

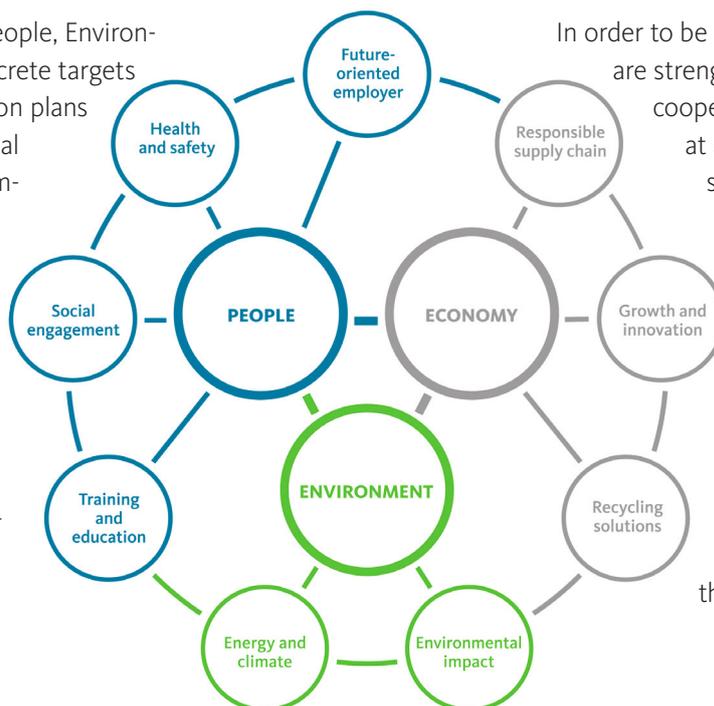
# Sustainability Strategy 2018-2023



Energieberg Georgswerder, Hamburg

For Aurubis, responsible corporate governance is an integral contribution to securing the company’s future. The Sustainability Strategy for 2018 to 2023 creates the framework for this. It is a component of the Group strategy and follows the mission of responsibly transforming raw materials into value to provide metals for an innovative world.

Based on the pillars of People, Environment, and Economy, concrete targets were developed and action plans were devised for individual areas. This allows the company’s sustainable development to be measured and controlled. Aurubis has systematically structured and expanded its sustainability activities in the past several years – from sustainability reporting to the development of the first Sustainability Strategy in 2013.



In order to be equipped for the future, we are strengthening the good, close cooperation among employees at all of our sites. Within the scope of the current Group strategy, multi-metal recycling is also being expanded – for an even greater contribution to the circular economy. Aurubis advocates for its own high standards in social and environmental issues, as well as anti-corruption, to apply outside of the plant boundaries as well.

## About Aurubis

Aurubis AG is a leading global provider of non-ferrous metals and the largest copper recycler worldwide. The company processes complex metal concentrates, scrap metals, and metal-bearing recycling materials into metals of the highest quality.

Its main area of expertise is the processing and optimal recovery of concentrates and recycling raw materials with complex qualities. With its range of services, Aurubis is a forerunner in the industry. The group of companies is oriented towards growth, efficiency, and sustainability: The main components of the strategy are the expansion of the leading market position as an integrated copper producer, entering new markets in industries of the future, the highly efficient and optimal recovery of additional metals and by-products from complex raw materials, and practicing a responsible attitude when dealing with people, resources, and the environment.

Aurubis produces more than 1 million t of copper cathodes annually, and from them a variety of copper products such as wire rod, continuous cast shapes, rolled products, and strip, as well as specialty wire and profiles made of copper and copper alloys. Precious metals,

selenium, lead, nickel, and a number of other products such as sulfuric acid and iron silicate also belong to the product portfolio.

Aurubis has about 6,500 employees, production sites in Europe and the US, and an extensive service and distribution system in Europe, Asia, and North America.

