



Sustainability Report
& Environmental Declaration 2006

Schmalz – The World of Vacuum Technology

Innovation is a tradition at Schmalz



The company was founded in 1910 as the "Johannes Schmalz Rasierklingenfabrik". From 1948 onwards, Ing. Artur Schmalz led it to further success with innovations in the construction of light vehicles. When Dr. Kurt Schmalz took over the management of the company in 1984, he reoriented the company, with specialisation in vacuum technology. In 1990, Dipl.-Ing. Wolfgang Schmalz joined the company management.

Today, the Schmalz Group has more than 400 employees and is one of the world's leading suppliers of vacuum technology in the areas of automation, handling and clamping technology. With 14 wholly owned companies and 40 marketing partners, Schmalz is represented in 50 countries. The company headquarters are located in Glatten, near Freudenstadt in the Black Forest. The environmental declaration in this sustainability report applies to our Glatten facility.

The great ecological and social commitment of the company is documented by the many awards it has won.

Our spectrum of products and services



Vacuum components and gripping systems

Vacuum components and gripping systems are used in all areas of automation technology, with the main emphasis on mechanical engineering and industrial robots.



Vacuum handling systems

Vacuum handling systems make work easier for persons in production processes, such as loading and unloading of machines, and at the same time make operations more economical.



Vacuum clamping systems

Vacuum clamping systems are indispensable in the woodworking and plastics industries for the clamping of workpieces on CNC machining centres.

Our service spectrum extends from engineering and consulting through after-sales service, training courses and workshops to our information service in the internet.

Sustainability is the Basis of our Corporate Culture

Economy, ecology and social commitment



Dr. Kurt Schmalz



Wolfgang Schmalz

Schmalz is an innovative and dynamic company which has become one of the world's leading suppliers of vacuum technology. We were able to attain this position only by means of business success and our simultaneous responsibility for our employees, society and the environment. This principle of sustainability forms the basis for our self-image – as a family-owned company, we think in the long term, define our objectives and derive our strategic actions from these.

Our business success is based on strict customer-orientation and on our innovative range of products and services. We can find suitable employees only if we are an attractive employer. It is our responsibility to tie our employees to the company and to promote their further development, since capable and motivated employees are the central prerequisite for our sustainable success.

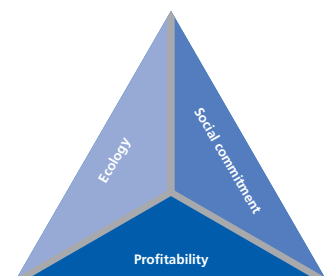
Our philosophy is also reflected in our acceptance of social responsibility and our commitment to an intact environment. We make every effort to employ our competence to the benefit of society. This includes both the worldwide support of educational establishments, institutions and initiatives and also the definition of a code of conduct in the company to ensure fair business practices.

Environmental protection is a way of life at Schmalz. We have had a certified environmental management system for many years, our products are manufactured with the best possible use of resources, and we choose suppliers who comply with our demands for quality and protection of the environment. Regenerative sources of energy are widely used and we aim to become a positive-energy company. We regularly make major investments in order to maintain a balance between the increased energy consumption which results from expansion and the provision of self-generated regenerative energy.

All of these elements reflect the dynamic and open corporate culture of Schmalz. We are absolutely convinced that it is possible to combine economic success with ecological and social responsibility. We have succeeded in this in the past and will continue to do so in the future – our company, and also the environment and society, will profit from this.

Glatten, December 2006

Dr. Kurt Schmalz
Wolfgang Schmalz
Managing Directors



Sustainability is Part of the Company Strategy

Above-average commitment

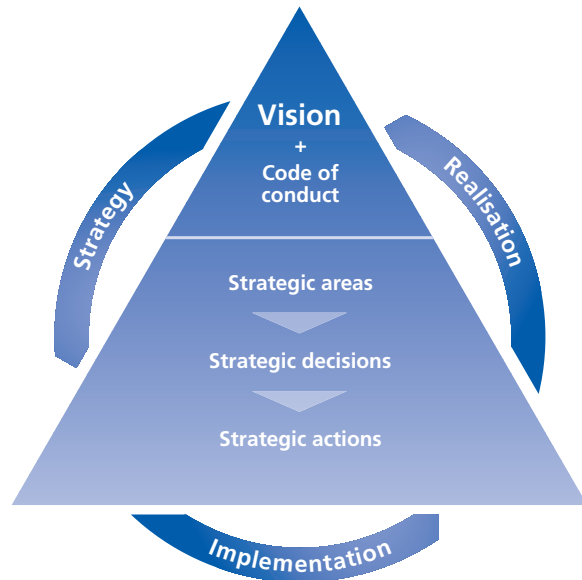


Our corporate vision is subdivided into "enthusiastic customers", "enthusiastic employees", "excellent innovations" and "a secure future". It emphasises the value of sustainable and profitable growth for the independence of the company and its freedom to make its own decisions. It is our declared objective to offer jobs which are secure in the long term and to actively accept our responsibility to society. The company thus always acts with long-term orientation and observes all ecological principles.

