



Sustainability
Report

2015

Unaudited translation for convenience purposes only

 **WashTec**

Sustainability Report

Our future is secured through sustainable economic activities: economic activities not just of our Company, but also those of society as a whole. Even today, these considerations influence our actions as we use resources as efficiently as possible. We also take our responsibility to employees and society very seriously. Our goal is to create sustainable value and to leave behind for the next generations a world that is ecologically and socially intact.

In this way, WashTec meets the highest standards not only in matters involving product and service quality, but also in matters of environmental protection. WashTec is committed to the principle of environmental sustainability, and therefore always manages its business affairs in a manner that uses resources and materials as efficiently as possible. Our environmentally-friendly products allow us to help preserve the globally scarce sources of energy and raw materials.

Below we would like to explain to you how sustainability is implemented at WashTec.

Product responsibility

1. WashTec Products

- WashTec products not only preserve the financial resources of our customers through lower energy usage, reduced fresh water consumption and the use of recycled water via water reclaim systems and optimally dosed chemicals, but also thereby protect the environment. WashTec supports the customers in their pursuit of sustainable business activities.
- Through its site research, WashTec supports its customers in optimally designing products for the local site in order to avoid waste and the risk of under-dimensioning wash capacity. Only in this manner the optimum use of resources for the economical result can be achieved while simultaneously preserving resources.

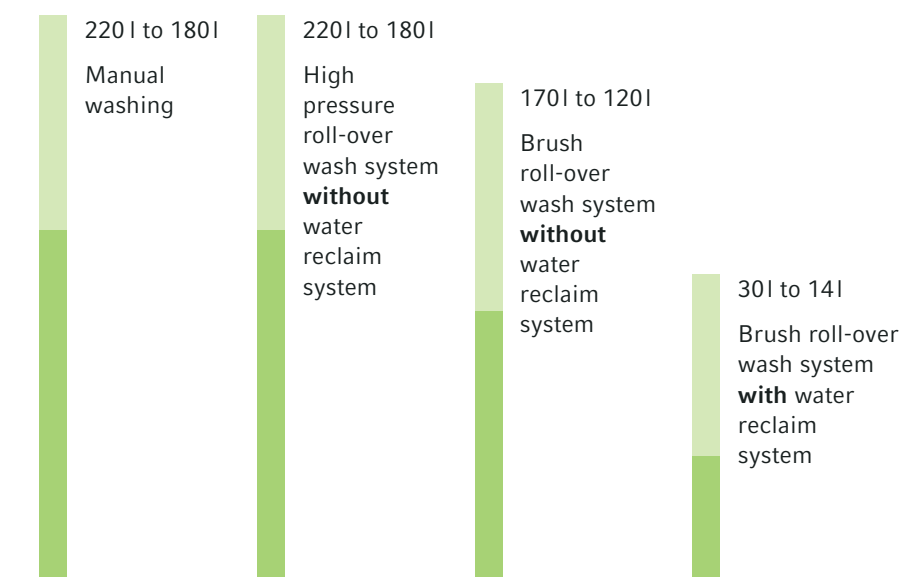
All WashTec equipment meet every environmental regulation currently in force and offer a fresh water-preserving alternative to the manual car washing approach that is prohibited in Germany and other countries. Even in markets with lower environmental standards or greater water scarcity, WashTec expects to see more and more regulation. This means greater potential for environmentally-friendly automated car washes with water reclaim systems. In Northern Europe, the environmental policy requirements are increasingly strict, and even in other countries, a ban against manual car washing is under discussion. In Scandinavia, WashTec uses for many years now the »Nordic Swan« label for particularly environmentally-sound water reclaim equipment and/or car wash facilities.



The WashTec environmental seal identifies all products and product components that are particularly environmentally-friendly and preserve resources

In automated car washing, water and other substances, such as shampoo and oil, remain in a closed cycle and cannot, as such, seep into the ground or the groundwater. Since clean water is a resource that is as indispensable as it is precious, WashTec offers water recovery systems which, by treating the process water, reduce fresh water consumption during car washes by up to 90%. Thus, for example, a roll-over system with water reclaim equipment uses only between 14 and a maximum of 30 liters of fresh water during a standard wash (compared to 44 liters of fresh water consumed during a standard wash with a modern washing machine). With the new AquaX², it will be possible to reduce energy consumption of the water reclaim equipment by a further 70%.

Minimized consumption of fresh water



Source: WashTec Analysis

2. WashTec- or AUWA-Chemical products

WashTec and AUWA stand for vehicle cleaning and care, which is at once both thorough and environmentally sound.

