

## ENGINEERING KOMPETENZ

It is our brand promise to deliver the highest standards of engineering in the machining industry. This includes offering a wide range of highly productive precision tools as well as a comprehensive range of consultancy and other services to support our customers along the machining process chain.

In all this, we are constantly working to increase the efficiency of their production processes – through digitalization, for example.


With our four competence brands,



we are a partner for our customers, and more than just a supplier. This range of services means that we are comprehensively attuned to the requirements of our target markets regarding all planning, purchasing and machining processes, as well as cultivated supplier relationships.

Walter was founded in 1919 and is today one of the world's leading metalworking companies. As a provider of specialized machining solutions, Walter offers a wide range of precision tools for milling, turning, drilling and threading applications.

Walter works together with its customers to develop customized machining solutions for components in the aviation and aerospace industries, as well as automotive, energy and general engineering.



**Richard Harris**  
President



**Gerhard Schüßler**  
Director Quality & Risk  
Management

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This overview contains information on sales functions and processes of the Walter Group and provides information on sustainability issues including quality, the environment, energy and occupational safety. It represents the framework of Walter's integrated management system that is binding for all employees who work within the scope of the systems.

### 1 GENERAL INFORMATION

<b>Address Headquarters:</b> Walter AG Derendinger Straße 53 72072 Tübingen Deutschland  Mailbox 2049 72010 Tübingen	<b>Board:</b> <ul style="list-style-type: none"> <li>• Richard Harris (Chairman)</li> <li>• Anette Skau Fischer</li> <li>• Menderes Kayhan</li> <li>• Christoph Geigges</li> </ul>
Phone	+49 (0)7071/701-0
Service contact	service@walter-tools.com
Sites	Further specific information is provided on our website.
Homepage	<a href="https://www.walter-tools.com">https://www.walter-tools.com</a>

### 2 COMPANY DATA

<b>Sales Tax - No.</b>	86119 28001
<b>Value Added Tax - No. (VAT)</b>	DE 146894402
<b>Tariff affiliation Walter AG</b>	Professional Association Wood and Metal

<b>Employee total number</b>	<b>3300*</b>	
<b>Business Processes</b>		
<b>Product Lifecycle Management</b>	<b>200</b>	
<b>Customer Relationship Management</b>	<b>1400</b>	
- Marketing / Sales / Customer service		1000
- Engineering		400
<b>Supply Chain &amp; Operations</b>	<b>1400</b>	
- Production & Facility Management		1250
- Purchasing & Logistic		100
<b>Corporate Management &amp; Operative Support Processes</b>		
<b>Finance, Performance Management, Risk &amp; Legal</b>	<b>60</b>	
<b>Quality, EHS &amp; Energy</b>	<b>120</b>	
- Environmental / Safety		20
- Quality assurance		100
<b>HR Management</b>	<b>50</b>	
<b>IT &amp; Digital systems</b>	<b>50</b>	
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\*Figures are approx. values

## 3 ORGANIZATION AND CORPORATE STRUCTURE

Walter's headquarters located in Tübingen, Germany. The Walter Group is headed by the Walter Management Team, consisting of a President and 8 Vice Presidents.

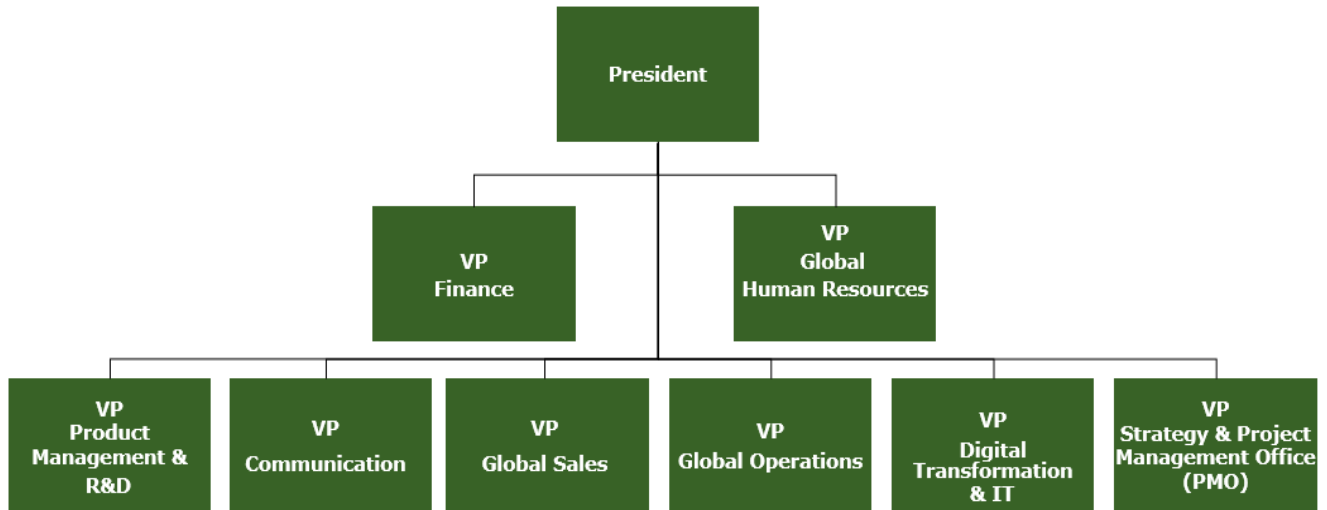


Fig. Walter Management Team

## 4 SOCIAL AND ETHICAL RESPONSIBILITY

### 4.1 INTERNAL CODE OF CONDUCT

Walter can look back on a long-established tradition of conducting business ethically and responsibly. Conducting all our business activities in this manner is a key factor in the global success of our company – and it always has been.