The particular importance of sustainability is reflected in our code of conduct, which requires both the management and the employees to think and act with respect for the environment. This special commitment is emphasised in our company strategy. A special section of this strategy deals with the principle of sustainability, with the declaration "Our aim is excellent and sustainable operations (economically, ecologically and socially)".

In order to implement this declaration, we have developed a catalogue of measures which, in addition to our economic targets, contains all necessary activities and their parameters in the area of ecology and social responsibility (see Page 13 for further details).

The above-average commitment of the company is widely recognised and is documented by many awards. In 2005, for example, Schmalz won the German Prize for Ethics in Business.



German Prize for Ethics in Business

1994
Certification in accordance with DIN ISO 9001

1997
Recertification in accordance with DIN ISO 9001
Certification in accordance with DIN ISO 14001
Validation in accordance with EMAS

1999
Environmental recognition by the State of Baden-Württemberg

1994

1995

1996

1997

1998

1999

2000

Quality and Environmental Management

Our management system describes and regulates all important processes, procedures and responsibilities in the company. It is based on recognised standards such as DIN ISO 9001 for quality management systems, DIN ISO 14001 for environmental management systems and EMAS for environmental management systems in accordance with the European Eco-Audit Ordinance. These standards, together with a systematic analysis, resulted in a comprehensive system which is defined and documented in a manual.

The Schmalz quality and environmental management system serves the strict implementation of our environmental policy. For this, we have introduced a control loop, defined targets and defined measures in cooperation with the responsible persons. Internal and external

audits, internal checks and comparison with the definitions in the environmental declaration are used to determine whether we meet our targets. Any necessary corrective measures are derived from the results of the monitoring activities and are documented and tracked with the aid of a special programme.

Our environmental management officer is responsible for the implementation of the environmental measures. He is the contact for all questions concerning environmental and quality management and ensures that the employees in the various parts of the company are kept informed. He also helps to ensure that the applicable laws and requirements are observed and/or implemented.

The Principles of our Environmental Policy are the Basis for our Environmental Protection

Our aims are:

- To fulfil the wishes and demands of our customers and to encourage our contract partners to adopt our environmental standards.
- To avoid the production of waste materials in all of our activities, in accordance with the motto "prevention is better than disposal".
- To design our products and processes in a manner compatible with our environment.
- To utilise our control loop (Plan-Do-Check-Act) to continuously improve our processes, procedures, products and environmental protection. This also includes compliance with the applicable laws, external standards and internal standards related to the environment in order to minimise the risk for everyone.
- To utilise the resources offered by the environment as carefully and sparingly as possible.
- To evaluate and monitor the effects of our activities on our environment and to improve these as far as is possible by economically acceptable use of the best available technology.
- To promote the ecological awareness of our employees.
- To inform the public, the authorities, our customers and suppliers, and any other interested persons about the environmental policies of our company.
- To act, by means of our activities, as an example to other companies, to encourage them to think more about environmental protection and the use of regenerative energy and to motivate them to emulate us.



Environmental Prize of the State of Baden-Württemberg



Environmental Prize of the BDI



European Business Award

2001
Environmental Prize 2000 of the State of Baden-Württemberg
Recertification in accordance with DIN ISO 9001
DIN ISO 14001
Validation in accordance with EMAS

2003
Recertification in accordance with DIN ISO 9001
DIN ISO 14001
Validation in accordance with EMAS

2004
Eco-Manager 2004
Environmental-Protection Prize of the BDI
European Business Award

2006
Recertification in accordance with DIN ISO 9001
DIN ISO 14001
Validation in accordance with EMAS

2001

2002

2003

2004

2005

2006

2007

Environmental Protection Aspects in the Process Chain

From the raw materials to vacuum-system solutions

At Schmalz, there are many aspects which are classified in an ABC evaluation. For us, the most important aspects are coolants and lubricants, the production of waste and the consumption of energy. With this, we contribute to reducing the consumption of resources and land and the output of CO₂. All environmental aspects of our activities are described below.

Development and design

In the product planning phase, we already check the environmental compatibility of our new products with the aid of a check list and look for ecological solutions. This applies to both the product design, the selection of materials and the amount of materials needed. In addition to functionality, we wish to ensure that our products have a long lifetime, operate efficiently and can be recycled when their lifetime ends. With this in mind, we have, for example, developed vacuum generators with an automatic air-saving function and suction pads whose nipples can be removed for separate recycling.

Administration

Purchasing – we systematically prefer suppliers who have an intact environmental and quality management system and whose products and production processes comply with our requirements with respect to quality and the environment.

Paper consumption – thanks to our electronic archiving system, each employee can view any document directly on his or her monitor. This saves large amounts of paper per year and also reduces the space needed for storing such documents.

