

# BEYOND HORIZONS

Sustainability Report 2020

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Responsibility knows no boundaries. Our Sustainability Report is therefore more than just a legal obligation for us. It is our way of actively communicating the issue of sustainability – for both current generations and generations to come.

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It is our belief that talking, discussing and cooperating with our stakeholders generates enormous potential for new ideas and product solutions as well as for strengthening confidence in our company.

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As a globally operating company, we do not just focus our efforts on technology and research. FACC also seeks to provide answers to issues of social and ecological responsibility.

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At FACC, sustainability stands for progress and the future. The company's sustainability management is clearly structured and ensures that all relevant aspects and the interests of stakeholder groups are given due consideration.

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With its outstanding technological expertise, global network and wide product range, FACC works for renowned customers all over the world.




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FACC is committed to the protection of the environment and the judicious use of natural resources. Our activities focus on the continuous optimization of material properties and of our internal processes and operations.

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FACC's key objective is to make aircraft safer, more efficient, lighter, quieter, more environmentally friendly and more economical.

In order to handle the complexity of this task, FACC has been cooperating with renowned universities, research institutes and professional associations for many years.

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# About this report

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

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## REPORTING PERIOD AND CYCLE

The reporting period covers the calendar year 2020 (1 January to 31 December 2020). Activities falling outside of the reporting period are also discussed for the sake of greater intelligibility. This non-financial report is published annually in German and English and will again be released as an online report on 26 March 2021. It should be noted that the reporting period once again covers a full twelve months as data collection was changed from the financial year to the calendar year. As a result, comparability with the previous report is limited as this covered the short financial year 2019.

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## REPORTING STANDARDS AND TOPICS

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

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## UN SUSTAINABLE DEVELOPMENT GOALS

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

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## KEY FIGURES AND COMPILATION METHODS

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

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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 topics in key corporate publications and via various communication channels.

The most recent Sustainability Report (short financial year 2019) was published on 26 May 2020 and can be viewed on the FACC website.

This Sustainability Report has not been assessed externally.

### GRI

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

# Committed to the sky – committed to sustainability



Our business model by its very nature, which focuses on the development and production of lightweight aircraft components, makes an important contribution to climate protection and the reduction of CO<sub>2</sub> emissions. Replacing metal components with parts made from composite materials significantly reduces weight and thus helps to save fuel and cut emissions. The share of composites in aircraft has steadily increased over the past decades. Innovative technologies, materials and processes developed by FACC support the aviation industry's ambitious goal of halving its share of total global CO<sub>2</sub> emissions of currently 2.7 percent, despite current expectations of an increase in air traffic in the medium term. A look at the past shows that this objective is perfectly realistic: despite a fourfold increase in air traffic since 1970, today's emissions in all areas of aviation are well below 50 percent of the levels generated at that time.

To make our contribution today, we are already developing the materials for the mobility of tomorrow. Replacing chemical raw materials with organic ones, 100 percent recyclability, antibacterial and antiviral surfaces, bionic structures, life-cycle monitoring, reducing the diversity of parts through integrated construction methods, and morphing surfaces are just a few of the areas we are

focusing on in this context. At the same time, we are working intensively on the future topics of Urban Air Mobility and space as part of our new FACC 2030 Strategy, which was adopted in 2020. Here, too, we will be able to make a decisive contribution to sustainable solutions with our innovative lightweight construction concepts.

Thus, while we are constantly striving to make aviation even more environmentally friendly, we are naturally also taking care within the company to keep the impact of our business activities as low as possible. This includes comprehensive measures to save raw materials and energy as well as waste avoidance. Concepts such as heat recovery, photovoltaics and geothermal energy have long been an integral part of our daily practice, and have brought about massive reductions in energy consumption and emissions. Using geothermal energy in our plants alone saves as much fossil fuel as the entire town of Ried consumes. It goes without saying that we also take our social responsibility towards our staff and society seriously and live up to this commitment by applying high standards and a broad range of measures.

All this is confirmed by a range of audits and ratings, such as the eccos22<sup>®</sup> Excellence in Sustainability and Corporate Social Responsibility international seal of quality and the qualityaustria eccos22<sup>®</sup> certificate. Moreover, we have established a strong position with regard to the Sustainable Development Goals of the United Nations. We wish to intensify our collaboration with rating agencies in the future in order to give greater external visibility to our commitment and dedication. This Sustainability Report also serves this goal, illustrating through a variety of examples just how deeply sustainable thinking and action are anchored in the DNA of our company.

Yours,  
Robert Machtlinger

**GRI**  
**102-14**



# COMPANY

Sustainably shaping the mobility of the future

# 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 aircraft industry.

## CLEAR STRUCTURE, HIGH EFFICIENCY

As of 31 December 2020, 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 31 December 2020, 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 31 December 2020.

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

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

Company	Headquarters	Issued and fully paid nominal capital	Share FACC AG	Primary activities
FACC Operations GmbH	Ried im Innkreis, Austria	127,000,000 EUR	100%	Development and production of aircraft components
FACC Solutions (Canada) Inc.	Montreal, Canada	10,000 CAD	100%	Customer service
FACC Solutions Croatia d.o.o.	Zagreb, Croatia	20,000 HRK	100%	Production
FACC Solutions Inc.	Wichita (Kansas), USA	10,000 USD	100%	Customer service
FACC Solutions s.r.o.	Bratislava, Slovakia	6,639 EUR	100%	Design und Engineering
FACC (Shanghai) Co., Ltd	Shanghai, China	2,000,000 RMB	100%	Design und Engineering
FACC Solutions Private Limited	Pune, India	20,420,530 INR	100%	Design und Engineering
CoLT Prüf und Test GmbH	St. Martin, Austria	35,000 EUR	91%	Design und Engineering

## FACC IN NUMBERS

In the 2020 financial year, the FACC Group generated revenues of EUR 526.9 million.

Consolidated earnings before interest and taxes (EBIT) amounted to EUR -74.4 million.

FACC employed 2,655 members of staff, of which 2,410 worked at the company's Austrian sites. The remainder were employed at the company's global sites.

## Business development of the segments

In the 2020 financial year, the FACC Group generated revenues of EUR 526.9 million, which represents a decline of EUR 126.2 million compared to the previous year (short financial year from 1 March to 31 December). This negative development was significantly influenced by the effects of the COVID-19 pandemic.

The global economic downturn and the economic impact of the pandemic on the global aviation industry adversely affected both revenues and therefore earnings in the 2020 financial year. The operating result stood at EUR -26.8 million (before taking into account one-time effects) and was significantly influenced by the reduced capacity utilization of the plants since the outbreak of the COVID-19 pandemic at the beginning of the second quarter of 2020.

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

Sales markets	2018/19	SFY 2019	2020
EU incl. UK	461.6	365.4	287.8
USA	155.6	122.7	82.7
Canada	95.9	82.1	73.3
Rest of the world	68.5	82.9	83.1
<b>Total revenue</b>	<b>781.6</b>	<b>653.1</b>	<b>526.9</b>

#### GRI

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

# Global presence

FACC is represented by subsidiaries in seven countries: from Austria to China, from India to the USA and Canada. More than 2.700 highly qualified employees from more than 40 nations are at the

service of FACC's customers at locations all over the world – always close to their customers' plants.



## Production plants

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

**Plant 1:** Ried im Innkreis, Austria

Core competence: Aerostructures, Engines & Nacelles

**Plant 2:** Ort im Innkreis, Austria

Core competence: Cabin Interiors

**Plant 3:** Ort im Innkreis, Austria

Core competence: Aerostructures

**Plant 4:** Reichersberg, Austria

Core competence: Engines & Nacelles

**Plant 6:** Jakovlje, Kroatien

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, final assembly

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

**USA:** Wichita

## FACC maintenance service

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

**Austria:** Plants 1, 2, 3, 4, 5

**Croatia:** Plant 6

## Further production plants and partnerships

China, India, Russia, United Arab Emirates and Malaysia

GRI  
102-4

# Comprehensive product range

## Aerostructures

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

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

## Engines & Nacelles

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

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

## Cabin Interiors

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

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

## Aftermarket Services

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

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

GRI  
102-2

# Know-how and expertise

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## RESEARCH AND TECHNOLOGY

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

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

More than 500 employees of the company work in the field of research and technology. FACC has a research quota of around 9 percent and holds more than 400 patents. Currently more than 284 are active and 75 are undergoing appraisal. Specialists are active in each of the following core competences and fields are continuously refining design concepts:

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

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

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

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

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

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

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

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

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

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

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

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

# Supply chain

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

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

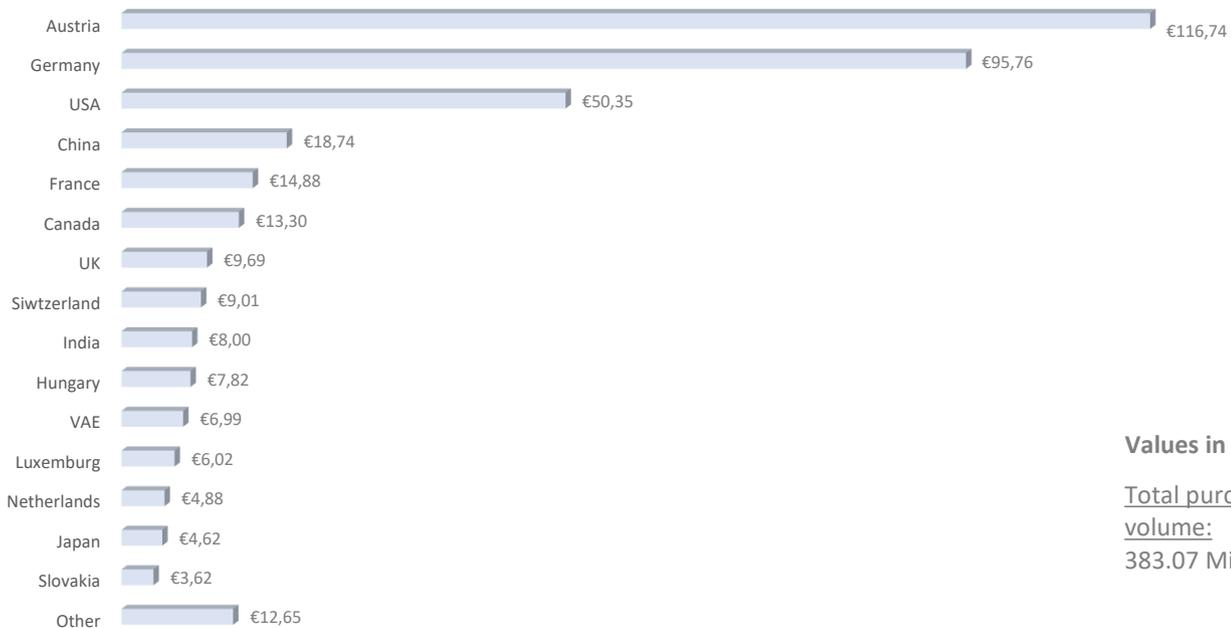
- Fast growth
- Long-term partnership
- Innovative strength and new technologies
- Access to the global aerospace market

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

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

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

## SUPPLIERS: COUNTRIES OF ORIGIN AND PURCHASING VOLUMES



Values in EUR million

Total purchasing volume:  
383.07 Mio. EUR

Overall, FACC recorded a purchasing volume of EUR 383.08 million in the 2020 financial year. Around 70 percent of the materials and semi-finished products purchased came from Austria, Germany and the USA. FACC worked with 1,646 suppliers, including both large and small suppliers.

