

# SUSTAINABILITY REPORT

# 2018



# OUR RESPONSIBILITY

For 40 years we have been developing and producing high-performance lubricants and chemical products for maintenance and operating and sell those to customers from many industries and sectors worldwide.

Pronounced quest for technical innovation to the benefit of our customers, for intelligent processes and procedures are just as much part of our corporate culture as are entrepreneurial responsibility for our actions. Humans, environment and society are of crucial significance to our business model and our strategy.

As part of the internationally operating German technology company Freudenberg, we are committed to its values and principles as we are to our own aspiration to implement our business processes in a sustainable and responsible way. We look at the social and economic environment under consideration of our value chain and try to promote positive changes with regard to an improved environmental compatibility. And with success.



  
 Florian Zäuner  
 CFO

  
 Christian Göggelmann  
 CEO

  
 Dr. Markus Leirer  
 CTO

Management OKS Spezialschmierstoffe GmbH

## OUR MISSION



OKS Spezialschmierstoffe GmbH has been operating successfully on the market for many years. Our headquarters are based in Maisach, in the greater Munich area.

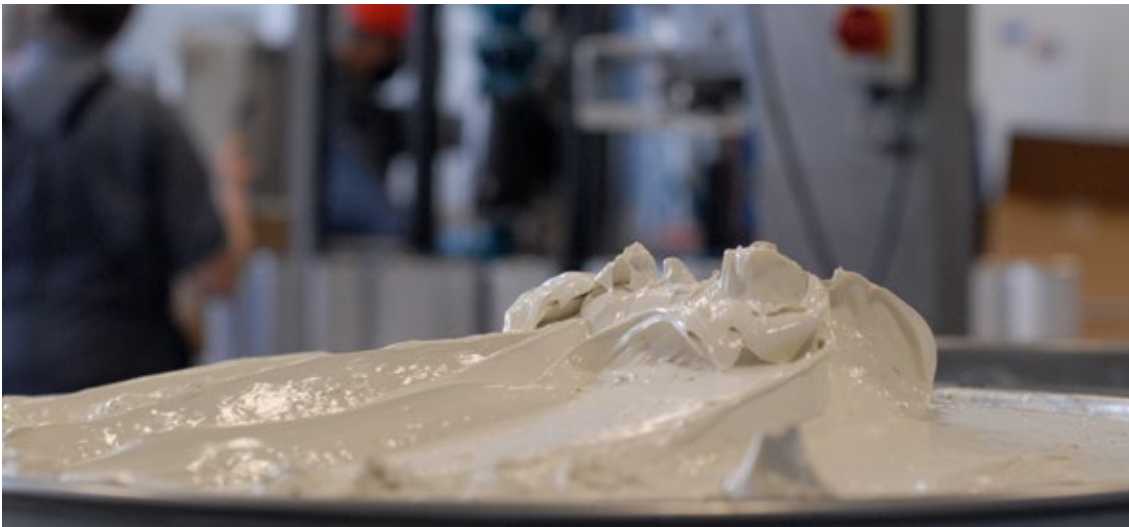
Our business model is based on close cooperation with the specialized trade, for example technical retailers, lubricant retailers and others, through whom we reach both industrial users as well as industry customers in about 50 countries. Since 2003 OKS has been part of Freudenberg Chemical Specialities SE & Co. KG, Munich, a subgroup of the Freudenberg Group, Weinheim.

The market is supplied in particular via the specialist trade. Thus our trading partners are the representatives of the OKS quality promise made to the user.

Through comprehensive training and job training of our trading partners we guarantee an excellent quality of support and problem-solving competence on-site. This is supplemented by our comprehensive documentation on product safety and product properties that is available to all our trading partners and our customers.

Our Material Compliance Management ensures compliance with all standards and legal requirements in this field.

# OUR PRODUCTS



We produce about 150 standardized as well as customer-specific high-performance products for the reduction of friction, wear and corrosion, for the protection and cleaning of parts and components.

This includes speciality lubricants such as:

- **Pastes, oils, greases**
- **Corrosion protection and maintenance products**
- **Cleaners**
- **Welding separation agents**
- **Dry lubricants**
- **Bonded coatings and sliding coatings**

Thanks to the close integration of in-house development and manufacturing we can quickly implement new technologies into marketable products. We keep proving this competence through the development of efficient lubricants and chemotechnical products for nearly all application areas in trade and industry.