Paint shop and welding shop

In the paint shop and the welding shop, where energy consumption, emissions and waste are ecologically relevant, the protection of the employees and of the environment has high priority. In order to avoid the emissions from paints containing solvents, the paint shop has switched, as far as possible, to the use of powder-coating methods. Air extraction systems are installed close to all welding equipment. Wherever possible, CO₂ emissions are avoided by the use of regenerative energy (see the aspect "Energy consumption").

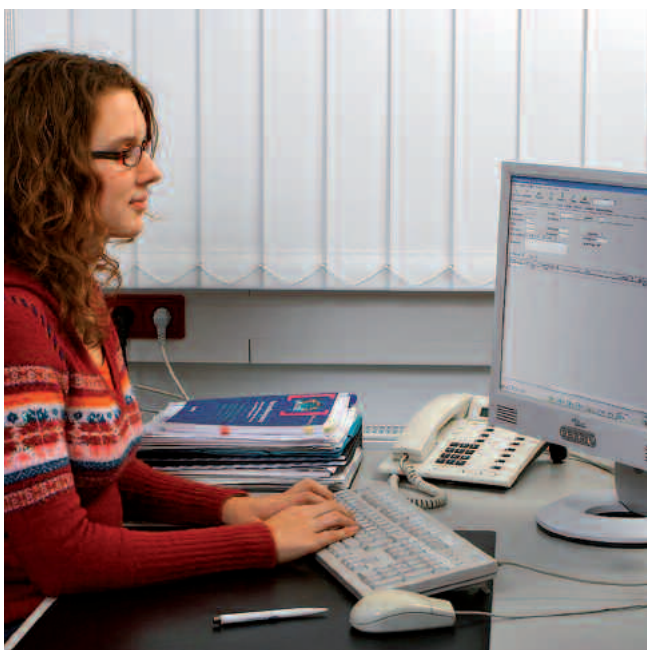
Production and assembly

Systems – Schmalz has no systems which require official approval, which means that no serious environmental effects are to be expected in this area.

Consumption of resources/recyclable materials – in order to minimise the consumption of resources, strict waste separation is practiced at Schmalz, resulting in recycling quotas of up to 99 %. Recyclable waste is separated into more than 13 categories, thus making recycling easier and reducing the costs for disposal of these materials.

Hazardous materials – some hazardous materials are indispensable in the production process. We pay great attention to the correct handling and use of such materials. As far as possible we avoid using substances which can pollute water supplies or which are flammable or explosive. If avoidance is impossible, we restrict their use in order to avoid negative effects on the environment in the case of incorrect handling or accidents. The indispensable hazardous materials are stored in special containers.

Coolants and lubricants – the turning and milling of components not only produces metal chips but requires the use of coolants and lubricants. Here, it is important to ensure maximum protection against possible contamination. The coolants and lubricants are therefore continuously cleaned and recirculated within the machines in order to keep the consumption as low as possible. By means of additional monitoring measures, we have succeeded in achieving longer lifetimes for these substances, thus reducing the consumption even further. Metal chips contaminated with coolants and lubricants are collected in special containers with sieves above their bases. Before the chips are transferred to the recycling container, the coolants and lubricants are drained off and returned to the machines for further use. This means that it is no longer necessary to spin-dry the chips, a process which consumes primary energy. Instead, they can be directly processed by recycling companies.





Packing materials

In order to assist our customers in the disposal of packing materials, we use re-usable pallets wherever this is possible. We use only recyclable packing materials such as paper.

Logistics

Due to the location of the factory, Schmalz has to use carrier companies to transport goods. In order to ensure that such partners comply with our requirements, we selected a company certified in accordance with DIN ISO 14001 as our main carrier.

General environmental aspects

Land consumption – Schmalz currently produces on a total area of 10,350 m². It is our declared aim to keep our land consumption by existing or planned buildings to an acceptable minimum or to compensate for further consumption. For this, we have already carried out measures such as the creation of an additional water retention pond and the planting of trees. We place particular emphasis on the preservation of existing biotopes and the creation of new ones. We provide, for example, nesting facilities for bats and birds of prey on our company premises. Efficient utilisation of the production floor-space is ensured by using new, high-performance machines which achieve a far higher output on only a slightly larger floor area.



Energy consumption – in the office buildings, the energy consumed in the form of electricity and heating oil is decisive. The company is very interested in optimising these ecologically relevant factors in order to improve its own environmental performance. A modern building-automation system controls, for example, the brightness of the illumination according to the amount of daylight. Schmalz is committed to the subject of generating regenerative energy in order to combat the negative environmental aspects of energy consumption and CO₂ emissions. Our aim is to reduce the consumption of fossil fuels by up to 90 %. Great attention is paid to the energy efficiency of all new buildings. The new office building constructed in 2002 complies with the thermal insulation standard for low-energy houses.

Prevention is Better than Disposal

Key environmental figures

Input/Output

The flow of materials and energy emphasise the high significance of environmental protection at Schmalz. The input and output flows of the company are shown quantitatively in the following table.