Doing business on a global scale and under complex market conditions is complex. Our code of conduct ensures the application of ethical and responsible business practices.

Our Code of Conduct ensures the use of ethical and responsible business practices and lays down clear guidelines on these subjects. It affirms our serious commitment to following ethical and responsible business practices and to comply with the rules and regulations in force in the countries where we operate.

### 4.2 CODE OF CONDUCT FOR BUSINESS PARTNERS

Walter is committed to the fundamental principles on human rights, labor rights, the environment and the fight against corruption throughout our entire operations. This also includes building sustainable relationships with our business partners, suppliers and service providers.

We believe that by doing so, we create a solid foundation for a sustainable future for us and our stakeholders. We take responsibility for the business partners, suppliers and service partners which we cooperate with and expect from them the same level of integrity, honesty and ethical behavior as they can expect from us. Together, we must take into consideration the economic, environmental and social impact our activities have on our world.








Our Code of Conduct for business partners represents a fundamental contractual component for business relationships. Our codes of conduct are published and made available for download on the Walter website at

[Company → Management systems](#)

### 4.3 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In our daily business and throughout our operations, we support the International Bill of Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact, in which we participate. We are committed to adhering to these principles and to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Walter is committed to the UN Sustainable Development Goals (SDGs). We have defined the goals that are most relevant to us and to which we actively contribute.

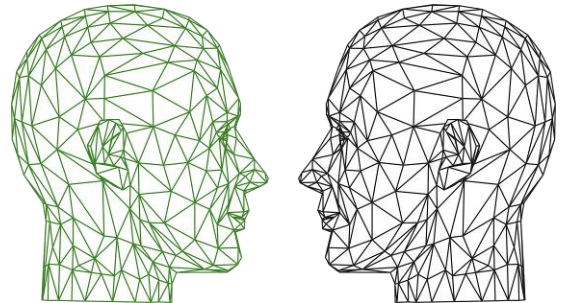
SDG	Goal	Examples
	SDG 3 <b>Good health and well-being</b>	We ensure that Walter subsidiaries have Health & Wellbeing-programs and take actions to ensure safe working conditions. For that we fulfill the requirements of international standards like those of ISO 45001.
	SDG 5 <b>Gender equality</b>	We drive different initiatives to support gender equality and have set a goal to have one third female managers by 2030.
	SDG 7 <b>Clean energy and resource efficiency</b>	We use clean electricity in all our European production sites corresponding more than 80% percent of our electricity usage. We fulfill the requirements of international standards like those of ISO 50001.
	SDG 8 <b>Decent work</b>	One of our long-term sustainability goals is zero harm to people. For that we fulfill the requirements of international standards like those of ISO 45001.
	SDG 9 <b>Industry innovation</b>	We offer CO <sup>2</sup> compensated product lines like the M5000.
	SDG 12 <b>Responsible production</b>	Our goal is to drive the shift towards a circular society. We have extensive recycling schemes and buy-back programs in place.
	SDG 13 <b>Climate action</b>	We will halve our CO <sub>2</sub> impact by 2030. All divisions have set targets for energy efficiency and reduced carbon emissions. We fulfill the requirements of international standards like those of ISO 50001.

## 5 OUR CORE VALUES

### Customer Focus

We are agile, decentralized and make decisions close to customer, this means for us as an organization:

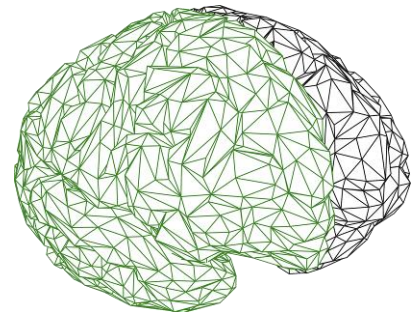
- We run our business in a decentralized manner with decisions and accountability close to customers
- We quickly respond to customer demands and adjust to changed market conditions
- We are customer-centric and constantly strive to exceed our customers' expectations and enable them to excel in their business



### Innovation

We are technology leaders through innovation, this means for us as an organization:

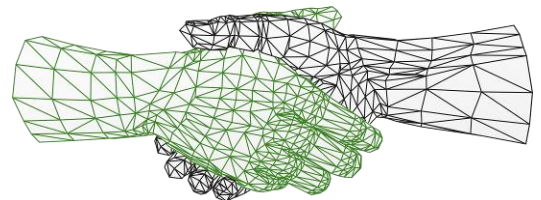
- We always strive for technology leadership through innovation and successful partnerships
- We apply our expert minds and collaborative ways of working to enable both everyday improvements and innovative shifts.



