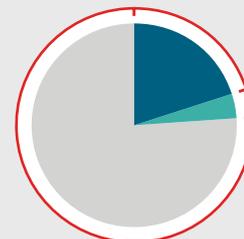


SUSTAINABILITY REPORT

[INDUS]

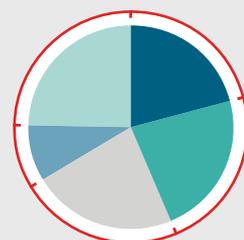
KEY FIGURES 2018

PORTFOLIO STRUCTURE BY YEARS (in % / number of portfolio companies)



- UP TO 5 YEARS
15 / 7
- 5 TO 10 YEARS
7 / 3
- MORE THAN 10 YEARS
78 / 35

2018 SALES BREAKDOWN BY SEGMENT (in % / EUR million)



- CONSTRUCTION/
INFRASTRUCTURE
21.0 / 358.7
- AUTOMOTIVE TECHNOLOGY
22.9 / 391.0
- ENGINEERING
22.6 / 387.0
- MEDICAL ENGINEERING/
LIFE SCIENCE
9.0 / 154.3
- METALS TECHNOLOGY
24.5 / 420.0

in EUR million	2018	2017	2016
Sales	1,710.8	1,640.6	1,444.3
EBITDA	218.4	215.3	200.9
EBIT before impairment	150.8	152.9	144.9
EBIT margin before impairment (in %)	8.8	9.3	10.0
Impairments*	-16.1	0.0	0.0
EBIT after impairment	134.7	152.9	144.9
EBIT margin after impairment (in %)	7.9	9.3	10.0
Group net income for the year	71.2	83.1	80.4
Operating cash flow	96.0	145.0	137.9
Cash flow from operating activities	74.7	124.0	114.5
Cash flow from investing activities	-98.3	-110.0	-104.4
Cash flow from financing activities	-2.8	-3.9	-14.9
Earnings per share (in EUR)	2.90	3.37	3.27
Cash flow per share (in EUR)	3.05	5.07	4.69
Dividend per share (in EUR)	1.50**	1.50	1.35
Dividend yield (in %)	3.8**	2.5	2.6
Dividend payout ratio (in %)	48.0**	43.9	42.7
	DEC. 31, 2018	DEC. 31, 2017	DEC. 31, 2016
Total assets	1,720.0	1,653.2	1,521.6
Equity	709.8	673.8	644.6
Equity ratio in %	41.3	40.8	42.4
Net debt	482.8	398.9	376.6
Cash and cash equivalents	109.6	135.9	127.2
Total assets of INDUS Holding AG	1,551.3	1,450.8	1,360.2
Equity of INDUS Holding AG	893.5	855.6	806.9
Equity ratio INDUS Holding AG (in %)	57.6	59.0	59.3
Portfolio companies (number as of Dec. 31)	45	45	44
Employees within the Group (on average)	10,714	10,210	9,451

* Impairments on goodwill and property, plant and equipment.

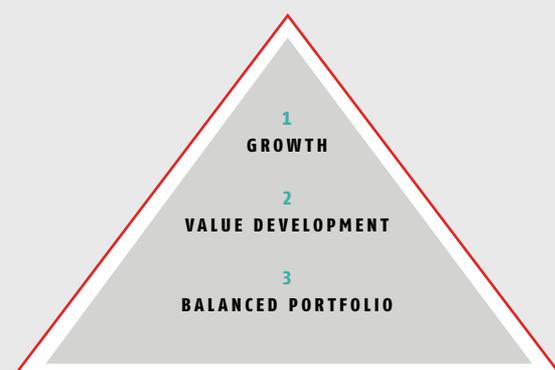
** Subject to approval at ASM on May 29, 2019.

INDUS

... is a leading specialist in sustainable corporate investment and development in the medium-sized company sector of the German-speaking countries. We acquire mainly owner-managed companies and support them with long-term orientation regarding their entrepreneurial development.

Our portfolio companies are characterized in particular by their strong position in specialized niche markets. As a growth-oriented financial investor, we ensure that our companies retain the identity and special strengths that are inherent in their medium-sized status.

GOALS

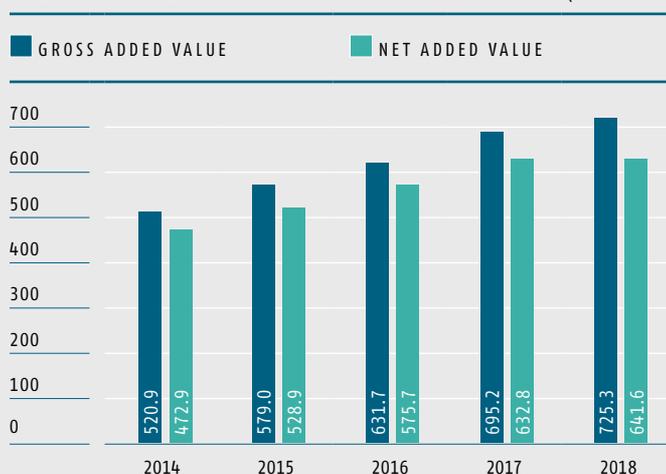


VALUE CREATION

BUSINESS PERFORMANCE (in EUR million)

	2018	2017
Sales	1,710.8	1,640.6
Other operating income	20.6	16.5
Own work capitalized	7.8	5.1
Changes in inventory	35.1	5.2
Income from shares accounted for using the equity method	0.1	1.1
Financial income	0.2	0.3
Interest income	0.3	0.2
Business performance	1,774.9	1,669.1

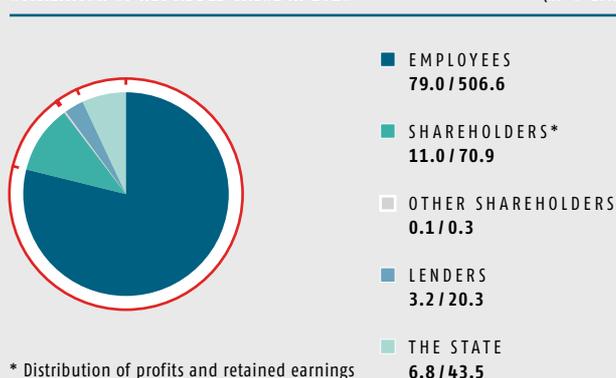
DEVELOPMENT VALUE CREATION (in EUR million)



ADDED VALUE (in EUR million)

	2018	2017
Business performance	1,774.9	1,669.1
Material expenditure	-811.9	-745.9
Other operating expenditure	-237.7	-228.0
Gross added value	725.3	695.2
Depreciation	-83.7	-62.4
Net added value	641.6	632.8

UTILIZATION OF NET ADDED VALUE IN 2018 (in % / EUR million)



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FUNDAMENTAL PRINCIPLES

Sustainable operations create competitive advantages, increase enterprise value and make for a stronger corporate culture. Based on these convictions, the INDUS Group continually works to optimize its commitment to sustainability.

SUSTAINABILITY: FOR INDUS, NOTHING NEW

For us, the pursuit of sustainability is a matter of treating economic, social and ecological goals as equal in importance. We seek to create lasting value while facilitating good work and treating the environment with care. It is our conviction that our development is sustainable only if we are satisfying the needs of the present while at the same time ensuring that we are not doing so at the expense of the future.

The portfolio companies of the INDUS Holding AG have independently assumed responsibility for pursuing a sustainability-oriented business development policy. They set independent goals, develop action plans and evaluate their own achievements. The holding company performs comprehensive information work by collecting sustainability-related data and forwarding it to Group companies to enable feedback on target attainment. INDUS Holding AG also provides advice to the portfolio companies as required, helping them effectively improve their “sustainability balance”.

INDUS Holding AG’s tasks also include providing constant assistance for the portfolio companies and acquiring new portfolio companies. Thus the holding company acts as an internal service provider for the portfolio companies. This means the holding company’s resource consumption along the value chain is restricted to acquisition, use and disposal of energy, office materials and equipment, and any other business equipment required.