Input 2005	
Raw materials	
Steel	160,928 t
Non-ferrous metals and plastics	232,065 t
Auxiliary materials and lubricants	
Coolants, oils and greases	3,895 t
Paints and solvents	0,458 t
Adhesives, seals and cleaners	0,364 t
Water	
Drinking water	1.302 m ³
Rainwater	578 m ³
Energy**	
Electricity	1.745.942 kWh
Heating oil	1.300.979 kWh
Regenerative Energy**	
Solar energy	10.869 kWh
Wood chips	132.000 kWh

Output 2005	
Waste for disposal	
Miscellaneous	0,505 t
Waste for recycling	
Iron	13,497 t
Aluminium chips	36,580 t
Residual waste (thermal recycling)	20,740 t
Coolants, oils and greases	35,113 t
Aluminium, solid	33,580 t
Waste paper	15,980 t
Cardboard	17,160 t
Plastic chips	9,260 t
Electrical cables	0,212 t
Brass	8,340 t
Wood	0,980 t
Electric motors	1,149 t
Water	
Waste water	1.880 m ³
Exhaust air*	
CO ₂	338,255 t
Regenerative Energy**	
From photovoltaic system	54.648 kWh
From wind turbines***	2.319.287 kWh
Solar energy	10.869 kWh
Wood chips	132.000 kWh

*This value is calculated from the amount of heating oil multiplied by the factor 0.26 kg/kWh specified in the guideline "Betriebliche Umweltkennzahlen", published by the BMU, for the amount of CO₂ per kWh of energy derived from the combustion of light heating oil.

**These figures are taken from the energy balance sheet.

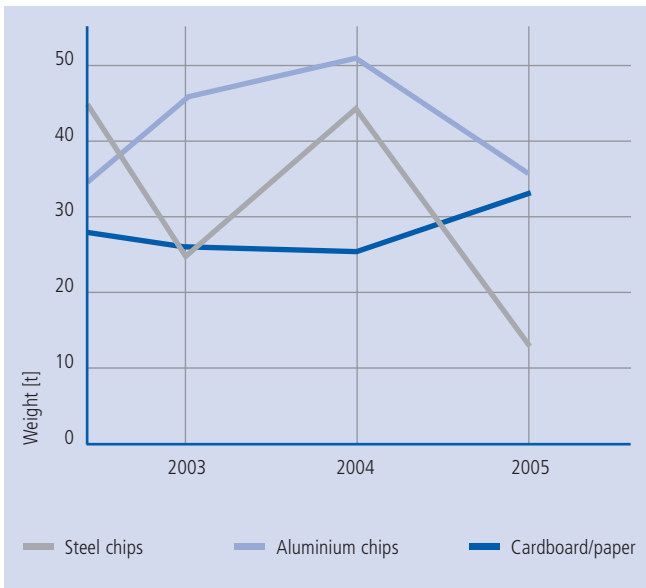
***After subtraction of the energy consumed by the wind turbines.

When collecting the data, it became clear that the details of some inputs were not available in the desired form. Instead of the very time-consuming production of a complete input-output balance sheet which contains no statements on the importance of the various ecological effects, we therefore decided to adopt a different procedure.

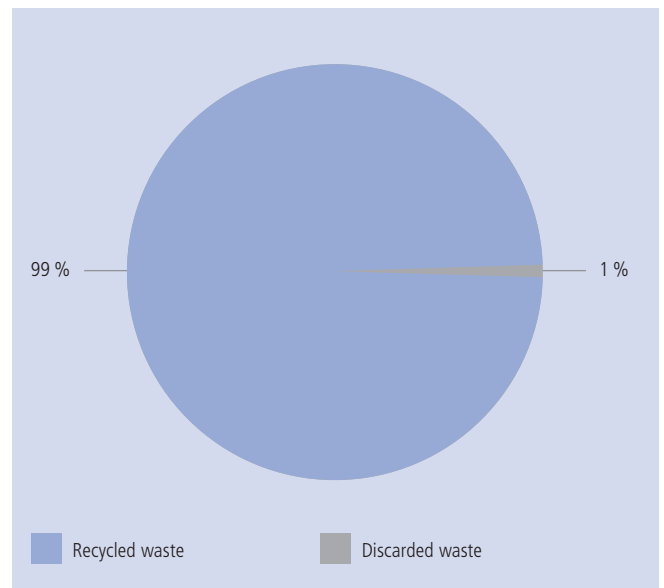
We have classified all environmental aspects related to our activities in four classes of significance, based on quantitative and qualitative criteria. The particularly important environmental aspects and effects were recorded in a register which is updated during each regular environmental inspection of the company. All environmental aspects and effects recorded in the register are evaluated regularly.

The register does not include the environmental aspects of water consumption and noise. The noise emissions caused by us are negligible. This has been proved by means of noise-level measurements. Due to its location and its operating conditions, the company has no actual or suspected old pollution and is not located in a preservation area.

