energy illuminants in the outside lighting

75,000 kWh/a

saved in pump power and

3,000 m³

water saved through replacement of the cooling system in an office building

	Status quo*	Target for 2020*
Electricity consumption	-4.47 % 17,174,960 kWh	-9.70 %
Gas consumption	-17.74 % 15,625,616 kWh	-7.60 %
Water consumption	+4.77 % ¹ 42,622 m ³	-4.50 %
Diesel consumption by vehicle fleet	-9.33 % 7,247,919 kWh	-25 %

 Target already reached - but we're carrying on!

* Percentages refer to basis year 2012

¹ Increase in water consumption caused by the much improved order situation and thus greater deployment of personnel in the last year.



*»I have to use my resources well
to successfully reach my target.«*

Christine Fu

Executive sales assistant for KHS Shanghai, likes to spend her free time doing sport outdoors, part of KHS for two years

Team task: protection of the environment

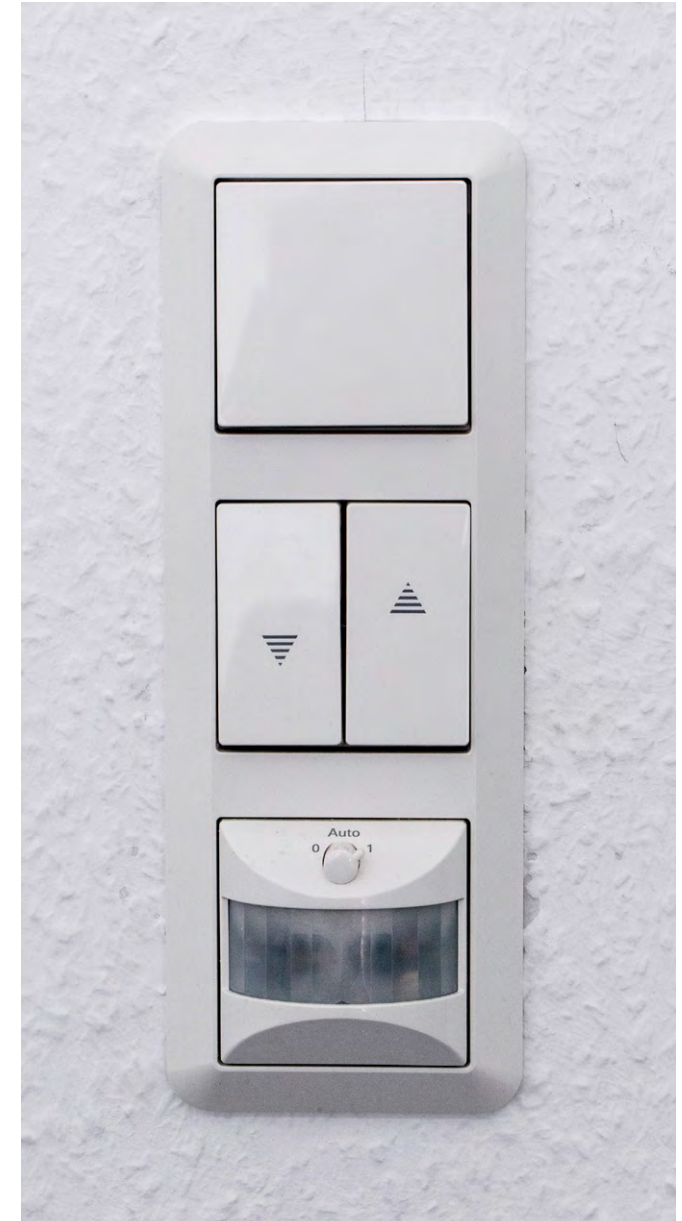
You can only reach an ambitious target if you work together. This is why we find it important that the economical and sustainable use of resources is part of everyday life for the people at KHS.

As a corporate citizen it is our responsibility to help make the world a better place both now and in the future. As many of the aspects relevant to the saving of energy and the protection of the environment, such as our electricity consumption, heating requirements, treatment of hazardous materials and waste management, are heavily dependent on each and every one of us, we rely on our employees support.

Employee sensitization a fundamental requirement

Switching off lights and appliances at the end of the day, separating waste, printing paper on both sides, holding phone and video conferences instead of making business trips: the list of possible savings is long. So that everyone knows how he or she can be more environmentally friendly at work, our Energy and Environmental Management Department continuously issues extensive information on this subject. We have made it our job to heighten employee awareness of this subject and to show that even small measures can have a big impact.