Reviewing relevant sustainability criteria in the value chain falls under the operational responsibility of the portfolio companies, however, each portfolio company joined the INDUS Group (hereafter also INDUS) following a due diligence process. The real net output ratio and the associated sustainability risks are checked during this process. Innovation results in new products, services and even approaches for new business models, which in turn create competitive advantages for our portfolio companies against their competitors. The constant technological developments in manufacturing processes at our portfolio companies and the technological advances made by manufacturers in the manu-

facture of machinery and plants increase the quality of products and lead to a reduction in the energy consumed, thereby lowering both emissions and costs.

Ongoing and new measures to support the holding company’s sustainability strategy will be detailed in the following chapters. Our work in the field of sustainability has met with a positive response both in the business world and in the capital market environment. This is also reflected in the corresponding sustainability ratings: INDUS was again awarded a top “A” grade in the CDP Climate Scoring in January 2019. And it retained its “Prime” status in the sustainability ratings of ISS-oekom/oekom research AG.

STAKEHOLDERS: RECOGNIZING INTERESTS, MAINTAINING A DIALOGUE

The basis for successful work on sustainability issues, and ultimately for long-term entrepreneurial success, is knowledge of our stakeholders and their interests. Only with such knowledge can we be assured of making the right decisions and aligning our actions accordingly. A structured process was applied to identify the main stakeholders. Potentially relevant stakeholders were identified, for instance by looking at the value chain, and prioritized based on their influence on the INDUS Group and the influence of the INDUS Group on them. A structured examination of our stakeholders’ needs brought five relevant groups into focus.

RELEVANT STAKEHOLDER GROUP		EXPLANATION
Investors	external	They provide us with equity and borrowed capital and expect from us a clear strategic direction, realization of our earnings outlooks, a stable balance sheet and transparent reporting.
Interested owners of family-run businesses	external	They are interested in having a financially strong partner that understands the SME sector, enjoys a good reputation, and can provide a solid foundation for the perpetuation of their own life's work.
Portfolio companies	internal	They seek to have, and expand as needed, the leeway to develop their businesses. They therefore look for support in the form of capital, market access and know-how.
Customers of the portfolio companies	external	They seek the security of having the right partner at their side who can be depended upon to assist them on a lasting basis with innovations and highly valuable services.
Employees	internal	They seek an attractive and secure position in which they can apply their abilities meaningfully and an employer who both challenges and supports them.

The holding company and the portfolio companies, where appropriate, maintain regular contact with all five stakeholder groups. Various forms and channels of communication are used. In the 2016 fiscal year, the fields of action and key topics identified internally were compared with the opinion of select portfolio companies in an informative discussion. In fiscal year 2017, the stakeholder dialogue with institutional investors and interested owners of family-run businesses was ramped up. Both stakeholder groups were questioned on their views and perceptions of the INDUS sustainability strategy and sustainability reporting. One of the aims was to verify the sustainability aspects identified as material during prior analyses and observations. In the 2018 fiscal year, the dialogue focused on the views of the internal stakeholder group “portfolio companies”. Managing directors of the portfolio companies were surveyed to verify the completeness of the fields of action currently being addressed, and to assess the materiality of these fields. The materiality matrix was revised as a result of this survey (see page 26).

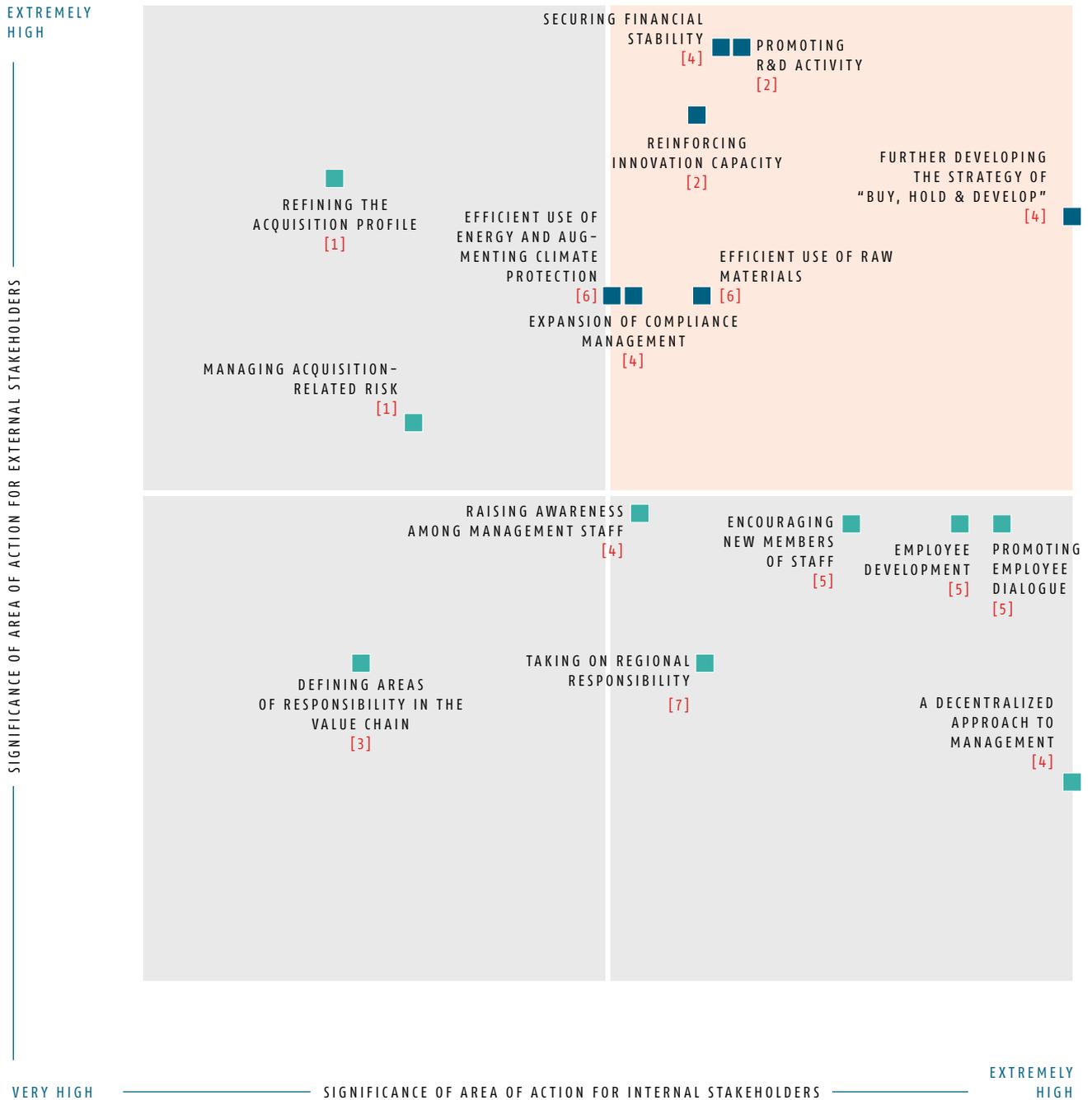
KEY TOPICS: THREE PLUS FOUR

To identify those aspects of sustainability that are relevant to INDUS, we performed a materiality analysis in 2016 with the Board of Management’s participation. Topics deemed material are those that are very significant in terms of operating activities, business performance and income for INDUS and its internal and external stakeholders as far as sustainability is concerned (outside-in view) or topics likely to impact sustainability aspects through INDUS’s operating activities

(inside-out view). The results of this analysis were verified during the course of the previously mentioned stakeholder dialogue both from an external point of view (2017) as well as an internal point of view (2018). We were also able to confirm the seven key topics previously identified:

1. Investments: the use of economic resources to successfully develop the portfolio companies or the Group.
2. Innovation: the further development of the products and services offered by the portfolio companies along with the development of new, or even disruptive, solutions.
3. Internationalization: expansion of the portfolio companies (products, selling markets) into the relevant international regions so that they can provide customer support locally on a long-term basis.
4. INDUS Holding AG’s role as shareholder: financial and advisory assistance from the holding company for the portfolio companies in their efforts to develop their businesses within the existing range of possibilities.
5. Personnel: employees as a key driver of corporate development at INDUS Holding AG and the individual portfolio companies.
6. Resource efficiency: taking ecological consequences into account in business decisions and minimizing the ecological effects of the portfolio companies’ operating activities.
7. Social commitment: assuming the portfolio companies’ and INDUS Holding AG’s responsibility for social tasks.

