

Sustainability Report



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As the worldwide leading supplier of products and services along the car wash value chain, 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.

We would like to explain to you below how sustainability is implemented at WashTec.

Product responsibility

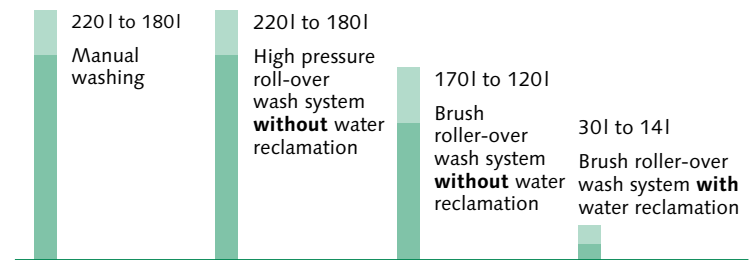
1. WashTec Products

The WashTec Group's business model and its products actively contribute to protecting the environment. We fully expect that as water becomes more and more scarce as a natural resource, the requirements for water recovery or water reclamation will continue to rise. As this trend materializes, we will be best equipped with our products to handle these new demands:

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. WashTec offers water reclaim systems for all car wash facilities in order to ensure environmentally-friendly car washes. The use of water reclaim equipment helps lower the consumption of fresh water by up to 90% during car washes. Thus, for example,

a roll-over wash system 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). All WashTec equipment meet all of the environmental regulations currently in force and offer an environmentally-sound and fresh water-preserving alternative to the manual car washing approach that is prohibited in Germany. Even in markets with lower environmental standards or greater water scarcity, WashTec is expecting 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 now becoming increasingly strict, and even in other countries, a ban against manual car washing is under discussion. In Scandinavia, WashTec has already received the »Nordic White Swan« environmental prize for particularly environmentally-sound water reclaim equipment and/or car wash facilities.

Fresh water consumption (in liters per wash)



Source: WashTec analysis



The WashTec environmental seal can be found on all products and product components which are environmentally friendly and protect our natural resources

For washing vehicles, water is a resource that is as indispensable and it is precious. This is why WashTec offers water reclamation or recovery systems that reduce fresh water consumption during car washes by up to 90%.

2. AUWA chemical products

AUWA stands for vehicle cleaning and care, which is at once both powerful and environmentally sound.

The range of products begins with a line-up of cleaning and care products for car wash facilities that have a low environmental impact and are optimally reconciled with one another and spans from our special solutions for water reclamation 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 AUWA products always satisfy all currently valid statutory requirements and that, for example, the wastewater thresholds are always met. For the Company, the need to have seamless quality controls is just as obvious as the imperative of meeting the highest environmental and health standards. Thus, for example, all AUWA »ecoline« products are exceptionally biodegradable, environmentally friendly and non-abrasive.

The entire AUWA portfolio is free and clear of hydrofluoric acid and nitrilotriacetic acid (NTA). This potential carcinogenic substance is used to soften water in conventional car care products. The environmentally-friendly substitute used by AUWA is the best example in showing that an uncompromisingly high level of car care can be achieved even with formulations that have a low environmental impact.

A number of AUWA products also satisfy the requirements of the Nordic Ecolabel (Nordic Swan), as well as the Milieukeur Ecolabel. Moreover, the 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 excellently harmonized with all water reclaim equipment and also in this manner helps preserve a high level of water quality. The effectively 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 also 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 fundamentally updated and reorganized. Individual components are also procured or manufactured in China and Eastern Europe. Equipment, which is sold primarily in the American market, undergo final assembly in Denver, Colorado (USA). There is also another smaller production site in Recklinghausen, where the control units are manufactured for the entire Group.

The added value at WashTec is carried out mostly as a result of sheet metal forming with modern machinery and is carried out in the form of a final assembly of components groups. Thus, there is no significant discharge or emission of harmful substances during production. Thereafter, products are installed and maintained at our customers' places of busi-

ness by over 500 in-house service technicians, sub-contractors and technical personnel of our sales partners. The service technicians are on the road with specially equipped service vans, in which the suitable equipment is installed, from tools and spare parts to safety equipment.

The average period of use for car wash equipment is between 5 and 10 years. At the end of the equipment's period of use, it is then professionally disassembled and either refurbished or professionally removed. All product specifications for the development of the equipment at WashTec include rules for a possible complete re-usage 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.

2. Wash chemicals

The wash chemical products sold by AUWA are conceptualized and produced in our laboratory in Augsburg and Grebenau in close cooperation with the WashTec Development Department.

During the production of the AUWA products, the available resources are always handled conservatively. Accordingly, any raw materials such as dye, fragrances, emulsifying agents, or similar products will be avoided to the extent possible, while factoring in our customers' own needs. All wash chemical products are concentrates that are automatically diluted and apportioned in the wash equipment. In addition to saving weight, this process also saves packaging materials, thereby reducing to a minimum the transport costs.

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

In the production and development of all AUWA products, the general slogan is »quality before quantity«; i.e. preference is always given to using an optimally reduced quantity of an efficient raw material or a performance-enhanced raw material combination instead of a larger quantity of standard raw materials.

Moreover, there are as a rule no poisonous ingredients used in producing AUWA products. If a raw material is classified as »environmentally hazardous«, then it will no longer be used or will be replaced by non-hazardous raw materials. In addition, a review is always made as to whether a raw material not requiring a label can be used instead of one that does in fact require a label (i.e., potentially hazardous).