The OKS quality, environment, and health and safety management is certified in accordance with different standards:

ISO 9001, ISO 14001, OHSAS 18001.





# OKS – A PART OF THE BIGGER PICTURE

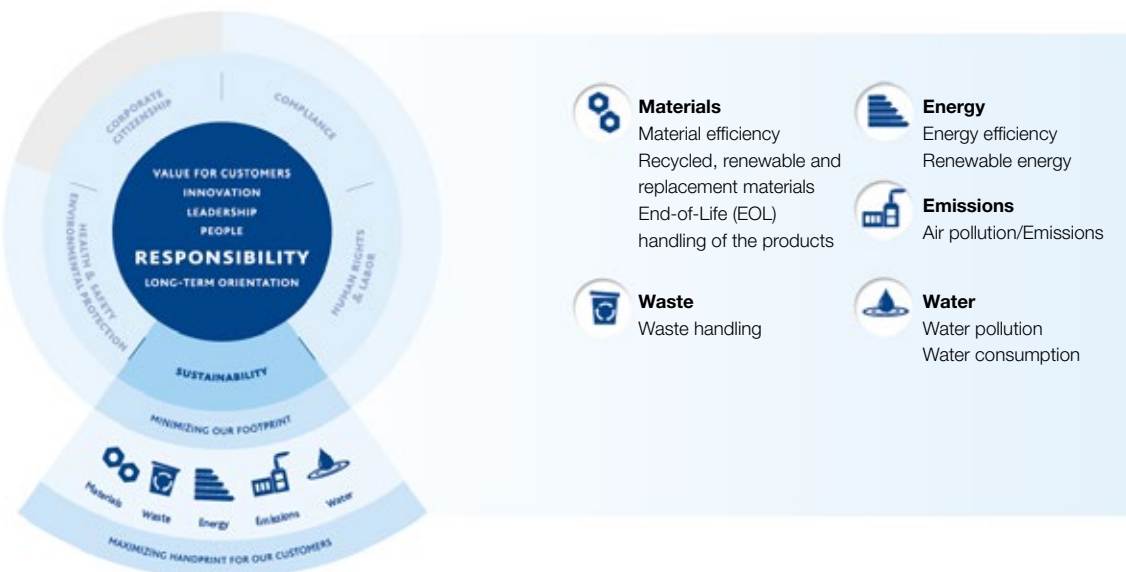
**SUSTAINABILITY IS AN IMPORTANT PART OF THE FREUDENBERG CORPORATE CULTURE.**



Our sustainability concept is based on the sustainability strategy of our parent company, the Freudenberg Group. It defines sustainability as part of the corporate culture with its values and principles as well as the relevant economic and social environment, including the value chain. In our direct sphere of influence we recognize the demands of all relevant interest groups such as

employees, shareholders, customers, the society at large and others. The values and principles of Freudenberg take centre stage: Added value for the customer, innovation, leadership, people, long-term orientation and as the central statement in the spirit of more sustainability: Responsibility.

## RESPONSIBILITY – IN THE SPIRIT OF MORE SUSTAINABILITY



# OKS IN THE ENVIRONMENTAL AGREEMENT FOR BAVARIA

**WE HAVE BEEN STANDING BY OUR RESPONSIBILITY FOR MANY YEARS**



Already in the year 2004 OKS was honoured as part of the ÖKOPROFIT program of the city of Munich for its activities, amongst other in the area of waste management and replacement of hazardous materials in products as well as the reduced emissions during the production.

This was followed in 2007 by becoming a partner in the Environmental Agreement for Bavaria through the Ministry of Environment, Health and Consumer Protection. This initiative developed by the Government of the State of Bavaria pursues the goal of promoting environmentally sustainable economic growth, for example through the reduction of emissions, use of renewable energies or through environment and work safety programs.



Companies that want to join the Environmental Agreement for Bavaria must fulfil different requirements, such as having a standardized and certified environmental management. Our efforts for entrepreneurial responsibility are not restricted to measures in front of our doorstep though. Because – while we develop and produce in Bavaria – we purchase the raw materials from all over the world and sell our products world-wide.