Recyclable materials

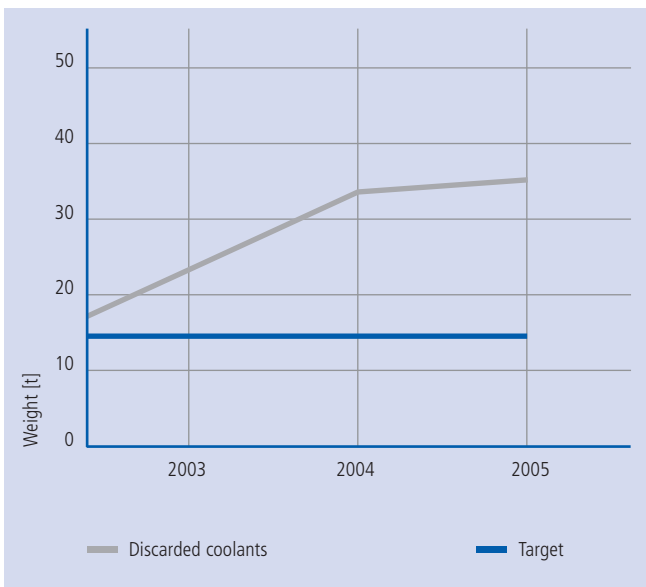


Recycling is better than disposal – accordingly, the complete recycling of unavoidable waster materials has priority over disposal at Schmalz. As can be seen from the graphic (top right), Schmalz recycles all recyclable waste materials. Correct separation of recyclable materials is ensured by means of specific instruction of the employees by the company's environmental protection officer.



Thanks to the continual improvement of the waste separation process, we now recycle 99 % of our waste materials. The remainder is disposed of by qualified external companies in such a manner that it presents no threat to the environment.

Coolants and lubricants



Hazardous materials

Special monitoring of hazardous materials is necessary in order to reduce the risk to persons and the environment. As a precautionary environmental protection measures, an approval procedure has been instituted for all newly purchased hazardous materials. All new hazardous materials are analysed and evaluated by specialists for labour safety and environmental protection with the aid of safety data sheets. This ensures that we use no toxic, carcinogenic or forbidden substances in our production processes. If a hazardous material is approved for use, it is registered in a hazardous-materials special ledger. This provides us with complete transparency with respect to the hazardous materials we use.

Sustainability by Integrated Environmental Protection

Regenerative energy



It is the declared objective of Schmalz to be a positive-energy company

Regenerative energy is the key to solving many problems – on the basis of this conviction, environmental protection in the area of energy consumption has a long tradition at Schmalz. Due to our comprehensive use of regenerative energy sources – solar energy, wind turbines, wood chips, etc. – we are able to produce almost all of the energy consumed by the company from sustainable sources (see graphic). We do not purchase electricity generated in nuclear power stations. Instead, we generate our own energy from regenerative sources and by the use of combined generation and heating plants.

Wind turbines

Schmalz has two wind turbines with an annual output of more than 2,500,000 kWh.

Heating with wood chips

A wood-chip heating system produces about 130,000 kWh of heat per year. The wood chips used as fuel are made from wood blown down by storms or wood which has naturally broken from trees.

Photovoltaic system

Photovoltaic modules with an area of 644 m², installed on the roof of one of the factory buildings, generate more than 85,000 kWh of electricity per year.

Solar systems

Three solar systems annually generate about 11,000 kWh of heat for the production of hot water.

Energy balance 2005	Consumption	Generation
Electricity	1.745.942 kWh	2.328.159 kWh
Solar systems*	10.869 kWh	10.869 kWh
Wood chips*	132.000 kWh	132.000 kWh
Heating oil (litres x 9.93 kWh)**	1.300.979 kWh	
Total energy	3.189.790 kWh	2.417.028 kWh
Difference	-718.762 kWh	
CO ₂		
-Gross savings***	1.215.746 kg	
-net savings***	-353.631 kg	

* These values result from the calculated values. They thus remain unchanged in each year and are not shown on the following pages. This does not apply to the photovoltaic system.