The range of products encompasses a line-up of cleaning and care products for car wash facilities and spans everything from special solutions for water recovery systems to a comprehensive assortment of cleaning and care of wash equipment and wash bays. Environmental compatibility is a priority for all AUWA chemical products. Strict and seamless quality controls ensure that all products always satisfy all currently valid statutory requirements and that, for example, the wastewater thresholds are always met. The need to comply with the highest environmental and health standards is just as obvious. Thus, for example, all used active washing substances are bio-degradable, environmentally-friendly and non-abrasive.

A number of products satisfy the requirements of the Nordic Ecolabel (Nordic Swan), as well as the VDA. Moreover, special wash chemical products are inspected under the DHI-criteria (which classifies products according to various environmental categories) as well as under the ÖNORM B5106, which focuses on the wastewater response of the products.

The AUWA product program is harmonized with all WashTec water reclaim equipment and in this manner helps retain a high level of water quality. The concentrated and highly efficient products assist in reducing dosage quantities – and therefore, consumption – and in improving the quality of the process water and in thereby lowering fresh water needs. Specific dosage recommendations on the product packaging help to avoid excessive dosages.

Production

1. Equipment

The majority of the equipment production takes place at the headquarters in Augsburg and has in recent years been continually updated and reorganized. Moreover, the subsidiary located in Denver, Colorado (USA), produces car wash equipment primarily for the North American market. The company in China serves as supplier of components and assembles equipment for the Asian market. The subsidiary in the Czech Republic manufactures equipment and components for the final assembly in Augsburg. In Recklinghausen, control units are manufactured for the entire Group.

Since exhaust fumes and exhaust air generated during production are filtered, the discharge or emission of harmful substances is kept to the lowest extent technically possible. Thereafter, products are installed and maintained at our customers' places of business by about 500 in-house service technicians, subcontractors and technical personnel of our sales partners. The service technicians are on the road with modern, specially-equipped service vehicles, which themselves carry along suitable equipment and fittings ranging from tools and spare parts to safety equipment such as, for example, special mobile scaffolding.

The average period of use for car wash equipment is between seven and ten years. At the end of the period of use, the equipment is then professionally disassembled and either refurbished or professionally removed. All functional specification documents for the development of the equipment at WashTec include rules for a possible complete re-usage or recycling of

the products. Virtually all existing peripheral components can be used again in the event of an equipment replacement – which now even extends to system control components. The sustainability of our products was examined as part of a project conducted by the Ecological Institute of Freiburg. The findings had an influence on the additional product development in terms of ecological aspects such as water and energy consumption over the period of use. This is where customer utility and sustainability come together.

2. Wash chemicals

The wash chemical products sold by AUWA are conceptualized and produced in our laboratory in Augsburg, Bollebygd (SE) and Grebenau in close cooperation with the WashTec R&D Department.

During the production of AUWA products, the available resources are always handled sparingly. Accordingly, any raw materials such as dye, fragrances, emulsifying agents, or similar products, which are not required for the product to work, are avoided to the highest extent possible. All wash chemical products are concentrated automatically diluted and apportioned in the wash equipment. In addition to saving weight, this process also saves packaging materials, thereby reducing transport costs to a minimum.

The use of high-value ingredients in a highly concentrated and optimized mixture reduces chemical consumption per wash. By using concentrated cleaning agents, the use and the related transport costs and exhaust fume emissions can be reduced by 30–70% per product.



WashTec environmental scorecard

The WashTec environmental scorecard may be divided primarily into the following two areas:

1. Energy

At WashTec, the vehicle fleet makes up the largest percentage of overall energy needs (65%). All vehicles newly acquired by WashTec are equipped with economical diesel motors with particle filters. These filters reduce the discharge of particles by up to 99% per vehicle. In addition, the fuel consumption is lowered to the furthest extent possible by equipping the service vehicles with GPS navigation systems facilitating optimized route planning and thereby keeping travel time as low as possible. The company car policy provides for limits and penalty rules for CO₂ emissions.

Energy-efficient systems are used for heating buildings. Actions and measures such as energy reclamation, air recirculation, steering technology, insulation of buildings beyond the industrial standard or the use of locally available remote heating systems for heating buildings are the outcome of the responsibility for sustainability.

The electricity, which WashTec procures for the corporate headquarters and the main production site in Augsburg, is derived up to 39.9% (prior year: 32%) from renewable energy. This figure is significantly higher than the national average of 24.6% (prior year: 22%). WashTec thereby actively contributes to reducing radioactive waste and lowering its CO₂ emissions.