### Fair play

We are ethical and compliant, dedicated to health, safety and sustainability, this means for us as an organization:

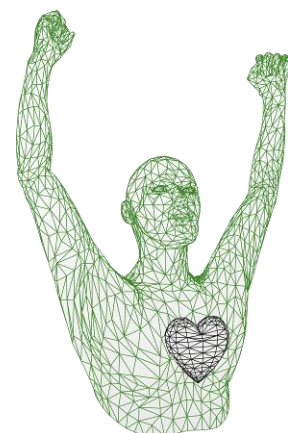
- We put health and safety first
- We are ethical and compliant and conduct business in a sustainable and responsible manner.
- We are guided by our Code of Conduct and the Walter Way



### Passion to win

We establish market leadership through empowered people, strong performance management and continuous improvements, this means for us as an organization:

- We have a culture of execution and continuous improvements
- We are a transparent, high performing organization with strong performance management
- We push boundaries and are passionate about ensuring our market leadership—aiming to be No.1 or No.2



## 6 CORPORATE POLICY

Our corporate policy is based on the Walter's Code of Conduct and Core Values. The purpose of this policy is to apply the principles of the Code of Conduct and Core Values to achieve our Quality and Sustainability (Environmental, Energy, Health and Safety) Visions.

### 6.1 ENGINEERING KOMPETENZ

"Engineering Kompetenz" – this is our brand promise. We strive for adding value through world-class Engineering solutions and thus becoming the customers' choice. The expertise required to do this is based on strong innovation and customer focus. In addition to high precision and quality, Walter offers value-adding services along our customers' entire machining process chain. As a partner for highly efficient, digitalised process solutions, we increase our customers productivity when finding, buying or using Walter tools.

### 6.2 WE CREATE VALUE FOR OUR SHAREHOLDERS

We deal with the capital entrusted to us in a responsible manner and generate a dividend as interest in accordance with our code of conduct.

### 6.3 WE ARE PART OF OUR ENVIRONMENT

We commit to protecting the environment and biodiversity, including the prevention of pollution from our activities. To achieve this, we will ensure that:

- an environmental and climate change strategy is maintained
- energy and natural resources are used efficiently
- we assess the environmental impact, energy efficiency and reduce specific energy consumption in the short and long term while developing and manufacturing our products
- systems for reuse, recycling and recovery of materials and the minimization of waste are promoted
- workers understand their role in reducing environmental impact
- environmental aspects & impacts are identified and that the impact of our business on the environment is proactively managed
- monitoring, auditing and environmental incident reporting processes are maintained and that the response to all environmental incidents, near misses and potential impacts have the appropriate corrective actions
- we keep an open dialogue with authorities, residents and media.

### 6.4 SAFETY AND HEALTH PROTECTION TAKES PRIORITY

We commit to provide healthy & safe workplaces. To achieve this, we will ensure that:

- all facilities, plants and equipment used by our people are designed, purchased, constructed, commissioned, utilised, operated, maintained and de-commissioned in a manner that minimizes EHS risks
- Health and Safety hazards are identified and proactively managed to reduce or minimize the potential for harm to our people
- all workers are trained and competent to identify and control the risks arising from the tasks they are required to undertake
- Health & Well-being programs are maintained for all employees
- monitoring, auditing and incident reporting processes are maintained and that the response to all incidents, near misses and hazards have the appropriate corrective actions
- incidents are appropriately investigated and that learning's from investigations and other good health and safety practices are promoted and shared throughout the business.

### **6.5 WE ARE ONLY AS GOOD AS OUR EMPLOYEES**

We manage the performance of our employees by means of target agreements and regular performance dialogs. This way, we encourage an empowered way of working. We expect that our employees take personal responsibility. We develop skills at all levels, in all processes and all countries. We support team spirit and promote cross-boundary and cross-process collaboration. We place a high value on the personal development that is important for business success. We promote this through professional further training and investing in the skills of our employees.

### **6.6 WE ENSURE LEGAL COMPLIANCE**

We will maintain a systematic approach to comply with or exceed applicable business requirements as well as environmental, health and safety legislation. We regard the legal framework conditions as an absolute minimum requirement

### **6.7 WE DRIVE FOR IMPROVEMENT**

Our teams strive every day to continuously improve products and processes. This means for us employ a zero-defect and zero-harm strategy, which we ensure through awareness of potential risks and preventive measures. Environment, energy, health and safety issues are fully integrated in our operational activities. We will achieve continual improvement through a strong corporate culture that promotes active, courageous and visible leadership. This will include the consultation and participation of workers and, where applicable, worker's representatives. Objectives and Targets will be incorporated in local plans and will be monitored to ensure they are implemented through to completion. Best practices will be developed and shared throughout the company.



## 7 SUSTAINABILITY GOALS AND TARGETS 2030

We will lead the shift in our industry and build a successful long-term business that advances the world through engineering. Our aim is to be the innovative business partner for our customers by making sustainability part of every aspect of business, delivering value for everyone. Our full lifecycle approach means we work relentlessly in our operations, across our supply chain and through our customer offerings to drive more sustainable, resilient business.