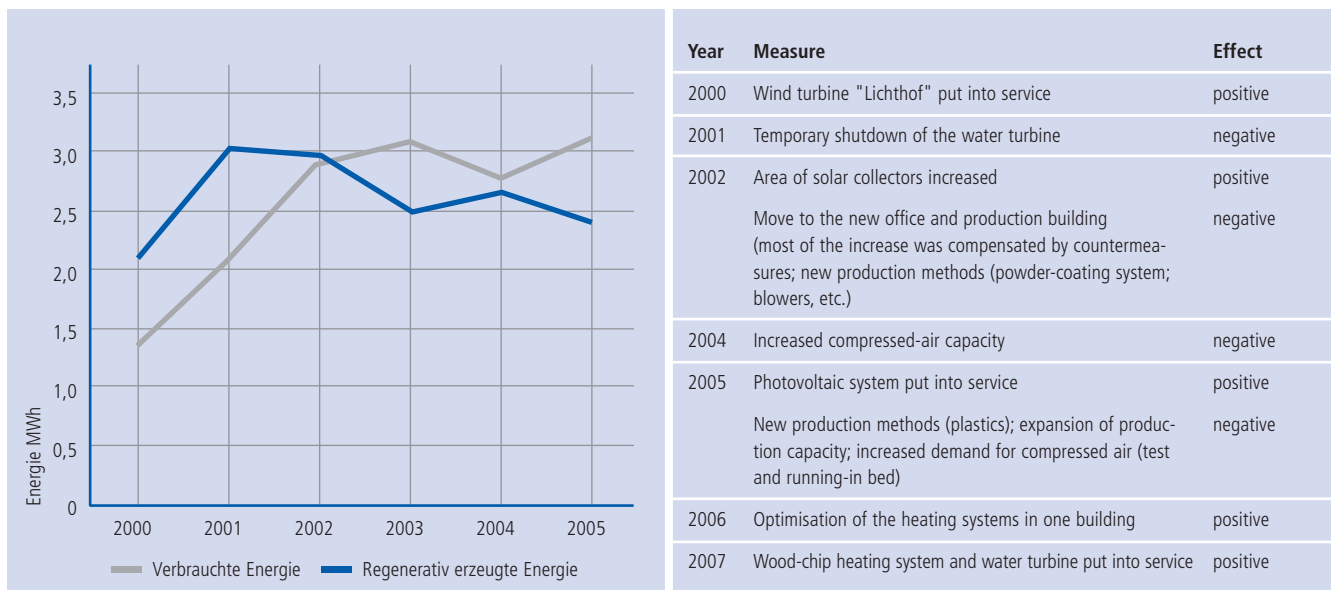
** This value is calculated from the amount of heating oil multiplied by the factor 0.26 kg/kWh specified in the guideline "Betriebliche Umweltkennzahlen", published by the BMU, for the amount of CO₂ per kWh of energy derived from the combustion of light heating oil.

*** These values are calculated with the factor 0.492 kg/kWh specified in the guideline "Betriebliche Umweltkennzahlen", published by the BMU, for the amount of CO₂ per kWh of externally purchased electricity.

Note:

In order to simplify things and to improve comprehension by the general public, no distinction is made between CO₂ emissions from heating oil and CO₂ emissions from externally purchased electricity. We have thus deliberately accepted the resulting poorer image for the company. (The amount of CO₂ per kWh of energy derived from the combustion of heating oil is far lower than the amount CO₂ per kWh of externally purchased electricity.)

Development of the energy balance



The graphic shows the actions which are necessary in order to achieve a balance between expansion and our target of being a positive-energy company. If, for example, new buildings are constructed, it is not possible to generate all of the necessary energy at the same time. The new wood-chip heating system planned for 2007 and the recommissioning of the water turbine will make a major contribution towards ensuring that Schmalz again becomes a positive-energy company.

Schmalz ecological guided tour

Public interest in our many environment-protection measures and their benefits for private persons, other companies, schools, clubs and other associations was the trigger for the installation of an ecological guided tour. The objective of this is to demonstrate the wide range of possible ecologically correct conduct, together with the positive effects which result from this. At the same time, the tour is intended to provide other interested companies with ideas and to encourage them to copy us.

The ecological guided tour begins with a presentation on the production of regenerative energy and the measures implemented in the company for protection of the environment. The participants are then conducted on a tour through various parts of the factory, where they can see how Schmalz generates the necessary energy with the aid of wind turbines, wood chips, photovoltaic systems and solar systems. Placards provide background information on the various subjects. It is also possible to deal with specific questions during the free guided tour. At prior request, it is also possible to visit one of the company's own wind turbines. The ecological guided tour has met with a very positive response, with more than 500 participants each year.

Measures in the area of environmental protection and energy saving

- Automatic regulation of the illumination in the buildings
- Greater use of sunlight for the illumination of rooms
- Building automation technology (lighting, heating, blinds, ...)
- Switching off electricity at nights and weekends
- Improved thermal insulation of the new building (complying with the standard for low-energy houses) to save energy
- Vegetation on the roof of the new office building (green roof)
- Heat recovery in the ventilation system of the factory buildings to save up to 70 % of heating energy
- Heating of water by a frequency-regulated compressed-air system with heat recovery
- Low-temperature underfloor heating in the new production areas
- Use of rainwater for flushing toilets and for external irrigation
- Reduction of paper consumption by the use of electronic archiving
- Selling products with a longer service lifetime than other elastomer materials
- Internal training courses on the subject of environmental protection to show the benefits of these projects
- Provision of nesting facilities for indigenous birds and insects

Sustainability in Dealings with Employees

Motivated employees help to design the company process

Personnel growth

Schmalz undertakes to make stable profits and thus to ensure long-term employment. For many decades now, high annual growth rates have guaranteed secure jobs. The number of employees has risen continually since 1984 – from 10 to more than 400. In the last 10 years, more than 200 new jobs were created in Germany alone.