In the present sustainability report we present our different measures on the compatibility of corporate action and more sustainability that far exceed mere location management.

# ACTING SUSTAINABLY

## RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT



The basic and raw material for our products come from all over the world and we deliver our products world-wide. Therefore we don't restrict our responsibility to the immediate surroundings of our company location in Maisach.

Through our parent company Freudenberg we are part of the **UN Global Compact** and with that we are obligated to protect human rights, the freedom of association, elimination of forced and exploitative child labour and other social requirements.



We adhere to our own code of conduct as well as a dedicated supplier selection system with clear specification for ethical and regulatory conformity. The adherence to the regulatory requirements that are relevant for our industry are obligatory for us – as are the ethical values.

With regard to better sustainability we set ourselves clear goals. We measure those regularly to document progress – and where necessary – work even more intensely on improvements. Safety is a central concept for the design of our processes and during the development of our products. Safety always relates to the protection of humans, no matter whether they work for OKS or with OKS products. But safety also relates to possible environmental impacts that result from the production or application of our products. Therefore we always consider our complete value chain to be able to improve processes that, for example, contribute to the conservation of resources or environmental sustainability.

The same applies to the users of our products. Our goal is to support them in reaching their own sustainability goals through:

- Energy saving
- Emission reduction
- Resource efficiency
- Optimization of maintenance cycles
- Reduction of waste volumes etc.

# SPECIFYING PARAMETERS






## FOOTPRINT AND HANDPRINT UNDER SCRUTINY

Overall we have defined five areas that serve as parameters for our sustainability management:

- **Cost of materials**
- **Waste volume**
- **Energy use**
- **Emission values**
- **Water consumption**

Within these five areas we have identified four specific areas that have biggest potential for optimization: Material efficiency, energy efficiency, emissions and waste. We record the developments in these areas for the measurement of relevant changes and also report them to our parent company Freudenberg for our group-wide reporting system.

## THE SUSTAINABILITY MATRIX OF OKS

		FOOTPRINT			HANDPRINT	
		Sourcing	Production	Transport	Use	End-of-life
Materials		Raw material selection			Regulatory compliance	Innocuousness
Waste			Reduction of waste		Lifetime lubrication	Disposal and recycling
Energy			Assessment		Reduction of energy consumption and emission saving	
Emissions			Reduction of VOC emissions			
Water			Less consumption		Biodegradable products	

Our goal is the minimization of possible negative effects of our actions. We define this as the **“footprint”** meaning the direct effect of our business activities on the environment and society.

Furthermore, we support our customers and the users of our products with regard to their own sustainable actions. We help them produce more efficiently and reduce negative effects on the environment. We call this the **“handprint”**.



# IMPROVING OUR FOOTPRINT

## SUSTAINABLE CONTROL OF THE VALUE CHAIN



OKS tries to check all factors relevant for the value chain with regard to the sustainability issues – which is not fully possible, however.

The early stages of raw material extraction, this applies in particular to petrochemical raw materials and their derivatives as well as internal processes of our suppliers in particular, are for example not under our control.

Where reliable data are available they are used for the determination of the OKS footprint.

To improve our footprint we have implemented extensive programs with partially significant investments. They aim at:

- **Reduced energy consumption** and as a result reduced CO<sub>2</sub> emissions.
- **Emissions reduction** through closed manufacturing procedures.
- **Recycling of specific operating materials**, such as solvents.
- **Reduction of waste in the manufacturing**, for example packaging and production materials.
- **Efficient insulation of company buildings**
- **Local procurement** – where possible – to shorten transport routes.

# AVOIDING CRITICAL RAW MATERIALS

## GUARANTEE OF A HEALTHY WORK ENVIRONMENT FOR EMPLOYEES AND USERS



An important aspect of our sustainability measures is the avoidance of critical raw materials in our products to improve the protection of our employees and the users.

With the help of our product portfolio analysis we have developed an inventory that serves as a guide for the development of new product formulations.

Raw materials classified as critical are not used any more, at least in the long term. We pay special attention to the so called CMR substances (cancerogenic, mutagenic, reprotoxic) that we have banned completely from our products.

This strategic portfolio management furthermore serves to steadily reduce the number of products in our portfolio subject to labelling for hazardous characteristics under the chemicals laws.

