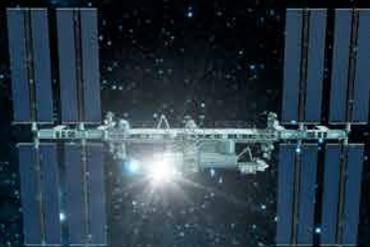


FACC



Sustainability Report 2021

# FOCUS: RESPONSIBILITY



# About this report

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

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## Reporting period and cycle

The reporting period covers the calendar year 2021 (January 1 to December 31, 2021). Activities falling outside of the reporting period are discussed for the sake of greater intelligibility. This non-financial report is published annually in German and English and will also be released as an online report on March 31, 2022.

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## Reporting standards and topics

The report has been prepared in accordance with the "Core" option of the Global Reporting Initiative (GRI) standards. The relevant GRI standards are listed at the end of each chapter. Due to the coronavirus, delays occurred in setting up the new company in Croatia. Since operations did not commence until December 2021, it is not yet fully included in this report.

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## Un sustainable development goals

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

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## Taxonomy regulation of the European Union

FACC has decided to incorporate the Taxonomy Regulation of the European Union into its non-financial report for the 2021 financial year only. The appendix to this report thus discloses the share of sales generated by activities that meet the criteria of the Taxonomy Regulation, the capital expenditures (capex) and the operational expenditures (opex) in or on activities related to these criteria, if relevant.

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## Key figures and compilation methods

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

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## Further information and previous reports

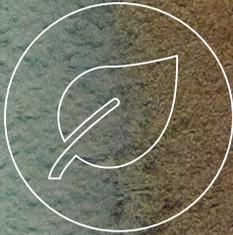
FACC informs its stakeholders of sustainability issues on a regular basis. Further information, in-depth reports, supplements and previous publications are available at [www.facc.com](http://www.facc.com).

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

The most recent Sustainability Report (calendar year 2020) was published on May 26, 2021 and can be viewed on the FACC website. In the interests of greater readability and flow, this report dispenses with gender-specific designations. All references to individuals are to be understood as gender-neutral.

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

## Environment



Carbon-neutral production by 2040

40% reduction in CO<sub>2</sub> emissions by 2030 (relative to 2005)

100% LED lighting by 2024, starting in Austria

## Social



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

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

Retaining 15 to 20 nationalities at all management levels

## Governance



Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

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98%

space heating from geothermal energy and heat recovery

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~50%

girls in apprenticeship training

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0.0 l

water needed for the production

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>40

different nationalities in the workforce

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# Consciously embracing responsibility



Not only in our core business did the past year witness various successes in the implementation of our FACC 2030 strategy – Committed to the Sky. In the area of sustainability, too, we set a decisive course and made significant progress. The most important milestone in this area was the elaboration of our group-wide sustainability strategy and the formulation of concrete objectives in the three areas of Environment, Social and Governance. It was our deliberate intention to draw up these objectives in a bottom-up process in order to firmly anchor this strategy on a broad basis and across all divisions in the company. At the same time, we have placed the organisation of our CSR management on a new and independent footing, thereby making a clear statement for responsible corporate behavior.

A careful approach to the environment, our employees, partners and society has been firmly rooted in our corporate philosophy for some time, because we view sustainable practices simply as a question of good business sense. This explains why we have been implementing a wide range of concrete initiatives towards this end for many years. Since 2006, we have been heating our locations with geothermal energy and have since been able to reduce our gas consumption by 50 percent – this is just one example of many. Now that we have reorganised all our activities and projects, we are singling out a few core areas from among the wealth of topics we are constantly addressing. Focusing in this way will enable us not least to report more transparently and consistently over the years, also in view of the EU's Taxonomy Regulation. We are strongly committed to the concept of ESG, which also forms the regulatory framework of our strategy.

Just as our innovative lightweight construction concepts reduce emissions from air traffic, thus making a significant contribution to green aviation, we are also prioritising the avoidance of CO<sub>2</sub> emissions within the company itself: We aim to be carbon-neutral in our production by 2040, and there are plans to reduce CO<sub>2</sub> emissions by 40 percent by as early as 2030. Since 2021, we have been procuring electricity exclusively from renewable sources. Other central ESG goals include diversity among our workforce – here we place particular emphasis on a high proportion of women, especially in technical professions – increasing sensitivity to compliance throughout the Group and gradually integrating our suppliers into our cosmos of shared values and sustainability.

After all, it is important to us that they too **consciously embrace their responsibilities**, just as we do.

Yours, Robert Machtlinger

# COMPANY



# FACC at a glance

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 aviation industry.

## Clear structure, high efficiency

As of December 31, 2021, AVIC Cabin Systems 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 December 31, 2021, no other shareholders were known to hold more than 10 percent of the share capital.

The free float of FACC shares thus amounted to 44.5 percent as of December 31, 2021.

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

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

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

## Company

### FACC in numbers

In the 2021 financial year, the FACC Group generated revenues of EUR 497.6 million, which represents a decline of EUR 29.3 million compared to the previous year (EUR 526.9 million). Revenue from the 2020 financial year only serves as a reference value to a limited extent, as the first quarter was not yet negatively impacted by the COVID-19 pandemic.

Reported earnings before interest and taxes (EBIT) amounted to EUR -25.1 million in 2021 (previous year: EUR -74.4 million). They include one-time effects, which are largely attributable to an extraordinary charge resulting from an unexpected ruling by the Court of Arbitration in London.

A marginally positive operating result of EUR 4.3 million was achieved in the 2021 financial year (before taking into account one-time effects) despite the ongoing major challenges posed by the COVID-19 pandemic.

FACC employed 2,538 members of staff (FTE), of whom 2,202 worked at the company's Austrian sites. The remainder were employed at the company's global sites.

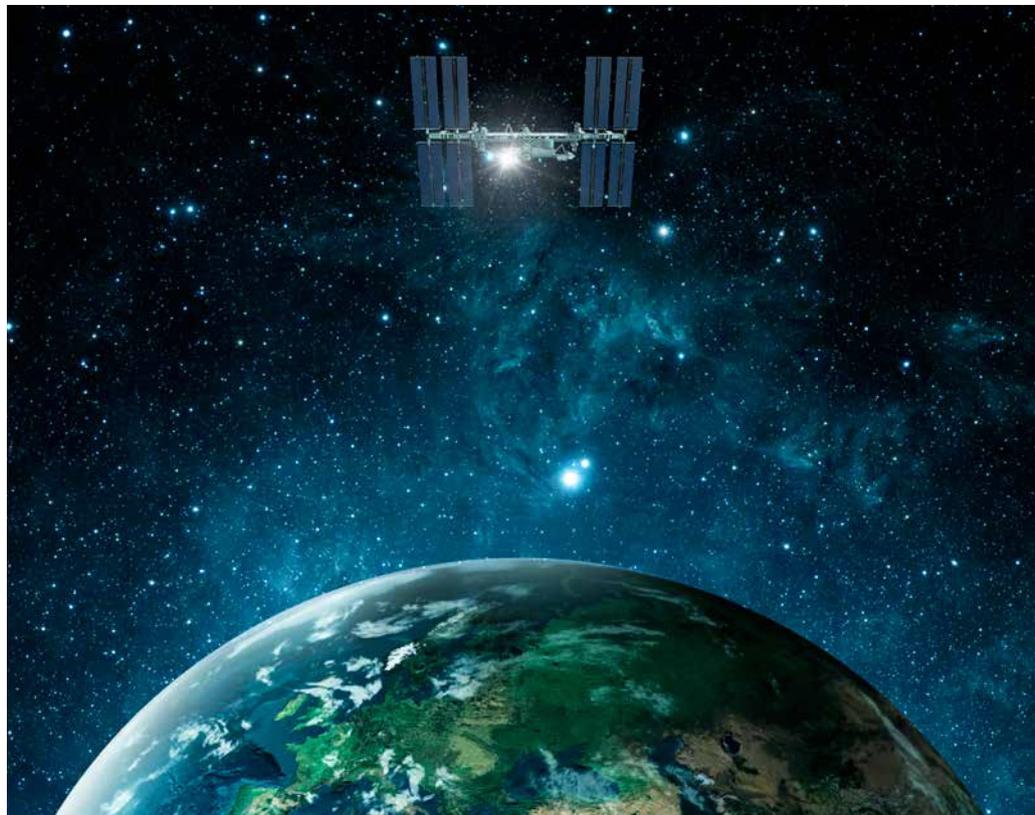
### Business development of the segments

In all three FACC segments, the programs for the A320 Airbus family were the main revenue drivers. In addition to the A320 family, products on the A350 and A220 platforms achieved a gratifying upswing in volume sales. The Cabin Interiors division in particular recorded significant growth as a result of orders for the COMAC ARJ 21.

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

Sales markets	2020 EUR'000	2021 EUR'000
Germany	197,926	189,610
Canada	73,334	86,879
USA	82,715	80,871
Great Britain	58,370	57,652
China	31,365	30,700
Other countries	83,181	51,842
	<b>526,891</b>	<b>497,554</b>

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



# Global presence

FACC is represented by subsidiaries in seven countries: from Austria, China and India through to the USA and Canada. More than 2,500 highly qualified employees from more than 40 nations are at the service of FACC's customers at locations all over the world. This means that FACC is always close to its customers.



## Production plants

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

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

## Research and technology

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

## Engineering centers

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

## On-site Offices

### Customer support, engineering and final assembly

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

## FACC maintenance service

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

## Further production plants and partnerships

China, India, Russia, United Arab Emirates and Malaysia

# Comprehensive product portfolio



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

## Aerostructures

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

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

## Engines & Nacelles

**Development, manufacture, distribution and repair of engine components**

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

## Cabin Interiors

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

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

## Aftermarket Services

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

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

# Know-how and expertise

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## RESEARCH AND TECHNOLOGY

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

Making aircraft safer, more efficient, lighter, quieter, with less impact on the environment and greater cost effectiveness: All research activities at FACC are geared towards reaching this key objective. More than 500 company employees work in the field of research and technology. FACC boasts a research quota of around 9 percent and has registered more than 400 patents since its foundation. Currently, 398 of these are active. FACC specialists are continuously developing design concepts in each of the following key areas of competence:

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



In cooperation with its customer Airbus, FACC is researching the next-generation aircraft wing in the "Wing of Tomorrow" project.

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## 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).