There were no significant changes in the organization of purchasing and in the supply chain at FACC in the 2020 financial year.

GRI  
102-9, 102-10

# Procurement standards

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

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

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

# The FACC benefit promise

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

## For customers...

### **Pilot.**

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

### **Passion.**

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

### **Partnership.**

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

## For employees...

### **Fascination.**

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

### **Perspective.**

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

### **Purpose.**

We want to offer more than just a workplace. We have established a common mission that we can only reach together.

**For investors...****Security.**

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

**Performance.**

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

**Outlook.**

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

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

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

**More efficient.**

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

**Added comfort.**

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

# Values provide clarity

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

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

**Human****Respect and team spirit**

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

**Corporate****Performance and output**

Customers of the aviation industry must be able to rely on the quality of our products and services 100 percent. We are committed to performance and success – there can be no success without high performance, and no company without success. We are driven by our passion for our work and the tasks ahead of us. As a team, we place our joint success above the success of individuals.

**Know-how****Knowledge and energy awareness**

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

**Creative drive****Light weight and drive**

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

An aerial photograph of a winding river in a dry, sandy landscape. The river is a vibrant blue-green color, contrasting with the light tan sand. In the upper portion of the image, a dark silhouette of an airplane is seen flying over a forested area. The overall scene is captured from a high angle, looking down at the terrain.

# STAKEHOLDER MANAGEMENT

Striving for the extraordinary

# FACC's stakeholder strategy

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

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

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

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

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

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

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



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

# The FACC stakeholder dialogue

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

Stakeholders	Topics	Contact methods
Aviation authorities	Flight safety 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) or STC topics Audits Meetings
Other authorities (e.g. district administrations, embassies)	Good governance Secure and equitable workplaces	Residence permits and VISA applications Meetings Audits
Works council		Regular and personal coordination
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

Stakeholders	Topics	Contact methods
Logistics partners and forwarding agents	Social impacts within the supply chain Customs processing	Direct communication via sales and customs departments
Employees	Secure and equitable workplaces Occupational safety and health protection of employees Employee training and further education	Emails Executive employees Staff meetings Management Days Employee app Company magazine Notice board Advertising spaces (posters, lock screens, screens in production) Social media Summer party Christmas party Flight club Jubilee celebration FACC Leonardo CEO- Breakfast
Municipalities	Waste and water consumption	Emails Meetings Telephone
Approval bodies/testing institutes	Special testing	Commissions, e.g. from CoLT
Service providers	Repair/maintenance services for customers commissioned by FACC Catering service for employees	Contracts Meetings

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

# From sustainability strategy to sustainability report

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

In two workshops held in July 2017, all FACC department heads concerned analyzed the company's value chain and examined its effects and potential risks for the environment, the economy and society with a special focus on the issues required by NaDiVeG. A revision is planned for the calendar year 2021.

In addition, the completeness and relevance of the topics covered were ensured on the basis of an examination of relevant standards and reports by suitable peer groups. The main issues were delimit-

ited by analyzing their impact within and/or outside the organization. FACC's potential to shape the respective topics was also taken into account.

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

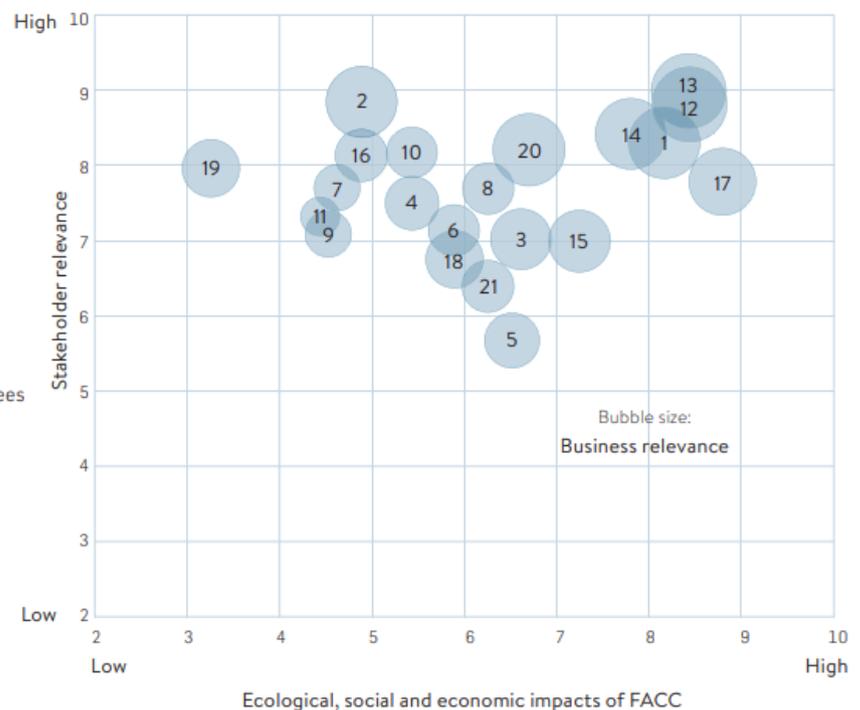
In the course of the evaluation of topics by internal experts, non-financial topics were also considered as a third dimension in terms of their business relevance for FACC in order to arrive at an all-embracing view within the scope of materiality analysis.

## THE MATERIALITY MATRIX OF FACC

The outcome of the process described is a materiality matrix that summarizes the impacts (abscissa), stakeholder relevance (ordinate) and business relevance (bubble size) of the various topics.

### Topics

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



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

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

Environment	1	Fuel efficiency of aircraft	Significance of FACC products with regard to fuel consumption and aircraft emissions
	6	Materials and chemicals used	Volume and components of materials used for production and packaging, incl. chemicals
	8	Energy consumption and emissions in production	Consumption and emissions through in-house production (excl. supply chain), incl. CO <sub>2</sub> -free energy generation
	10	Waste	Hazardous and non-hazardous waste from in-house production, waste avoidance and sorting
Employees	12	Secure and equitable workplaces	Fluctuations in staffing levels (fluctuation, shortage of skilled workers), fulfillment of collective bargaining agreements, allocation of working hours, fair remuneration schemes
	13	Occupational safety and health protection of employees	Accidents, sick leaves, mental and physical stress at the workplace (incl. hazardous vapors and substances in production)
	14	Employee training and further education	Employee qualification and promotion (FACC Academy)
Society	2	Flight safety	Prevention of use for military/terrorist purposes (export controls) and product quality (incl. product documentation and traceability)
	3	Reduction of aircraft noise emissions	Products which dampen and prevent noise
	5	Mobility increase	Contributing to increased mobility and globalization, making air travel affordable for everyone by increasing efficiency
Economy	17	Economic responsibility and effects in the region	Jobs, appeal of the region, taxes, investments, spatial development, cooperating with training centers
	20	Good governance	Transparency, external and internal communication, crisis management, active learning and further development of the organization

GRI  
102-46, 102-47

# Impacts and risks

Waste and energy consumption and the resulting emissions in production have significant environmental impacts. The most relevant risks derive from the use of chemicals and hazardous materials. These risks, however, are minimized by consistently observing and complying with health and safety regulations. FACC products are used in aviation, an industry in which the generation of emissions is inherent. However, FACC's lightweight components lead to greater fuel efficiency and minimize noise emissions. They thus make a positive contribution to reducing the burden on the environment.

With regard to employee matters, the main focus is on equal rights, non discrimination and the health and safety of employees (this primarily applies to our own employees). As in most industrial companies, occupational accidents and damages to the health of employees can occur at FACC as potentially hazardous equipment, materials and substances are used within the company. Psychological pressure caused by stress and occasional overtime also figures among the risks employees are exposed to. Aiming to reduce these risks, FACC has embraced a number of preventive measures such as the "Zero Accident Gate" and "Healthy and Happy" initiatives.

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

The positive contribution of FACC products to reducing aircraft noise and increasing the mobility of broad sections of society (closely linked to increased fuel efficiency) also deserves recognition. In addition, FACC plays an important role for the regional economy through the creation and preservation of jobs, investments and spatial development and the improvement of infrastructure. The steering mechanisms and results with regard to the other impacts and risks mentioned above are presented below (see the GRI index as of page 62 for page references).

## GRI

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

An aerial photograph of a winding road through a dense green forest. A large, dark shadow of an airplane is cast onto the road, appearing to fly over it. Further down the road, a person is riding a motorcycle. The text 'SUSTAINABILITY' is overlaid in the center of the image.

# SUSTAINABILITY

Identifying goals, setting a course, remaining on track

# Sustainability strategy

In the past year, COVID-19 highlighted just how the global population inhabiting a shared planet is interconnected.