Our third main goal is the general avoidance of substances containing VOCs. VOCs are volatile organic compounds that leak into the ambient air during the application and especially in enclosed rooms can have negative effects on health.

Already today OKS delivers a range of products that fulfil special certification requirements for usage in the drinking water sector or the food industry.



Our “Safe Materials” program aims to eliminate all substances in the long-term that from today’s perspective are classified as potentially critical for employees and users.

# USING RESOURCES EFFICIENTLY

## FOCUS ON THE REDUCED RESOURCES CONSUMPTION AND USAGE OF REGENERATIVE RAW MATERIALS



As a company that manufactures lubricants and other chemotechnical products that are largely based on non-regenerative raw materials, we specifically aim for resource efficiency.

We pursue this target in two ways:

1. For example through the usage of synthetic oils. This generally leads to a significantly increased lifetime and service life which ultimately reduces the use of raw materials. In many cases a lifetime lubrication can be achieved.

2. Through the use of regenerative raw materials. This way we increasingly replace petrochemical raw materials with plant-based raw materials. We have already made important progress and developed products whose raw materials are either completely or at least partially of renewable nature.

We have made progress in both areas over the last few years. Today we can offer more and more products that provide a notably extended application period or are based on regenerative raw materials. This on one hand results in the reduction of our own footprint but at the same time also benefits the handprint – meaning the sustainability goals of our customers.



# PROMOTING SAFETY

**THE SAFETY OF THE ENVIRONMENT, THE USERS AND OUR EMPLOYEES IS IMPORTANT.**



For many years we have fostered a pronounced HSE culture (HSE = Health, Safety & Environment). This lies at the centre of our operational processes.

Numerous technical and organizational measures ensure safe working conditions and the protection of the environment. On one hand this means continuously investing in safety equipment and modern manufacturing processes, on the other hand this also means sensitizing employees for HSE concerns and above all training them. This is not a one-off task at OKS but a continuous process.

As part of the Freudenberg program “We all take care” we all take measures to promote work safety and the health of our employees, the environmental protection and location safety. Our “Zero Accident” initiative has the high goal of completely avoiding accidents at work.

The workplaces of our employees are designed in accordance with ergonomic principles and checked regularly with regard to safety when operating machines and systems.

All these measures contribute to an exemplary low rate of accidents at work in our company compared with the rest of the industry.



# REFINING THE HANDPRINT

## SUSTAINABLE PRODUCT DEVELOPMENT TO THE BENEFIT OF OUR CUSTOMERS



A reduced usage of resources is not only positive for our own footprint but also for our customers. Users who can use products on a regenerative basis reduce their ecological footprint and have fewer concerns about the disposal of used lubricants.

When we offer modern lubricants whose service life far exceeds conventional lubricants, not only is the amount of used lubricants reduced, there are also tangible economic benefits:

- **Longer service life**
- **Less machine downtime**
- **Reduced maintenance costs**

Here we show with a few examples how through our own handprint we can positively influence the footprint of our customers.

# OUR HANDPRINT

## APPLICATION EXAMPLES OF OKS PRODUCTS

Our speciality lubricants guarantee extended maintenance intervals of machines and systems, which not only reduces the usage of resources and reduces downtimes but also leads to less abrasion at important parts and as a result increases the service life of the entire system. There are also applications where the so called lifetime lubrication takes effect. In this case a part is only lubricated once during the entire operating period – relubrication being unnecessary.



The rotors of the wind turbines must be regularly released of deposits that could negatively influence the aerodynamic behaviour of the complete system and with that the energy output. Our special cleaners not only clean effectively, they are also biodegradable, which is for example indispensable for offshore stations on high seas. OKS supplies a wide range of biodegradable products, not only for the cleaning of wind turbines.

No one wants to have lubricants in their food. However, much of our food is manufactured industrially and mechanically these days. Everywhere where machines run, parts are moving. They have to be lubricated regularly and at the same time a high food safety has to be guaranteed. Our special products with internationally recognised approvals for the food industry ensure on one hand efficient manufacturing and on the other hand unclouded enjoyment of the food.



# OUR HANDPRINT

## APPLICATION EXAMPLES OF OKS PRODUCTS

Very efficient lubricants not only lead to less wear and the reliable functioning of a system. They also reduce the friction coefficient at different parts. This reduces the energy consumption of a system and depending on the energy type used also a reduction of the emissions involved.