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## MANUFACTURING

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

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

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

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

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

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

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

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

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

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

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

# The FACC benefit promise

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



## For customers ...

**Pilot.**

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

**Passion.**

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

**Partnership.**

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



## For employees ...

**Fascination.**

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

**Perspective.**

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

**Purpose.**

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



## For investors ...

**Security.**

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

**Performance.**

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

**Outlook.**

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



## For the general public ...

**Less weight.**

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

**Increased efficiency.**

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

**Greater comfort.**

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

# FACC's stakeholder strategy

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

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

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

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

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

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



# The FACC stakeholder dialogue

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

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

Stakeholders	Topics	Contact methods
(Potential) Employees	Secure and equitable workplaces Occupational safety and health protection of employees Employee training and further education	E-mails 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 FACC Leonardo CEO breakfast
Municipalities	Waste and water consumption	E-mails Meetings Telephone
Approval bodies/Testing institutes	Special testing	Commissions, e.g. from CoLT
Service providers	Repair/maintenance services for customers commissioned by FACC Catering service for employees	Contracts Meetings
Insurance companies	Risk analyses Compliance Work safety	Contracts E-mails Telephone
Banks		Contracts E-mails Telephone
Media		Contracts E-mails Telephone

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

# Material issues

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

In July 2017, all department heads of FACC concerned analyzed the company's value chain within the scope of two workshops and

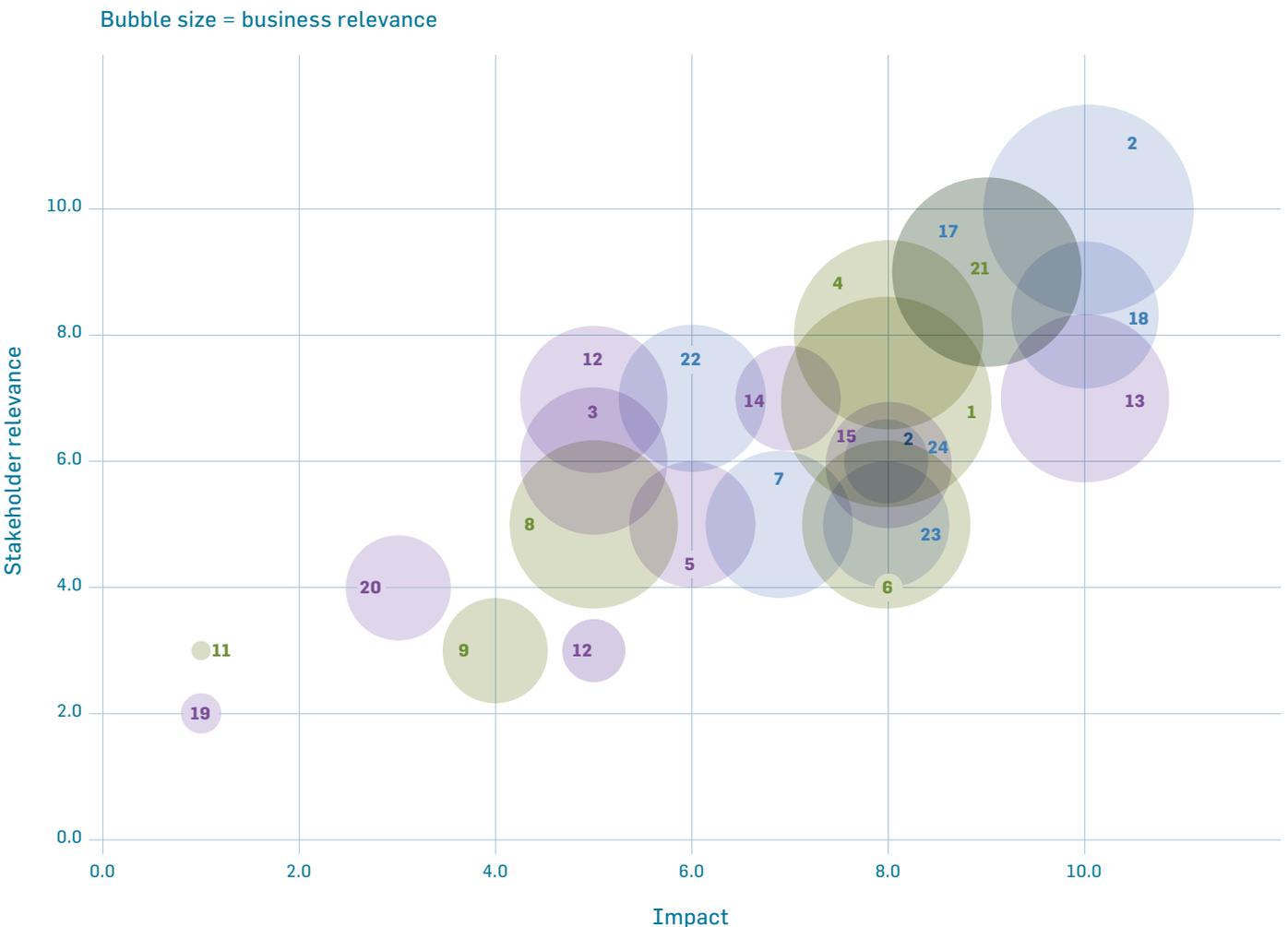
examined its impacts and potential risks for the environment, the economy and society with a special focus on the issues required by NaDiVeG. In 2021, a revision was undertaken within the company based on empirical values.

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

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## The materiality matrix of FACC

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



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

The foundation for this was laid in 2017 when internal experts assessed the significance of the impact of FACC's corporate activities on the environment, the economy and social issues ("Impact"), and some 600 internal and external stakeholders

identified priorities in an online survey ("stakeholder relevance").

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

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



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

# Impacts and risks



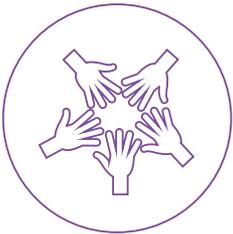
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## Environment

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

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

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



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## Social

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

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

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

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



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## Governance

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

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

The steering mechanisms and results regarding the other impacts and risks mentioned here are presented below (see the GRI index on page 69 for page references).

# FOCUS: RESPONSIBILITY



# Sustainability strategy

In the 2021 financial year, FACC once again dealt with the issues of sustainability and Corporate Social Responsibility (CSR), as sustainable business practices are of crucial importance for the long-term success of FACC. One of the Group's central goals is therefore to firmly anchor sustainability as an integral element of its corporate objectives and to take it into due account in all of its decisions.

For this reason, FACC put its CSR management on a new footing in the 2021 financial year, and made a clear statement for responsible corporate action with its new sustainability strategy.

Nine concrete objectives form the basis of this new sustainability strategy. Although these objectives relate to all areas of the company, they were developed following an unusual bottom-up approach.

As a first step, quantifiable CSR goals were jointly defined by the CSR manager and representatives of eleven specialist departments. It soon became clear that these goals should focus on areas in which FACC is already well positioned. In addition, the goals should challenge the company and its employees without requiring them to completely reinvent themselves.

A conclusion was quickly drawn from this realization: since its beginnings, FACC has been committed to reducing CO<sub>2</sub> emissions through the development and production of increasingly light-weight components for the aircraft industry. Moreover, FACC is renowned for the diversity of its workforce and its highly qualified employees. The Group's new sustainability strategy therefore revolves around these two areas.

Only in the final stage of this development process was the strategic concept presented to the Management Board and their approval obtained.

For more details on FACC's individual sustainability goals, please read the following pages of this report.

## Environment



Carbon-neutral production by 2040

40% reduction in CO<sub>2</sub> emissions by 2030 (relative to 2005)

100% LED lighting by 2024, starting in Austria

## Social



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

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

Retaining 15 to 20 nationalities at all management levels

## Governance



Zero violations of the FACC Code of Conduct

Increasing awareness of CSR and compliance by the end of 2022

Internal CSR rating of the top-250 suppliers by 2023

# CSR management

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

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

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

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

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

In order to ascertain its current status with regard to CSR and to identify potential for improvement, FACC performed a CSR assessment together with Quality Austria and eccos22® in November 2020. This assessment was conducted on the basis of international

standards for the independent verification of sustainable business practices and the evaluation of a company's capacity for innovation and future viability. As a result of the assessment, FACC was awarded the "eccos22® Excellence in Sustainability and Corporate Social Responsibility" international quality seal as well as the "qualityaustria eccos22®" certificate. In 2021, a reassessment was performed to analyze the progress made, followed by an interim report. The next general assessment will take place at the end of 2022. In addition, FACC became a member of the non-profit organization CSR Dialogforum in 2020.

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



# Global development goals

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

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



## SDG 5: gender equality

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



## SDG 9: industry, innovation and infrastructure

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



## SDG 8: decent work and economic growth

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



## SDG 12: responsible consumption and production

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

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

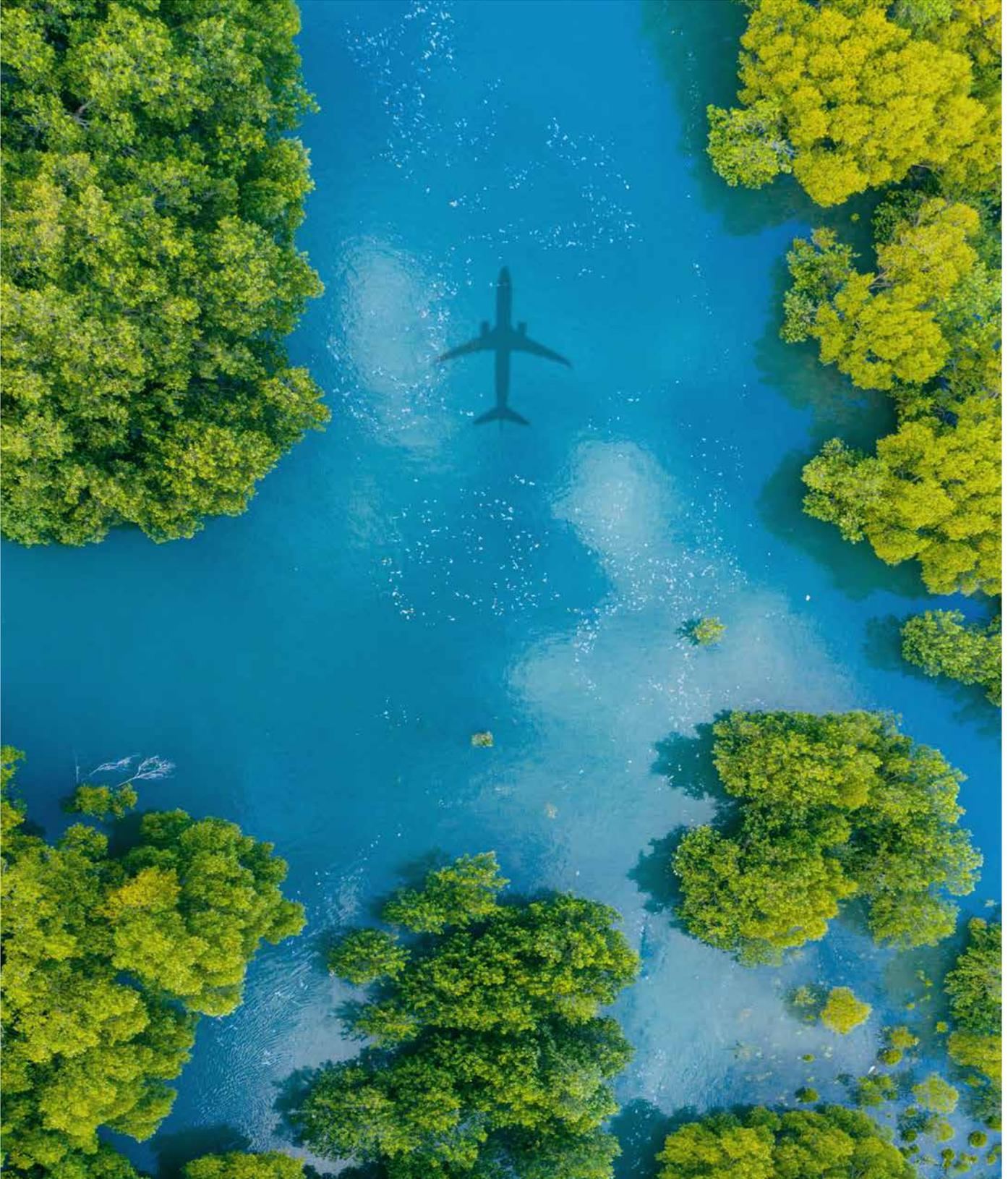


## SDG 13: climate action

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

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

# ENVIRONMENT



# THROUGH OUR ACTIONS TODAY, WE HELP SHAPE THE WORLD OF TOMORROW.

Achieving carbon-neutral production by 2040 is high on FACC's agenda. In addition, the company is also intensively involved in other areas relevant to sustainability, such as recycling, circular economy, and chemicals in production, to name but a few.