Our Energy and Environmental Management Department has a large section on the KHS Intranet which is regularly updated in an attempt to reach out to all of our personnel and underline our commitment in this field. Last year the team also published an internal energy and environment guide and staged courses as part of the annual issuing of safety instructions to all employees. Further channels, such as the info screens at various sites, are also used to report on current projects and measures. This makes the subject readily available to all of our personnel – and sustainable, as it becomes part of everybody's day-to-day working life.



Our sustainability days

We practice sustainability – which is why we began staging our own sustainability days in the fall of 2014. At such events we present our employees with an entertaining, informative and diverse range of activities.

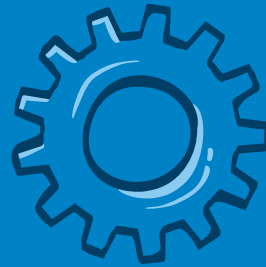
At our sustainability days we provide our personnel with various information and advice on safety at work, health, energy and the environment. The aim of these events is:

- ✓ to sensitize our employees to the subject of sustainability;
- ✓ to make sustainability visible and thus accentuate the value and significance it holds for our company and also for people's private lives;
- ✓ to present the various aspects of sustainability – such as occupational health and safety, energy and the environment – not just separately but show how they are partially dependent on one another;
- ✓ to show how people can personally influence processes for more sustainability.

Our first sustainability days took place in September 2014 at our production sites in Bad Kreuznach and Worms, Germany. Further events are already being planned as a future fixed component of our corporate philosophy.



The program not only included talks on instant relaxation during the working day, healthy work/life management and information on how to save energy but also tackled a number of practical topics. These included test driving a Ford electric car, practicing putting out fires and learning how to use a defibrillator properly.



Economic responsibility

*What drives us every day:
technological, innovative and service
leadership, with the aim of creating
clear extra value for our customers.*



Our focus: Innovations

We aim to develop sustainable and innovative system solutions which are especially efficient and powerful based on diverse ecological and economic criteria.

We see ourselves as innovative drivers in the service of our customers. We support them as a trusted partner for their success with new and further future-proof developments. First and foremost, it is our employees who support and practice this claim every day. Each of them has the opportunity to submit his or her ideas as part of an improvement management scheme. This enables improvements to the ergonomics, decreases in noise levels or reductions in the amount of chemicals used to be made at the product development stage, for example. These plus points are also of increasing relevance when submitting our machinery for certification; we are especially pleased that TÜV SÜD has again recently certified various developments according to the EME standard. These include the gas-powered eco shrink tunnel for the environmentally-friendly processing of various shrink packs and the AirbackPlus system for the intelligent recycling of used blow air in the PET stretch blow molding process, for instance. Our most recent success is the seal we have received for the entire Innofill Glass series for its especially energy-efficient system technology. As part of a Federal Ministry of Education and Research project named Rebas we also recently developed a process whereby we minimize energy consumption by regulating and controlling filling systems for returnable glass bottles. This process is already being successfully implemented in existing lines in various customer projects.



Award-winning machine design

In order to create systems which benefit both our customers and the environment, we are continuously further developing our lines and machines. With our ClearLine design, launched in 2013, we again erected an important milestone within the industry. The concept fully meets various aesthetic, tactile and ergonomic specifications, with the focus on the simplification of functions and a reduction in parts, among other concerns. This improves clarity, cuts down on the assembly and cleaning effort and optimizes the hygienic design. ClearLine also impressed the German Design Council in 2014 – the official jury of the German Design Award. KHS won the coveted prize for its machine concept, which also includes the HMI machine operating system developed in conjunction with the Fraunhofer IAO in 2009 and winner of the red dot design award.

Sustainable products

We measure our performance by the satisfaction of our customers. Their demand for future-proof systems thus accompanies us through each new development.

We at KHS are especially proud of the trusting relationship we have with our customers. We are often linked by such partnerships for many years. Wernesgrüner Brauerei is one such example. Firstly, the traditional brewery is making a clear statement regarding far-sighted, sustainable filling in using our TÜV-certified Innofill Glass DRS-ZMS glass bottling machine. Secondly, a combined heat and power plant directly coupled with the line gives the company perfect heat and power generation and increases the total efficiency of the primary energy used to more than 85% compared to the usual yield of around 45%.



„A total efficiency of the primary energy used of over 85%: you can imagine just how much interest this system is generating in the brewing sector.“

DR. MARC KUSCHE
Managing director of Wernesgrüner Brewery

 You can find further customer references here.

Pioneering PET bottle design

From the initial sketch of the packaging to the finished product at the point of sale, our Bottles & Shapes™ consultancy concept optimizes materials and energy consumption and maintains the balance between product quality and economy.