We express our long-term strategy with "Make the Shift".

	<p><b>WE BUILT CIRCULARITY</b></p> <ul style="list-style-type: none"> <li>• Material and resource efficiency improvement part of all development projects</li> <li>• Develop business models for recycling/circularity for our customers</li> <li>• At least 90% circularity for packaging, products and waste ('reuse or recycle')</li> <li>• Require 90% circularity for key suppliers</li> </ul>
	<p><b>WE SHIFT CLIMATE</b></p> <ul style="list-style-type: none"> <li>• CO2 improvement part of all product development projects</li> <li>• Value proposition to our customers shall always include verified CO2 reduction potential</li> <li>• Halve the CO2 foot print from our own production</li> <li>• Halve the CO2 foot print for transportation of people and products</li> <li>• Require halving of CO2 foot print from our key suppliers</li> </ul>
	<p><b>WE CHAMPION PEOPLE</b></p> <ul style="list-style-type: none"> <li>• Health &amp; Safety improvements part of all product development projects</li> <li>• Health &amp; Safety/risk analyses with all products and services</li> <li>• Halve Total Recorded Injury Frequency Rate (TRIFR) and occupational illnesses</li> <li>• All Walter employees to be offered health and well-being programs</li> <li>• Require health &amp; safety improvements plan to reach Walter standards from key suppliers</li> </ul>
	<p><b>WE PLAY FAIR</b></p> <ul style="list-style-type: none"> <li>• Know Your Customer (KYC) process leading to active, sustainable choices</li> <li>• Increased transparency on sustainability targets and results</li> <li>• Proactive and agile Compliance system fully embedded in business operations</li> <li>• Diverse and inclusive workforce with at least one third female managers</li> <li>• Everyone engaged in community involvement with a significant positive impact on society</li> <li>• All suppliers compliant with Walter Supplier Code of Conduct</li> </ul>

## 7.1 OUR ENABLERS TO DRIVE THE CHANGE

### Performance Management

A structured performance management steered by the Walter Management Team ensures the integration of sustainability goals and targets in all relevant corporate processes.

### Transparency

We drive change through transparency of our progress, learnings and ways of working by use of key sustainability and energy performance indicators (KPIs and EnPIs) in our interim reporting.

### “Make the Shift” – Champions

Each year we award Walter Champions and respective success stories for the best innovations and contribution to our business or sustainability success with our “Empower Champion Award”.

### Ideas Management

We encourage individuals to present ideas or innovations through our Walter Idea network - WIN platform. With specific campaigns we focus on business and sustainability improvements.

### Walter Way Governance

The Walter Way governance framework supports well-functioning and efficient governance. A continuous check and update of all relevant system documentation is ensured.

## 8 PROCESS-ORIENTATION AND CONTINUOUS IMPROVEMENT

### 8.1 INTEGRATED MANAGEMENT SYSTEM

Our integrated management system is certified according to:

- **ISO 9001:2015** Quality management
- **VDA 6.4:2017** Production equipment for the automotive industry
- **ISO 14001:2015** Environmental management
- **ISO 45001:2018** Occupational health and safety management
- **ISO 50001:2018** Energy management

These systems are used for continuous improvement (CIP) in order to respond appropriately and efficiently to the requirements of the market, customers, employees and the public. Our integrated management system ensures that processes and procedures within our organizations are well-structured. The financial and structural requirements for this are met. Relevant legal obligations and other requirements are taken into consideration in all processes and procedures. Tasks, expertise and responsibilities are managed.

The system ensures that employees and their representatives are involved in all relevant decision-making processes. Even in the planning and development stage, environmentally friendly production processes and products are preferred in order to avoid or reduce waste, waste water and emissions. Our processes aim to make economical use of the required raw, auxiliary and operating materials. The reconditioning and recycling of worn tools and the environmentally friendly disposal of waste are also main priorities.

An energy management system supports us to continuously improve our energy efficiency and reduce energy consumption in the long term. As a basis for this, we regularly collect consumption data and have developed an efficiency-promoting program for sustainable energy consumption reduction.

Our global activities are exposed to a variety of risks but also offer opportunities for further development. Walter attempts to identify these risks in good times to prevent them responsibly and to seize opportunities. Risks and opportunities are recorded as part of a risk management system, their potential effects are assessed, and measures are subsequently defined and implemented.

## 8.2 SYSTEMSCOPE AND CERTIFICATES

The Walter Group uses a matrix certification. With our external accredited certifier, we ensure compliance with the requirements of international and industry-oriented standards.