FACC was also not left unscathed by the global economic impact of the pandemic. Thus, the Group was forced to make painful decisions and lay off part of its workforce. However, the economic slowdown brought about by the pandemic along with a willingness to consistently look beyond the horizon led FACC to pay even greater attention to the issues of sustainability and Corporate Social Responsibility (CSR). Indeed, sustainable business practices are of crucial importance, particularly 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 all of its decisions.

For this reason, the CSR management of FACC in 2020 has been reorganized and strengthened.

Furthermore, five strategic goals for the future represent the pillars of FACC's vision of sustainability. They define FACC's long-term goals along with projects that are to be implemented within the next twelve to 18 months.

## **a) We wish to be counted among the best employers and vocational instructors.**

The health and safety of our employees is our highest priority, while providing encouragement and stimulating challenges is our credo for mutual success. Offers such as working from home, flexi time and a company crèche create a working environment which allows for an optimal work-life balance. We strive to ensure that our employees and apprentices reach their full potential and develop their talents, assume responsibility, act on their own initiative and contribute ideas. We encourage this by providing our employees with continuous training and further development opportunities, as well as incentives for showing their personal commitment to the company. Our aim is to strengthen the loyalty of our staff and to create secure jobs for all our skilled employees. In this way, we wish to master the challenges of the future together. FACC strives for ISO 45001:2018 certification (management system for occupational health and safety) by mid-2022.

## **b) We help shape the mobility of the future for the world of tomorrow.**

We already rank among the leaders of the global aerospace industry in terms of innovation, products and services. Building on this position, our aim is to continue to successfully compete in the global market while contributing to the sustainable development of industry, society and the environment.

Every lightweight component we produce contributes to making air travel more comfortable, quieter and more environmentally friendly. We are currently researching innovative solutions, materials and sustainable mobility concepts. Our goal is to further reduce the CO<sub>2</sub> emissions of aircraft through innovative technologies and to help shape the mobility of the future in the area of passenger transportation and logistics in a sustainable manner.

## **c) As a leading company in our regions, we are continuously increasing the value of our company.**

We perceive ourselves as a performance-driven corporation with the clear objective of increasing its value. After all, economic success provides the basis for implementing and achieving our strategic goals. However, we do not wish to achieve this success at the expense of the environment. Value-oriented management is therefore a central component of our corporate policy. In the past years, FACC has lived up to its role of a leading regional company in a number of ways. The fact that the municipality of Reichersberg, the location of one of FACC's plants, boasts an impressively high credit rating compared to other Austrian municipalities is no accident. The new plant we are currently establishing in Croatia will also create added value for an otherwise rather structurally weak region. The prerequisite for this is sustainable process planning. Our aim is to continue to achieve sustained growth in the future and to boost structurally weak regions by offering people secure jobs with fair wages, regardless of the location, in full compliance with human rights. Wage dumping is to remain a foreign concept for FACC in the future. In order to keep our corporate policy on track, risk analysis at FACC will be expanded to include non-financial topics (TFCD) in 2021.

## **d) We are aligning our supply chain management even more closely with CSR.**

A chain is only as strong as its weakest link. We procure our materials from a wide range of countries around the world. We recognize that all our efforts and values in the area of CSR must also apply to our suppliers. To ensure this, we are launching a "Sustainability Survey" in 2021 while simultaneously updating our "Supplier Code of Conduct". Our goal is to audit our top 50 suppliers with regard to CSR by 2022. The audits will then be continuously extended to all other FACC suppliers, and the results will be included in future supplier ratings. We expect our key suppliers to demonstrate their positive contributions to greater sustainability.

e) We are reducing our ecological footprint.

For many years, we have been pursuing both large and small projects with the aim of steadily reducing our ecological footprint. The successes achieved in this area to date (page 26 et seq.) are not always spectacular and self-explanatory. Many times, their significance can only be recognized at second glance. It remains our goal to further decrease FACC's ecological footprint. From the first quarter of 2021, we have therefore been obtaining electricity exclusively from renewable sources and increasing our recycling quota for production waste to approximately 30 percent.

Various other projects will be evaluated until 2030 – including self-generated electricity. Subsequently, we want to produce largely CO<sub>2</sub>-neutral by 2050.

GRI  
102-11

# CSR-Management

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

CSR is by no means a matter of course, but must be actively promoted and professionally managed. This requires a clear set of values, measurable goals, realistic deadlines, clearly defined areas of responsibility, agreed success criteria and close teamwork. In order to oversee all these agendas, FACC created the position of a CSR Manager at the beginning of 2021. This corporate role involves reporting directly to the Management Board and collaborating 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 valid 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 addition, FACC became a member of the non-profit organization CSR-Dialogforum in 2020. A follow-up assessment will be conducted in the autumn of 2021.



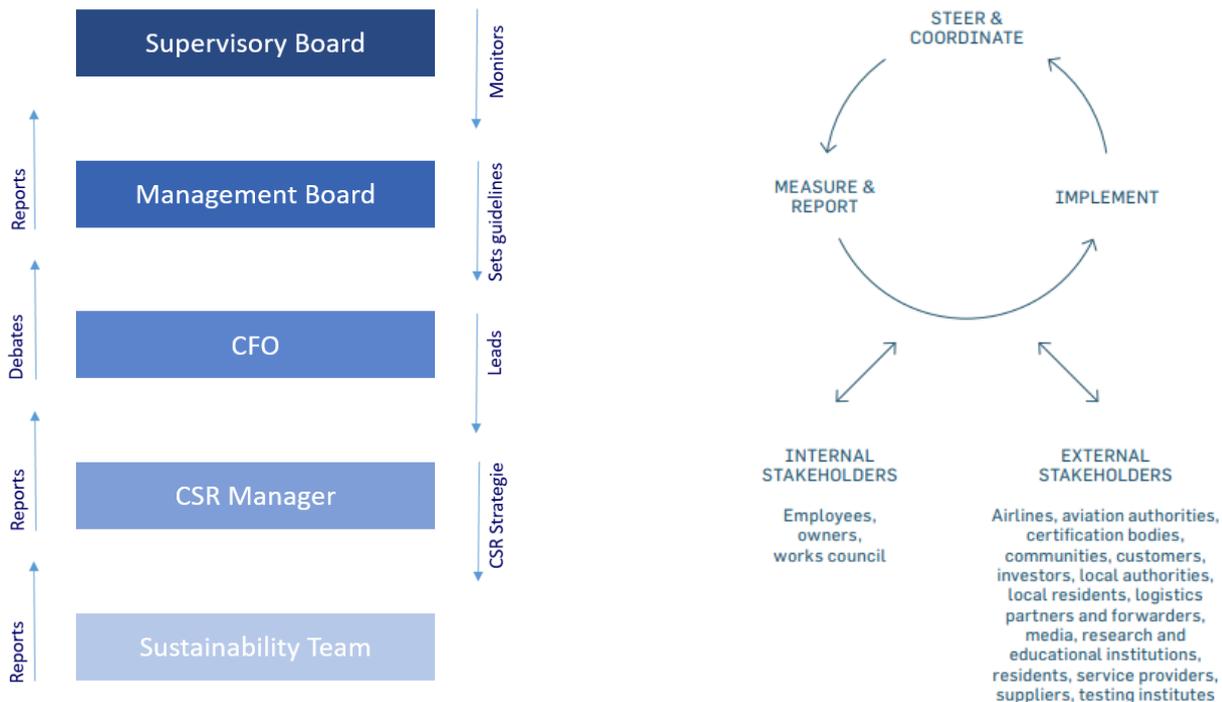
## FACC'S STAKEHOLDER STRATEGY

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

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

Airlines appreciate all efforts to render their operations more efficient, and to make their aircraft quieter, safer, greener and more comfortable for passengers.

Focusing on these customer requirements, in conjunction with extensive expertise, the targeted application of bionics and a great deal of experience, "automatically" paves the way to more sustainable solutions. Systematic customer focus is therefore a powerful driver of innovation, which ultimately also promotes sustainable action.



# Global development goals

At the 2015 United Nations Sustainable Development Summit in New York, the then 193 UN member states unanimously adopted the Sustainable Development Goals (SDGs) for 2030. If these 17 sustainability goals are met, poverty and hunger are to be completely eradicated worldwide by 2030. The goals give equal weight

to economic, social and ecological aspects and call for the safeguarding of human rights, the rule of law, good governance, peace and safety. The SDGs thus represent a global first.

# Contributions from FACC to meet the Sustainable Development Goals



## SDG 4: QUALITY EDUCATION

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

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

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



## SDG 5: GENDER EQUALITY

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



## SDG 8: DECENT WORK AND ECONOMIC GROWTH

Decent work is a fundamental principle upheld by FACC. In Austria, national regulations guarantee occupational health and safety at work. Child and forced labor is not accepted at any of our international locations.

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



## SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



## SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

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

Our environmental management follows an integrated approach and evaluates the potential impact of production processes and products as early as the strategic corporate decision-making stage. Our entire product development is guided by the goal of eco-efficiency.



## SDG 13: CLIMATE ACTION

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

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



## SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

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

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



## SDG 17: PARTNERSHIPS FOR THE GOALS

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

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

An aerial photograph of a river delta, showing a complex network of channels and distributaries. The water is a deep teal color, contrasting with the reddish-brown, textured land. A small airplane is visible in the upper-middle section of the image, flying over the land. The overall scene is a natural, intricate pattern of water and earth.

# ENVIRONMENT

Landing successes together

# Environmental, health and safety policy

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

Production at FACC consistently takes place under ecofriendly, ergonomic and safe conditions.