FACC is convinced that environmental protection can only be practiced successfully if it is regarded as a horizontal issue. The Group is aware that our actions today (help) shape the world of tomorrow.

The fact that FACC is serious about its measures for greater sustainability is evidenced by regular internal and external audits that verify the effectiveness of FACC's environmental management system. Since 2012, FACC has been certified in Austria according to ISO 14001. The most recent evaluation in the 2021 financial year identified full compliance, but also potential for improvement. This potential is now to form the basis for further optimizations.

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## CONTACT

Questions and concerns relating to the issues of energy, emissions and waste may be addressed directly to FACC's environmental manager via FACC's corporate website, or by e-mail to [umwelt@facc.com](mailto:umwelt@facc.com). The environmental manager may also be contacted by phone or in person. No complaints were reported in 2021.

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# Aircraft fuel efficiency

With its parts, FACC is on board of almost every aircraft model on the planet. By continuously further developing its products in terms of weight savings and aerodynamics, the company is helping to make flying increasingly less fuel-intensive and thus more environmentally friendly.

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## Fuel reduction as a strategic asset

Such an achievement is founded, in part, on minimal manufacturing tolerances on the surfaces, resulting in improved aerodynamics on the aircraft exterior and thus lower fuel consumption. Above all, however, it is the low weight of FACC's lightweight components which is key. With this, the company is making a major contribution to reducing the CO<sub>2</sub> emissions generated by air traffic.

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

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## Fuel savings through smart cabin equipment

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



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

## Simple calculation – great effect

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

- Weight of an Airbus A320: approximately 73.5 t
- Fuel consumption per hour: 3.2 t
- Average flight duration: 1.875 hours
- Hours of flight per year: 2,920
- Standard fuel density: 0.796 kg/l
- 1 kg kerosene: 3.15 kg CO<sub>2</sub>

### Weight reduction per aircraft

Classic Cabin (CC) compared to Enhanced Cabin (EC)

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

### Kerosene savings per aircraft

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

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

### Kerosene savings per year and aircraft with Enhanced Cabin

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

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

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

### FACC = plastic components = lightweight construction = CO<sub>2</sub> reduction

The Enhanced Cabin of FACC saves an average of approximately 13,200 tons of CO<sub>2</sub> per year. An average of 2.2 people live in an Austrian household, each of whom generates CO<sub>2</sub> emissions of 8.9 tons per capita. One household therefore produces 19.6 tons of CO<sub>2</sub> annually. Using the Enhanced Cabin consequently reduces annual CO<sub>2</sub> emissions by an amount equivalent to the consumption of around 670 households.



**13,151 t** of CO<sub>2</sub> savings annually

(Calculation: Statista)



CO<sub>2</sub> emissions generated by approx. **670** households

## Moving more swiftly with winglets and sharklets from FACC

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

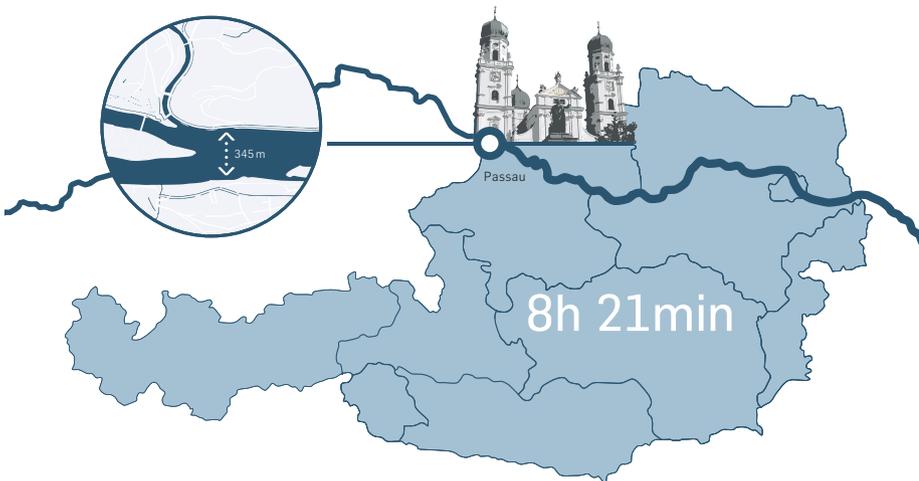
The use of winglets causes a splitting of the tip vortex and thus a reduction of induced drag. The result: more lift, lower kerosene consumption, reduced carbon dioxide and nitrogen oxide emissions, shorter take-off and landing distances, and fewer noise emissions. In addition, the engines work more efficiently, which means that maintenance costs can also be cut. In developing this

new technology, FACC has harnessed the results of bionics (BIOlogy + TechNIC), which translates the knowledge gained from analyzing biological systems – in this specific case, the spreading of the wings of large landbirds such as eagles, vultures or storks – into technical solutions. And the principle has proved convincing: immediately after the first – very successful – tests, Boeing and Douglas decided to adopt winglet technology for their aircraft types.

### Fuel savings with FACC technology

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

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



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

# Product durability and a circular economy

The concept of a circular economy is an important topic and one that is the subject of much discussion, especially in the aviation industry. In contrast to components for the automotive industry, those made by FACC generally withstand many years of use. However, aircraft components are usually difficult to recycle and reuse. Against this backdrop, it is important to develop solutions that reduce the carbon footprint both of FACC and of the major aircraft manufacturers and airlines.

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## Bio-based prepregs

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

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

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

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

In the "Wing of Tomorrow" project, the entire CO<sub>2</sub> consumption, from production to disposal, is accurately recorded within the scope of a life cycle assessment.

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

With the development of this innovative material matrix, FACC has taken another important step towards sustainability in the field of product design. Given the current state of development, further national and international research projects are in the planning stage. Major OEMs such as Airbus are showing great interest in new and, above all, sustainable reinforcing materials, thus confirming that FACC is pursuing the right course in terms of technological development.

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## Life cycle assessments

The term life cycle assessment is used increasingly in the context of the lifetime of a product. It provides an exact investigation of a product's resource consumption and CO<sub>2</sub> emissions from its production to its disposal.

FACC launched one such life cycle assessment last year for the "Wing of Tomorrow" program. In this project, the Group is collaborating with Airbus on the development of a next-generation aircraft wing. For the life cycle assessment, every process step (from the purchase of raw materials and pre-products to finishing) was analyzed in terms of CO<sub>2</sub> emissions and material consumption. FACC anticipates that the coming years will see more and more requests in this direction and that a life cycle assessment will soon be required for all new projects.



## Recycling carbon fibers

In cooperation with the Linz-based start-up Carbon Cleanup, FACC has already launched initial trials into how carbon fibers can be recycled efficiently and economically. Processing equipment and collection containers equipped with cameras, sensors

and appropriate software are employed to classify the material. In this way, short fibers ultimately emerge in the form of pellets that can be further processed in injection molding plants or used for 3D printing – for example for the production of furniture, sunglasses and much more.

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



SUCCESSFUL CIRCULAR ECONOMY IN THE IT SECTOR

## “Green IT” with HP leasing concept

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

### Reducing material and energy consumption, and emissions

This not only means that the IT equipment returned to HPE can be put to good use, but also that considerable material and energy savings can be made and the associated CO<sub>2</sub> emissions avoided. In addition, the recycling process generates an average of only 0.03 per cent electronic waste – all other components re-enter the economic cycle as raw materials. HPE’s latest report shows that in the period from July 2020 to January 2022 alone, IT equipment from FACC eliminated 271 tons of CO<sub>2</sub> emissions and conserved 750 MWh of energy. In addition, 10 tons of waste were prevented and, therefore, did not have to be disposed of. At the same time, 5.4 tons of plastic as well as 1.1 tons of non-ferrous and 9.2 tons of ferrous metals were recycled. To conclude: a win-win situation for FACC, which, thanks to this circular economy project, remains up to date in terms of IT technology while at the same time creating added value, and heeding its sustainability goals.



### 271 t CO<sub>2</sub> eliminated

This corresponds to the average annual CO<sub>2</sub> emissions of 47 passenger vehicles.



### 750 MWh of energy saved

This corresponds to the average annual energy consumption of 18 households.



### 10 t of waste prevented

This corresponds to the storage capacity of 353 removal crates.

# Materials and chemicals used

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## Measures in the interest of product and production safety

Handling materials and chemicals safely and responsibly throughout the company is essential for guaranteeing the long-term protection and health of employees. Occupational safety specialists, a REACH coordinator and environmental officers make a significant contribution to this at FACC through evaluations, instructions and consultations, and may be contacted at any time.

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

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

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

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## Use of bio resins

As part of an initiative to develop sustainable feedstocks for its products, FACC is currently working on ways to use bio-based pre-pregs (for details see page 29 in this report). This material, made from waste products generated during sugar production, could be combined with bio-based resins, which share the same properties as the phenolic resin currently used in terms of flammability, smoke density and toxicity. Moreover, prepregs of this type could be processed and cured using the same machines already used for conventional prepregs. Interestingly, bio-based resins contain less phenol and formaldehyde, which means that lower amounts of these substances are released into the environment during processing. Consequently, this could lead to a further improvement in the working environment of our production staff.

# Reducing energy consumption and emissions from production

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## On the way to carbon-neutral production

Austria aims to be climate neutral by 2040. In line with this target set by the Austrian government, FACC has also set itself the goal of making its production carbon-neutral by this date. By 2030 already, the company's production facilities are expected to emit around 40 percent less CO<sub>2</sub> than in 2005.

### Ongoing optimization

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

At present, FACC is investigating the carbon footprint of its Austrian sites. Above all, FACC expects this to yield insights into the potential for reducing CO<sub>2</sub> emissions in its supply chain.

## Efficient lighting

FACC is taking a most ambitious and confident approach to these goals. Although the company is also dependent in some areas on technological developments over which it has no direct influence, such as in the field of energy-saving manufacturing technologies, it has already taken some important strategic steps. For instance, the conversion to LED lighting was virtually complete in 2021, with around 2,000 lamps having been replaced in the past five years. By 2024, all Austrian FACC locations are to have switched 100 percent to LED technology. Thereafter, this initiative is to be extended to foreign locations as well.

## Green mobility and heating supply

The Group's entire vehicle fleet is also to be converted to hybrid or electric mobility by 2030. Today, 98 percent of the space heating and air infiltration heat for cooling the production areas is already being supplied from renewable sources, such as geothermal energy

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## WHAT DOES "CLIMATE NEUTRALITY" ACTUALLY MEAN?