Scope of management systems	Typ	ISO 9001 VDA6.4	ISO 14001	ISO 45001	ISO 50001
Walter AG, Tübingen, Germany HQ	HQ, SU, PU	• / •	•	•	•
Werner Schmitt PKD Werkzeuge GmbH, Niefern, Germany	SU, PU	•	•	•	•
Walter Wuxi Co. Ltd., Wuxi, V.R. China	SU, PU	•	•	•	
Melin Inc., Cleveland/Ohio, USA	SU, PU	•	•	•	
Walter AG, Münsingen, Germany	PU	•	•	•	•
Walter Prototyp-Werke GmbH, Zell a.H., Germany	PU	•	•	•	•
Walter Titex - Gunther Tools, Soultz-sous-Forêts, France	PU	•	•	•	
Walter Deutschland GmbH, Frankfurt a.M., Germany	SU	• / •			
Walter USA, LLC, Pewaukee/WI, USA	SU	•			
Walter Italia, S.R.L., Cadorago, Italy	SU	•			
Walter Tools India Pvt. Ltd., Pune, India	SU	•			
Walter Polska sp.z.o.o., Warsaw, Poland	SU	•			
Walter France, Soultz-sous-Forêts, France	SU	•			
Walter GB LTD., Bromsgrove, Great Britain	SU	•			
Walter CZ. s.r.o., Kurim, Czech Republic	SU	•			

HQ = Headquarters, SU = Sales Unit, PU = Production Unit

Our certificates are published and made available for download on the Walter website at

[Company → Management systems](#)

## 8.3 STRUCTURE OF THE MANAGEMENT SYSTEMS

In all management systems, the organisation acts according to the PDCA model (Plan-Do-Check-Act). The processes are monitored using key data, audits, inspections, regular meetings etc. and the results are presented to company management regularly. Customers and interested parties are an integral part of our processes. Their requirements are regularly ascertained and incorporated in our processes.

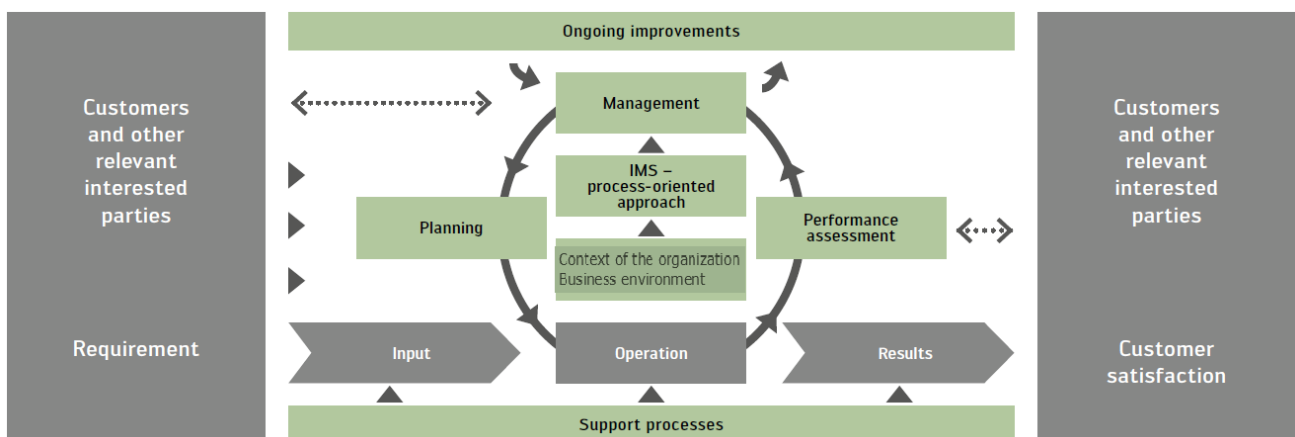


Fig. Process Model

## 8.4 PROCESS LANDSCAPE

Walter's process landscape consists of three main business processes: Lead-to-Cash (L2C), Order-to-Delivery (O2D) and Product Lifecycle Management (PLM). The customer is the focus of this organization. Inquiries are controlled from left to right through all processes within the organization. In the end, the solution is delivered to the customer.