MATERIALITY MATRIX



- [1] INVESTMENTS
- [2] INNOVATION
- [3] INTERNATIONALIZATION
- [4] THE ROLE OF SHAREHOLDERS

- [5] HUMAN RESOURCES
- [6] RESOURCE EFFICIENCY
- [7] SOCIAL COMMITMENT

The three key topics of investments, innovation and internationalization are points of strategic focus by the holding company and may exert a major leveraging effect on the success of the individual company and of the Group as a whole. The four other topics relate to equally important policy areas that are directly associated with the tasks and values that a healthy SME-oriented or -managed company identifies with. Progress in the key topics is continually driven forward through the implementation of measures and concepts. Individual key topics are highlighted in the reporting on an annually rotating basis. The reporting for the 2018 fiscal year features project examples from the key topic of resource efficiency.

MATERIALITY MATRIX WITH CONCRETE FIELDS OF ACTION

Underlying the key topics identified above are fields of action from which concrete measures can be derived. The fields of action were entered into a conventional materiality matrix. This matrix reflects the significance that the various fields of action, considered on a consolidated basis, have for the internal and external stakeholders in INDUS Holding AG and the portfolio companies. The fields of action were initially classified within the matrix through assessments by the sustainability team and the Board of Management and were then compared with the assessments of the internal and external stakeholders. In 2018 a survey was conducted within the portfolio companies (represented by the managing directors). The survey showed that the action fields refining the acquisition profile, managing risks during acquisitions, boosting innovation ability, defining responsibilities in the value chain, securing financial stability, encouraging new members of staff, the efficient use of raw materials and energy should have higher priority than previously determined. The materiality matrix was revised to reflect this and approved by the Board of Management.

THE INDUS GROUP'S NON-FINANCIAL REPORT

According to the CSR Directive Implementation Act (CSR-RUG), INDUS Holding AG has been obliged to report on sustainability issues since the fiscal year 2017. Of relevance in this context, aside from general data concerning the company's business model (cf. the section "Introduction to the Group" in the management report), is data on legally required aspects, which were identified and verified during the stakeholder dialogue. The key topics are as follows:

Environmental protection is an aspect of the resource efficiency key topic, and social concerns are covered in the social commitment key topic. Employee concerns and respect for human rights are covered in the key topic personnel. Combating corruption and bribery are aspects of the key topic shareholder's role.

At INDUS Holding AG, sustainability occupies the highest level of priority. This means that the Board of Management directs the development of the holding company's sustainability strategy. The Chairman of the Board of Management is responsible for sustainability management. The topics of discussion between the Board of Management and the managing directors of the portfolio companies include relevant sustainability aspects, perception of the company internally and externally, non-financial performance indicators and the portfolio companies' achievement of goals. In addition, CSR topics are highlighted and discussed regularly at the annual entrepreneurs' conference (Unternehmertagung). In 2016, INDUS Holding AG integrated an incentive for progress in sustainability issues into the Board of Management compensation system.

As a part of the annual corporate planning process, risks and opportunities are assessed according to the probability of their occurrence and possible amount of ensuing damage, and documented for plant or site level by the managements of the portfolio companies with the aid of a risk management reporting tool. Measures to counter the risks are then derived. Sustainability risks are documented as a separate risk category, but they are fully integrated in the existing risk management system. Countermeasures are introduced where necessary for the holding company, or independently

of the holding company at portfolio company level for the portfolio companies. Material risks resulting from business relationships, products or services, or own operating activities in accordance with Section 289c (3) no. 3 and 4 of the German Commercial Code (HGB) and how these risks are dealt with are – where reportable – documented in the opportunities and risk report (cf. management report, "Opportunities and Risk Report" chapter). In the reporting year there were no individual risks related to sustainability issues that exceed the materiality limits to report.

Our sustainability report was drafted in accordance with the criteria listed in the German Sustainability Code (DNK). Our report uses the EFFAS (European Federation of Financial Analyst Societies) performance indicators pursuant to DNK recommendations. Out of 16 key figures, four are not reported on due to the fact that they are not material, significant or do not apply to INDUS. More information is available at the end of the key figure overview. The key figures reported in accordance with EFFAS are also applied during our new-acquisition due diligence process.

The key figures that have been gathered pertain to fiscal year 2018 and are compared to those for the previous year. To collect the data for the non-financial performance indicators, the existing internal financial data reporting system in use at INDUS Holding AG was used and supplemented with the appropriate surveys.

As compared to the previous year, the following material changes were made to system limits and content definitions in the key figures:

- Expansion of the scope of consolidation to include two more direct portfolio companies
- Number of trainees reported per head (rather than full-time equivalents)

Wirtschaftsprüfungsgesellschaft Ebner Stolz audited the INDUS Group non-financial report and the EFFAS key figures, reported in accordance with DNK (marked in the key figure overview).

ENVIRONMENTAL PROTECTION

CLASSIFICATION

The portfolio companies' direct impact on the environment in terms of resource consumption, emissions, waste, transport and energy consumption, and the associated direct and indirect greenhouse gas emissions can all be classified as comparatively low compared with industrial sectors that have high levels of raw material and energy consumption. Sectors that have high levels of raw material and energy consumption in INDUS's opinion include those legally obliged to participate in the European Union's emissions trading program. This includes the chemical industry, the paper industry and the cement industry, for instance. None of the INDUS portfolio companies are classified as operating in an industrial sector with high raw material or energy consumption. The portfolio companies operate for the most part in the manufacturing sector using mechanical work processes. Our portfolio companies' production locations are primarily situated in the EU and Switzerland. They are therefore subject to high standards and legal requirements as far as plant safety and environmental protection are concerned. Those portfolio companies whose production processes may have a relevant environmental impact, such as those with galvanization and painting processes, are subject to corresponding statutory regulations and monitoring processes. Direct effects on the environment emanating from INDUS Holding AG as an organizational unit are negligible.

GOALS/ACTION

Responsible use of natural resources ranks high in importance within the INDUS Group. The portfolio companies' managing directors develop rules and measures to conserve resources independently – taking into account the company's individual corporate philosophy. This does not just apply to production processes, but also product development. Examples include the optimization measures in the field of compressed air supply at OFA and BILSTEIN & SIEKERMANN, which have led to energy savings.

As part of the standardized due diligence process, INDUS Holding AG ensures that at least the statutory requirements are observed during the acquisition process, and that appropriate management system precautions are in place to avoid events that would impact the environment. The Board of Management's direct and close involvement in the due diligence process means strategic sustainability issues are actively introduced to the process.

INDUS Holding AG's acquisition profile was revised and refined in the 2017 fiscal year – and includes sustainability aspects. INDUS does not invest in companies with high energy consumption or high emissions (defined by their obligation to participate in the European Union's emissions trading program), or companies whose focus lies in the weapons industry.

GOAL	EFFAS KPI	MEASURES	TIME FRAME
Reduction of energy consumption and waste produced	Total energy consumption (EFFAS E01-01), waste produced (EFFAS E04-01), share of waste recycled (EFFAS E05-01)	Portfolio companies pursue measures to achieve targets independently; raising awareness and increasing transparency through Group-wide recording and communication of energy consumed and waste produced	ongoing
Taking environmental protection aspects into account during new acquisitions	–	Excluding energy-intensive companies from acquisition; reviewing environmental protection aspects during the due diligence process for all new acquisitions	ongoing
Reducing Scope 1 & 2 emissions by 12% (2020) and 42.5% (2040) against the base year 2014	Scope 1 & 2 greenhouse gas emissions (EFFAS E02-01)	Purchasing electricity generated emission-free (green electricity); reduction measures in the areas of building infrastructure and vehicle fleet	2020/2040

The holding company insures all portfolio companies against risks relating to natural disasters, business interruptions, liability, product liability and transport damages with the appropriate cover.