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

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

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

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

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

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

# Fuel efficiency

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

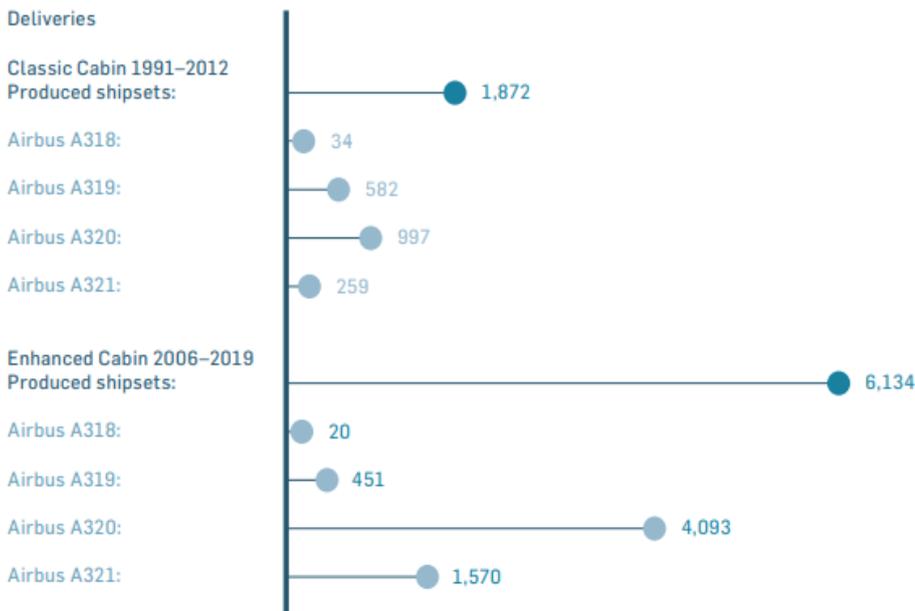
## FUEL REDUCTION AS A STRATEGIC ASSET

Lower manufacturing tolerances with regard to the surface area result in higher efficiency and lower fuel consumption. The same applies to the weight of the components. Efficient and lightweight components not only reduce fuel consumption and average costs per revenue passenger kilometer, but also make a significant contribution to reducing CO<sub>2</sub> emissions in air traffic. FACC takes responsibility for these fields of competence in the areas of development and production. Requirements either come from our customers or are defined and implemented in the course of our own development or optimization projects.

## FUEL SAVINGS IN THE CABIN INTERIORS DIVISION

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

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



## SMALL CALCULATION – BIG EFFECTS

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

### Weight savings per aircraft

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

Weight Shipset	CC	EC	Weightsavings
A319	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 shipsets delivered (from 2006 to end 2019; A319/A320/A321)

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

FACC = plastic components = lightweight construction = CO<sub>2</sub> reduction in one picture:



The Enhanced Cabin saves an average of 13,151 tons of CO<sub>2</sub> per year. An average of 2.21 people live in an Austrian household, each of whom causes CO<sub>2</sub> emissions of 8.9 tonnes per capita. A household thus produces 19.669 tons of CO<sub>2</sub> per year.

By using the Enhanced Cabin, the annual CO<sub>2</sub> emissions are reduced to the extent of the consumption of around 670 households.

(Numbers "statistica")

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

# Materials und chemicals used

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## INCREASED PRODUCT AND PRODUCTION SAFETY

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

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

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

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

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

# Energy consumption and emissions in production

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

FACC has steadily grown since its foundation in 1989, and with it the energy consumption of autoclaves and other production facilities of the company. However, thanks to a number of efficiency improvement measures, the overall increase in energy consumption was much less than the overall operating performance, even if consumption recently increased slightly again in the course of the Covid-19 crisis.

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

Over the past few years, FACC has switched 83 percent of its production to LED lighting, with the conversion of the entire lighting system at all plants scheduled to be completed by 2023. In addition, the plant heating and cooling systems have been made more efficient. 98 percent of the company's space heating as well as heat for the air conditioning of the production units is thus generated from renewable energy in the form of geothermal energy or by means of heat recovery.

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

FACC also achieves continuous improvements through measures such as energy monitoring, the use of control technology, the central monitoring of building services and the continuous further optimization of plant utilization, as well as through ongoing and consistent process optimization in general

In 2019, FACC also installed a photovoltaic system with 200 kWp on the roof of Plant 3.02. 99.2 percent of the electricity generated is consumed at the site itself.

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

# Conservation of resources and waste avoidance

FACC has set itself ambitious (environmental) targets:

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

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

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

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

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

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

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## KEEPING PROBLEM SUBSTANCES TO A MINIMUM

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

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## WASTE AVOIDANCE

The largest waste volumes are incurred through packaging material in logistics and wood shavings generated by milling machines. FACC strives to avoid waste wherever feasible. Where this is not

possible, the company relies on extensive recycling or professional waste disposal services provided by qualified companies.

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## TURNING WASTE INTO RECYCLABLE MATERIALS

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

Complaints concerning energy, emissions and waste can be addressed directly to FACC's environmental manager through the FACC corporate website, via email to [umwelt@facc.com](mailto:umwelt@facc.com), by phone or in person. No complaints were raised in 2020.

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## PROFESSIONAL EVALUATIONS ARE OF HIGH PRIORITY

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

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

During the last evaluation in 2020, full conformity was confirmed from an external perspective. No immediate need for adjustment was detected, but further potential for continuous improvement was identified and is now being implemented.

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

An aerial photograph of an airport tarmac. In the center, a large, dense crowd of people has gathered to form a large silhouette of a human figure. The figure's head is a smaller, circular cluster of people. Surrounding the central figure are several white commercial airplanes parked at gates. The tarmac is marked with various lines and a small blue vehicle is visible in the lower-left corner. The overall scene is brightly lit, suggesting a clear day.

# EMPLOYEES

Assuming responsibility,  
creating prospects.

# Highly competent and motivated

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

All employees at the Austrian FACC sites, which account for around 91 percent of the Group's total workforce, are subject to

collective bargaining agreements. The corresponding collective agreement was concluded between the Association of the Austrian Wood Industries and the Union of Building and Wood Workers of the Austrian Trade Union Federation. For employees of the Colt Prüf und Test GmbH, the collective bargaining agreement for employees in information and consulting applies.

Austrian regulations do not apply to all subsidiaries located in other countries.

## DIVERSITY OF STRENGTHS AND COMPETENCES

As of 31 December 2020, the FACC Group employed 2,653 full-time equivalents (FTE; previous year: 3,371 FTE).

Of these, 2,326 were employed at FACC Operations GmbH, 286 at other subsidiaries and 41 at FACC AG. The majority of FACC employees thus work in Austria, and 74 in the rest of Europe. FACC

employs a total of 93 members of staff at its North American locations in Wichita and Montreal, and 77 in Asia.

31. December 2020 (in FTE)	Blue-collar workers	White-collar workers	Total
Central Services	182	421	603
Aerostructures	548	183	731
Engines & Nacelles	274	96	370
Cabin Interiors	474	147	622
Subsidiaries	55	231	286
FACC AG	–	41	41
<b>Total</b>	<b>1,534</b>	<b>1,119</b>	<b>2,653</b>

		31. December 2019	31. December 2020
Number of leased employees	FTE	17	5
Share of total workforce	%	0.50	0.01

## International diversity within the company and worldwide success

FACC employs staff from 41 nations. Around 77 percent are Austrian and German nationals, nearly 5 percent are from Romania and approximately 4 percent from Hungary. As of 31 December 2020, FACC in Austria (FACC Operations GmbH, FACC AG and CoLT Prüf und Test GmbH) counted:

- 73% men, 27% women
- 39 (apprentices FACC Operations GmbH)
- 219 part-time employees (of which 51 are men)

Compared to the previous year, 716 fewer FTE were employed at FACC in 2020.

This decrease was largely due to personnel reductions, caused by the COVID-19 pandemic, at the end of October 2020 at the company's Austrian sites.

Due to the labor regulatory framework, a redundancy plan was negotiated with the social partners. This primarily serves as a financial safety net and temporary relief measure for the employees affected and their families.

Total costs for personnel reductions amounted to 11,945 kEUR. In addition, a special hardship fund was set up by the Works Council with a volume of EUR 300,000.

This hardship fund is intended to provide rapid assistance to employees hit particularly hard by these personnel reductions subject to fixed criteria.

The employees affected were informed of the changes in the company at a works meeting in September 2020. In addition, personal talks were held between all employees included in the redundancy plan, the relevant manager and an HR employee.

Training sessions were organized in advance for all parties involved in conducting the talks.

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## CORONAVIRUS MANAGEMENT AT FACC

FACC decided at an early stage to introduce a proactive and comprehensive coronavirus crisis management.

This is led by a corona task force, which convenes twice a week and comprises selected management and staff representatives in addition to the Management Board and company physicians.

A dedicated 24/7 corona hotline was available from the very beginning of the pandemic to address employees' questions and concerns. Numerous protective measures were implemented, including the distribution of mouth and nose protection and FFP2 masks free of charge.

On average, approximately 200 employees were working from their home office at any given time. Where possible, teams were divided into two shifts, and shift work in production was adjusted accordingly. Internal corona tests were also introduced at an early date.

During the second wave of the pandemic at the end of 2020, the company organized two blanket tests for all members of staff.

As a result of these measures, FACC recorded a significantly lower number of corona infections than outside the company. Since the outbreak of the second wave of the pandemic at the end of 2020, bi-weekly blanket tests have been held for all employees. In the meantime, testing requirements have also been extended to third parties on-site, e.g. to suppliers.

**GRI**  
**102-8, 102-41**

# Stable and equitable workplaces

Notwithstanding the current difficulties caused by the COVID-19 pandemic, FACC is committed to long-term growth and is positioning itself accordingly in the labor market. The Group works closely with schools, universities and universities of applied sciences, 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 to help managers fulfill their managerial tasks
- Recruiting and personnel marketing
- Hiring holiday trainees and students preparing their diploma thesis
- Providing structures and conditions which support personnel development
- Designing the communication with existing and future employees
- Contributing to the development of the company

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## POSITIONING IN RECRUITING

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

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

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## JOBS WITH BIG POTENTIAL

### Employees build careers within the company

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

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

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

### Employee training and further education

The fact that FACC currently employs staff from 41 countries constitutes impressive evidence that the Group is fulfilling legal requirements and the anti-discrimination law. The FACC Code of Conduct also contains specific guidelines on dealing with diversity. Intercultural training and ongoing investments in human capital contribute significantly to the corporate success of FACC. The company is committed to lifelong learning and, for this purpose, offers its employees a wide range of extra-occupational education and further training opportunities.