The market is increasingly demanding packaging which is gentle on materials, energy and the product yet can be individually tailored to the specific content and brand. In using our Bottles & Shapes™ consultancy and service program customers opt for future-proof, sustainable production which also gives them a high degree of container flexibility and process optimization. Thanks to our wealth of expertise, if required we can make existing bottles lighter while still retaining their stability. What is known as lightweighting provides a range of convincing benefits as it positively affects both investment costs and the use of energy and resources, the latter for production and shipping, for instance. This is also demonstrated by our recently developed 0.5-liter lightweight PET bottle with a screw cap for highly carbonated beverages; it weighs just 10.9 grams, has proved itself in practice and is, like all PET bottles, fully recyclable.



Valuable products perfectly packaged

Our all-round service covers the entire design process right up to the finished bottle. Here, our focus is always to provide the perfect look and feel, savings potential and efficient production. We also have the right option for sensitive products: our innovative FreshSafe PET® technology which coats the inside of the PET bottle with a protective layer of silicon oxide (ultra-thin, flexible pure glass). This prevents oxygen and other substances from getting into the container and gaseous ingredients, particularly carbon dioxide and flavorings, from getting out.

Our customers benefit from optimum product protection, unadulterated taste and a high-quality, crystal-clear form of packaging which is just as non-breakable as standard PET bottles. Our coated bottles are also 100% recyclable.



Read more about FreshSafe-PET®



A strong team

We have been actively involved in a number of industrial associations for many years to promote the continuous transfer of knowledge within the sector and achieve a higher level of acceptance for new developments.

The demands of our day and age can only be satisfied by top technology and technical innovation; the machine construction and engineering sector already has the right equipment to this end. Through organization in and membership of associations such as the VDMA, ABMI, EHEDG and ZVEI we ensure that we also contribute to a sustainable quality of life for everyone in the future, too.

More responsibility, fewer resources

As a long-term member of the German Engineering Association (VDMA) we have been supporting the Blue Competence sustainability initiative since 2012. In applying verifiable criteria this brand distinguishes members, participants and partners as suppliers of environmentally-friendly, low-energy, resource-efficient and market-oriented systems. Together with Kronos AG and Sidel International AG we have founded the Association of the Beverage Machinery Industry

(ABMI). The association gives European manufacturers of filling and packaging machines the opportunity to exchange information and promotes high standards of quality and sustainable methods of production. We are also a member of EHEDG. The European Hygienic Engineering and Design Group was founded in 1989 for the purpose of increasing the awareness for hygiene in the processing and packing of food products. Its main task is to contribute to hygiene-compliant construction and design in all areas of food production and thereby ensure safe production of food products.

With our membership of ZVEI, the Central Association for the Electrical and Electronics Industry, we are actively involved in Industry 4.0 and are helping to create general conditions for growth within the industry. Our involvement in the aforementioned associations serves the purpose of providing top-quality, environmentally-friendly plant engineering to meet the increasing demand for packaging systems which are as gentle on the environment as possible.

Production: lean manufacturing

In order to protect the environment and cut costs, we are constantly optimizing our production processes.

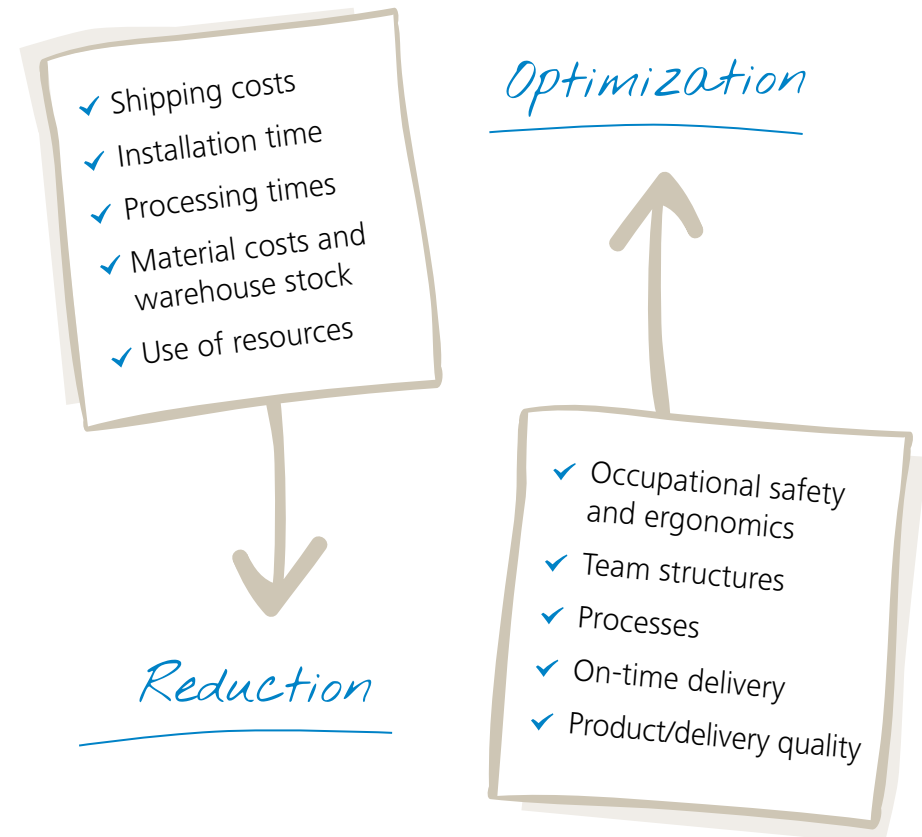
Our goal for production is to streamline processes at all of our production sites through standardization and flow production. Our optimization projects in 2014 included, among others, three detailed potential analyses in Dortmund and an entire site concept for the factory in Bad Kreuznach. We also have four other projects currently underway at our plants in Dortmund, Bad Kreuznach and Worms.