2. Waste

In 2015, WashTec generated 2,530 tons of waste material in Germany by having taken back old equipment and due to production waste. This waste is systematically sorted and recorded. Through the resolute separation of disposable waste (e.g., metal

and sheets), the sale of these waste materials in 2015 yielded proceeds of € 250k (prior year: € 270k). Disassembled old systems are either refurbished or professionally removed by authorized service providers.

Certifications

Since 2000, WashTec is certified under ISO 9001 and ISO 14001, which are standards that set forth the globally recognized requirements in responsible quality management and environmental management systems. Under the environmental management system based on ISO 14001, WashTec is taking part in the »Environmental Pact for Bavaria – Sustainable Growth with Environmental and Climate Protection Components«. This is a voluntary agreement between the Bavarian state government and Bavarian industry which, among other things, creates an obligation to provide additional environmental protection work going far beyond the standards required by law. In addition, WashTec is certified under SCC. »SCC« stands for »Safety Certificate Contractors«. The fulfillment of this standard by engaging in preventative measures serves to protect the safety and health of our employees and also covers other requirements of environmental protection. The certifications, which are routinely performed by DEKRA, also validate whether there has been compliance with the statutory provisions and rules and establish legal certainty.

Ecological aspects form a permanent part of WashTec's strategic planning: from product development to resource management in the production. At WashTec, group-wide environmental goals are routinely set and measures for their achievement adopted, which measures are realized and evaluated in projects. Goal realization and environmental management systems are regularly reviewed and are explained in an annual management review. A continuous improvement process serves as a means for achieving the goals defined by the Company.

Stakeholder Dialogue

WashTec as a sustainable investment

Due to the Company's sustainable business model, WashTec shares are included as components in investment funds that focus on sustainable investment. Since 2007, WashTec has received the »SRI Pass-Status« (Sustainable & Responsible Investment) as a sustainable investment.

Customer satisfaction

Our goal is to offer our customers at all times the best possible products and processes as well as the best possible service for operating a successful car wash business.

In order to review the extent to which we can satisfy this goal, we constantly carry out customer satisfaction surveys in which we review the level of satisfaction with our products (e.g., regarding quality, price-performance ratio, introductory operational training) and our customer service (e.g., regarding quality, reaction time, friendliness). According to the most recent survey conducted in Germany, customer satisfaction with WashTec service and our products is very high. Almost 170 service deployments and approximately 100 machine installations were evaluated in 2015. More than approximately 100 of our chemicals customers were surveyed as well. Our chemicals customers are particularly satisfied with initial training (orientation) and technical advice on new products (grade: 1.3) and with wash results (grade: 1.2). In Services, it was employee friendliness, above all, that received high marks (grade: 1.3). Eighty-percent (80%) of our customers expressed a level of satisfaction with our product assembly team that was higher than the satisfaction level with services performed by service providers in general, whereas approximately 19% of those customers judged it at about the same level. (Grading based to the German school grading scale where 1 represents the best grade and 6 the lowest grade).

Personnel and Compliance

1. WashTec Code of Ethics

Since 2005, a standard Code of Ethics applies to all companies of the WashTec Group, and its main tenet requires that all employees comply with all laws and directives (compliance). The Code includes the key directives on how employees ought to interact with one another and how to interact with customers, suppliers, advisors and government officials. The WashTec managers and the Company's employees in Sales, Purchasing, Personnel and Finance routinely sign an avowal to comply with the directive. Any violations will be pursued. The WashTec Code of Ethics can be downloaded from www.washtec.de.

2. Corporate Philosophy

The corporate philosophy (»Leitbild«) introduced in fiscal year 2015 provides all employees with guidance on how to interact among themselves and with customers. Highest priority above all is on providing maximum customer benefit. Each contact with WashTec should be a positive experience for our customers. The corporate philosophy is the basis for our leadership policies. The corporate philosophy is being rolled out throughout the Group in the form of global workshops for all employees. Management training programs are built upon this philosophy and specifically tailored to WashTec's needs.

3. Employee Handbooks

In all foreign subsidiaries of the WashTec Group, the most important provisions concerning the employment relationships are also governed in so-called »Employee Handbooks«. These contain, for example, rules on non-discrimination, handling employee complaints, employee interaction as well as general rules on structuring employment relationships.