The portfolio companies work with approval management systems as well as defined and documented operational processes with rules and regulations, which take the individual needs and underlying conditions into consideration. In addition, some of the portfolio companies have implemented certified management systems. The companies therefore meet regulatory requirements and actively contribute to ensuring the health and safety of their own workforce, suppliers, service providers on site and the immediate neighborhood.

The topics of energy efficiency and emissions reductions span a cross-section of all areas. The necessity of countering climate change is something that INDUS has clearly recognized. INDUS Holding AG has therefore set itself the goal of reducing its direct and indirect emissions (Scope 1 & 2) in absolute terms by 12% by 2020 and by 42.5% by 2040 (as compared in each case to the base year 2014, where Scope 1 & 2 emissions in the amount of 184 tons of CO₂e were calculated).

RESULT

Indicators to be reported in accordance with DNK are total energy consumption (EFFAS E01-01), greenhouse gas emissions (Scope 1 and 2, EFFAS E02-01), total waste produced (EFFAS E04-01) and the percentage of waste that is recycled (EFFAS E05-01). We report greenhouse gas emissions in accordance with the guidelines of the Greenhouse Gas Protocol (GHG Protocol). In line with the GHG Protocol, we report Scope 2 greenhouse gas emissions using both the location and the market-based method. If no specific method is mentioned in the following passages, then the method used will be the market-based method. In the reporting year, Scope 1 and 2 emissions (EFFAS E02-01, according to the operational control approach, pursuant to the GHG Protocol, only the holding company's emissions are covered) rose slightly in comparison with the previous year, due to the further expansion of resources in the holding company. However, the holding company is still on track to meet its reduction target set for the year 2020. In 2018 the holding company again fully compensated for its remaining emissions with investments in projects to lower emissions. The Group's total energy consumption (EFFAS E01-01) on the other hand has increased due to growth, despite numerous energy-saving measures. In comparison with the previous year, however, the total amount of waste produced by the Group declined (EFFAS E04-01), and the Group also recorded a higher recycling ratio (EFFAS E05-01).

In future, the Group will continue to work on increasing resource efficiency in order to reduce not only our environmental impact at our locations and with our products, but also in upstream and downstream processes.

SOCIAL CONCERNS

CLASSIFICATION

The portfolio companies keep airborne and noise emissions that may impact the local environment within tight limits so that the subsequent risk of potential complaints is low. The portfolio companies take their product responsibilities seriously and minimize health, safety and environmental risks according to the influence they have along the product's entire lifecycle – from product development, production and customer processing right through to use by the end consumer and disposal.

GOALS/ACTION

The companies of the INDUS Group independently act in accordance with their responsibilities as members of society and as befits the regional contexts in which they operate. Through various commitments, they support local cultural, scientific and social projects. For example, many portfolio companies work with workshops for disabled people. Inspired by its successful cooperation, ASS developed a module system under the brand name Auxilio Systems that makes assembly work in workshops for the disabled more efficient and ensures compliance with processes.

Other portfolio companies grant student scholarships, or make donations to schools and daycare centers (see "Social Engagement" chapter). No payments are made to political parties, however.

In line with the applicable legal framework conditions, the portfolio companies have complaint management systems in place with an appropriate escalation process. This allows relevant complaints to be recorded and evaluated so that appropriate measures can be taken for the continuous improvement of processes and products. Legitimate complaints from the local area are reviewed during annual reporting sessions. The same applies for any provisions that may be necessary to cover warranties.

RESULT

The portfolio companies maintain regular dialogue with communal and regional stakeholders through initiatives such as open days, work experience placements and plant tours. Various activities took place in the year under review. No legitimate complaints were received from the local vicinity in the reporting year. INDUS Holding AG will promote discourse around this topic within the Group in future by making it a topic at the annual entrepreneurs' conference (Unternehmertagung) and through internal non-financial reporting. The volume of donations rose slightly in 2018 against the previous year.

GOAL	EFFAS KPI	MEASURES	TIME FRAME
Retaining the portfolio companies' independent commitment in their region and beyond	–	Supporting best practice exchanges; raising awareness and increasing transparency by recording and communicating donation volumes throughout the Group and monitoring local complaints	ongoing

EMPLOYEE CONCERNS AND RESPECT FOR HUMAN RIGHTS

CLASSIFICATION

INDUS Holding AG's portfolio companies respect the human rights of their employees, suppliers, business partners and other stakeholders in their everyday business activities. They work for the most part with qualified professionals in the German-speaking market and in other countries in Europe and beyond. The risks of sub-market pay rates, unreasonable work hours, and limitations on freedom of association or equality of rights are countered within the INDUS Group with appropriate regulations in the company-specific codes of conduct. Nor do any such risks exist on the part of INDUS Holding AG's direct suppliers.

Qualified and committed employees are an important prerequisite for the portfolio companies' and the holding company's long-term success. Gaining, keeping and training staff is therefore an important task for both the portfolio companies and INDUS Holding AG.

GOALS/ACTION

The portfolio companies set themselves individual goals to fulfill this task. These include, for example:

- Maintaining or increasing their attractiveness as employees in their regions.
- (Skilled worker) training beyond what is required to satisfy their own needs, ensuring employee satisfaction and boosting employee motivation.

- Increasing employees' sense of identification with the company.
- Orientation to high employment standards (especially as regards occupational safety, employee health).

The portfolio companies offer their employees a needs-oriented range of further training opportunities, and in some cases the option of completing a dual (academic and practical) study program or dispatch to company locations abroad. At the same time, the portfolio companies maintain a general exchange with schools (e.g., girls' days), universities and universities of applied sciences (e.g., through internships and theses). Within the companies, employees are involved in the improvement of operating processes through continuous improvement processes or employee suggestion systems. In 2018, MBN was named an exemplary company for trainees by IHK (German Chamber of Commerce and Industry) Dresden, for example.

As part of the due diligence process carried out for new acquisitions, the holding company confirms that the company to be acquired observes fundamental social and ethical principles and in particular appropriate working conditions. The holding company's and the portfolio companies' requirements, including those relating to employee concerns, are documented in the company-specific codes of conduct. These contain the fundamental commitment to employee rights and ensuring the rights to dignified work both internally and externally, i.e., also at suppliers. Each member of the INDUS Holding AG Board of Management is also directly responsible for specific direct portfolio companies. In addition to close involvement in the economic and strate-

GOAL	EFFAS KPI	MEASURES	TIME FRAME
Increasing employer attractiveness	Development expenditure per employees (EFFAS S02-02) Age structure (EFFAS S03-01) Share of female employees (EFFAS S10-01) Share of female executives (EFFAS S10-02)	Portfolio companies set their own targets and pursue measures to fulfill them independently; raising awareness and increasing transparency by recording and communicating development expenditure, age structure and share of female employees and executives throughout the Group	ongoing
Committing to responsible conduct that is in accordance with legal requirements	–	Formulating and committing to company-specific codes of conduct	ongoing
Taking employee and human rights concerns into account during new acquisitions	–	Reviewing occupational health and safety aspects and upholding human rights in the due diligence process for new acquisitions	ongoing

gic development of the company, this also includes regular on-site visits (including at sub-subsidiaries). This gives the Board of Management a direct insight into the working conditions on site that goes beyond the formal reports.

RESULT

Indicators relating to employee concerns and respect for human rights to be reported pursuant to DNK include average development expenditure per employee (EFFAS S02-02), age structure (EFFAS S03-01), number of SA 8000 certified locations (EFFAS S07-02 II), and the number of female employees (EFFAS S10-01) and female staff in management positions (EFFAS S10-02). The age structure in the portfolio companies (EFFAS S03-01) has only changed slightly in comparison with the previous year. The average development expenditures per employee (EFFAS S02-02), on the other hand, declined slightly. The number of female employees in the total workforce (EFFAS S10-01) has remained constant in comparison with the previous year, as has the share of female executives (EFFAS S10-02). Some portfolio companies are OHSAS 18001 (an international standard for occupational health and safety management systems) certified or are about to receive their first certification, but no portfolio company is as yet SA 8000 certified (EFFAS S07-02 II). SA 8000 is an international standard for working conditions, but it is somewhat uncommon in the sectors in which the INDUS portfolio companies are active. INDUS Holding AG intends to expand the information base for personnel activities within the companies in 2018 and deliver the results to the Group. INDUS Holding AG will continue to support exchanges among the portfolio companies regarding best-practice solutions relating to personnel activities in 2019.