Aurubis' customers include companies in the copper semis industry, the electrical, electronics, and chemical industries, as well as suppliers of the renewable energies, construction, and automotive sectors.

Aurubis shares are part of the Prime Standard Segment of the German Stock Exchange and are listed in the MDAX, the Global Challenges Index (GCX), and the STOXX Europe 600.

### Ratings and rankings:

(examples)

CDP Climate Change 2017: B

oekom Corporate Rating 2017: B-

EcoVadis 2018: Gold Status

### Sustainability at Aurubis means:

- » treating the environment and limited natural resources with care.
- » exhibiting responsibility towards our employees, suppliers, customers, and neighbors.
- » securing long-term company success with responsible business practices and stable growth.

## Your contacts

### Kirsten Kück

Sustainability Manager

Phone: +49 40 7883-3270

k.kueck@aurubis.com

### Nienke Berger

Sustainability Officer

Phone: +49 40 7883-2231

n.berger@aurubis.com

Additional information: [aurubis.com/sustainabilitystrategy](https://aurubis.com/sustainabilitystrategy)

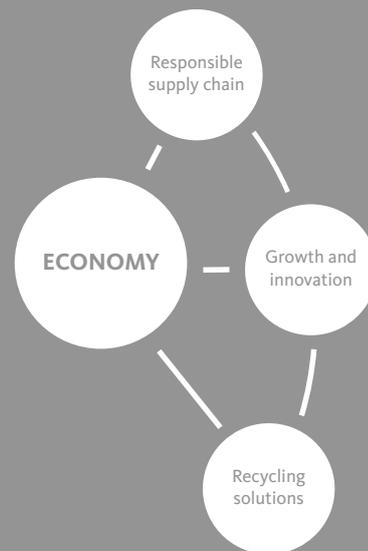
Photos: Aurubis AG, Andrés Lin

# Sustainability Strategy 2018-2023

## Economy: Growing responsibly – securing the future

Aurubis is expanding its multi-metal business and is continuing to enhance the processing of complex raw materials by further developing its processing capabilities. Consequently, investments are being made in multi-metal recycling that make a significant contribution to the circular economy and to conserving natural resources.

Aurubis assumes responsibility toward employees, suppliers, customers, and neighbors – on the plant premises, as well as the in areas surrounding the Group sites and in the communities in which Aurubis does business.



### Key action areas in detail

#### Growth and innovation

We have set the target of growing in the processing of complex raw materials. This will increase the importance of metals apart from copper in Aurubis' portfolio.

##### Key measures:

- » Developing and implementing innovative metallurgical processes with which we can expand our raw material base, among other things
- » Establishing new sales channels for metals with strong demand growth
- » Sustainably successful implementation of the efficiency enhancement program

##### KPIs:

- » Sales of metals apart from copper: 100 % growth by FY\* 2022/23 (base FY: 2016/17)
- » Improvement in earnings: project success of € 200 million by FY 2019/20 (base FY: 2014/15)
- » Return on capital employed (ROCE): 15 % target

\*FY = fiscal year  
Our fiscal year starts on October 1 and ends on september 30.

## Recycling solutions

We have set the target of using a larger volume of complex secondary raw materials in addition to copper raw materials, extracting many metals apart from copper in order to make these metals useful for society.

### Key measures:

- » Increasing the volume of complex recycling materials sourced
- » Establishing and developing “closing-the-loop” systems as a result of new or intensified cooperation with original equipment manufacturers (OEMs), retailers, or copper product customers
- » Analyzing market conditions and future opportunities for sustainable products (think tank for metals, products, and services)

### KPIs:

- » Direct sourcing of complex recycling materials from collection points: 100 % volume growth by FY 2022/23 (base FY: 2016/17)
- » Number of “closing-the-loop” systems with direct and indirect product customers from the metal value chain: target increase of at least 10 by 2022/23 (base FY: 2017/18)

## Responsible supply chain

We have set the target of continuing to manage our supply chains responsibly.