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%). Since 2007, all diesel vehicles newly acquired by WashTec are equipped 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, which facilitate better route planning and thereby reduce travel time.

The electricity, which WashTec procures for the corporate headquarters and the main production site in Augsburg, is derived up to 30% (prior year: 30%) from renewable energy. This figure is significantly higher than the national average of 18% (prior year: 16%). WashTec thereby actively contributes to reducing radioactive waste and lowering its CO₂ emissions.

2. Waste

In 2011, WashTec generated 2,600 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) and the improved price level on the market for recyclable waste, the sale of these waste materials in 2011 yielded proceeds of € 570k (prior year: € 583k). Disassembled systems are either refurbished or professionally removed by authorized service providers.

GoGreen Initiative

GoGreen is a global climate protection program, which was instituted by Deutsche Post DHL and allows for carbon-neutral shipping service. Any emissions generated during transport and handling are measured, offset and reduced to the extent possible. Deutsche Post offers its customers the opportunity to offset CO₂ emissions when sending mail, by supporting climate protection projects such as hydropower plants or biomass power plants. Since 2011, Wash tech has shipped its mail using GoGreen and has thereby further contributed to environmental protection.

Certifications

Since 2000, WashTec is certified under EN ISO 9001:2008 and 14001:2004, which are standards that set forth the globally recognized requirements in responsible quality management and environmental management systems.

Thus, ecological aspects constitute 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. With the environmental management system set up pursuant to DIN EN ISO 14001, WashTec participates in the »Environmental Pact Bavaria – Sustainable Growth and Environmental and Climate Protection«, an agreement between the state government of Bavaria and Bavarian industry.

In addition, WashTec is certified under SCC:2006. »SCC« stands for »Safety Certificate Contractors«. This standard governs all safety rules and work conditions for technical service providers and serves to protect the health of our employees.

Environmental Certificate from the State Government of Bavaria

In recognition of its many years of involvement in the »Environmental Pact Bavaria«, WashTec was awarded the so-called Umweltschutz-Urkunde (Environmental Protection Certificate) from the state of Bavaria in 2011. The »Environmental Pact Bavaria« 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 that goes far beyond the standards required by law. WashTec feels obligated to comply with the principle of ecological sustainability and therefore always operates under the self-imposed mandate to deploy its materials and resources as efficiently as possible. Our environmentally-friendly products also help contribute to preserving globally limited energy and raw material resources. The defining hallmark of WashTec equipment is its ecological compatibility, minimum freshwater requirements and low consumption of electricity.



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. In 2007, WashTec received the »SRI Pass-Status« as a sustainable investment (Sustainable & Responsible 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 training and operation) and our customer service (e.g., regarding quality, reaction time, friendliness). The survey reveals that our customers have been consistently very satisfied with the service we provide. According to the most recent survey conducted in Germany, the overall customer satisfaction with the WashTec service is very high. In connection with this survey, approximately 900 service deployments and machine installations were analyzed in 2011. Our customers are particularly satisfied with the quality of the product assembly (grade: 1.8) and the friendliness of the service (grade: 1.8). None of the categories was graded worse than 2.3 (grading based to the German school grading system where 1 represents the highest 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 managers at WashTec Group are required each year to 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. 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.

3. 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.

4. 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 include, for example, foreign language courses or courses in current Office programs. A budget is planned each year for the ongoing training of employees.

Most of the employees in the WashTec Group's subsidiaries are service technicians who install and regularly maintain the car wash systems. The service technicians are under a special obligation to learn and understand the issue of safety (for details on this issue, please see the heading »Health and Safety«).

The Company's headquarters are in Germany. At this location, the Company offers formal training and education to qualify as a mechatronic technician [Mechatroniker], a marketing communication business person [Kauffrau/-mann für Marketingkommunikation] and an IT business person [Informatik-Kauffrau/-mann].

5. Employee satisfaction

The employees of WashTec are a key to our business success. The satisfaction of our employees in Germany, for example, is reflected in the low employee turnover and in the average number of years of company service. In Germany, an employee satisfaction analysis was carried out in 2006 as part of an employee survey done in cooperation with the Graduate School of Augsburg (Fachhochschule Augsburg). Based on the results of the survey, suitable programs such as the expansion of offered employee training were launched.

6. 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 a proven commitment to the health of its 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 have participated in a WashTec-financed driver safety training program. The compliance with these safety provisions is routinely monitored in internal and external audits

In connection with the reorganization of the production routines and investments in the production sites, special emphasis has also been placed on ergonomic processes and tools.

The number of occupational accidents at WashTec has declined significantly in the past years.

7. Balancing family and career

Balancing of 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. For this reason, WashTec entered into cooperation with the operator of children's daycare center. This agreement provides that WashTec staff will be given preference in the allotment of spots in the daycare program, and WashTec will provide financial assistance in covering the daycare costs. The first inquiries made by WashTec employees have already signaled some favorable feedback to this offer.

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, Bunter Kreis e.V., which was formed in Augsburg in 1991, supports handicapped and sick children as well as families in that situation in terms of psychiatry, social services, medicine and finance.

Since 1996, WashTec has continually supported the Bunte Kreis as one of the main sponsors by making both monetary and in-kind donations.

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