COMBATING CORRUPTION AND BRIBERY

CLASSIFICATION

The share of sales generated by the INDUS Group outside of Europe is growing. This means that the ratio of business dealings in countries with a higher corruption risk is also increasing. The increase in the share of sales in countries with a higher corruption risk is primarily from sales made in China, Mexico, Russia, South Africa, and Turkey.

GOALS/ACTION

We at INDUS Holding AG and the managements of our portfolio companies regard proper conduct in business transactions as a basic corporate duty. The management of portfolio companies is responsible for ensuring conduct is in compliance with laws and guidelines as well as for the consistent introduction and pursuit of any countermeasures that may be required in case of misconduct. Conduct that does not comply with laws or guidelines is recorded as part of INDUS Holding AG's compliance reporting. Countermeasures introduced by portfolio companies are monitored by the holding company. The fundamental principles underlying such conduct are described for INDUS Holding AG in its Code of Conduct and for the portfolio companies in their individual codes, and they apply both to action within the organization concerned and to dealings with external stakeholders. They provide also that monetary gifts from third parties can be neither accepted nor given. Companies do not make political donations or gifts to governments. This goal is the result of a commitment made by the holding company and the portfolio companies. Adherence to this goal is monitored via a corresponding data request.

In 2018 INDUS Holding AG concluded a membership for itself and some of the portfolio companies in the trade association Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA). Apart from this, INDUS Holding AG is not a member in any industry associations or other relevant organizations, and has no direct or indirect influence on any legislative procedures.

The holding company also offers regular compliance training and information for executives of the portfolio companies (cf. the section "Shareholder's Role"). In 2018 the main topics were data protection, cybercrime and foreign trade law. The holding company also offers regular training on the top-

ics competition law and antitrust law. Annual and event-related compliance reporting documents the correctness of business activities.

In its acquisition processes for the acquisition of portfolio companies, the holding company makes certain through its due diligence processes that the compliance requirements codified in its Code of Conduct are complied with. The Board of Management's direct and close involvement in the due diligence process means strategic sustainability issues are actively introduced to the process.

RESULT

Compliance indicators to be reported pursuant to DNK include payments to political parties (EFFAS G01-01). No such payments were made in the year under review. Indicators to be reported relating to combating corruption and bribery pursuant to DNK also include expenses and fines following claims and processes due to anti-competitive conduct, anti-trust and monopoly violations (EFFAS V01-01), and sales by country with a higher corruption risk (EFFAS V02-01). For the year under review no relevant expenses, payments of fines and no non-monetary penalties for non-compliance with laws or regulations have been observed, nor were

there any instances of corruption. Expenses and/or fines following claims or processes due to anti-competitive conduct amounted to approximately EUR 1.4 thousand, and were thus not relevant (EFFAS V01-01). This expenditure consists of expenses for legal advice that were incurred by a portfolio company during a legal dispute with a competitor. Sales in countries with high corruption risk (Transparency International Corruption Index greater than 60) increased slightly against the previous year (EFFAS V02-01).

For 2018 INDUS has planned a continuation of its training program for the companies in governance, risk and compliance matters.

GOAL	EFFAS KPI	MEASURES	TIME FRAME
No payments to political parties	Payments to political parties (EFFAS G01-01)	Portfolio companies' individual commitments (documented in CoC)	ongoing
Avoiding compliance breaches	Expenses and fines following legal suits/action due to anti-competitive behavior, violations of anti-trust laws and monopoly legislation (EFFAS V01-01) Sales in countries with a high risk of corruption (EFFAS V02-01)	Raising awareness and increasing transparency by recording and communicating sales in risk countries and expenses resulting from fines and legal action	ongoing
Taking compliance requirements into account during new acquisitions	-	Monitoring adherence to compliance requirements in the due diligence process for new acquisitions	ongoing

PROGRESS IN 2018

SOCIAL COMMITMENT

PROVIDING A REASONABLE SOCIAL BENEFIT

The individual companies within the Group take on social tasks in addition to their business tasks. INDUS Holding AG supports and values voluntary commitments. This is in keeping with INDUS Group's conception of itself, and it enhances the reputation of the Group.

STATUS QUO AND GOALS

The INDUS Group portfolio companies are firmly rooted in their regional contexts. The people working in these companies come from the region. They create the value generated by the companies using the regional infrastructure. It is only natural, therefore, that the INDUS portfolio companies would then do their part for an intact community. Important goals of the portfolio companies include:

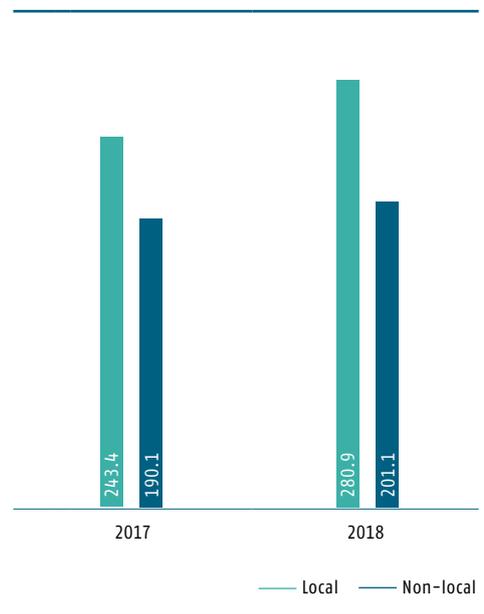
- Promotion and maintenance of local commitment:
The portfolio companies prefer to become engaged where they are at home.
- Identification of existing and potential employees with the company: Employees are to be proud to be working for their company.
- Increase in the level of recognition: The portfolio companies want to be recognized as an integral part of the region and be supported by the stakeholders.

The portfolio companies regularly become involved in their regional environments and outside of their regions through donations and sponsoring. In the 2018 fiscal year, a total of EUR 280.9 thousand (previous year: EUR 243.4 thousand) was donated to regional causes and EUR 201.1 thousand (previous year: EUR 190.1 thousand) was donated to causes outside of the region. The range of institutes and projects supported spans from sport and education to art and culture.

OUTLOOK

In the future, responsibility for social commitment will continue to be decentralized and rest with the portfolio companies. We expressly do not seek a Group-wide framework for the direction and scale of social commitment. The holding company would like, rather, to promote the exchange of effective approaches within the Group.

DONATIONS AND SPONSORING (in EUR '000)



SHAREHOLDER'S ROLE

ACTIVELY REPRESENTING THE INTERESTS OF THE OWNERS

In its capacity as a financial holding company, INDUS Holding AG takes care of financial consolidation and supports the portfolio companies with capital and advice. The holding company regularly documents the portfolio companies' successes.



STATUS QUO AND GOALS

As a proponent of SME-sector principles, the holding company values its reputation very highly. A good reputation makes INDUS more attractive to sellers of companies and lowers financing costs. And conversely, compliance breaches, fines, unrealistic goals and unfair market practices result in a loss of trust among investors, employees and business partners. The holding company makes strenuous efforts to protect the reputation of INDUS with special measures to monitor governance, risk and compliance matters (GRC). Apart from that, INDUS Holding AG has formulated the following goals in its role as a shareholder:

- INDUS offers its portfolio companies prospects for long-term development and invests without the intention to sell (“buy, hold & develop”).
- The portfolio companies control their business operations independently. They are also mindful of sustainability aspects in their self-management.
- The shareholders receive up to 50% of the balance sheet profit through dividends.