Expressions like "carbon neutrality", "CO<sub>2</sub> neutrality" or "zero CO<sub>2</sub>" are often mistakenly understood to be one and the same. However, they do not produce the same result.

**"Climate neutrality"** refers to the absolute climate goal. This is achieved when emissions are reduced to a minimum and any remaining emissions are offset by climate protection measures.

It is not only a matter of reducing carbon dioxide emissions – as specified by the term "CO<sub>2</sub> neutrality" – but also of reducing other harmful greenhouse gas emissions, such as the release of methane. This is because carbon dioxide only accounts for roughly three quarters of all emissions worldwide, which adversely affect the climate.

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

Thus, carbon neutrality can only be regarded as an interim goal.

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

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or heat recovery. By lowering the temperature of heat distribution (for example, the return temperature for space heating is below 32 degrees Celsius), direct heat recovery can also be achieved in most thermal processes, which would otherwise only be possible with the help of heat pump systems.

### Clean electricity

Since the first quarter of 2021, FACC has been sourcing electricity exclusively from hydropower for its locations in Austria. Moreover, the company has been using photovoltaics for many years to provide electricity. For example, a photovoltaic system with 200 kWp was put into operation in 2019 on the roof of Plant 3.02; 99.2 percent of the electricity generated is consumed on site.

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

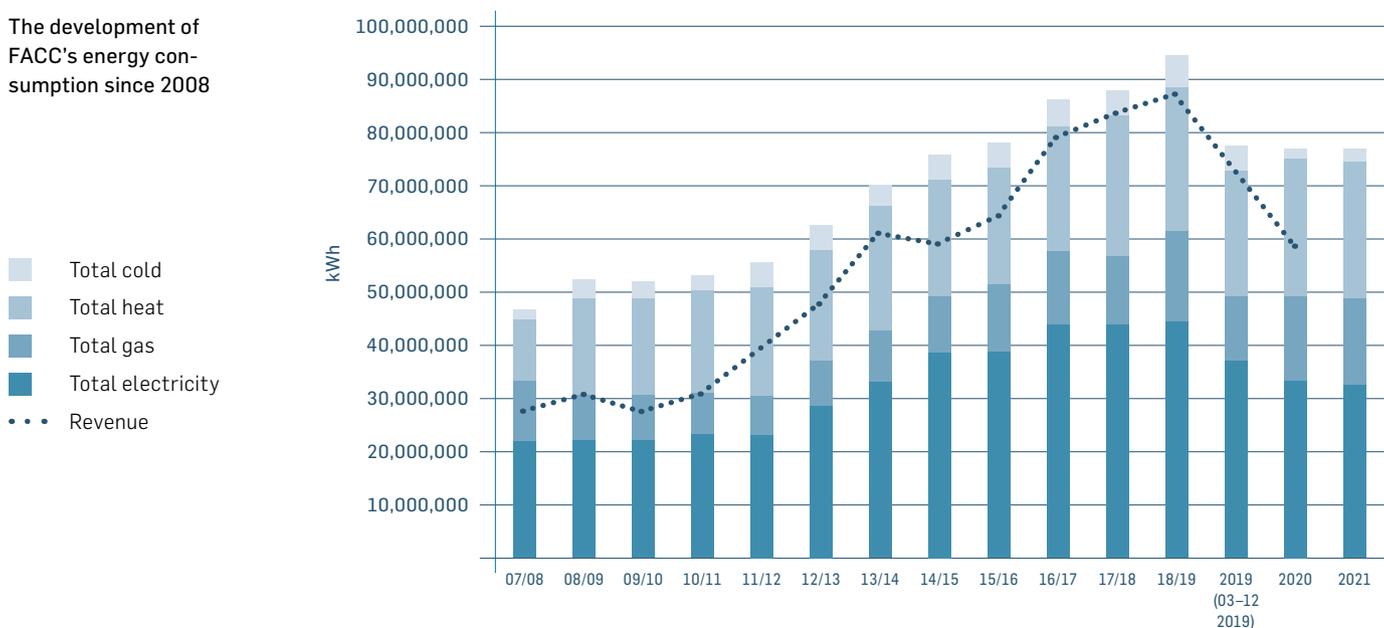
### Increasing efficiency over decades

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

The effects of the corona pandemic led to a short-term break in this development. However, FACC expects that the long-term trend will continue in the years to come.

### Energy consumption (kWh)

The development of FACC's energy consumption since 2008



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FEWER CO<sub>2</sub> EMISSIONS THANKS TO ENERGY EFFICIENCY AND CLEAN ENERGY

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

LED lighting	Electricity from hydropower	Utilization of waste heat
-455 t CO <sub>2</sub>	-4,287 t CO <sub>2</sub>	-1,159 t CO <sub>2</sub>

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## Emissions from transport and logistics

In the 2021 financial year, FACC purchased goods with a total weight of 1,231,033 kilograms in the course of approximately 7,370 import transactions. This corresponds roughly to the weight of 29 Airbus A320 aircraft.

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

Since the fourth quarter of 2021, FACC has also been tracking its Scope 3 emissions, i.e. the CO<sub>2</sub> emissions generated in its supply chain. This complex investigation is to be completed in the second quarter of 2022. However, FACC already assumes that there is high potential for CO<sub>2</sub> savings in its supply chain. The Group will therefore have to deal intensively with this issue as it moves towards complete carbon neutrality.

# Waste and water consumption

## Waste

### Waste prevention

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

### Converting waste into recyclable materials

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

Blasting sand from Plant 4 is also recycled. Aluminum waste, by contrast, is collected, sold to a regional waste management company and remelted. By doing so, FACC is not only helping to recycle materials in a meaningful way, but also generated revenues of around EUR 34,000 in 2021. Additionally, in some areas, a collection system is in place for PET bottles and aluminum cans.

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

### Minimizing problematic substances

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

In order to minimize the number of disposal trips – and thus CO<sub>2</sub> emissions and costs – FACC has also optimized its disposal equipment. For example, roller compactors are in use for wood waste, intelligent presses for controlling and optimizing the filling level of commercial waste, and special collection equipment for materials containing solvents.



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

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

## Water consumption

No water is needed for the production of FACC components. Therefore, no waste water is generated during manufacturing. In the 2021 financial year, FACC's water consumption totalled 54,417 cubic metres. This consisted of consumption through humidification (14,670 cubic metres), through cooling (24,904 cubic metres) as well as drinking and faecal water (14,843 cubic metres). The amount of water FACC uses for humidification in winter is approximately recovered in summer in the form of condensed water generated by the ventilation systems.

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

# SOCIAL



# FORGING THE SPIRIT OF FACC

A high-tech environment, close interpersonal relationships and workplaces benefitting from the highest standards of occupational safety: FACC's human resources strategy combines all of this with the aim of making the most of the creative potential and productivity of its employees. The company therefore consciously promotes personal closeness, mutual trust and a sense of community within its team. This is how the spirit that characterizes FACC and makes it fit for the future is forged.

At the same time, FACC is continually addressing the question of how it can make its employees' work both pleasant and productive, while also ensuring that it is safe. This includes offers in the area of extra-vocational education and further training alongside measures to promote occupational safety and health protection.

For FACC, however, the area of "social concerns" encompasses much more. A look outside the box raises questions, such as: "How and by what means does FACC's activity influence its environment?" and "How does the company present itself to the outside world?" These and many other questions are discussed in the following chapter.

# Aircraft noise reduction



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

Official or customer specifications regarding aircraft noise must be met or, ideally, even undercut. Many airports have bans on night-time operations and on take-offs and landings by older-generation aircraft that do not comply with current noise limits.

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

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

also reduce the amount of kerosene consumed by an aircraft. This is because less weight also requires less engine power.

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

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

# Increased mobility

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## Contributing to resource-efficient mobility

Thanks to its plastic parts, FACC makes all types of aircraft significantly lighter – and thus helps to reduce fuel consumption. From a climate perspective, this is good news because the desire for mobility coupled with economic and demographic developments are leading to a steady increase in global travel.

The corona pandemic has had little impact on this increase. It is true that the volume of flights and passenger numbers suffered a massive short-term slump due to lockdowns and restrictions, but wherever restrictions have been eased or lifted, the number of bookings has risen sharply. This confirms a long-term trend in mobility that has been ongoing for many years, and which COVID-19 will slow down by a few years at most. Airbus already anticipates a full recovery in passenger traffic between 2023 and 2025, after which the upward trend is likely to continue as it did before the crisis. Current estimates predict that passenger numbers will rise from around 4.6 billion in 2019 to just under 10 billion by 2040. By then, the number of passenger kilometers flown worldwide is also expected to be more than double the pre-crisis levels. The main drivers of this development are not least rising prosperity in the Asia-Pacific region and the global increase in an affluent middle class that is keen to travel. The fact that around 80 percent of the world's population has never used an airplane further underscores this immense potential.

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## Aircraft are becoming ever more sustainable

Not surprisingly, this growth will also require corresponding fleets: Boeing, for example, expects to deliver 43,610 new aircraft by 2040. The challenge here is to make the design as sustainable as possible by implementing measures and initiatives such as fuel and emission reduction, material savings, noise abatement, recycling and a circular economy, to name only the most important ones. In all areas, FACC makes valuable contributions with its high-tech parts and concepts. For example, FACC's lightweight plastic components, whose predecessors were made of metal, can save considerable amounts of fuel and thus avoid emissions due to the weight reduction achieved (for details, see page 26 ff). Similarly, engine components, spoilers and turbine components from FACC,



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

for example, make a noticeable contribution to reducing noise emissions – an essential prerequisite for responsible aviation, especially in the vicinity of airports (see also page 28). Other examples include cabin interiors that significantly reduce the weight of an aircraft and thus lower CO<sub>2</sub> emissions (see also page 27).

# Secure and equitable workplaces

Regardless of the difficult situation that continues to prevail due to corona, FACC is striving for long-term growth and is positioning itself accordingly in the labor market. The Group collaborates intensively with schools, universities and universities of applied science – both in the region and throughout Austria as well as in neighboring EU countries.

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## Areas of responsibility of the human resources department

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

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## Positioning in recruiting

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

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## Jobs with potential

### Employees enjoy a successful career within the company

Almost all vacancies at FACC are also advertised on the internal job exchange. Existing employees can develop their professional skills and move up the career ladder to management positions. FACC also takes care to offer applicants other vacant positions where necessary, if they do not meet the requirements for the position originally offered, or if the position has already been filled. A representative of the department concerned is also present at job interviews, and applicants are provided with comprehensive, practical and up-to-date information about FACC and the area of responsibility in question.

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

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## Staff loyalty and the retention of key employees

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

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## Motivation and health: facc as a pioneer in employee satisfaction

It is precisely in challenging times that the particular importance of a motivated and fit workforce becomes apparent. FACC was quick to recognize this and for many years it has therefore been providing a wide range of measures to maintain and promote health, motivation and satisfaction as part of the "Healthy and Happy" campaign for employees. Unfortunately, numerous initiatives again fell victim to the COVID-19 pandemic in 2021.