The FACC Academy serves as the central hub for all training activities. However, due to the COVID-19 pandemic, numerous training sessions had to be cancelled in the 2020 financial year. Compared to the previous year (2019: 343 internal training sessions with a total of 4,239 participants), the FACC Academy organized 177 internal training sessions attended by 1,508 employees in the 2020 financial year. The average duration of internal training measures was 3.9 hours per employee (previous year: 7.8 hours per employee).

Similarly, the number of external training sessions decreased to 27 with a total of 304 participating employees. The average duration of external training measures was 0.6 hours per employee (previous year: 100 external training sessions attended by 542 employees; on average 4.3 training hours per employee).

Special attention was also paid to leadership training in the past financial year. FACC placed particular emphasis on "challenging leadership situations", "conflict management", "burnout prevention" and "leadership in times of crisis". The topic "women in leadership positions" was dealt with less intensively in 2020 compared to previous years due to the ongoing impact of the pandemic on FACC.

In the 2020 financial year, a total of 74 employees completed leadership training, of which 22 percent were women (previous year: 22 percent).

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

Personnel development at FACC is part of the Human Resources department in the Training & Development sector, and is regulated by means of a qualification system. The process description includes internal and external training measures as well as e-learning offers. In order to make responsible use of its employees' time resources, FACC offers selected training courses via e-learning. E-learning content is also created by internal developers, thus specifically tailoring the offering to the requirements of the workforce and the company.

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" and "Foreign Object Damage" (FOD; refers to the damage to aircraft or aircraft components caused by foreign bodies or substances). The learning units can be completed directly at the workplace via FACC's SAP system.

In order to ensure that employees meet all job requirements, FACC completely revised the training matrix for both its Austrian and international locations. The so-called "LSO Learner" in SAP provides each manager and employee with an overview in real time of the qualifications they have obtained or still need to acquire for their respective job. Internal training sessions can be booked directly, and additional training needs can be registered at any time with the FACC Academy. The ongoing expansion of the training portfolio includes new, targeted training courses for foremen, executives and employees working in project management.

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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, beginning with the foremen. Particularly in difficult times, it is of great importance to retain these key personnel in the company. For this reason, FACC focuses on promoting communication and dialogue with its staff, for instance through employee appraisals. Promising prospects for the future of the company as a whole are also decisive for employee retention. FACC's new Strategy 2030 offers such future prospects.

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## MOTIVATION AND HEALTH: FACC AS A PIONEER IN EMPLOYEE SATISFACTION

FACC demonstrates its commitment to the motivation, satisfaction and health of its employees by offering a wide range of measures and initiatives every year. In 2020, however, numerous activities had to be cancelled due to the COVID-19 pandemic. During this difficult period, FACC always used all channels to provide its employees with immediate, comprehensive information on current developments, explaining their effects and the measures to be taken within the company, thus making an active contribution to employee satisfaction. Aside from issues related to the coronavirus pandemic, several of the usual and popular measures were able to be continued insofar as this was possible. FACC thus offers its employees subsidized childcare both throughout the year and during the summer holidays. This service is very popular, and the daycare center in St. Martin is regularly fully booked.

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## EVALUATION OF THE MANAGEMENT APPROACH

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

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

# Occupational safety and health protection

We are pleased to report that we were able to improve on the set target of a LTIFR of less than 15 in the 2020 financial year.

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

As a result of the consistent implementation of specific measures and the mandatory involvement of all managers, FACC was able to significantly reduce its Lost Time Injury Frequency Rate (LTIFR 1,000,000 h) in the 2020 financial year. Specifically, this stood at 13.9 compared to 22.6 in the 2019 financial year. A number of measures contributed to this success, including the seamless recording of near misses, regular Zero Accident Gate (ZAG) meetings, daily safety walks, the rigorous tracking of the implementation of adopted measures, as well as an extensive training and briefing process.

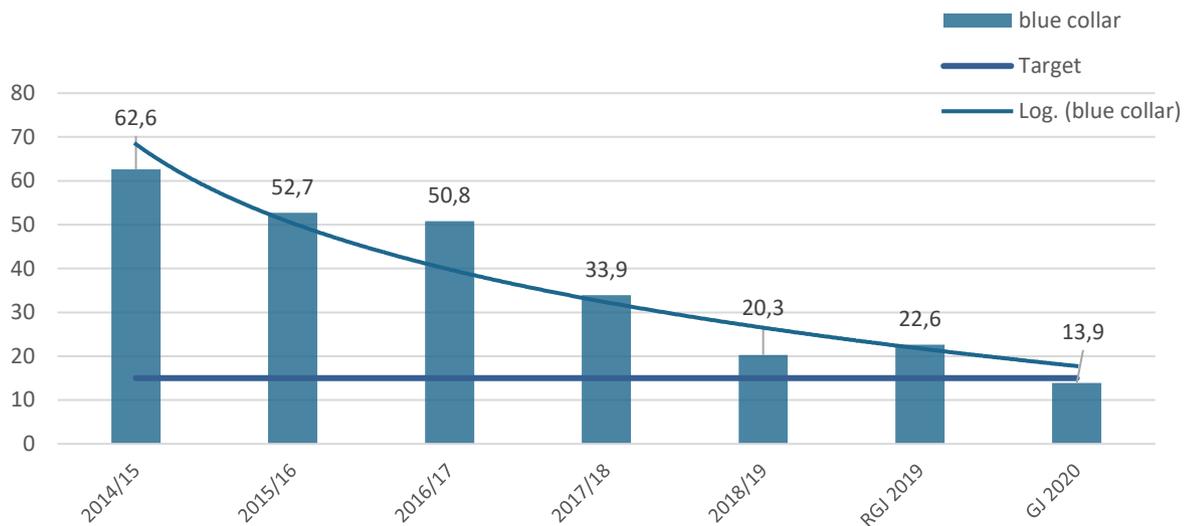
## Measures to improve the health and safety of employees

After the outbreak of the COVID-19 pandemic, occupational health at FACC focused on providing information and advice to the Management Board and on participating in the company's COVID task force, which was established at the outset of the pandemic. A variety of measures were developed to combat the pandemic, including comprehensive hygiene measures to protect the health of all employees as well as the provision of immediate information on all measures and changes within the company via the FACC "Space" employee app. In parallel, FACC established in-house testing stations for performing rapid antigen tests on a daily basis and for taking swabs for PCR testing as needed. Finally, FACC's HR management developed a highly efficient in-house 24/7 contact tracing system. Since October 2020, FACC has been conducting bi-weekly blanket tests involving considerable logistical and personnel effort. More than 99 percent of employees took part in these tests.

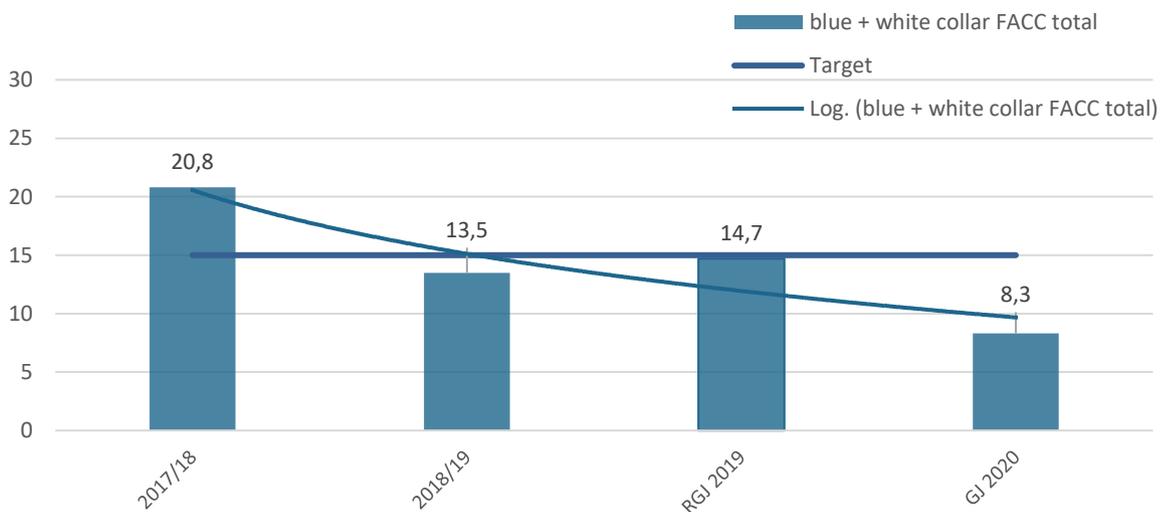
In addition to extensive measures to combat the pandemic, all other previously established occupational health initiatives were further advanced. These include the consistent implementation of the skin protection program, vaccinations, support for employees with psychological complaints, and the targeted reduction of stress factors within the company.

## DEVELOPMENT OF THE LOST TIME INJURY FREQUENCY RATE

From 2014/2015 to 2020, the LTIFR for blue collar workers at FACC decreased from 62,6 to 13,9



Including the white-collar employees, the LTIFR has fallen since 2014/15 (start of recording) to 8,3



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



SOCIETY

Serving all people  
worldwide, safely  
and reliably

# Flight safety und product quality

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

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

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

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

## The product life cycle at FACC

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

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

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

However, FACC not only manufactures new components, but also repairs defects in existing components within its portfolio of repair services. Repairs are also offered for components that were not produced by FACC. The company was granted the requisite official authorization to carry out these repairs on the basis of its extensive technological know-how. Committed to a sparing use of resources, FACC only replaces defective components in repair orders if there is no doubt that they are beyond repair.

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

# Reduction of aircraft noise emissions

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

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

Moreover, passive noise reduction is of particular importance. Compared to previous applications, all lightweight components developed by FACC and produced in series make a positive contribution to reducing noise emissions, both directly and indirectly. Winglets generate more lift during takeoff so that aircraft require a

shorter takeoff distance and can take off at a steeper angle. An immediate advantage is that lightweight components also reduce the kerosene consumption of aircraft. This is because less weight also requires less engine power.