To make funds available to the portfolio companies on attractive terms, the holding company maintains broad access to financing sources, for which it cooperates with a selection of solid commercial banks. It also obtains long-term repayment schedules with the aid of, among other things, capital market-based financing instruments. The Board of Management fosters an awareness of sustainability issues through regular dialogue with the managements.

OUTLOOK

INDUS Holding AG adheres to its decentralized management structure and its fundamental “buy, hold & develop” strategy.

RESOURCE EFFICIENCY

USING RESOURCES SPARINGLY AND WITH AWARENESS

INDUS Holding AG strives to make its portfolio companies sensitive to the ecological consequences of their operational decisions. It makes funds available for investment in efficiency measures and is ready to assist the portfolio companies in an advisory capacity on the cross-sectional topic of energy efficiency.

STATUS QUO AND GOALS

For the INDUS portfolio companies, the use of resources is a factor with an appreciable effect on their economic success: This is true first and foremost of the use of raw and other materials and, in a different form, of the use of energy and disposal services. The portfolio companies' interest in the sparing use of natural resources is accordingly great.

The companies are at the same time subject to the ever more stringent requirements of the environments in which they operate; legislators are making the regulatory framework ever tighter. Customers also wish for production methods that conserve resources and products produced by them. This partially results in some significant changes in the framework conditions for the INDUS Holding AG portfolio companies. To determine and evaluate the resulting financial risks, INDUS Holding AG performed its first climate-related scenario analysis in 2018, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The aim of the climate-related scenario analysis was to examine the qualitative consequences of various scenarios on INDUS. Portfolio companies in the Automotive Technology segment were given particular consideration in the scenario analysis as this is where the greatest impacts from legislation, technological developments (e.g. e-mobility) and changing user behavior (e.g. car sharing) were expected. The analysis made use of established scenarios from various organizations. The International Energy Agency's (IEA) 2DS scenario formed the foundation for the analysis. It shows a path for achieving the Paris Agreement's 2-degree Celsius target using industry sector decarbonization methods. With the help of additional information from BDI (association of the German industry), Greenpeace and BP scenario studies, two consistent scenarios were developed with the observation points 2030 and 2050. An ambitious scenario in terms of infrastructure expansion, technological development and spread, and regulation, and a conservative scenario that assumes virtually constant structures.

For the relevant investment portfolio, opportunities primarily arise from the ambitious scenario, for example from e-mobility. Great potential arises particularly in cases where portfolio companies offer energy-efficient technologies (e.g. heat pumps from AURORA for electric buses). For some portfolio companies that are heavily involved in the value chain for conventional power trains, the developments and spread of CO₂-neutral fuels (synthetic, organic-based or H₂) are also decisive. Because the observation points of several product life cycles lie in the future, the analysis of corresponding developments in the automotive and transport sector and improving INDUS companies' ability to adapt to these developments is crucial. INDUS Holding AG will continue to support the portfolio companies in these tasks in future.

Decentralized responsibility for implementing the various energy efficiency measures lies with the portfolio companies. Where necessary, INDUS Holding AG provides support, for instance with a free energy consultation for new constructions and expansions.

In addition, the individual portfolio companies are working in various ways to increase their use of secondary (recycled) raw materials. The portfolio companies also use environmentally friendly substitution raw materials when possible and avoid the use of toxic materials.

Based on the previous year, the Group's emissions remained largely constant (Scope 1 & 2 of the portfolio companies in relation to gross added value).

OUTLOOK

The Group will continue to work intensively in 2018 on increasing its efficiency in the use of resources. The holding company has been offering assistance for portfolio companies to compensate for their CO₂ emissions since 2016. In the coming years, the Group will also deal with the requirements arising from national and international climate protection plans.





On the go – with the environment in mind: REMKO has committed itself to e-mobility with free charging stations.



Sarah Ostmann, design engineer at SIMON in the tool-making division, tests bicycles and e-bikes from regional providers.

PROJECT HIGHLIGHT

SUSTAINABLE MOBILITY AT INDUS

Sustainable mobility is an important topic for INDUS. INDUS therefore considers electric cars to be an important lever in reducing greenhouse gas emissions. As part of the energy audits that will be performed in the Group in 2019, the use of e-vehicles and hybrid vehicles to reduce direct emissions will be considered a separate measure and suggested wherever it makes sense. INDUS Holding AG in Bergisch Gladbach will also expand infrastructure to accommodate e-mobility. As one employee has been using a fully electric vehicle for some time, INDUS decided to install a charging station on the premises in 2018 to enable charging on site.

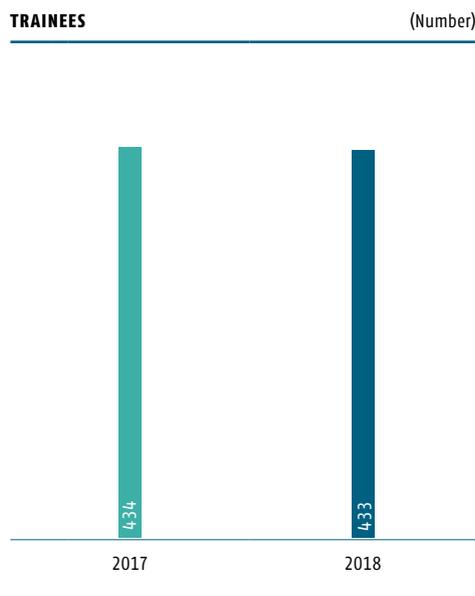
The INDUS portfolio companies are also making good progress in terms of e-mobility. As a climate technology company, REMKO has a particular interest in this topic. In 2018 four company vehicles with electric drives were procured so employees could have an emission-free commute to work. REMKO rewarded its employees' openness to this change by fitting charging stations where the vehicles could be charged for free.

But e-mobility isn't making just a grand entrance; there have also been small changes at INDUS. The SIMON GROUP and REMKO have made e-bike leases available to their employees via a leasing partner as a subsidized company vehicle since 2018. The idea was immediately popular and now employees are also making longer commutes to work with e-bikes than in the past.

PERSONNEL

SECURING A CENTRALLY IMPORTANT BUSINESS RESOURCE

In accordance with INDUS Holding AG's business model, responsibility for the portfolio companies' personnel matters is decentralized and rests exclusively with the portfolio companies.



STATUS QUO AND GOALS

INDUS Holding AG employs a team of specialized employees to whom specific tasks are allocated and who perform only the central functions within the holding company. The two fundamental tasks of the team are to look after the interests of the holding company as shareholder and to provide the companies within the Group with the best possible advice, and to support them as needed.

Short decision paths, a strong team orientation and flat hierarchies are important characteristics of the decentralized corporate culture that is typical of the SME sector. The Board of Management maintains regular contact with all holding company employees. Great value is placed on a respectful atmosphere – both internally and externally. In their day-to-day activities, all team members are mindful of the importance of maintaining a high level of professionalism and stable processes. INDUS Holding AG has drafted a Code of Conduct for its employees that codifies responsible SME-sector principles that are binding upon all employees of the holding company.

The managements of the portfolio companies manage those employed by their companies in accordance with responsible SME-appropriate principles. Each portfolio company has drafted its own company-specific code of conduct to underscore these principles. With competition for managers and skilled workers becoming ever more intense, the topic of employer attractiveness is gaining greatly in importance even in SMEs. Good employees bring ideas, motivation, and entrepreneurial thinking to the company and are elemental to its business success. Careful cultivation of this resource and securing it for the long term are among the most important tasks of a company.

The portfolio companies pursue a large number of different measures aligned with their individual priorities. They train according to their own needs and, if possible, beyond them. Over a number of years, HAUFF has established a structured training program that covers all educational paths, from commercial apprenticeships to dual study programs. The portfolio companies are also very committed to employee training and development. AURORA, for instance, has designed its own operational training program.

OUTLOOK

The INDUS Group also takes application-oriented research developments into consideration when researching new concepts to increase employer attractiveness. Through the holding company's cooperation with the Excellence Center for Industry 4.0 at the Technical University of Munich, the Group's portfolio companies have access to a current research project that is investigating employer branding in the digital world. INDUS Holding AG has set itself the goal of advancing this type of information exchange in the future, too.