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



Nevertheless, a number of the familiar and popular measures were able to be continued to the extent possible. For example, FACC offers its employees subsidized childcare places in its Kids Clubs both during the year and during the summer vacation. A new Kids Club was opened in Ried in the spring of 2021, in addition to the one already in existence in St. Martin, with the aim of offering even more employees excellent childcare facilities.

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

Distributing isotonic drinks to employees in production during the summer months and the annual blood drive in the fall are further contributions FACC makes towards the health of its employees. These and other measures are an integral part of the "Healthy and Happy" campaign, for which FACC was awarded the seal of approval for workplace health promotion (Gütesiegel Betriebli-

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

Caption: With its Kids Clubs, FACC provides its employees with attractive childcare services during the summer vacation.

## Evaluating the management approach

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

# Occupational safety and health protection

In the 2021 financial year, the LTFIR increased to 21.8, so the target of less than 15 could unfortunately not be achieved in the blue collar area.

The following factors are found in the root cause analysis for this increase.

- Due to COVID-19, there were recurring short-time work or plant closures, employee shifts and thus a loss of daily work routine.
- There were clear differences between plants with regular utilization versus plants with low utilization
- LTFIR <15 could be achieved in plants with regular utilization and corresponding work routines.
- For the 2022 financial year, once the COVID-19 pandemic subsides, a normalizing working environment and a decrease in the LTFIR can be expected.

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

Measures such as the complete recording of near misses, regular zero-accident gate meetings (ZAG meetings), daily safety walks, the consistent monitoring of the implementation of decided measures as well as an extensive training and instruction process are consistently maintained.

In this context, certification according to ISO 45001 is aimed for in 2022 financial year.

## Measures to improve the health and safety of employees

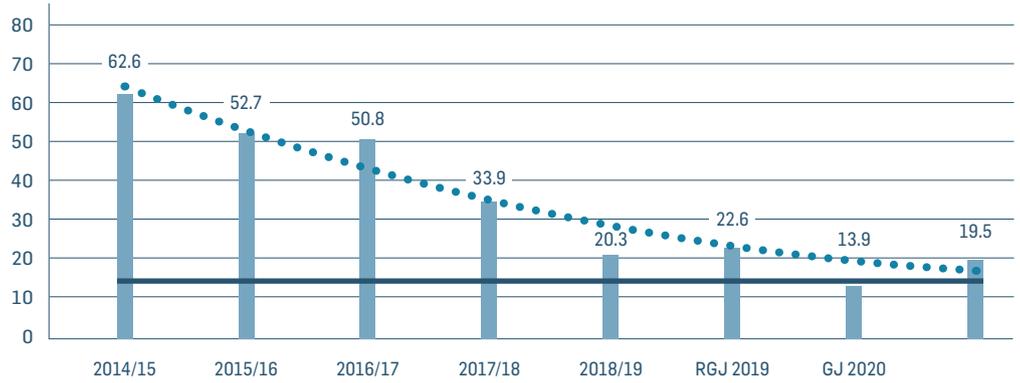
After the outbreak of the COVID-19 pandemic, the focus of occupational health tasks at FACC was on informing and advising the Management Board and on working in the company's COVID-19 task force, which was set up right at the beginning of the pandemic. A series of measures to combat the pandemic were developed, including comprehensive hygiene measures to protect employees as well as ongoing and timely information about all measures and changes via the FACC employee "Space App". At the same time, the Group set up in-house test stations where rapid antigen tests can be carried out daily and swabs can also be taken for PCR tests if necessary. Finally, FACC's HR management developed a highly efficient in-house 24/7 contact tracing system. Depending on the occasion, FACC carries out comprehensive tests with great logistical and personnel effort. More than 99 percent of employees took part in these tests. With the introduction of the COVID vaccinations, FACC immediately tried to establish an internal FACC vaccination line. The first FACC vaccination line has been implemented in May 2021. FACC also fulfilled its responsibility as a leading regional company and made it possible for members of other companies to have their employees vaccinated in the vaccination line.

In addition to extensive measures to combat the pandemic, all other established occupational health initiatives were also pushed ahead – such as the consistent implementation of the skin protection program, the implementation of vaccinations, the support of employees with mental stress or the targeted reduction of internal stress factors.

### Development of the lost time injury frequency rate

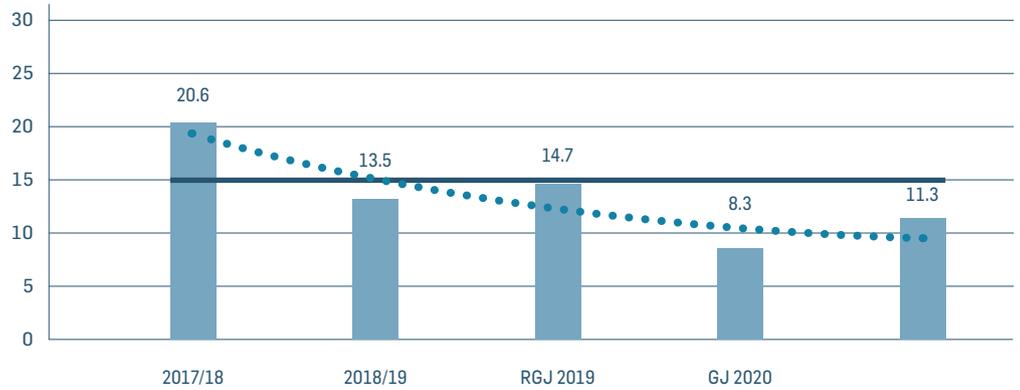
From 2014/15 to 2020, the LIFTR for FACC blue-collar workers fell from 62.6 to 13.9.

- Blue collar
- Target
- Log. blue collar



Taking white-collar workers into account, the LIFTR has decreased to 8.3 since the 2014/15 financial year (start of recording).

- Blue and white collar
- Target
- Log. blue and white collar



# Employee training and further education

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## Training and further education of employees

The fact that FACC currently employs people from more than 40 countries is compelling proof that the Group complies with legal requirements and the Anti-Discrimination Act. Specific guidelines for dealing with diversity are also provided in the company's Code of Conduct. Intercultural training and ongoing investment in human capital are a key driver of FACC's success. In line with the motto "Lifelong Learning", the company offers its employees comprehensive in-service training and further education opportunities.

### FACC Academy: hub for training and further education opportunities

At the heart of this is the FACC Academy. Due to the coronavirus, numerous training programs had to be cancelled in the 2021 financial year. Compared to the previous year (177 internal training programs for 1,508 employees), the FACC Academy organized 196 internal training programs, attended by a total of 1,452 employees in the 2021 financial year. The average duration of these in-house training measures was 3.7 hours per employee (previous year: 3.9 hours).

The number of external training programs decreased to 24 with a total of 282 participants. The average duration of these external training measures was 1.4 hours per employee (previous year: 27 external training programs for 304 employees; 0.6 average training hours per employee).

In the previous fiscal year, leadership training once again received special attention, particularly with regard to supervisors. FACC focused on the areas of "Challenging Situations in Management", "Conflict Management", "Burnout Prevention" and "Management in Times of Crisis". The topic of "Women in Managerial Positions" was dealt with less intensively in 2021 (compared to previous years) due to the impact of the pandemic on the current situation at FACC. In total, 61 employees completed leadership training in the 2021 financial year. 31 percent of these were women (previous year: 22 percent).

In terms of further training, FACC's agenda also includes intercultural training, which is implemented as standard in all training programs. This is intended to provide supervisors in production, for example, with the appropriate "tools" for dealing appropriately with questions on this topic.

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

### Comprehensive e-learning portfolio

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

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



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

### Focusing on apprenticeship training

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

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

# Employee diversity and anti-discrimination

## Diversity of strengths and competencies

As of the reporting date 31 December 2021, the FACC Group employed 2,538 full-time equivalents (FTE, previous year: 2,655 FTE).

Of these, 2,115 were employed by FACC Operations GmbH, 382 by other subsidiaries and 41 by FACC AG. The majority of FACC's workforce is therefore employed in Austria, with 163 employees in the rest of Europe. A total of 95 employees work at the North American locations in Wichita and Montreal, while in Asia FACC employs 78 members of staff.

31 December 2021 (in FTE)	Blue-collar workers	White-collar workers	Total
Central Services	183.1	388.2	571.3
Aerostructures	473.5	162.7	636.2
Engines & Nacelles	192.3	89.1	281.5
Cabin Interiors	480.5	145.3	625.8
Subsidiaries	130	252	382
FACC AG	0	41.1	41.1
<b>Total</b>	<b>1,459.5</b>	<b>1,078.4</b>	<b>2,538.0</b>

		31 December 2020	31 December 2021
Number of leased employees	FTE	5	40
Share of the total workforce	%	0.2	1.6

## Positioned internationally and globally successful

People from over 40 nations are employed at FACC in Austria. Around 76 percent of these come from Austria and Germany, 5 percent from Romania and approximately 4 percent from Hungary. As of 31 December 2021, FACC in Austria (FACC Operations GmbH, FACC AG and CoLT Prüf und Test GmbH) counted:

- 73 percent men, 27 percent women
- 37 apprentices (FACC Operations GmbH)
- 245 part-time employees (of which 62 are men)

# Residents and local communities

FACC's production activities have scarcely any impact on local residents in the form of emissions or immissions. At every stage of the production process at each of its locations, FACC complies with all statutory requirements and, in some cases, even undercuts them. All our production sites are located outside of city centers, which is why traffic is not impacted in any way. Similarly, emissions from waste-

water, light pollution or noise do not affect any of FACC's production sites. Rather, the company perceives its production sites as enhancing the value of the particular region. For more information, please refer to the chapter "Governance" on page 48.

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

## Dealing with COVID-19



An iPhone 13 for a small prick: FACC gave away brand-new smartphones as part of its vaccination lottery.

During the early stages of the pandemic, FACC also launched in-house testing for COVID-19. To date, more than 60,000 corona blanket tests have been carried out at the Austrian locations. The very high participation rate of more than 99 percent is proof that such measures are highly accepted among the workforce. This testing strategy was one of the reasons why only few COVID-19 cases were recorded at FACC compared to the figures for Austria as a whole.

This effect was further strengthened by establishing two in-house vaccination lines. By January 2022, an overall immunization rate (vaccinated and recovered) of 82 percent had been achieved throughout the Group. In addition, ten new smartphones have so far been given away in a vaccination lottery to employees at the various locations.

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

### Coronavirus management at FACC

FACC decided at an early stage to introduce a proactive and comprehensive coronavirus crisis management. This is led by a dedicated corona task force, which includes the Management Board and company physicians alongside selected management and workforce representatives.

A corona hotline has been available 24/7 to FACC employees since the beginning of the pandemic to answer their questions and address any concerns they may have. Numerous protective measures have been implemented, including the free distribution of mouth-nose protection or FFP2 masks. In addition, home offices have been set up wherever possible, teams have been divided into two shifts, and shift work in production has been adjusted accordingly.



At the end of January 2022, FACC's immunization rate of 82 percent was significantly above the Austrian average.

# GOVERNANCE



# A GUIDELINE FOR RESPONSIBLE CORPORATE MANAGEMENT

Of all the fields of action summarized in ESG, governance is probably the one that encroaches on the largest number of corporate areas and is therefore the most difficult to grasp. Governance, or “good governance”, denotes responsible, qualified, transparent management, which is geared towards long-term success in the interests of the company, its owners and all other stakeholders, from investors to market participants, employees, citizens and society as a whole. For the Management Board of FACC, governance serves as a guideline for steering the Group responsibly.