In the process, we will take impacts on the social environment, the natural environment, and economic aspects into account.

### Key measures:

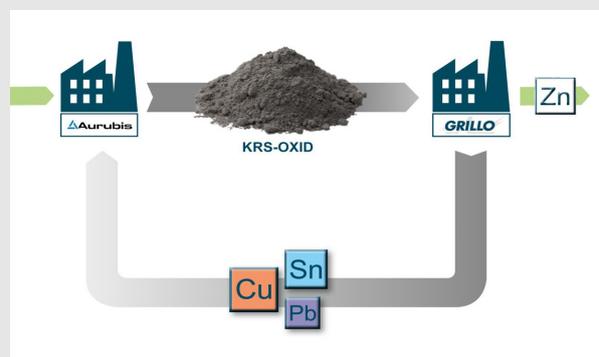
- » Introducing the Aurubis Business Partner Code of Conduct across the Group (by FY 2018/19)
- » Implementing Aurubis Business Partner Screening across the Group (by FY 2020/21)
- » Including human rights, environmental protection, and safety clauses in supply contracts for primary raw materials (by FY 2022/23)
- » Identifying a suitable sector solution

### KPIs:

- » Percentage of contracts with primary raw material suppliers including a human rights clause: 100 % target by FY 2022/23 (base FY: 2016/17; base percentage > 80 %)

## Closing the loop – Aurubis and Grillo’s shared material cycle

Together with the specialist for zinc and sulfur Grillo Werke AG, Aurubis has developed a seamless material cycle for copper, zinc, and other valuable metals. The project enables the reuse and continued use of materials through a direct route between the Aurubis recycling center in Lünen and the Grillo location in Duisburg. The cycle was awarded a prize in 2017 in the Responsible Care competition of the German Association of the Chemical Industry (VCI).



# Sustainability Strategy 2018-2023

## People: Promoting involvement – protecting health

As a future-oriented employer, Aurubis creates an environment for good, close cooperation and promotes involvement and creativity. This of course includes maintaining our employees' health and productivity and protecting them from accidents and illness. This applies equally to employees of external companies and visitors.

Aurubis' understanding of sustainability also comprises investments in employee qualifications.



### Key action areas in detail

#### Training and education

We have set the target of providing qualifications to our employees, continuously strengthening their skills, and promoting their development to ensure mutual success and motivation.

##### Key measures:

- » Regularly identifying qualification needs to expand project, process, and management expertise in a targeted way (by FY\* 2022/23)
- » Group-wide introduction of the Aurubis Operating System (AOS) pillar “training and education” (by FY 2022/23)
- » Ensuring group-wide knowledge management to identify, preserve, transfer, and enhance knowledge across functions (by FY 2022/23)

##### KPIs:

- » Training hours used for development measures: target of 18 hours per full-time employee and year by FY 2022/23
- » Employee participation in AOS: targets by FY 2022/23 (base FY: 2017/18)
  - » Inclusion of employees in pillar activities: target of > 90 %
  - » Inclusion of employees in the performance management system: target of > 90 %
  - » Active employee participation in improvement teams: target of > 20 %

\*FY = fiscal year  
Our fiscal year starts on October 1 and ends on september 30.

## Future-oriented employer

We have set the targets of creating a work environment for good, close cooperation and promoting involvement and creativity. We form a team that passionately works toward progress.

### Key measures:

- » Improving the “health” of the organization with strategically aligned HR instruments and services, as well as individual development tools
- » Regularly identifying employees’ needs with respect to working time arrangements
- » Developing a Diversity Policy

### KPIs:

- » Organizational Health Index
- » Diversity Index (age structure, international quality, percentage of female employees; index under development)

## Health and safety

We want to avoid work-related accidents, injuries, and illnesses (Vision Zero).