Code of conduct for daily interaction

Schmalz offers its employees an extraordinary corporate culture which is based on trusting cooperation between all staff members. All employees can contribute to the design of their own working environment to match their personalities. Our code of conduct forms the basis of this cooperation. It includes important statements on interaction with other persons inside and outside the company and provides the employees and the management with the necessary orientation for their daily activities.

Participate and profit

The employees profit from a bonus programme which provides a wide range of social services and concessions. The programme is rounded off by individual facilities for further training, sports activities and shared leisure activities. Our brochure "Participate and Profit – the Bonus Programme for Schmalz Employees" provides an overview of the programme.

Personnel development

Qualified employees are the signboard of a company. The four-stage Schmalz personnel development programme supports everyone – from apprentices to managers – with individual training courses.

Further education at a high level

With the Schmalz Academy, the internal training centre, the company offers all employees more than 150 courses with internal or external teachers. Events on various subjects, such as technical and commercial seminars, language courses, personal development, health, etc. offer the employees a wide range of possibilities for further education.

Above-average trainee quota

Schmalz makes every effort to cover part of its requirements for new employees by training apprentices. Our trainee quota of 13 % is far higher than the average in our region, and also demonstrates how the company meets its social responsibilities. Apprentices are trained in 14 different trades and the company also offers training for students at universities of cooperative education. Such students also have the opportunity to spend several months in practical training at foreign Schmalz companies.

Responsibility for the young generation

Schmalz participates in the programme "Initial qualification of young people" run by the local temporary employment office and thus helps young people to bridge gaps of up to one year between jobs. In addition, Schmalz enters sponsorship agreements with local schools to offer students there a chance to gain practical experience of working life for a period of one year. Schmalz also allows interested young people to spend a voluntary ecological year with the company.

Flexible working hours

A working-time model permits the company to react flexibly to varying work loads without having to fire employees. When the company is busy, the necessary overtime is credited to the so-called "time accounts" for each employee. When there is less to do, these accounts are debited. This model is used extensively by the employees to regulate their "work-life balance", since it gives them the freedom to select their working hours to meet their personal requirements.

Promotion of women

In a technically oriented company such as Schmalz, there are, regrettably, still too few women in executive positions. For this reason, Schmalz deliberately makes classical apprenticeship trades available to girls and women, so that they can enter these mainly male trades. Schmalz is already training female industrial mechanics and also mechanical and industrial engineers. For some years now, Schmalz has actively supported the national "Girls' Day" in Germany, which has the same objective.

Social key figures of J. Schmalz GmbH	2003	2004	2005
Total number of employees	277	286	297
Trainees	14,80 %	12,94 %	12,12 %
Women	21,66 %	21,68 %	20,88 %
Part-time employees	5,42 %	4,55 %	4,38 %
Older employees (55 years and older)	2,89 %	4,20 %	5,05 %
Severely handicapped persons	1,81 %	1,75 %	1,68 %
Fluctuation	1,44 %	1,75 %	1,35 %
Notifiable industrial accidents	4	8	6
Employee illness quota	2,54 %	2,47 %	2,81 %



Inclusion of employees in company decisions

At Schmalz, the employees are actively included in decision processes through a works council (Mitarbeiterbeirat, MBR) and are thus always fully informed in such matters. The MBR comprises the company management and representatives of the employees. It meets regularly and is included in all economic, strategic, personnel and social decisions.

In employee surveys carried out in Glatten since 2003, the employees assess the social performance of the company. On the basis of the results, the MBR and the company management create a catalogue of actions and implement this step by step. Employees are kept informed by the company's monthly newsletter "family", team noticeboards and team meetings, the Schmalz intranet and a display at the factory gates which is updated every minute.

Occupational safety and health protection

The subject of occupational safety has high priority in the curriculum of the Schmalz Academy. Seminars on subjects such as "What to do in the case of a fire", "The Schmalz fire-alarm system" or "Handling of hazardous materials" are mandatory for all affected employees and are also open to all other employees.

A company medical officer pays attention to ergonomical workplaces and gives medical lectures. He also carries out a free annual vaccination against influenza. Health and no-smoking bonuses promote

healthy behaviour. In order to reduce the threat to the health of workers there, solvent-based paints have been replaced by powder paints in the paint shop.

Continuous improvement process

Employees are also "shareholders" in the company. In accordance with this philosophy, Schmalz profits from the knowledge and good ideas of its employees. The company suggestion scheme, established in 1995, is very popular, with 820 successful suggestions in 2005 alone. With the employees' ideas, we have been able to implement considerable process improvements. In recognition of their value, all successful suggestions are rewarded on the basis of a bonus system.

Profit participation with accumulation of assets

In order to ensure that employees profit from the results of their work, Schmalz has a profit-participation scheme with accumulation of assets. Each year, 15 per cent of the company profits are credited to the asset accounts of the employees, and they can use this money as they see fit. The money is initially invested in the company, with good interest rates, for five years. The model thus promotes the accumulation of assets by the employees and also allows them to participate fairly in the success of the company.