Of those topics encompassed by good governance, compliance is of particular importance. To ensure compliance, the company defines a set of rules of conduct and guidelines for all its employees, guaranteeing that business is conducted in compliance with the law and with integrity. In addition, the company ensures that violations are prevented or brought to light. Among other things, a functioning compliance organization can reduce the risk of prosecution under criminal and civil law. It can also generate a competitive advantage as many customers, particularly those in the public sector,

award projects exclusively to companies that can demonstrate rigorous compliance management.

At FACC, this is evidenced by corresponding ISO certifications, numerous work instructions and diverse training courses for our employees on this subject. The following chapter provides further information about this and other components of good governance at FACC.

# Diversification in our product portfolio

In recent years, FACC has begun to position itself more broadly in the market and is even opening up completely new lines of business. However, this in no way implies that the company is departing from its core market – namely the production of lightweight systems for the aircraft industry. On the contrary, FACC firmly believes in aviation as its core market. The civil aviation sector is to be strengthened further in the coming years through efficiently produced, sustainable and disruptive innovations. With these strategic goals, FACC aims to gain market share and expand its customer and product portfolio as well as its vertical range of manufacture. Entire subsystems such as primary structures or overall cabin concepts are to be developed and produced in-house. FACC is also focusing on expanding its highly successful aftermarket services.

## Added potential through urban air mobility

In addition, FACC is also focusing on new forms of mobility. Together with its partner EHang, FACC ranks among the global pioneers in the field of urban air mobility (UAM). The company has been active in this promising future market for environmentally friendly urban and interurban mobility for many years. By 2030, FACC aims to increase the revenue it generates with transport drones, air taxis and the like to 10 percent of total sales. As has been the case in its core business for many years, the company is aiming for the broadest possible product and customer portfolio in this area also.

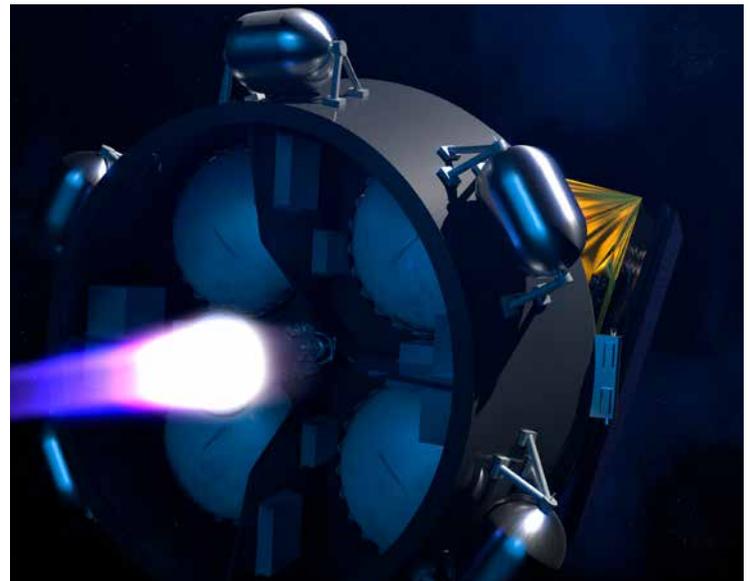
## Space – a market of the future

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

FACC has been implementing its first project in the Space segment since November 2021. By October 2022, the company is to develop and manufacture a central structural component for the new Ariane 6 launch vehicle on behalf of the European Space Agency (ESA). FACC can exploit its technological and manufacturing expertise to the full in this project. The so-called kick-stage main structure of the Ariane 6 must be as light as possible, while at the same time being able to withstand the highest loads. After all, the module carries four fuel tanks, the engine and the avionics in addition to the actual cargo of the rocket.

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

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



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

# Flight and product safety through product quality

## Legal requirements and approvals

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

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

## Reliability to 100 percent

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

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



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

## Quality Management

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

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

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

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

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

# Economic responsibility and impacts on the region

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

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

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## Facc constructed a new plant in Croatia

FACC has constructed a new production plant on an area of 128,000 square meters north of Zagreb. Following a postponement due to the pandemic, the go-ahead was given in December 2021 for the production of interior components on an area of approximately 10,000 square meters.

The layout of the new site was planned on the basis of in-depth value stream analyses carried out by FACC in cooperation with the renowned Fraunhofer Institute. This enabled maximum efficiency to be achieved in the flow of materials and components. At the same time, planning focused on ensuring maximum flexibility for future plant expansions.

The site is also distinguished by its high level of energy efficiency. Not only have the plant buildings been thermally insulated to a high standard, but the plant equipment was also designed according to ecological criteria. This includes particularly energy-saving systems and efficient heat recovery for the ventilation and painting facilities. Other types of waste process heat will also be used to maximum effect at the site.

The new production plant provides around 600 jobs. In addition to a wide range of training and further education opportunities, FACC offers its Croatian employees ideal working conditions in line with all FACC Group standards. The fact that the group is deliberately investing in a structurally weak region of Croatia testifies not least to the company's high level of social commitment in the region and in Europe.

The plant will generate substantial cost benefits for the Group's Cabin Interiors division and significantly contribute to optimizing FACC's production cost structure in the long term. In addition, the location will enable the Group to further expand its global presence and create additional capacity in order to meet the growing demand for high-quality lightweight solutions in the future. The construction of the new plant thus represents an important step towards strengthening FACC's position in the aerospace industry with a view to long-term growth.



FACC has been manufacturing high-class cabin interiors for business jets and wide-body aircraft in Croatia using state-of-the-art fiber composite technology since the beginning of 2022.

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

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### FACC promotes location quality through:

- Cross-border job creation (FACC currently employs 348 members of staff from neighboring Bavaria in Germany);
- Strategic regional and thematic development ("Composite Valley" in Ried and the Innviertel);
- Site investments: FACC has invested a total of more than EUR 500 million in Upper Austrian sites since 2010. In the coming years, the company plans to make continued investments in its domestic plants;
- Project specific investments: the purchase of tools, amongst others, from regional manufacturers, who thus benefit from local added value.
- Project-specific investments: The purchase of tools from regional manufacturers, among others, where this creates local added value.

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### Support for regional training opportunities

However, FACC also wants to motivate young people to pursue a career in technology and give their professional interest a home to flourish. Until 19 [2020 waren es schon 19 Jahre]years ago, Ried im Innkreis did not have a higher technical college (HTL). For thirteen years now, there have been HTL graduates, of whom about 50 percent continue to study at a university and 50 percent take up a job in regional industry. FACC has supported the HTL Ried project from the outset, and is also represented on the board of the school's support association.

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### Intensive cooperation with training institutions

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

## The supply chain and its impacts

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### Supply chain and supply chain legislation

In the past financial year, FACC concluded almost 7,370 import transactions with hundreds of different suppliers from all over the world.

As a company, FACC is required to take a holistic approach to its supply chains, that is to say in economic, ecological and social terms. Sustainability does not stop at a company's factory gate or at the door to its offices. Our own purchasing decisions have an impact beyond FACC: Are raw materials mined by children and does their extraction pollute the environment? What transport routes, what energy consumption and what CO<sub>2</sub> emissions does this entail? In other words, what is the actual long-term price paid by the company for its purchasing decisions and what proportion of this is borne by society?

It is with this in mind that the European legislator is currently working on uniform supply chain legislation. What the content of

this legislation will entail and how Austria will implement it will become clear in the near future. The discussions at the European level were one of the reasons that prompted FACC to examine the issue of its supply chain in more detail.

### Internal CSR rating of the top 250 suppliers by 2023

In the first quarter of the 2021 financial year, FACC sent its 150 most important suppliers a CSR questionnaire. The 17-page document contains numerous questions relating to economic, ecological and social issues, such as: Does the supplier concerned have a Code of Conduct? Does the supplier comply with human rights? Does the supplier have ISO certifications in the areas of the environment and occupational safety? The list goes on. This preliminary step allowed FACC to form a clear picture of its supply chain, before drafting measures to comply with the announced supply chain legislation. By 2023, FACC aims to develop a rating system, which can be used to evaluate the Group's top 250 suppliers according to CSR criteria.

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

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

### Economic impacts

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

### Ecological impacts

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

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

### Social impacts

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

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

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

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

### Breaches of the Supplier Code of Conduct

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

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

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

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

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

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

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

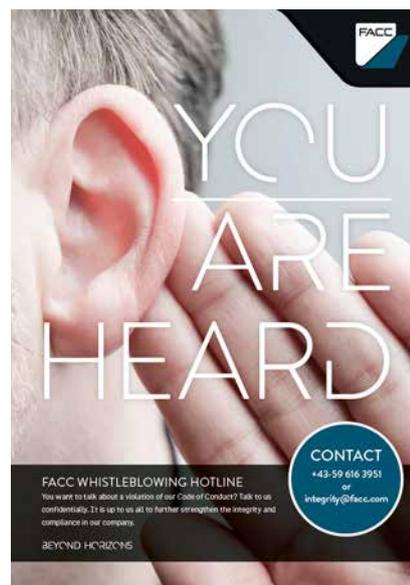
At FACC, the continuous work on good governance is an interdisciplinary field involving the Organizational Development department and organizational units such as Communication, Legal, Business Strategy, Internal Audits, and in the future Digitalization. The Legal department is primarily responsible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

## New whistleblowing hotline

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

Contact: [integrity@facc.com](mailto:integrity@facc.com) or +43-59-616 3951

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



## Evaluation

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

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

# Cooperation and memberships

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

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

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

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## Membership of professional associations (among others)

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

# Import and export control

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

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

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

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

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

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

The evaluation for the previous and current reporting year concluded that requirements were being fully complied with throughout the Group. While no need for adjustments was identified in 2021, there is still potential for further improvements.

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

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

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

Contact: [tradelaw.compliance@facc.com](mailto:tradelaw.compliance@facc.com)

# APPENDIX

[Key figures and EU taxonomy](#)

[GRI index](#)

[Glossary](#)

[Contact/note/imprint](#)

# Key figures and EU taxonomy

At the 5<sup>th</sup> Annual General Meeting of FACC AG, it was decided, among other things, to change the company's financial year to the calendar year. The key figures for the 2021 calendar year cover the period from 1 January 2021 to 31 December 2021.

FACC has founded a new company in Croatia. However, since the plant only went into operation in December 2021, it is not yet fully taken into account in this report.

Due to the materiality, there is no breakdown on a regional basis in the following key figures, with the exception of the human resources key figures, the existing values are cumulated totals of the respective production sites. The human resources indicators apply to all locations, incl. Croatia. Further key figures from other areas are not yet included regarding Croatia.

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

## EU taxonomy

In the 2021 financial year, there were no expenses or income at FACC that would have to be reported within the meaning of the taxonomy regulation of the European Union.