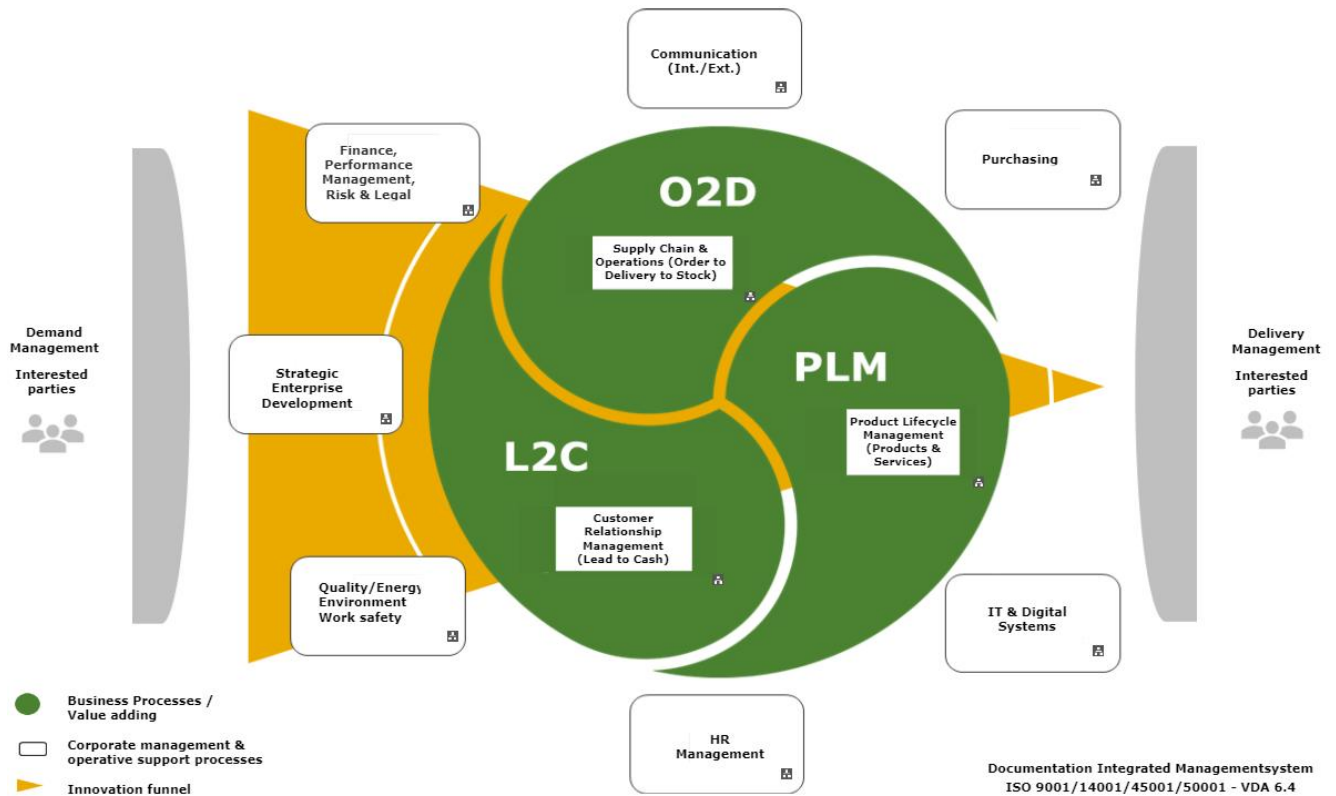


Fig. Process landscape

### Business processes / added value

Our business processes describe value-adding processes. They represent our core competencies and are intended to guarantee our corporate success and the achievement of our goals.

### Corporate management and operational support processes

These processes do not directly serve to manufacture products or provide services but are necessary to enable and support the execution of our business processes. They include procedures for measuring, monitoring and continuously improving the integrated management system, processes, products and services.

### Innovation funnel

The innovation funnel describes the development process of all innovations (product, service or process) from the concept phase to implementation (market launch). All ongoing organizational changes are in line with this process organization and help us to support growth, become more efficient and be prepared for the future.

## 9 BUSINESS RELATIONS

Walter serves customers via a network of its subsidiaries and channel partners in over 80 countries of the world. This means that our customers can rely on on-site support from Walter field sales and application engineers and from our channel partners, supported by digital tools to select, purchase or optimize the best engineering solution. With their knowhow and dedication, Walter Engineers add value and work for the day-to-day business success of our customers.

In close cooperation with our customers, we develop and manufacture tailor-made solutions for processing parts and components. With our products we are exposed to strong competitive pressure. National and international customer visits take place regularly at our worldwide locations in order to deepen the technical exchange.

We see our suppliers and service providers as partners with whom we work closely. Technical exchange and the development of new technologies take place jointly in order to achieve a solution-oriented result for both parties. In order to achieve constant tool quality, we also work closely with our suppliers and service providers when purchasing materials.

## 10 PRODUCTION AND SERVICE PROVISION

As a company with global operations and logistics, Walter implements machining solutions, from standard to customized solutions, quickly and locally at the customer's site.

Walter production units are in:

- Germany: Tübingen, Münsingen, Niefern, Zell a.H
- France: Soultz-sous-Forêts
- China: Wuxi
- USA: Cleveland

The production management system and the control system uses SAP and various key figures such as delivery capability and reliability, lead times, internal errors and reject rates with traceability back to the raw material. Products are manufactured by Walter in standard and special production in shifts with in-house maintenance. Our production equipment and machines consist of:

- CNC, NC, manual processing machines
- Mechanical and optical measuring equipment
- Microscopes, 3-D / CNC measuring machines and hardness testers

The quality standards are secured through incoming goods inspections, worker self-inspections, intermediate inspections, final inspections, product audits and supplier evaluations. Our products are available and delivered on request with test certificates, measurement reports, initial sample test reports, etc.

In order to secure the continuous international supply chain ("end-to-end supply chain") from the manufacturing of our products to delivery to our customers, Walter has been certified as an AEO (Authorized Economic Operator). This certification is carried out by customs and, in addition to facilitating access to simplifications of customs law, is also an essential element of the EU security concept. The approval of this status is linked to the requirements of reliability, solvency and compliance with legal provisions and compliance with security standards. Orders for standard products until 4:30 p.m. are delivered the next day with various logistics partners such as UPS, GLS and TNT.

### 10.1 EMERGENCY PREVENTION, PROTECTION AND REACTION

Emergency preparedness is an integral part of an effective environmental management system at Walter. Particular emphasis is placed on identifying possible emergencies, recording legal requirements, ensuring personnel and material requirements, maintaining communication in an emergency, and implementing preventive measures.