Top 100
Europe's
Best Employers



7th place
Germany's
Best Employers

Social Sustainability

Schmalz accepts its worldwide social responsibilities

Comprehensive social commitment

Just as it is responsible for its employees, Schmalz regards itself as responsible to society. The company provides financial support for many charities, regional associations and clubs. In addition, Schmalz regularly supports national and international organisations such as the "Deutsche Gesellschaft der Mukoviszidose e.V." (German Cystic Fibrosis Society), the children's home "O Mundo do Amor" in Angola and a children's home in India.

In addition to this direct financial support, Schmalz and its employees are socially active in many ways:

- Within the framework of the action "Faszination Technik" (The Fascination of Technology), Schmalz trainees and their trainers arouse the interest of children for this subject by providing practical demonstrations in schools and kindergartens.
- The annual Trade Information Day at Schmalz offers young people and their parents a chance to obtain information about the various trades directly at the workplace and to learn more about our company.
- As part of an action to combat leukaemia, Schmalz employees gave blood samples for analysis as part of an action for collection of stem-cell donations and had themselves registered as potential donors. The costs for the blood analyses were borne by J. Schmalz GmbH and the Rotary Club Freudenstadt.
- The company cooperates closely with a sheltered workshop and regularly places production orders there. This contribution, and also the number of severely handicapped persons in the company, lies far above the figure demanded by the temporary employment office.
- Serviceable computers no longer needed in the company are donated to schools. For example, 23 computers, complete with monitors and keyboards, were donated to a school in Namibia, where managing director Wolfgang Schmalz has assumed sponsorship for several children. Basic computer training gives the children a far better chance of getting a job and thus earning their own keep.
- In a spontaneous action, company employees voluntarily donated a share of their "working-hour accounts". The total number of working hours donated in this manner was converted into its monetary value and handed over to the Schmalz company in India, which acted as a trustee for the money. This company assumed the sponsorship for three children who lost their parents in the flood catastrophe and will use the donated money to keep the children until they finish school.



Sustainability Objectives

Status of the objectives of the environmental programme 2003

Within the framework of the environmental declaration 2003, objectives for the continuous improvement of the company's environmental protection measures were defined.

Objective 2003	Measures	To be done by	Status	Comments
Implementation of voluntary compensatory measures	Implementation of the compensatory measures laid down in the green structures plan	31.12.2005	Achieved	For example, planting fruit trees and hedges, etc.
Reduced consumption of fossil fuels	Feasibility study on the use of bio-diesel for company vehicles	31.12.2005	Achieved	Result: conversion impossible for economic and technical reasons
Reduction of the heating-oil consumption by 2 %	Optimisation of the existing building automation technology	31.12.2005	Achieved (approx. 17%)	See new measure "construction of new wood-chip heating system"
Reduction of the electricity consumption (in kWh/m ³) by 2 %	Optimisation of the existing building automation technology, purchase of a frequency-regulated compressor	31.12.2005	Not achieved	Not possible due to the longer operating hours of the machines and the larger number of machines ¹
Reduction of the coolant consumption by 20 %	Standardised use of coolants	31.12.2005	Not achieved	Not possible due to the longer operating hours of the machines and the larger number of machines [*]

^{*}Since this trend is expected to continue in the coming years, it is not possible to define a new quantifiable objective for this.

Sustainability objectives 2006

We also have plans for the future. Our sustainability objectives are as follows:

Objective	Measures	To be done by	Status	Comments
Replacement of 90 % of fossil fuels by wood chips (on the basis of the consumption figures for 2005)	Construction of a new wood-chip heating system	31.07.2007	New	Corresponds to a net CO ₂ reduction of 304 tonnes
To increase the amount of regenerative energy by 130,000 kWh	Recommissioning of the water turbine	31.07.2007	New	
Setting aside of agricultural land, creation of habitats for threatened animals and plants	Creation of a biotope	31.08.2007	New	
Retention of surface water in further areas	Construction of a further retention pond	31.08.2007	New	
Reduction of residual waste by 5 % (on the basis of the figure for 2005)	Replacement of all fluorescent tubes by new ones without mercury	31.12.2010	New	
Reduction of the employee illness quota to 2.4 %	Execution of health weeks and courses	31.12.2010	New	
Qualitative assessment of external social commitment	Generation of a key figure for assessment	31.12.2008	New	
To increase the number of women in technical trades and executive positions	More training of women in technical trades and more participation of women in the personnel development programme	31.12.2009	New	

GÜLTIGKEITSERKLÄRUNG

Die Umweltpolitik, das Umweltprogramm, das Umweltmanagementsystem, die Umweltbetriebsprüfung und die Bewertung durch die oberste Leitung der

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am Standort

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entspricht den Anforderungen der Verordnung (EG) 761/2001 und 196/2006

Die Daten und Angaben dieser Umwelterklärung sind verlässlich und stellen alle für die Organisation relevanten und signifikanten Umweltaspekte adäquat dar.

Die Überprüfung des Umweltmanagementsystem und der Umwelterklärung wurden am 14.12.2006 abgeschlossen.

Glatten, den 14.12.2006



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