### Key measures:

- » Preparing all sites for the introduction of the ISO 45001 standard for occupational health and safety (by FY 2019/20)
- » Implementing Behavior-Based Safety across the Group (by FY 2020/21)

### KPIs:

- » LTIFR (Lost Time Injury Frequency Rate\*): target of  $\leq 1.0$  (by FY 2021/22)

\* Lost time of at least one full shift

## Societal engagement

We have set the target of contributing to a livable environment for future generations. In the process, we focus on areas of action that are linked with Aurubis’ key expertise. As a responsible, committed company, we want to promote enthusiasm for our company and for our work.

### Key measures:

- » Developing and implementing a strategy for societal engagement at Group level (by FY 2018/19)

## Sustainable training at Aurubis

Aurubis would like to advocate for sustainable development together with the employees at all sites. For this reason, the company has made this topic an integral part of vocational training in the Group. As part of Sustainability Week, our apprentices discuss the Sustainable Development Goals (SDGs) of the United Nations. Sustainability at Aurubis – an issue that extends well beyond the plant boundaries.

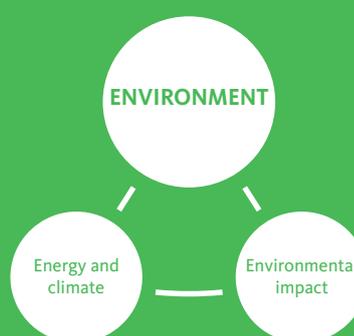


# Sustainability Strategy 2018-2023

Environment: Creating value – conserving the environment and the climate

As a multi-metal group, Aurubis assumes responsibility for protecting the environment and the climate. The efficient use of energy and the reduction of CO<sub>2</sub> emissions are an important part of the company's ecological and economic responsibility.

For all production sites and across all business processes, Aurubis places an emphasis on modern and energy-efficient plant technology that complies with high environmental standards. Aurubis views the value chain as a whole and strives to strike a balance between the economy, the environment, and people.



## Key action areas in detail

### Energy and climate

We have set the target of further increasing our energy efficiency and reducing CO<sub>2</sub> emissions wherever possible.

#### Key measures:

- » Introducing the ISO 50001 standard for energy management across the Group (by FY\* 2021/22)
- » Increasing flexibility in electricity purchasing
- » Energy efficiency projects (such as increased heat extraction for supplying district heating and internal company electricity projects)
- » Investigating processes and electricity consumption in relation to the German Climate Action Plan 2050 and analyzing the requirements for new investments (starting FY 2018/19)

#### KPIs:

- » More flexibility in electricity use: 10 % target by FY 2022/23
- » CO<sub>2</sub> emissions: reduction target > 100,000 t by FY 2022/23 (base FY: 2012/13)

\*FY = fiscal year  
Our fiscal year starts on October 1 and ends on september 30.

## Environmental impact

We have set the target of conserving natural resources and maintaining a clean environment for future generations.

### Key measures:

- » Introducing the ISO 14001 standard for environmental management across the Group (by 2022)
- » Reducing specific metal emissions to water in multi-metal production with site-specific projects and individual measures
- » Reducing specific dust emissions to air in multi-metal production with site-specific projects and individual measures
- » Reducing specific SO<sub>2</sub> emissions to air with site-specific projects and individual measures

### KPIs:

- » Specific metal emissions to water: reduction target of 40 % by 2022 (base: 2012, copper production)
- » Specific dust emissions to air: reduction target of 15 % by 2022 (base: 2012, copper production)

## Industrial heat made in Hamburg

Aurubis extracts industrial heat for the heat supply of the Hamburg urban development district Hafen-City East. This industrial heat is formed when sulfur dioxide – a by-product of copper smelting – is converted to sulfuric acid. This industrial heat is nearly free of CO<sub>2</sub>, and utilizing it will prevent more than 20,000 t of CO<sub>2</sub> emissions per year. The energy provider enercity seamlessly transports the heat from the plant boundary to Hamburg's newest neighborhood via a district heating pipeline.