Our locations have a wide variety of protective measures. This includes, for example, the use of plant security to ensure 24/7 surveillance or to secure the company premises by means of camera surveillance. Fencing regulated main access roads and controlled access by persons are further protective measures.

### 11 PRODUCTS AND SERVICES

We develop innovative precision tools for milling, turning, drilling and threading. Every single product contains not only precision, perfection and quality, but also the know-how of our employees that has grown over generations. We understand our customers' machining processes. We analyze the process chain, define opportunities for improvement and support the customer in the implementation.

Together with our customers, we develop tailor-made solutions for the complete machining of components in the general mechanical engineering, aerospace, automotive, energy and medicine industries. With Engineering Kompetenz we are always striving to add value through world-class Engineering solutions.

The services offered include, among others

- Digital solutions for selecting and purchasing the right tool
- Complete design and optimization of workpiece machining process including when necessary design and supply of fixtures and NC programs
- Consulting and supply of automated Tool Storage Systems (Vending machines)
- Tool Management Services
- Sale of integrated software solutions for the metal-cutting manufacturing
- Reconditioning of solid carbide tools
- Recycling of used tools
- Standardized and individual technical trainings for all machining issues

#### 11.1 LEGAL COMPLIANCE

In order to support our customers and business partners in complying with legal compliance and to guarantee this in our business activities, we offer necessary statements as well as product and safety instructions for download on our website at

[Industrial health and safety → Product safety information](#)

These include, for example:

Official statements for	Product relevant notes
REACH	Declaration of conformity
RoHS	Information data sheets
Conflict materials	Warning labels
Chrom VI	
Substances of Concern In articles (SCIP)	

#### 11.2 PRODUCT LIABILITY AND INSURANCE

Product liability exists in accordance with general terms of sale, delivery and payment. Insurance exist for personal injury and property damage, fire and explosion damage to buildings and facilities and product liability cases.

## **12 FAIR, STRONG, WORKING TOGETHER AS A TEAM**

### **12.1 EMPLOYEE MANAGEMENT AND QUALIFICATION**

With the core values and corporate policy, the management of Walter defines the philosophy and long-term orientation of the company. Goals are worked out together, compared and divided between management and employees in target agreements. We lead our employees with target agreements and lead by example. In this way we promote an independent way of working.

With the Walter Academy and its international trainer network, we promote professional training both for employees and customers on a global scale. In this way, we give personnel development the high priority that is important for entrepreneurial success.

### **12.2 WORKING CONDITIONS**

Health and safety in the workplace is among our top company objectives just as important as top product quality and an optimum cost efficiency. To avoid accidents or to keep their impact as low as possible, we check our processes and procedures continuously and take preventive measures. A corporate health and safety management program protects employees against influences that are harmful to health. We also provide our employees with targeted information and training on safety-related topics and encourage them to behave in an active, health-conscious manner.

We are compliant with occupational health and safety related laws and regulations. Since for example cobalt is released during the processing of hard metal, suitable measures have been taken in the production areas to avoid airborne pollutants. We comply with the statutory limits for permissible loads and monitor them regularly. Furthermore, urine tests are performed by the employees to determine a possible impact.

Necessary infrastructure for safe working is provided, checked on a regular basis and renewed if necessary. The statutory and regulatory requirements in relation to occupational health and safety at work are viewable for all employees in legal land registers.

## **13 INTERNAL AND EXTERNAL COMMUNICATION**

Meetings, both face to face and online, are used for information, exchange, coordination, control and review, problem solving, decision-making and management of employees. Walter has large set of information routines for internal as well as external communication in order to provide comprehensive information to all relevant stakeholders.

Quarterly information events are held with the entire workforce for employee information and exchange. Here our common goals / results are discussed with the employee and all relevant location issues are considered. Our way of communicating externally is defined in specific guidelines.

## **14 PERFORMANCE MEASUREMENT AND MONITORING**

### **14.1 CUSTOMER SATISFACTION**

For Walter, determining customer satisfaction is an important factor for long-term success. The results of regular local and global surveys serve to define measures to improve our company's products, services and offers.

### 14.2 PERFORMANCE MANAGEMENT

Walter uses a specific performance management to assess the efficiency and effectiveness of our corporate processes, to define corporate goals and to measure their achievement.

Detailed key figures are used to make business processes measurable and controllable. A selection of the most important key figures is:

Business administration and product quality	Ecology / Environment	Occupational safety and Health protection
<ul style="list-style-type: none"> <li>• Sales</li> <li>• Order Intake</li> <li>• Earnings (EBIT)</li> <li>• Net Working Capital</li> <li>• New Sales Ratio</li> <li>• Return on capital employed</li> <li>• Delivery reliability /ability</li> <li>• Productivity</li> <li>• Downtimes</li> <li>• Non-conformant products</li> <li>• Reject rate</li> <li>• Improve downtimes</li> </ul>	<ul style="list-style-type: none"> <li>• CO<sup>2</sup> Reduction</li> <li>• Product response rates (re-conditioning and recycling)</li> <li>• Energy consumption</li> <li>• Consumption raw materials</li> <li>• Waste Reduction</li> <li>• Water consumption</li> <li>• Immission measurements</li> </ul>	<ul style="list-style-type: none"> <li>• Hazards</li> <li>• Accidents and near misses</li> <li>• Frequency of injury rates (LTIFR and TRIFR)</li> <li>• Workplace measurements</li> <li>• Downtime employees</li> <li>• Occupational health care</li> </ul>

### 14.3 AUDITS

Audits and inspections are used to assess management systems, processes, the work environment, products, suppliers and service providers. Internal audits are carried out on the basis of an updated 3-year plan. This ensures that all areas at certified locations are audited at least once within this cycle. Changes that result from organizational or process-related changes go directly into the respective planning.