## Key figures and EU taxonomy

### PRODUCTS

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<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	0	0
Fines	Number of violations of regulations regarding the impact of products on the health and safety of customers resulting in a fine or sanction	Number	0	0	0	0
Fines – value	Violations of regulations regarding the impact of products on the health and safety of customers, incl. product labeling	EUR	0	0	0	0
Non-monetary sanctions	Number of violations of regulations regarding the impact of products on the health and safety of customers resulting in a warning notice	Number	0	0	0	0
Purchasing categories	Number of key purchasing categories	Number	24	24	24	24
Certified purchasing categories	Number of key purchasing categories with which a manufacturer's certificate/indication of origin is attached	Number	17	17	17	17
Product categories	Number of key product categories	Number	3	3	3	3
Proven origin	Number of key product categories, to which a manufacturer's certificate is attached	Number	3	3	3	3
Proven contents (e. g. chemicals from REACH)	Number of key product categories, to which a description of the contents is attached	Number	0	0	0	0
Required disposal	Number of key product categories, to which a description of the disposal is attached	Number	0	0	0	0
Export certificates	Number of key product categories, for which export certificates are (must be) created	Number	3	3	3	0

## ENVIRONMENT

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<b>Energy and emissions</b>						
Total energy consumption		kWh	108,370,469	89,620,496	77,799,743	80,120,911
Non-renewable fuels (total)	Total fuel consumption from non-renewable sources	kWh	17,603,004	13,254,822	16,827,723	18,937,594
Natural gas, incl. LNG	Direct GHG emissions (scope 1) in CO <sub>2</sub> equivalents from the use of fuels	kWh	16,889,745	12,667,324	16,222,070	16,754,928
Gasoline, Diesel	Consumption for vehicle fleet	kWh	713,259	587,558	605,653	447,270
Geothermal	From own plants	kWh	13,153,088	11,232,625	13,677,364	15,801,753
Photovoltaic, wind and hydro power	From own plants	kWh		207,300	237,960	232,005
Electricity purchased for consumption (total)	Total electricity purchased for consumption (renewable and non-renewable)	kWh	44,817,359	38,186,174	34,084,156	32,731,577
Heating/cooling	Quantity purchased for consumption; incl. district heating/cooling	kWh	32,797,018	26,739,515	27,239,177	20,198,613
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	12,566	12,970
Indirect GHG emissions (scope 2) <sup>3)</sup>	GHG emissions in CO <sub>2</sub> equivalents of (purchased) electricity, heating and cooling	t	n. a. <sup>1)</sup>	4,123	850	1,332
Energy intensity	Emissions in relation to operating performance or production volume	kWh/ EUR	0.1567	0.1624	0.2097	0.2083
GHG emissions intensity	Direct GHG emissions in relation to operating performance or production volume	Kg/EUR	n. a. <sup>2)</sup>	0.018	0.026	0.0253
Operating performance	Operating performance in the reporting period	EUR	691,565,252	551,712,883	463,771,778	341,271,753

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.

<sup>3)</sup> Errors in the calculation method of the past years has been detected. Has been fixed for all numbers.

## Key figures and EU taxonomy

### ENVIRONMENT

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<b>Waste (by type)</b>						
Waste (total)		kg	3,845,554	3,914,040	2,846,849	2,626,401
Non-hazardous waste (total)		kg	3,291,695	3,502,415	3,053,807	2,544,992
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	1,359,706	651,760
Metals	Non-ferrous metal scrap, non-ferrous metal packaging, nickel and nickel-containing wastes, copper, ferrous and steel waste (contaminated), aluminium, aluminium foil	kg	187,464	154,845	210,398	171,314
Paper and packaging materials	Waste paper, paper and paper board (coated and uncoated)	kg	520,173	472,920	380,178	289,986
Plastics	Plastic films, polyurethane	kg	244,920	248,210	187,240	160,190
Other non-hazardous waste	Construction debris, tree and shrub pruning, street sweepings, paper/paper board/cardboard, wood, packaging materials, polyurethane, plastic, metal scrap	kg	1,157,923	453,240	380,139	735,614
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859	411,625	267,075	81,409
Liquid hazardous waste	Solvents, acids, bases, oil-water mixtures, coolants and lubricants	kg	17,650	18,697	24,865	23,764
Solid/pasty hazardous waste	Used oil binder materials, solvent-containing sludge/production materials, paint and paint sludge	kg	498,367	383,225	218,860	14,093
Containers with hazardous residual contents	Iron metal packaging, compressed gas packages	kg	12,691	9,343	8,800	11,172
Other contaminated materials	Laboratory waste, building rubble containing harmful contaminants, asbestos waste/soils, filter cloths	kg	25,151	360	14,550	32,380
<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 (excl. non-hazardous wastewater), split into the following disposal methods where applicable	kg	3,291,695	3,502,415	3,053,807	2,544,992
Re-usage on site	Used for manufacturing other company products	kg	-	-	-	-
Recycling	Except re-usage	kg	500,640	837,097	902,497	859,894
Recovery	Incl. energy recovery (e. g. combustion with energy recovery)	kg	1,181,215	1,593,776	711,880	614,260
Landfill	Disposal of the waste in a landfill	kg	554,110	1,045,407	992,854	734,788
Others	Non-hazardous waste disposed of differently	kg	1,055,730	26,135	446,576	336,050
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859 <sup>1)</sup>	411,625	280,205	81,409
Recovery	Incl. energy recovery (e. g. combustion with energy recovery)	kg	6,568	4,134	1,420	1,282
Landfill	Disposal of the waste in a landfill	kg	29,050	82,819	241,610	74,120
Others	Hazardous waste that was disposed of differently	kg	-	322,860	-	-
Waste (by type)		kg	518,241	5,946	17,075	7,289

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	2020	2021	Dangerous goods share 2020	Dangerous goods share 2021
<b>Use of material</b>								
Non-renewable materials	Total quantity of non-renewable materials used by FACC	EUR	406,245,754	309,579,602	293,863,799	262,193,779	2%	2%
Purchased part marking <sup>1</sup>	Parts by marking – mainly out of metal or plastic	EUR	168,154,616	105,297,850	45,919,472	46,865,909	0%	0%
Composite materials	Impregnated and dry tissues and honeycomb materials	EUR	86,607,027	75,742,864	58,129,286	43,664,795	0%	5%
Precast <sup>1)</sup>	Precast	EUR	76,424,674	66,673,403	132,342,244	121,969,914	0%	0%
Standard parts	Parts by specification, e. g. screws, rivets, bolts, etc.	EUR	18,526,788	14,263,161	10,596,989	7,500,395	0%	0%
Catalog parts	Parts by manufacturer definition	EUR	18,897,123	15,853,539	15,574,800	15,514,597	0%	1%
Paints, adhesives	Paints, adhesives	EUR	14,002,249	11,883,527	10,009,507	7,291,125	44%	26%
Selant, seals, potting, foam, etc.	Sealing and fillers	EUR	10,815,735	10,263,859	8,215,121	7,133,315	34%	8%
Tools, indirect materials	Drills, cutters, masking tapes, gloves, etc.	EUR	8,190,406	5,997,490	4,243,028	3,363,889	1%	1%
Miscellaneous	Decorative materials, raw materials, bagging materials	EUR	4,627,137	3,603,909	8,969,341	8,992,753	0%	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.

<sup>1)</sup> Product group reassignment, therefore comparison with previous year's value difficult

## Key figures and EU taxonomy

### ECONOMY, COMPLIANCE

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<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	TEUR	785,170	667,769	526,891	497,554
Operating expenses	Distributed economic value: cash payments to third parties for materials, product components, facilities and externally sourced services	TEUR	461,815	400,985	334,850	289,316
Wages and company social benefits for employees	Distributed economic value: total payroll plus the total company benefits	TEUR	203,274	158,156	160,722	149,693
Payments to lenders	Distributed economic value: dividends to all shareholders plus interest payments to lenders	TEUR	15,880	17,286	9,044	7,677
Payments to the government	Distributed economic value: all taxes paid by the organization at the international, national and local level plus the associated fines	TEUR	997	2,355	1,175	68
Investments in the community	Distributed economic value: actual expenses during the reporting period excl. requirements, incl. voluntary donations and investments in the broader community, such as: donations to charities, non-governmental organizations and research organizations (not related to the commercial R&D of the organization); funds to support community infrastructure (e. g. recreational facilities); direct costs for social programs (incl. cultural and educational events)	TEUR	13	3	0	0
<b>Anti-corruption and anti-competitive behaviour</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	%	100	100	100	100
		Heads	3,566	3,470	2,753	2,642
Informed board members	Number of board members who have been notified of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	4	4	4	4
Informed white-collar workers	Number of white-collar workers (incl. management) who have been informed of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	1,354	1,326	1,176	1,136
Informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding anti-corruption, e. g. via the Code of Conduct	Heads	2,208	2,140	1,573	1,506
Business partners informed about anti-corruption	Business partners (e. g. suppliers, cooperation partners) to which the company policies regarding anti-corruption were communicated to	%	100	100	100	100
		Number	>1,600	1,774	>1,600	>1,600
Employees trained in anti-corruption	Number of company personnel trained in anti-corruption (total)	%	100	100	100	100
		Heads	3,566	3,470	2,753	2,642
Trained board members	Number of board members trained in anti-corruption	Heads	4	4	4	4
Trained white-collar workers	Number of white-collar workers (incl. management) trained in anti-corruption	Heads	1,354	1,326	1,176	1,138
Trained blue-collar workers	Number of blue-collar workers trained in anti-corruption	Heads	2,208	2,140	1,573	1,506
Corruption cases	Total number of confirmed cases of corruption (incl. cases where employees have been dismissed or disciplined for corruption, and cases where contracts with business partners have been terminated/not extended due to corruption)	Number	0	0	0	0
Claims due to anticompetitive behaviour	Number of pending or completed claims in the period under review for anticompetitive behaviour or antitrust and monopoly violations in which the company was identified as a party	Number	0	0	0	0

## COMPLIANCE

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<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	%	100	100	100	100
		Heads	3,566	3,470	2,753	2,642
Informed board members	Number of board members who have been notified of company policies regarding human rights (total), e. g. via the Code of Conduct	Heads	4	4	4	4
Informed white-collar workers	Number of white-collar workers (incl. management) who have been informed of company policies regarding human rights, e. g. via the Code of Conduct	Heads	1,354	1,326	1,176	1,136
Informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding human rights, e. g. via the Code of Conduct	Heads	2,208	2,140	1,573	1,506
Sites with significant risk of incident for (a) child labour and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labour	Sites with significant risk, e.g. due to operating mode (e. g. manufacturing) or country/region					
		By name	0	0	0	0
Countries of the top 5 suppliers	Country of manufacture of materials of the top 5 suppliers (based on purchase value)		Germany, USA, Austria, UAE, France	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE
		By name				
Suppliers with significant risk of incident for (a) child labour and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labour	Names of suppliers with significant risk, e.g. due to operating mode (e. g. manufacturing) or country/region					
		By name	0	0	0	0