INTERNATIONALIZATION

PAVING THE WAY TO FURTHER GROWTH

INDUS Holding AG provides its portfolio companies with the funds to expand their international market presence so that they can successfully accompany their existing customers into the global markets and tap into new growth markets.

STATUS QUO AND GOALS

The increasing saturation of domestic markets is putting limits on the potential of numerous portfolio companies to achieve further growth in those markets. Moreover, larger customers expect their suppliers to be within close reach in their foreign markets as well. This makes tapping into international markets an all the more attractive option for the companies in the Group.

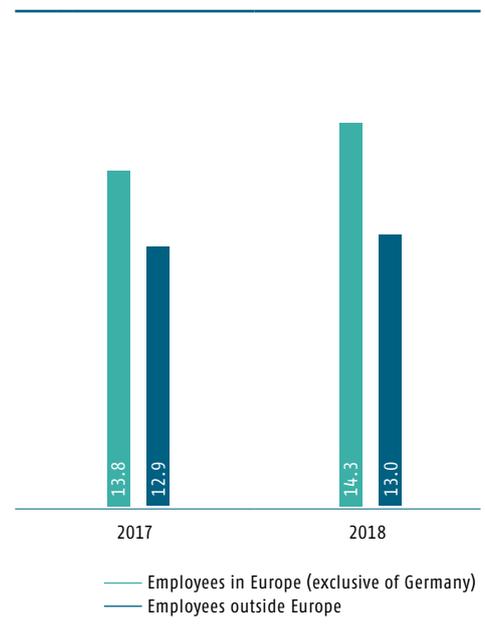
In 2018, the share of sales generated outside Germany and Europe amounted to 26.2%, a slight decrease from the previous year (previous year: 27.3%). The share of sales generated in other European countries remained virtually constant (22.4% in 2018 as compared with 22.9% in 2017). The portfolio companies were able to stabilize long-term customer relationships, develop new customer relationships, and realize additional potential for added value by means of a strong international presence (local for local). Outside Europe, the portfolio companies are specifically interested in developing distribution capabilities in the BRIC countries Brazil, Russia, India and China, at the same time creating added value in Germany and Europe. Examples of internationalization activities in fiscal year 2018 include the establishment of production locations in China and Romania by SELZER and SMA.

Upon request from the management, INDUS Holding AG can provide the portfolio companies with advice regarding expansion activities abroad to reduce the risk of bad investments – for example, due to incorrect market assessment. When the situation warrants, the holding company will also put them in touch with local lawyers, insurers and banks or refer them to contacts within the Group.

OUTLOOK

As a part of what the holding company offers its portfolio companies, it is further developing its advisory and support services for company acquisitions at the sub-subsidary level. In support of this process, networks are being formed between the portfolio companies and external networks are being made available.

SHARE OF EMPLOYEES IN EUROPE
(EXCLUSIVE OF GERMANY) AND OUTSIDE EUROPE (in %)



INNOVATION

ENHANCING THE PORTFOLIO COMPANIES' ABILITY TO INNOVATE

INDUS Holding AG assists its portfolio companies in their innovation management, so that they may successfully take advantage of the opportunities presented by industrial change. To that end, it makes additional capital available to these companies and advises them in regard to the direction and operationalization of their innovation strategies.

STATUS QUO AND GOALS

A key condition for the portfolio companies' organic growth is their ability to innovate. This enables the portfolio companies to continually develop and improve their products and services. The holding company also provides advice for developing new technologies beyond these incremental innovation activities, and for breaking into new markets and application fields. The holding company also supports R&D projects of portfolio companies that demonstrate a greater degree of innovation and higher investment risk with additional financial resources, assuming the function of a development bank. Up to 1.5% of the annual consolidated EBIT is available to the portfolio companies, in addition to the existing R&D budget, for such projects. The holding company's Board of Management approved EUR 3.0 million in internal development funds for innovation projects in 2018. At the end of the 2018 fiscal year, the holding company was providing support to a total of 18 innovation projects. Two projects that had been receiving support were also completed in 2018. The results of the projects are new products and solutions that are currently still being validated but that will be brought onto the market in 2019. Some projects, partially even before completion, generated contributions to sales of EUR 5.3 million in 2018.

The intention is to enable the portfolio companies to develop their innovation capabilities in a structured and effective manner. The holding company provides methodological support such as exchanging information and setting up a network. In 2018 the holding company provided such methodological support once more by working in an advisory capacity with several portfolio companies. In addition to methodological support in determining a direction for the innovation strategy, we also focused on innovation operationalization, using appropriate processes and structures. The results of these activities culminate in innovation projects for the portfolio companies that are financially supported by INDUS Holding AG.

Activities designed to build or strengthen networks, especially at the R&D level, also were continued and escalated. Working group meetings, for instance, were held regularly, covering the main topics "Additive manufacturing processes" (3D printing), current trends in the automotive sector, and IoT (Internet of Things) business models.

The cooperation with the Competence Center for Digitalization/Industry 4.0 with the Technical University of Munich and the cooperation with the EBS University for Economics and Laws were both amplified. Another cooperation was initiated in 2017 with the Institute of Dynamics and Vibration Research at Leibniz Universität Hannover. The results of this cooperation include studies and project work as accompanying measures for innovation projects as well as the inclusion of INDUS in the university's teachings, during seminars for instance.

OUTLOOK

In 2019, the focus will be on expanding the methodological support program to other portfolio companies. INDUS Holding AG also intends to increase the network and cooperation activities in certain areas in 2019. The PARKOUR strategy also includes plans to considerably increase the funds for supporting innovation projects (development bank).

ANNUAL COMPARISON OF INTERNAL FUNDS GRANTED FOR INNOVATION PROJECTS



INVESTMENTS

STRENGTHENING THE GROUP AND PORTFOLIO COMPANIES THROUGH ACQUISITIONS

To further expand the Group, INDUS Holding AG and the portfolio companies are constantly looking for financially healthy SMEs that have the ability to successfully develop in their markets on a long-term basis. At the holding company level, the Board of Management and the acquisition team follow a structured acquisition process.

STATUS QUO AND GOALS

Our portfolio is meant to represent a cross-section of successful production industries in the SME sector. For this reason, we look in particular for companies in economic fields that we have identified as the sectors of the future, such as, for example, Medical Engineering/Life Science. Within the target sectors, we watch market developments closely and continually refine our concrete acquisition profile, basing it in part on sustainability considerations. Pursuant to the PARKOUR strategy currently under development, for example, the Board of Management is focusing more intensely on the field of energy and environmental technology as an additional growth industry. We engage in an active risk management process before we acquire a company, studying not only the usual economic, technological and market-related risks but also the risk situation in such fundamental areas as the environment, employee concerns and compliance issues.

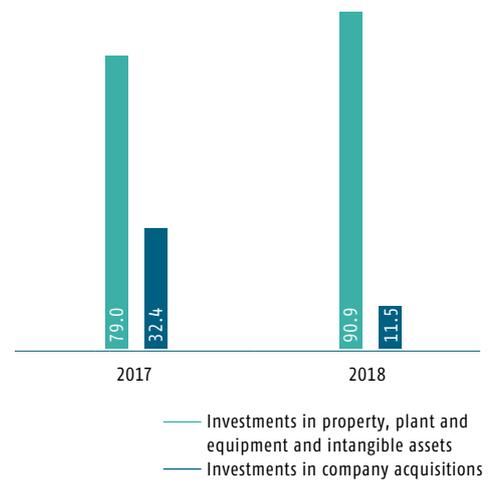
Another important factor we consider for an acquisition is reputation. The new company's image, core business and culture should add lasting value to the INDUS Group and have a positive effect on the attractiveness of INDUS for investors and potential sellers of companies.

In 2018, the portfolio company AURORA acquired ELECTRONIC EQUIPMENT, a strategic second-level addition. Other strategic additions were the acquisition of a retail company for medical aids by OFA and a manufacturer of air-conditioning devices by one of our other portfolio companies. We invested in total EUR 11.5 million in company acquisitions. Another EUR 90.9 million was invested in property, plant and equipment, and intangible assets. The acquisitions contributed 1.13% to our growth in sales.