4. Internal Compliance Audits

All departments and companies within the WashTec Group are regularly audited on their compliance with all applicable internal and external directives and rules. These audits take the form of a so-called »internal compliance audit«. Thus, any inconsistencies or discrepancies should be identified as early as possible and corrected.

5. Training and human resource development

Human resource development plays an important role at WashTec. WashTec offers all its employees the opportunity to participate in internal and external continuing education and training programs. These programs range from foreign language and IT courses and specialized training to soft skills training (e.g., for managers). A separate budget is planned each year for employee training. Throughout the Group, 90% of the advanced training courses requested by the employees were carried out.

In North America, the Company has voluntarily launched a system to continue paying compensation during illness because the local laws and regulations have not to date required such benefits.

The Company's headquarters are in Augsburg. At this location, the Company offers formal training in the fields of information technology (IT), mechatronics, and qualification as an industry business person [Industrie-Kauffrau/-mann]. The number of training positions is supposed to be tripled in 2016. Likewise, in 2016, the training faculties should be expanded to cover the field of industrial mechanics.

6. Employee satisfaction

The employees of WashTec are a key to our business success. We are constantly working towards always improving in this area.

In a study conducted by »Focus«, WashTec was recognized as one of the best employers in the engineering sector.

The communication between management board members, managers and employees improved as a result of social activities conducted during non-business hours, such as an annual ski trip, a company running event or the WashTec happy hour.

7. Health and safety

Through its regular training on work safety, the ergonomic design of its work stations and its medical wellness checks (e.g., in connection with the »WashTec Health Days« program, which is regularly offered in Germany), WashTec has proven its commitment to the health of its employees. Since 2007, E-learning software has helped our managers train our employees.

Moreover, under the SCC certification, WashTec has a very well-developed employee safety system and health protection management system. WashTec service technicians are under a special obligation to learn and understand the issue of safety. The focus of regular training and certification programs are training sessions for conduct in and around gas stations in preparing and implementing work related to the commissioning, maintenance and servicing of our equipment and systems. All WashTec service technicians in Germany participated in a driver safety training program (using their company cars). The roll-out of new safety equipment is accompanied by extensive training sessions. Thus, for example, all service technicians were given special mobile scaffolding, which was developed in collaboration with a well-respected scaffolding manufacturer. In a training program, which was separately conceptualized for that purpose, our employees were introduced to the so-called »WashTec Tower« in order to be able to correctly and safely use the advantages of the scaffolding, which had been specially developed to meet the needs of working on wash equipment developed to meet the needs of working on wash equipment

at greater heights. The concept and launch of the »WashTec Tower« was awarded the »Clever Fox« (»Schlauer Fuchs«) prize by the employers' liability insurance association for woodwork and metalwork (Berufsgenossenschaft für Holz und Metall). Compliance with these safety provisions is routinely monitored in internal and external audits. Likewise, the results from audits carried out at customers' locations are used to motivate our employees and to continually improve the working conditions.

In connection with the reorganization of the production routines and investments in the production sites, special emphasis has also been placed on ergonomic work stations and tools. The number of occupational accidents at WashTec has also declined significantly in the past years according to the industry averages reported by the employers' liability insurance associations. Awards, which are handed out by major customers in the oil industry for successful safety work, validate for us the high standard of our culture of safety at WashTec.

8. Balancing family and career

Balancing family and career is a matter that lies close to every parent's heart. WashTec actively seeks to meet this need for a work-life balance among its employees. To this end, WashTec is offering a number of customized, flexible work models. Evidence of its success is the excellent way in which staff members, who return from parental leave, reintegrate into the challenging roles and responsibilities and the rising number of mothers and fathers concluding part-time agreements.

Social commitment – Bunter Kreis

The birth of a handicapped child, a heart problem or the diagnosis of cancer, an accident or hereditary disease always affects the entire family and changes lives abruptly. With approximately 70 professionals, the registered association known as Bunte Kreis e.V., which was formed in Augsburg in 1991, supports handicapped and severely sick children as well as their families in that situation in terms of psychiatry, social services, medicine and finance. The work of the Bunte Kreis is absolutely critical for the local children's hospital in Augsburg, the Augsburger Kinderklinik. The Bunte Kreis is helpful particularly during the period following the release from the hospital when it assists families in dealing with their new challenges and burdens. The reliable follow-up care often also allows children to leave the hospital early. Since the frequently time-consuming care for sick children and their families is financed only in part through public healthcare insurance, WashTec has continually supported the Bunte Kreis since 1996 and has done so as one of the main sponsors by making both monetary and in-kind donations.