## Key figures and EU taxonomy

### HUMAN RESOURCES

KPI	Description	Unit	2018/19	SFY 2019	2020	2021
<b>Employees and diversity</b>						
Total employees – male	Number of male employees, incl. board members and management, excl. non-employees (employee leasing)	Heads	2,695	2,582	2,055	1,956
Total employees – female	Number of female employees, incl. board members and management, excl. non-employees (employee leasing)	Heads	871	888	698	686
Temporary employees – male	Number of male employees with fixed-term contract	Heads	350	260	1,54	66
Temporary employees – female	Number of female employees with fixed-term contract	Heads	160	121	87	41
Part-time employees – male	Number of male part-time employees as defined by national law	Heads	54	61	51	63
Part-time employees – female	Number of female part-time employees as defined by national law	Heads	180	202	169	186
Full-time employees – male	Number of male full-time employees	Heads	2,641	2,521	1,999	1,893
Full-time employees – female	Number of female full-time employees	Heads	691	686	529	500
Management – male	Number of male employees in management functions/positions (incl. board members and department heads)	Heads	232	239	220	219
Management – female	Number of female employees in management functions/positions (incl. board members and department heads)	Heads	34	37	36	30
Non-management – male	Number of male employees without management function	Heads	2,463	2,343	1,830	1,738
Non-management – female	Number of female employees without management function	Heads	837	851	662	655
White-collar workers – male	Number of male white-collar workers (incl. management and board)	Heads	1,024	996	892	867
White-collar workers – female	Number of female white-collar workers (incl. management and board)	Heads	334	334	288	269
Blue-collar workers – male	Number of male blue-collar workers	Heads	1,671	1,586	1,163	1,089
Blue-collar workers – female	Number of female blue-collar workers	Heads	537	554	410	417
Non-employees (employee leasing)	Blue-collar workers who are not in a direct contractual relationship with FACC but contracted through a third party (temporary workers)	Heads	68	17	7	46
Employees under collective agreements	Number of employees, who are under collective agreements	Heads	3,444	3,345	2,537	2,340
Employees <30 – male	Number of male employees under 30 years of age	Heads	708	600	433	363
Employees <30 – female	Number of female employees under 30 years of age	Heads	311	304	213	190
Employees 30–50 – male	Number of male employees 30 to 50 years of age	Heads	1,631	1,611	1,306	1,263
Employees 30–50 – female	Number of female employees 30 to 50 years of age	Heads	472	489	409	423
Employees >50 – male	Number of male employees over 50 years of age	Heads	356	371	311	330
Employees >50 – female	Number of female employees over 50 years of age	Heads	88	95	72	73
Employees leaving total – male	Number of male employees who have left the company (voluntarily), were laid off, retired or have died	Heads	363	349	648	303
Employees leaving total – female	Number of female employees who have left the company (voluntarily), were laid off, retired or have died	Heads	113	89	288	101
Employees leaving total – white collar	Number of white-collar workers who have left the company (voluntarily), were laid off, retired or have died	Heads	131	123	225	148
Employees leaving total – blue collar	Number of blue-collar workers who have left the company (voluntarily), were laid off, retired or have died	Heads	345	315	747	256
Employees leaving unplanned – male	Number of male employees who have left the company by mutual agreement or voluntarily	Heads	203	213	597	260
Employees leaving unplanned – female	Number of female employees who have left the company by mutual agreement or voluntarily	Heads	63	39	254	79
Employees leaving unplanned – white collar	Number of white-collar employees who have left the company by mutual agreement or voluntarily	Heads	87	98	197	120

## HUMAN RESOURCES

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019	2020	2021
<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	Heads	179	154	654	219
New hires <30–male	Number of newly hired male employees, under 30 years of age	Heads	181	114	58	83
New hires <30–female	Number of newly hired female employees, under 30 years of age	Heads	94	66	45	37
New hires 30–50 – male	Number of newly hired male employees, 30 to 50 years of age	Heads	174	107	60	92
New hires 30–50 – female	Number of newly hired female employees, 30 to 50 years of age	Heads	71	45	40	49
New hires >50 – male	Number of newly hired male employees, over 50 years of age	Heads	35	15	23	18
New hires >50 – female	Number of newly hired female employees, over 50 years of age	Heads	5	4	7	2
New hires – white collar	Number of newly hired white-collar workers	Heads	224	88	58	93
New hires – blue collar	Number of newly hired blue-collar workers	Heads	336	263	173	188
<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	17.314	11,692,3
Training hours – management	Total number of training hours for all management functions (Management Board and directors)	Hours	5,837,64	5.733	3.247,50	1,899.3
Training hours – non–management	Total number of training hours for all non-management employees	Hours	43.379,20	32.481,68	14.056,93	9,793.1
Training hours – internal Trainings <sup>1)</sup>	Average number per employee	Hours	9.31	7.81	3.94	3.7
Training hours – external Trainings <sup>1)</sup>	Average number per employee	Hours	4.30	3.27	0.61	1.4
<b>Health and safety</b>						
Work-Related Injuries blue collar male	Notifiable accidents at work according to AUVA (from the absence of three days) – blue collar	Number	61	46	22	28
Work-Related Injuries blue collar female	Notifiable accidents at work according to AUVA (from the absence of three days) – blue collar	Number	12	17	7	10
Injury rate – blue collar	LTIFR (Lost Time Injury Frequency Rate): number of accidents with days of absence (three and more) per 1 million working hours/ number of productive hours effectively worked blue collar	LTIFR	20.3	22.6	13.9	19.5
Injury rate – blue and white collar	LTIFR (Lost Time Injury Frequency Rate): number of accidents with days of absence (three and more) per 1 million working hours/number of productive hours effectively worked blue and white collar	LTIFR	13.5	14.7	8.3	11.3
Occupational injuries – types	Types of injuries occurred most frequently					
		Description	Falling down and cutting damages	Cutting and bruising damages	Cutting and bruising damages	Cutting and bruising damages
Downtime due to such injuries – white collar male	Calendar days, from the first day of absence	Days	1,259	663	472	399
Downtime due to such injuries – white collar female	Calendar days, from the first day of absence	Days	337	201	57	185
Downtime due to such injuries – blue collar male	Calendar days, from the first day of absence	Days	1,101	568	432	356
Downtime due to such injuries – blue collar female	Calendar days, from the first day of absence	Days	303	170	39	170

## Key figures and EU taxonomy

### HUMAN RESOURCES

KPI	Description	Unit	2018/19	SFY 2019 <sup>1)</sup>	2020	2021
<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	0	1
Occupational injuries – blue-collar female non-employees	Number of injuries as defined by law for female non-employees (temporary workers)	Number	0	0	1	0
Occupational deaths blue-collar male employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for male employees	Number	0	0	0	0
Occupational deaths blue-collar female employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for female employees	Number	0	0	0	0
Occupational deaths blue-collar male non-employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for male non-employees	Number	0	0	0	0
Occupational deaths blue-collar female non-employees	Number of work-related deaths within 30 days of the accident, incl. road accidents for female non-employees	Number	0	0	0	0
Hours worked – male employees	Total number of hours worked by all male employees	Hours	4,497,214	3,605,280	3,011,771	2,935,210
Hours worked – female employees	Total number of hours worked by all female employees	Hours	1,273,344	1,081,130	867,210	864,122
Hours worked – male non-employees	Total number of hours worked by all male non-employees	Hours	90,349	37,414	3,653	12,574
Hours worked – female non-employees	Total number of hours worked by all female non-employees	Hours	24,328	15,050	908,95	4,184
Absences – male employees	Number of absence hours regardless of the cause for male employees (incl. planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	953,370	816,203	799,292	910,324
Absences – female employees	Number of absence hours regardless of the cause for female employees (incl. planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	460,328	405,415	461,579	477,755

<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

## GENERAL INFORMATION

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102 Ethics and integrity	102-16	Values, principles, standards and norms of behaviour	12, 55
102 Governance structure	102-18	Governance structure	7
102 Inclusion of stakeholder groups	102-40	List of stakeholder groups	15
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201 Economic performance	201-1	Direct economic value generated and distributed	52	
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301 Materials	301-1	Materials used by weight and volume	31	
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301 Materials	301-1	Materials used by weight and volume	31	
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302 Energy	302-1	Energy consumption within the organization	32-34	Information for the previous year is not possible because it has not yet been included.
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305 Emissions	305-2	Indirect energy-related GHG emissions	32-34	
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306 Waste water and waste	306-2	Waste types and disposal method	35	
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	103-3	Evaluation of the management approach	40-41	
401 Employment	401-1	New hires and employee turnover	40-41	It is not possible to break down the fluctuation by gender and age.
<b>Occupational safety and health protection of employees</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary	33	
	103-2	The management approach and its components	33	
	103-3	Evaluation of the management approach	33	
403 Occupational safety and health protection	403-2	Types and frequencies of injuries, work-related illnesses, days lost, absenteeism and number of work-related fatalities	33	

## MAIN TOPICS

GRI standard	Description		Page	Comment
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103 Management approach	103-1	Explanation of the material topic and its boundary	45	
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	103-3	Evaluation of the management approach	45	It is not possible to break down further and advanced training courses by gender and age.
404 Training and further education	404-1	Average training hours per employee and year	45	
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103 Management approach	103-1	Explanation of the material topic and its boundary	26-28	
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302 Energy	302-5	Reduction of the energy requirement	26-28	
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103 Management approach	103-1	Explanation of the material topic and its boundary	51	
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416 Customer health and security	416-2	Incidents of non-compliance regarding health and Security implications of products and services	51	
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103 Management approach	103-1	Explanation of the material topic and its boundary	38	
	103-2	The management approach and its components	38	
	103-3	Evaluation of the management approach	38	
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103 Management approach	103-1	Explanation of the material topic and its boundary	39	
	103-2	The management approach and its components	39	
	103-3	Evaluation of the management approach	39	
<b>Good governance (responsible corporate governance)</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary	55	
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	103-3	Evaluation of the management approach	55	
<b>Product longevity and circular economy</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary	29-30	
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## GRI index

GRI standard	Description		Page	Comment
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103 Management approach	103-1	Explanation of the material topic and its boundary	35	
	103-2	The management approach and its components	35	
	103-3	Evaluation of the management approach	35	
<b>Reduction of CO<sub>2</sub></b>				
103 Management approach	103-1	Explanation of the material topic and its boundary	32-34	
	103-2	The management approach and its components	32-34	
	103-3	Evaluation of the management approach	32-34	
305 Emissions	305-5	Reduction of GHG emissions	32-34	
<b>Employee diversity and anti-discrimination</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary	46	
	103-2	The management approach and its components	46	
	103-3	Evaluation of the management approach	46	
406 Anti-discrimination	406	Anti-discrimination	46	
<b>Neighbours and local communities</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary		
	103-2	The management approach and its components	47	
	103-3	Evaluation of the management approach	47	
<b>Dealing with COVID-19</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary		
	103-2	The management approach and its components	47	
	103-3	Evaluation of the management approach	47	
<b>Product safety</b>				
103 Management approach	103-1	Explanation of the material topic and its boundary		
	103-2	The management approach and its components	51	
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GRI standard	Description		Page	Comment
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	103-3	Evaluation of the management approach	55	
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206 Anticompetitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	55	
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103 Management approach	103-1	Explanation of the material topic and its boundary	55	
	103-2	The management approach and its components	55	
	103-3	Evaluation of the management approach	55	
205 Anti-corruption	205-1	Business premises that have been checked for corruption	55	
	305-2	Communication and training on anti-corruption policies and procedures	55	
	305-3	Confirmed incidents of corruption and actions taken	55	
206 Anticompetitive behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	55	
<b>Diversification in the product range</b>				
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# Glossary

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

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**Note**

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