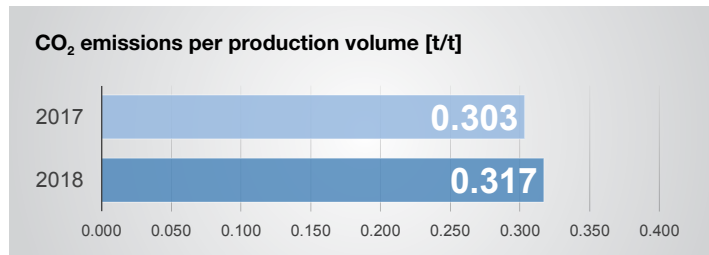
As a rule a spray can has a pretty short service life. Once the content is used it ends up in the waste. But not with our Airspray System. It consists of refillable spray cans and a filling station which allows to refill the can with a range of different OKS products. This reduces the waste volume significantly. Another positive effect: The system works with pure compressed air as propellant.

There are numerous applications in industry and trade where the friction points need to be supplied with lubricant periodically. For this our ChronoLube system has proven itself. These electromechanical lubricators can be supplied with different OKS greases and oils and guarantee appropriate and precise lubrication that prevents an underdosing and even more importantly an overdosing and this way saves resources. Sometimes less is actually more.

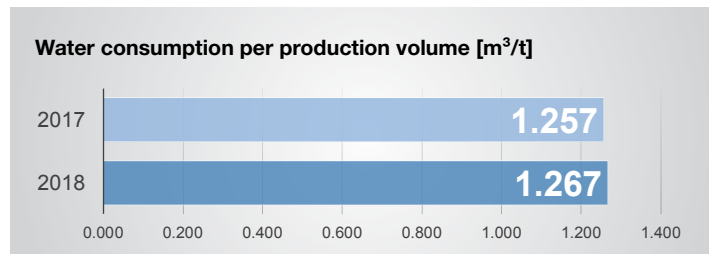


# KEY PERFORMANCE INDICATORS

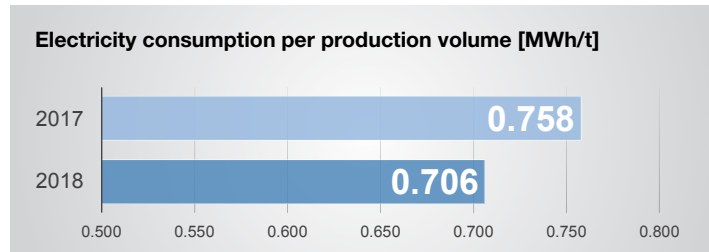
## CO<sub>2</sub> EMISSIONS FROM ENERGY CONSUMPTION



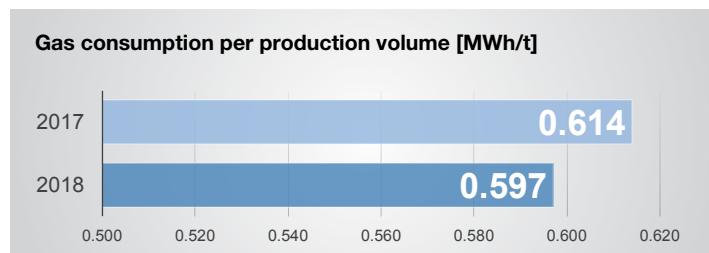
## WATER



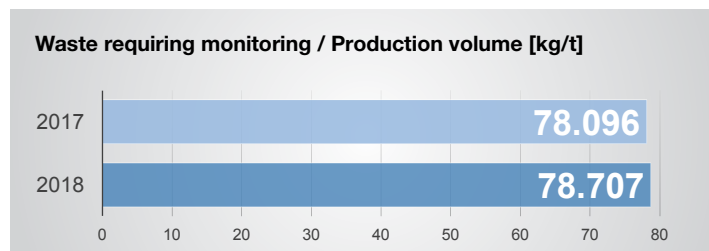
## ELECTRICITY



## GAS



## WASTE VOLUME





# IMPRINT

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a brand of  
 **FREUDENBERG**

The Freudenberg logo features a stylized blue wave icon to the left of the word 'FREUDENBERG' in a bold, blue, sans-serif font.