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

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

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

# Cooperation and memberships

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

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

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

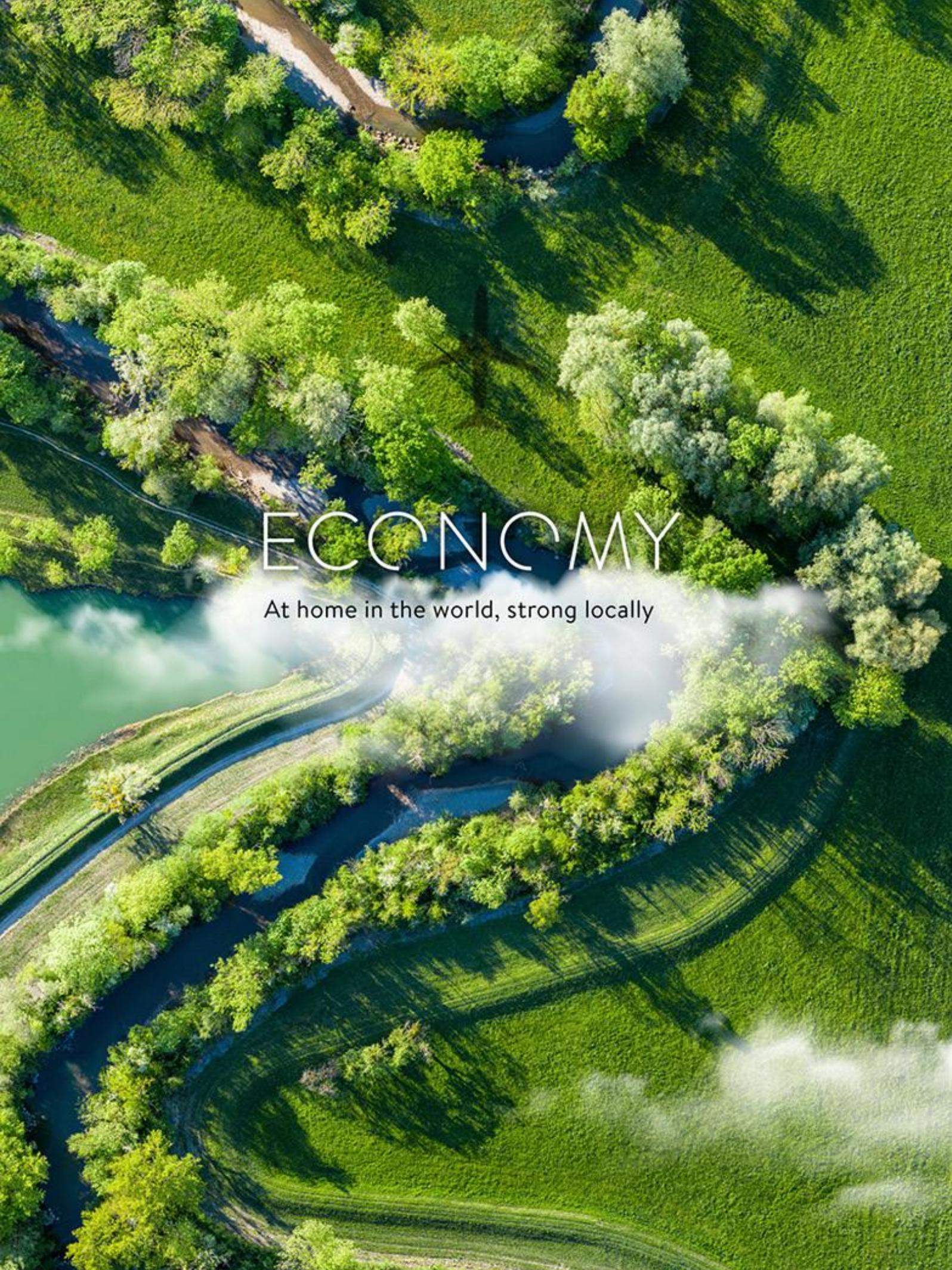
## PARTNERSHIPS WITH UNIVERSITIES AND RESEARCH-RELATED INSTITUTIONS

- AIRLABS Innovation Lab for Drone-Testinfrastructure
- CHASE – Chemical System Engineering
- University of Applied Sciences Graz (FH Joanneum Graz): degree program Aviation
- University of Applied Sciences Rapperswil: Institute for Materials Technology and Plastics Processing
- University of Applied Sciences Wels: Research Group Non-Destructive Testing
- Montan University Leoben: Founding member of the Polymer Competence Center Leoben PCCL
- Johannes Kepler University Linz: Institute of Structural Lightweight Design
- Johannes Kepler University Linz: Linz Institute of Technology (Member of the industry and research advisory board)
- Montan University Leoben: Chair of Processing of Composites
- Montan University Leoben: Chair of Design Plastics and Composite Materials
- Montan University Leoben: Chair of Materials Science and Testing of Polymers
- TU Wien: Chair of Cyber- Physical Assembly Systems & Industrie 4.0
- TU Wien: Institute of Production Engineering
- TU München: Chair of Carbon Composites
- Christian-Doppler-Laboratories Leoben and Linz: Processing of Composites (Leoben) and Structural Health Monitoring (Linz)
- Various project-related partnerships: London Imperial College, TU Dortmund, ETH Zurich etc.

## MEMBERSHIPS 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 Wels: member of the Strategy Advisory Board
- Hot Spot! Innviertel: member
- Association of Ried higher technical college (HTL): executive chairmanship
- Federation of Austrian Industries: member of 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 Economic Chamber: member of the Technology & Innovation Strategy Group

GRI  
102-13

An aerial photograph of a vibrant green landscape. A winding river flows through the center, surrounded by dense, lush trees and grassy banks. The scene is captured from a high angle, showing the intricate patterns of the terrain and the rich colors of the vegetation. The overall atmosphere is one of natural beauty and tranquility.

# ECONOMY

At home in the world, strong locally

# Economic responsibility and effects in the region

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

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

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## FACC ESTABLISHES NEW PLANT IN CROATIA

FACC is constructing a new production plant on an area of 128,000m<sup>2</sup> north of Zagreb. After an initial expansion phase, it will cover approximately 10,000m<sup>2</sup>. The layout of the new site has been planned on the basis of in-depth value stream analyses carried out by FACC in collaboration with the renowned Fraunhofer Institute. The aim was to achieve maximum efficiency in the flow of materials and components. At the same time, planning focused on ensuring maximum flexibility for future plant expansions. The start of construction planned for the spring of 2020 had to be postponed at short notice due to the outbreak of the coronavirus pandemic and the unprecedented crisis in the aviation industry. Following a reassessment of the situation, completion of the plant at a reduced scale will now be delayed by approximately one year; commissioning is now scheduled for November 2021.

In December 2020, the first construction activities took place at the site, which is expected to be particularly energy-efficient once completed. To this end, not only will the plant buildings benefit from high-grade thermal insulation, but their equipment will also be designed according to ecological criteria: by way of example, particularly energy-saving equipment and efficient heat recovery will be used for the ventilation system and paint shop. In addition, other process waste heat is also to be optimally used at the site.

The new production plant is intended to offer up to 450 secure jobs in the first phase of expansion. In order to ensure this, FACC will offer its Croatian employees ideal working conditions in line with all FACC Group standards, in addition to a broad range of training and further education programs. The fact that the Group is consciously 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.

Once commissioned, 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 be able 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.

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## FACC PROMOTES LOCATION QUALITY THROUGH

- Cross-border job creation (FACC currently employs 370 members of staff from neighboring Bavaria).
- Strategic regional and thematic development ("Composite Valley" in Ried and the Innviertel region)
- Site investments: FACC has invested more than EUR 500 million in its Upper Austrian sites since 2010. Continuous investments in the domestic plants are to be made in the coming years.
- Project-specific investments: the purchase of tools, amongst others, from regional manufacturers, who thus benefit from local added value.

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

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## SUPPORT FOR REGIONAL TRAINING OPPORTUNITIES

FACC also wants to motivate young people to take up a career in technology and give their interests a home to flourish. Until 19 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 while the other 50 percent find a job in regional industry. FACC has supported the HTL Ried project from the very beginning and is still represented on the board of the association today.

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## INTENSIVE COOPERATION WITH TRAINING INSTITUTIONS

- Specialist cooperation with training institutions (e.g. HTL Ried) and universities (e.g. the University of Applied Sciences Wels and the Johannes Kepler University Linz, Institute of technology)
- Support of endowment professorships
- Funding for research units (calendar year 2020: 758.624 EUR).

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

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

# Good governance

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

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

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

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

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

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

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

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

# Excerpts from the FACC Code of Conduct

Dear employees

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

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

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

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

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

## Guidelines

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

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

## Fair working conditions

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

The regulations specified in the ILO Convention on child labor are not only to be observed by FACC, but also by its partner companies and suppliers.

All employees have the right to be protected from discrimination and harassment. Every employee who is either involved in, or witness to, a conflict must report this to a competent supervisor or the Human Resources department. This can be done informally, in person, via telephone, email or in writing.

## Corruption

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

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

GRI  
 102-12

# Export control

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

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

All these points are continuously monitored and optimally adapted to evolving international legislation.

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

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

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

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

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

The evaluations for the past and current reporting year showed comprehensive conformity with the requirements throughout the company. No necessary adjustments were identified in 2020, but there is potential for further improvements.

Ried im Innkreis, 6. March 2021

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

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

# APPENDIX

[Key figures](#)

[GRI- Index](#)

[Glossary](#)

[Service/Imprint](#)

# KEY FIGURES

As part of the 5<sup>th</sup> annual General Meeting, it was decided, among other things, to change the financial year to the calendar year. Thus, the year 2019 is a short fiscal year that ends on 31 December 31, 2019 (01. March, 2019 to 31. December, 2019). The figures for the short financial year can therefore only be compared to a limited extent. The key figures for the 2020 calendar year range from 01. January, 2020 to 31. December, 2020.

FACC has founded a new company in Croatia. However, since the work of this company is only in the process of being set up, it is not yet fully taken into account in this report.