In addition, we are continuously working on the internationalization of our KHSps production system. This encompasses and describes the most important processes assigned to production in a systematic and standardized form, thus generating transparent and binding standards. KHSps is a result-oriented, economic production system with six initiatives:

- ✓ Management and KPI management
- ✓ Personnel system/teamwork
- ✓ Quality systems
- ✓ Material systems
- ✓ Methods of improvement
- ✓ Energy and the environment

In 2014 over 50 work system courses were held to this end at all of our German production sites. Triggered by a full redesign of our packaging machines, which are to be modularized and standardized, all non-German plants have been audited and individual plans of action drawn up for the future.

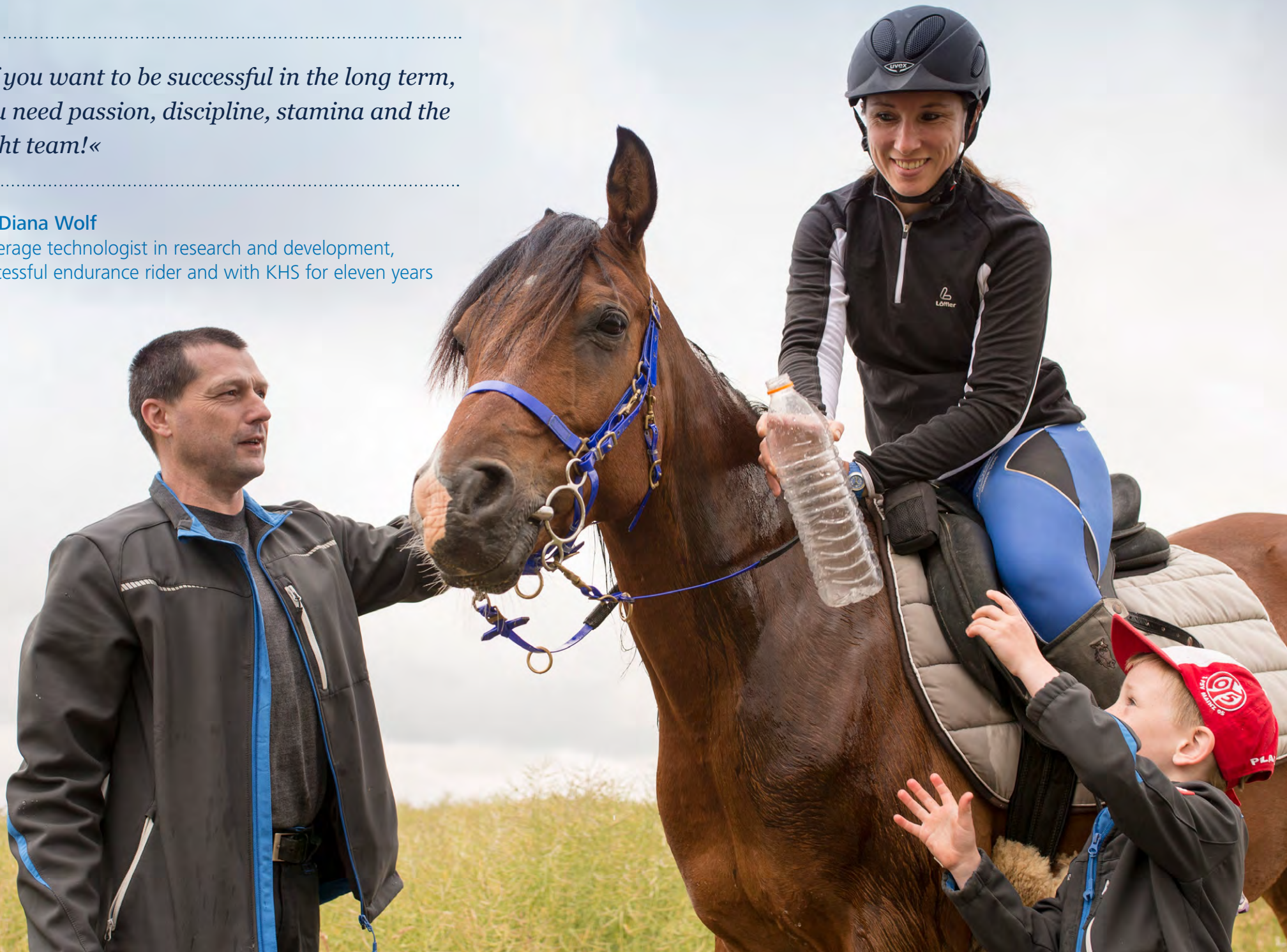
Aim of our measures:



*»If you want to be successful in the long term,
you need passion, discipline, stamina and the
right team!«*

Dr. Diana Wolf

Beverage technologist in research and development,
successful endurance rider and with KHS for eleven years



Regional site responsibility

We operate production sites in Germany, Brazil, China, India, Mexico and the USA. It is therefore important that we adhere to internationally valid ethical principles and protect the environment at each location.

We accept responsibility for people and their natural surroundings. We thus constantly also ask ourselves what we can do at each and every one of our plants for our customers, our personnel and – last but not least – for the local environment.

Ethical audits for our international production sites

In order to ensure that our high sustainability requirements are met and actively practiced at all our locations, we have our production sites certified according to the internationally recognized SMETA or Sedex Members Ethical Trade Audit. During this process an external, independent auditor inspects the working conditions, occupational health and safety and environmentally-friendly production in particular at each KHS site by visiting the factories and holding individual and group interviews with employees and the human resources department. The resulting audit reports are then published on the Sedex database which customers can access to assure themselves that our production sites are run in full accordance with ethical principles.

ÖKOPROFIT

The responsible handling of regional resources holds top priority for us. The renowned ÖKOPROFIT seal (ecological project for integrated environmental technology), which has already been awarded to many of our factories, underlines this commitment. Participants are trained and advised by external experts on energy, water consumption, waste and hazardous materials in order to obtain the seal.





The key figures at a glance¹

	2013	2014		2013	2014
Employees	3,101	3,182	Electricity consumption per €m turnover [MWh/€m]	28.1	24.5
Women	471	468	Gas consumption per €m turnover [MWh/€m]	34.7	23.4
Apprentices and trainees	205	234	CO ₂ emissions per €m turnover [t/€m]	1,391.7	1,168.0
Average age of the core workforce in years	44	44	Water consumption per €m turnover [m ³ /€m]	72.4	63.8
Average age of apprentices and trainees in years	23	22	Amount of waste per €m turnover [t/€m]	6.7	6.1
Average years of service with the company in years	15	17	Turnover (KHS Group) in €m	1,018	1,077
			EBIT (KHS Group) in €m	10.6	15.8

¹ Figures refer to the KHS sites in Germany

Glossary

ISO 14001

This standard forms an internationally accepted basis for the creation of environmental management systems.

ISO 50001

This international standard stipulates requirements for the use of an energy management system.

ISO 9001

This standard is the most common and most significant standard for quality management (QM) both nationally and internationally.

ÖKOPROFIT

ÖKOPROFIT is a modular consultancy and qualification program which supports companies of all kinds and sizes in the introduction and improvement of a corporate environmental management system.

OHSAS

With a currency in over 80 countries OHSAS (Occupational Health and Safety Assessment Series) 18001 is one of the best-known standards for occupational health and safety management systems in the world.

SMETA

SMETA stands for Sedex Members Ethical Trade Audit. Sedex (Supplier Ethical Data Exchange) is an ethical database known throughout the world.

Links

About KHS

p. 9: <http://www.khs.com/en/company.html>

Social commitment

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Economic responsibility

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In the future the KHS sustainability report will be published every two years and contain information on key figures, measures, milestones and developments.