OUTLOOK

In the 2019 fiscal year, we wish to successfully continue the holding company's acquisition strategy of the last several years. That means the direct acquisition of two to three growth companies by the holding company and up to four companies at sub-subsidiary level. We have allocated an investment budget of not less than EUR 50 million for this. As in the past, the new Group companies are expected to be viably positioned for the long term in terms also of sustainability considerations.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS, AND IN COMPANY ACQUISITIONS (in EUR million)



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KEY FIGURES

KEY TOPICS	KEY FIGURES	UNIT	2018	2017	AUDITED
Investments	Direct acquisitions	number	0	2	
	Add-on acquisitions (on sub-subsidiary level)	number	3	0	
	Investments in company acquisitions	in EUR million	11.5	32.4	
	Investments in property, plant and equipment and intangible assets	in EUR million	90.9	79.0	
	Inorganic growth in sales	in %	1.1	3.1	
Innovation	Expenses for research and development	in EUR million	17.3	16.4	
	Approved internal subsidies for innovation projects	in EUR million	3.0	2.2	
	Current cooperative relationships with universities and research institutions	number	49	29	
	Received public subsidies for research projects	in EUR '000	624.8	283.4	
	Industrial property rights applied for in the year under review	number	233	241	
Internationalization	External sales in Europe (exclusive of Germany)	in %	22.4	22.9	
	External sales outside Europe	in %	26.2	27.3	
	Employees in Europe (exclusive of Germany)	in %	14.3	13.8	
	Employees outside Europe	in %	13.0	12.9	
Shareholder's role	Equity ratio	in %	41.3	40.8	
	EBIT margin	in %	7.9	9.3	
	Organic growth in sales	in %	3.2	10.5	
	Direct portfolio companies	number	45	45	
	Average length of time portfolio companies have been affiliated with the INDUS Group	in years	15.5	14.6	
	Total monetary value of significant fines (> EUR 10,000)	in EUR '000	0	86.5	
	Expenses for legal suits/action due to anti-competitive behavior, violations of anti-trust laws and monopoly legislation	in EUR '000	1.4	0	✓
	Non-monetary penalties for non-compliance with laws and regulations	number	0	0	
	Share of sales in regions with a Transparency International Corruption Index <60 (EFFAS V02-01)	in %	18.9	19.9	✓
	Number of all portfolio companies with SA 8000 certification (EFFAS S07-02 II) ¹	in %	0	0	✓
Personnel	Female executives (first and second management levels) (EFFAS S10-02) ^{2, 3}	in % of FTE	15.4	15.6	✓
	Female employees as a share of the total workforce (EFFAS S10-01) ^{2, 3}	in % of own FTE	31.4	31.3	✓
	Temporary workers as a share of the total workforce ^{2, 3}	in % of FTE	2.7	3.9	
	Trainees ³	number	433	434	
	Participants in dual study programs ³	number	82	65	
	Reportable accidents at work (exclusive of commuting accidents)	number	339	329	
	Fatal accidents at work (exclusive of commuting accidents)	number	0	0	
	Percentage of employees of INDUS Holding AG who have received its Code of Conduct	in %	100	100	
	Age structure and distribution (number of FTE by age group) (EFFAS S03-01) ³	number in 10-year intervals	232/1722/2292* 2348/2524/722**	253/1629/2136* 2309/2356/664**	✓
	Average expenditure for training per FTE per year (EFFAS S02-02) ³	in EUR	271.9	305.9	✓

KEY TOPICS	KEY FIGURES	UNIT	2018	2017	AUDITED
Social engagement	Legitimate complaints from the local area	number	0	1	
	Percentage of companies that cooperate with social institutions (workshops for disabled persons, etc.)	in %	30.6	42.0	
	Local donations and sponsoring (culture, education, sports, social affairs)	in EUR '000	280.9	243.4	
	Non-local donations and sponsoring (culture, education, sports, social affairs)	in EUR '000	201.1	190.1	
	Payments to political parties as percentage of total sales (EFFAS G01-01)	in %	0	0	✓
Resource efficiency	Holding company's Scope 1 emissions (EFFAS E02-01) ⁴	in t CO ₂ e	162.8	154.2	✓
	Holding company's Scope 2 emissions (market-based, GHG Protocol Scope 2) (EFFAS E02-01) ⁴	in t CO ₂ e	0	0	✓
	Holding company's Scope 2 emissions (location-based, GHG Protocol Scope 2) (EFFAS E02-01) ⁴	in t CO ₂ e	51.2	56.1	✓
	Holding company's Scope 3 emissions ⁴	in t CO ₂ e	127.0	437.0	
	Portfolio companies' Scope 1-3 emissions ⁴	in Tt CO ₂ e	3,283.2	2,892.1	
	Portfolio companies' emissions intensity (Scope 1 & 2) ^{4, 5}	in t of CO ₂ e/EUR million value added	122.8	122.4	
	Waste intensity ⁵	in t of CO ₂ e/EUR million value added	24.8	27.3	
	Total weight of waste (EFFAS E04-01)	in t	16,050.7	17,470.7	✓
	Share of total waste that is recycled (EFFAS E05-01)	in %	58.9	50.9	✓
	Total water withdrawal intensity ^{5, 6}	in m ³ /EUR million value added	1,023.6	708.2	
Total energy consumption (EFFAS E01-01)	in MWh	225,657	218,904	✓	

The scope of consolidation for sustainability reporting was expanded in 2018 to the IFRS scope of consolidation. Where this resulted in material changes to individual key figures, the prior-year figures were adjusted.

1) SA 8000 is an international standard designed to improve the working conditions of workers and defines minimum requirements on social and labor standards. | 2) The number of employees is expressed in full-time equivalents; part-time employees are accounted for proportionately according to the contractual work hours. | 3) Personnel numbers are reporting date figures on 12/31/2018 or 12/31/2017. | 4) Included in the calculation besides CO₂ were nitrous oxide (N₂O), methane (CH₄) and partly fluorinated hydrocarbons (F gases) | 5) Added value corresponds to unconsolidated gross added value (business performance minus material expenditure and other operating expenses) | 6) The water withdrawals also include withdrawals for ground water heat pump systems. These withdrawals are fed back into the supply locally.

* Aged under 20/between 20 and 29/between 30 and 39.

** Aged between 40 and 49/between 50 and 59/over 60.

EFFAS INDICATORS, LISTED IN THE GERMAN SUSTAINABILITY CODE, NOT REPORTED ON BY INDUS

KEY FIGURES	DECLARATION
EFFAS V04-12 Total investments in research on ESG-relevant aspects of business	Due to the portfolio companies' business models, R&D activities (usually development rather than research activities) are primarily reflected in the corresponding expenditure. Investments (in terms of expenses recorded as fixed assets) are generally very limited for R&D and only necessary once the developed products and solutions are industrially manufactured. This key figure is therefore of little importance at INDUS.
EFFAS E13-01 Improvement rate of product energy efficiency compared to previous year	This key figure can only be determined for some of the portfolio companies. The portfolio companies partially produce goods that either consume no energy during the use phase or will be processed further. The aggregated key figure is not meaningful for the INDUS Group and collecting this information would require considerable effort.
EFFAS S06-01 Percentage of total suppliers and supply chain partners screened for compliance in accordance with ESG criteria	There is currently no sufficient database available. The definition of ESG criteria for the supply chain is the responsibility of the portfolio companies. There are currently no Group-wide ESG criteria for the evaluation of partners and suppliers within the supply chain. It is thus currently not possible to determine a relevant key figure and, taking the findings of the materiality analysis into account, there are currently no efforts to obtain this figure.
EFFAS S06-02 Percentage of suppliers and supply chain partners audited for ESG compliance	There is currently no sufficient database available. The definition of ESG criteria for the supply chain is the responsibility of the portfolio companies. There are currently no Group-wide ESG criteria for auditing suppliers and partners within the supply chain. It is thus currently not possible to determine a relevant key figure and, taking the findings of the materiality analysis into account, there are currently no efforts to obtain this figure.