Due to their materiality, the following key figures are not broken down on a regional basis. With the exception of the human resources key figures, the existing values are cumulative sums of the respective production sites. The human resources key figures apply to all locations, including Croatia. Croatia does not yet contain further key figures in other areas.

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

## PRODUCTS

KPI	Description	Unit	2018/19	SFY 2019	2020
<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
... 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
... fines – value	Violations of regulations regarding the impact of products on the health and safety of customers, including product labeling	Euro	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
Purchasing categories	Number of key purchasing categories	Number	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
Product categories	Number of key product categories	Number	3	3	3
... proven origin	Number of key product categories, to which a manufacturer's certificate is attached	Number	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
... required disposal	Number of key product categories, to which a description of the disposal is attached	Number	0	0	0
... export certificates	Number of key product categories, for which export certificates are (must be) created	Number	3	3	3

## ENVIRONMENT

KPI	Description	Unit	2018/19	SFY 2019	2020
<b>Energy and emissions</b>					
Total energy consumption		kWh	108,370,469	89,620,496	77,799,743
Non-renewable fuels (total)	Total fuel consumption from non-renewable sources	kWh	17,603,004	13,254,822	16,827,723
... 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
... gasoline, diesel	Consumption for vehicle fleet	kWh	713,259	587,558	605,653
Renewable fuels	Total energy consumption from renewable sources	kWh	13,153,088	11,439,925	14,460,315
... geothermal	From own plants	kWh	13,153,088	11,232,625	13,677,364
... photovoltaic, wind and hydro power	From own plants	kWh	-	207,300	237,960
Electricity purchased for consumption (total)	Total electricity purchased for consumption (renewable and non-renewable)	kWh	44,817,359	38,186,174	34,084,156
Heating/cooling	Quantity purchased for consumption; including district heating/cooling	kWh	32,797,018	26,739,515	27,239,177
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
Indirect GHG emissions (Scope 2)	GHG emissions in CO <sub>2</sub> equivalents of (purchased) electricity, heating and cooling	t	16,505	14,246	13,416
Energy intensity	Emissions in relation to operating performance or production volume	kWh/ EUR	0.1567	0.1624	0.2097
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
Operating performance	Operating performance in the reporting period	EUR	691,565,252	551,712,883	463,771,778

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

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

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

## ENVIRONMENT

KPI	Description	Unit	2018/19	SFY 2019	2020
<b>Waste (by type)</b>					
Waste (total)		kg	3,845,554	3,914,040	2,846,849
Non-hazardous waste (total)		kg	3,291,695	3,502,415	3,053,807
... 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
... metals	Non-ferrous metal scrap, non-ferrous metal packaging, nickel and nickel-containing wastes, copper, ferrous and steel waste (contaminated), aluminum, aluminum foil	kg	187,464	154,845	210,398
... paper and packaging materials	Waste paper, paper and paper board (coated and uncoated)	kg	520,173	472,920	380,178
... plastics	Plastic films, polyurethane	kg	244,920	248,210	187,240
... 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
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859	411,625	267,075
... liquid hazardous waste	Solvents, acids, bases, oil-water mixtures, coolants and lubricants	kg	17,650	18,697	24,865
... solid/pasty hazardous waste	Used oil binder materials, solvent-containing sludge/production materials, paint and paint sludge	kg	498,367	383,225	218,860
... containers with hazardous residual contents	Iron metal packaging, compressed gas packages	kg	12,691	9,343	8,800
... other contaminated materials	Laboratory waste, building rubble containing harmful contaminants, asbestos waste/soils, filter cloths	kg	25,151	360	14,550
<b>Waste (per GRI index – by disposal method)</b>					
Non-hazardous waste (total)	"Non-hazardous" and "hazardous" according to legal definition; total weight (ton wet mass) of non-hazardous waste (excluding non-hazardous wastewater), split into the following disposal methods where applicable	kg	3,291,695	3,502,415	3,053,807
... re-usage on site	Used for manufacturing other company products	kg	-	-	-
... recycling	Except re-usage	kg	500,640	837,097	902,497
... recovery	Incl. energy recovery (e.g. combustion with energy recovery)	kg	1,181,215	1,593,776	711,880
... landfill	Disposal of the waste in a landfill	kg	554,110	1,045,407	992,854
... others	Non-hazardous waste disposed of differently	kg	1,055,730	26,135	446,576
Hazardous waste (total)	"Hazardous" according to legal definition	kg	553,859 <sup>1)</sup>	411,625	280,205
... recovery	Incl. energy recovery (e.g. combustion with energy recovery)	kg	29,050	82,819	241,610
... landfill	Disposal of the waste in a landfill	kg	-	322,860	-
... others	Hazardous waste that was disposed of differently	kg	518,241	5,946	17,075

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	Dangerous goods share SFY 2019	Dangerous goods share 2020
<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	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	0%	0%
Composite materials	Impregnated and dry tissues and honeycomb materials	EUR	86,607,027	75,742,864	58,129,286	0%	0%
Precast <sup>1</sup>	Precast	EUR	76,424,674	66,673,403	132,342,244	0%	0%
Standard parts	Parts by specification, e.g. screws, rivets, bolts, etc.	EUR	18,526,788	14,263,161	10,596,989	0%	0%
Catalog parts	Parts by manufacturer definition	EUR	18,897,123	15,853,539	15,574,800	0%	0%
Paints, adhesives	Paints, adhesives	EUR	14,002,249	11,883,527	10,009,507	26%	44%
Selant, seals, potting, foam,...	Sealing and fillers	EUR	10,815,735	10,263,859	8,215,121	19%	34%
Tools, indirect materials	Drills, cutters, masking tapes, gloves, etc.	EUR	8,190,406	5,997,490	4,243,028	0%	1%
Miscellaneous	Decorative materials, raw materials, bagging materials	EUR	4,627,137	3,603,909	8,969,341	0%	0%
Renewable materials	Total quantity of renewable materials used by FACC (excl. packaging material)	EUR	n. a.	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.

## ECONOMY, COMPLIANCE

KPI	Description	Unit	2018/19	SFY 2019	2020
<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	Euro '000	785,170	667,769	526,891
Operating expenses	Distributed economic value: cash payments to third parties for materials, product components, facilities and externally sourced services	Euro '000	461,815	400,985	334,850
Wages and company social benefits for employees	Distributed economic value: total payroll plus the total company benefits	Euro '000	203,274	158,156	160,722
Payments to lenders	Distributed economic value: dividends to all shareholders plus interest payments to lenders	Euro '000	15,880	17,286	9,044
Payments to the government	Distributed economic value: all taxes paid by the organization at the international, national and local level plus the associated fines	Euro '000	997	2,355	1,175
Investments in the community	Distributed economic value: actual expenses during the reporting period excluding requirements, including voluntary donations and investments in the broader community, such as: donations to charities, non-governmental organizations and research organizations (not related to the commercial R&D of the organization); funds to support community infrastructure (e.g. recreational facilities); direct costs for social programs (including cultural and educational events)	Euro '000	13	3	0
<b>Anti-corruption and anticompetitive behavior</b>					
Employees informed about anti-corruption	Number of company personnel who have been notified of company policies regarding anti-corruption (total), e.g. via the Code of Conduct (CoC)	In % Head-count	100 3,566	100 3,470	100 2,753
... informed board members	Number of board members who have been notified of company policies regarding anti-corruption, e.g. via the CoC	Head-count	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 CoC	Head-count	1,354	1,326	1,176
... informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding anti-corruption, e.g. via the CoC	Head-count	2,208	2,140	1,573
Business partners informed about anti-corruption	Business partners (e.g. suppliers, cooperation partners) to which the company policies regarding anti-corruption were communicated to	In % Head-count	100 over 1600	100 1,774	100 over 1600
Employees trained in anti-corruption	Number of company personnel trained in anti-corruption (total)	In % Head-count	100 3,566	100 3,470	100 2,753
... trained board members	Number of board members trained in anti-corruption	Head-count	4	4	4
... trained white-collar workers	Number of white-collar workers (incl. management) trained in anti-corruption	Head-count	1,354	1,326	1,176
... trained blue-collar workers	Number of blue-collar workers trained in anti-corruption	Head-count	2,208	2,140	1,573
Corruption cases	Total number of confirmed cases of corruption (including cases where employees have been dismissed or disciplined for corruption, and cases where contracts with business partners have been terminated/not extended due to corruption)	Number	0	0	0
Claims due to anticompetitive behavior	Number of pending or completed claims in the period under review for anticompetitive behavior or antitrust and monopoly violations in which the company was identified as a party	Number	0	0	0

## COMPLIANCE

KPI	Description	Unit	2018/19	SFY 2019	2020
<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 CoC	In %	100	100	100
		Head-count	3,566	3,470	2753
... 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 CoC	Head-count	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 CoC	Head-count	1,354	1,326	1176
... informed blue-collar workers	Number of blue-collar workers who have been informed of company policies regarding human rights, e.g. via the CoC	Head-count	2,208	2,140	1573
Sites with significant risk of incident for (a) child labor and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labor	Sites with significant risk, e.g. due to operating mode (e.g. manufacturing) or country/region	Description	0	0	0
Countries of the top 5 suppliers	Country of manufacture of materials of the top 5 suppliers (based on purchase value)	Description	Germany, USA, Austria, UAE, France	Germany, Austria, China, USA, UAE	Germany, Austria, China, USA, UAE
Suppliers with significant risk of incident for (a) Child labor and/or (b) young employees who are exposed to dangerous work and/or (c) forced or compulsory labor	Names of suppliers with significant risk, e.g. due to operating mode (e.g. manufacturing) or country/region	Description	0	0	0