Supplier audits are carried out on the basis of updated planning in close coordination between the purchasing and quality & risk departments. The need to audit suppliers and service providers arises on the one hand from strategic decisions, intended future business relationships, as well as deviations that arise in the context of performance monitoring.

Auditing by customers is possible at any time on the basis of justified cases and upon request.



## 15 WALTER WAY GOVERNANCE

All relevant directives, procedures and specifications are documented in our process landscape, the “Walter Way”. They have a standard character, are binding and published on the intranet. Printouts of these documents are for information and for work purposes. The corresponding documents are available to our employees at any time. They are also communicated in meetings, by messages and via digital media such as video conferences or the intranet.

Other internal and external documents such as codes and standards are managed and reviewed to ensure that they are up to date and distributed to the appropriate persons responsible. Records are to be regarded as verification documents and also managed. They are used for analysis, assessment and continuous improvement of products and processes. Archiving of relevant documents and records are fixed and handled according to corresponding legal requirements.

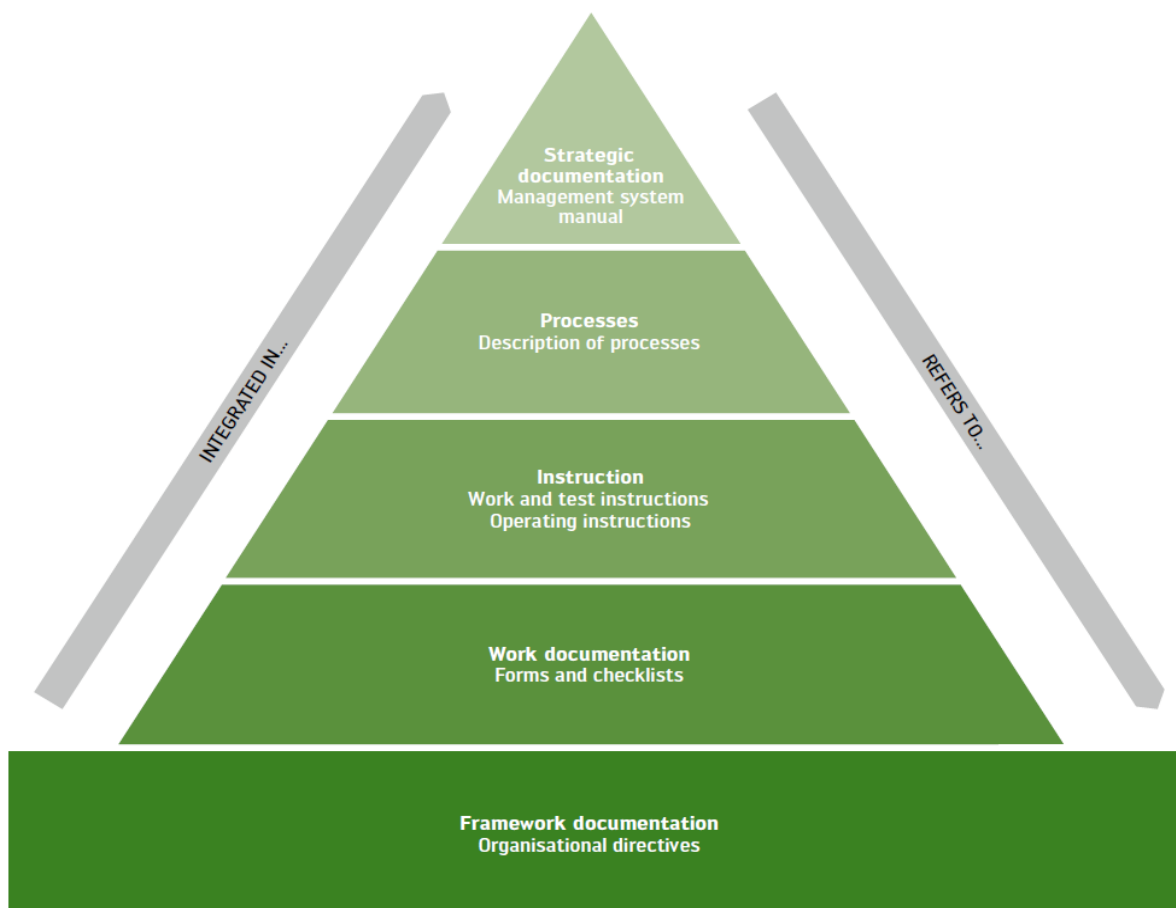


Fig. Document hierarchy