## HUMAN RESOURCES

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019	2020
<b>Employees and diversity</b>					
Total employees – male	Number of male employees, incl. board members and management, excl. non-employees (employee leasing)	Headcount	2,695	2,582	2,055
Total employees – female	Number of female employees, incl. board members and management, excl. non-employees (employee leasing)	Headcount	871	888	698
Temporary employees – male	Number of male employees with fixed-term contract	Headcount	350	260	154
Temporary employees – female	Number of female employees with fixed-term contract	Headcount	160	121	87
Part-time employees – male	Number of male part-time employees as defined by national law	Headcount	54	61	51
Part-time employees – female	Number of female part-time employees as defined by national law	Headcount	180	202	169
Full-time employees – male	Number of male full-time employees	Headcount	2,641	2,521	1,999
Full-time employees – female	Number of female full-time employees	Headcount	691	686	529
Management – male	Number of male employees in management functions/positions (incl. board members and department heads)	Headcount	232	239	220
Management – female	Number of female employees in management functions/positions (incl. board members and department heads)	Headcount	34	37	36
Non-management – male	Number of male employees without management function	Headcount	2,463	2,343	1,830
Non-management – female	Number of female employees without management function	Headcount	837	851	662
White-collar workers – male	Number of male white-collar workers (incl. management and board)	Headcount	1,024	996	892
White-collar workers – female	Number of female white-collar workers (incl. management and board)	Headcount	334	334	288
Blue-collar workers – male	Number of male blue-collar workers	Headcount	1,671	1,586	1,163
Blue-collar workers – female	Number of female blue-collar workers	Headcount	537	554	410
Non-employees (employee leasing)	Blue-collar workers who are not in a direct contractual relationship with FACC but contracted through a third party (temporary workers)	Headcount	68	17	7
Employees under collective agreements	Number of employees, who are under collective agreements	Headcount	3,444	3,345	2,537
Employees < 30 – male	Number of male employees under 30 years of age	Headcount	708	600	433
Employees < 30 – female	Number of female employees under 30 years of age	Headcount	311	304	213
Employees 30 – 50 – male	Number of male employees 30 to 50 years of age	Headcount	1,631	1,611	1,306
Employees 30 – 50 – female	Number of female employees 30 to 50 years of age	Headcount	472	489	409
Employees > 50 – male	Number of male employees over 50 years of age	Headcount	356	371	311
Employees > 50 – female	Number of female employees over 50 years of age	Headcount	88	95	72
Employees leaving total – male	Number of male employees who have left the company (voluntarily), were laid off, retired or have died	Headcount	363	349	648
Employees leaving total – female	Number of female employees who have left the company (voluntarily), were laid off, retired or have died	Headcount	113	89	288
Employees leaving total – white-collar workers	Number of white-collar workers who have left the company (voluntarily), were laid off, retired or have died	Headcount	131	123	225
Employees leaving total – blue-collar workers	Number of blue-collar workers who have left the company (voluntarily), were laid off, retired or have died	Headcount	345	315	747
Employees leaving unplanned – male	Number of male employees who have left the company by mutual agreement or voluntarily	Headcount	203	213	597
Employees leaving unplanned – female	Number of female employees who have left the company by mutual agreement or voluntarily	Headcount	63	39	254
Employees leaving unplanned – white-collar	Number of white-collar employees who have left the company by mutual agreement or voluntarily	Headcount	87	98	197

## HUMAN RESOURCES

KPI	Description	Unit	2018/19 <sup>1</sup>	SFY 2019	2020
<b>Employees and diversity</b>					
Employees leaving unplanned – blue – collar	Number of blue-collar employees who have left the company by mutual agreement or voluntarily	Headcount	179	154	654
New hires < 30 – male	Number of newly hired male employees, under 30 years of age	Headcount	181	114	58
New hires < 30 – female	Number of newly hired female employees, under 30 years of age	Headcount	94	66	45
New hires 30 – 50 – male	Number of newly hired male employees, 30 to 50 years of age	Headcount	174	107	60
New hires 30 – 50 – female	Number of newly hired female employees, 30 to 50 years of age	Headcount	71	45	40
New hires > 50 – male	Number of newly hired male employees, over 50 years of age	Headcount	35	15	23
New hires > 50 – female	Number of newly hired female employees, over 50 years of age	Headcount	5	4	7
New hires – white - collar workers	Number of newly hired white-collar workers	Headcount	224	88	58
New hires – blue - collar workers	Number of newly hired blue-collar workers	Headcount	336	263	173
<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
Training hours – management	Total number of training hours for all management functions (Management Board and directors)	Hours	5,837.64	5,733.00	3,247.50
Training hours – non-management	Total number of training hours for all non-management employees	Hours	43,379.20	32,481.68	14,056.93
Training hours - internal Trainings <sup>1)</sup>	Average number per employee	Hours	9.31	7.81	3.94
Training hours - external Trainings <sup>1)</sup>	Average number per employee	Hours	4.30	3.27	0.61
<b>Health and safety</b>					
Occupational injuries – male employees blue - collar	Reportable accidents at work per AUVA (General Accident Insurance Institution) (starting from a three-days absence) blue-collar male	Number	61	46	22
Occupational injuries – female employees blue - collar	Reportable accidents at work per AUVA (General Accident Insurance Institution) (starting from a three-days absence) blue-collar female	Number	12	17	7
Injury rate – blue - collar workers	LTIFR (Lost Time Injury Frequency Rate): Number of accidents with days of absence (3 and more) per 1 million working hours/ number of productive hours effectively worked blue - collar.		20.3	22.6	13.9
Injury rate – all employees	LTIFR (Lost Time Injury Frequency Rate): Number of accidents with days of absence (3 and more) per 1 million working hours /number of productive hours effectively worked blue and white - collar.		13.5	14.7	8.3
Occupational injuries – types	Types of injuries occurred most frequently	Description	Falling down and cutting damages	Cutting and bruising damages	Cutting and bruising damages
Downtime due to such injuries – blue - collar male employees	Calendar days, from the first day of absence	Days	1,259	663	472
Downtime due to such injuries – blue - collar female employees	Calendar days, from the first day of absence	Days	337	201	57
Downtime due to such injuries – blue - collar male employees	Calendar days, from the third day of absence	Days	1,101	568	432
Downtime due to such injuries – blue - collar female employees	Calendar days, from the third day of absence	Days	303	170	39

<sup>1)</sup> Only Austrian locations

## HUMAN RESOURCES

KPI	Description	Unit	2018/19 <sup>1)</sup>	SFY 2019 <sup>1)</sup>	2020
<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
Occupational injuries – blue-collar female non-employees	Number of injuries as defined by law for female non-employees (temporary workers)	Number	0	0	1
Occupational deaths blue-collar – male employees	Number of work-related deaths within 30 days of the accident, including road accidents for male employees	Number	0	0	0
Occupational deaths blue-collar – female employees	Number of work-related deaths within 30 days of the accident, including road accidents for female employees	Number	0	0	0
Occupational deaths blue-collar – male non-employees	Number of work-related deaths within 30 days of the accident, including road accidents for male non-employees	Number	0	0	0
Occupational deaths blue-collar – female non-employees	Number of work-related deaths within 30 days of the accident, including road accidents for female non-employees	Number	0	0	0
Hours worked – male employees	Total number of hours worked by all male employees	Hours	4,497,214	3,605,280.6	3,011,770.59
Hours worked – female employees	Total number of hours worked by all female employees	Hours	1,273,344.9	1,081,130	867,210.05
Hours worked – male nonemployees	Total number of hours worked by all male non-employees	Hours	90,349.29	37,414.14	3,652.76
Hours worked – female nonemployees	Total number of hours worked by all female non-employees	Hours	24,327.99	15,049.67	908.95
Absences – male employees	Number of absence hours regardless of the cause for male employees (including planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	953,370.10	816,202.93	799,291.92
Absences – female employees	Number of absence hours regardless of the cause for female employees (including planned absences such as holidays, study leave, or parental leave, sick leave, occupational and non-occupational illness and injury)	Hours	460,328.00	405,415.33	461,578.69

<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.

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GRI  
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# GLOSSARY

ATL (Automated Tape Layer)	Device which uses computer-guided robotics to lay layers of material
Autoclave	A gas-tight sealable pressure chamber for the thermal treatment of substances in the overpressure range
Biopregs	Semi-finished fiber matrix products pre-impregnated with natural resins instead of chemical resins
Cleanroom	Space in which the concentration of airborne particles can be kept very low
CNC-controlled machines (Computerised Numerical Control)	Machine tools which, thanks to modern control technology, can produce workpieces automatically and with high precision, even for complex shapes
Composite	Composite material made up of two or more constituent materials with significantly different properties than its individual components
Conflict minerals	Mineral resources, raw materials and other natural resources extracted in conflict or high risk areas. These substances are produced or mined illegally and beyond state control. Extraction of these substances involves systematic violations of human rights and international law.
Dual-use-goods	Components, machines, technical documents or software which can be used for both civil and military purposes.
EASA Part 21J	EASA approval for design organizations, which are authorized to develop and modify aeronautical products, components or equipment.
Embargo checks	Selling sensitive goods (dual-use goods) to countries, organizations, companies or individuals against whom sanctions apply is prohibited by law. These sanctions are imposed by the state (embargoes), which prevent trade in goods with a particular state.
Export control	Cross-border trade and data exchange are subject to legal requirements – also known as export controls
Fiber matrix semi-finished products	Semi-finished products made of reinforcing fibers that are impregnated with a plastic matrix (e.g. prepreg)
Manufacturing tolerance	Permissible level of deviation of a quantity from the standard state in production
ITAR-goods	Goods that are examined in great detail within the framework of export controls as they are subject to the International Traffic in Arms Regulations (ITAR), i.e. US regulations relating to military equipment. Due to the stringent controls and the associated high penalties imposed by the relevant US authorities, we are faced with significant export compliance risks. FACC therefore takes care to ensure that ITAR goods are generally no longer purchased.
MTOW (Maximum Take Off Weight)	Maximum take off weight
OEM (Original Equipment Manufacturer)	Companies that manufacture components, but do not sell them to end users
Prepreg	Material made of e.g. carbon or glass fibers and pre-impregnated with resin
Reaction resins	Liquid or liquefiable synthetic resins which cure in a relatively short amount of 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 production of complex molded parts
Shipset	Delivery unit, complete package per aircraft
Turnkey solution	Tailor-made individual solutions that can be used immediately and integrated into aircraft or aircraft engines without any further preparatory work

GRI  
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## Note

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

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