

Securing the future

Assuming responsibility together

SUSTAINABILITY REPORT 2015/2016





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Economic
responsibility



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Ecological responsibility

Cover "E/D/E generations"
Anna Sophie Kampert (daughter of an employee attending daycare), Lukas Croonenbroeck (apprentice), Eckhard Hülser (E/D/E employee) and Monika Bertram (retiree) embody the E/D/E generations. The family-run business is particularly proud of this diversity.

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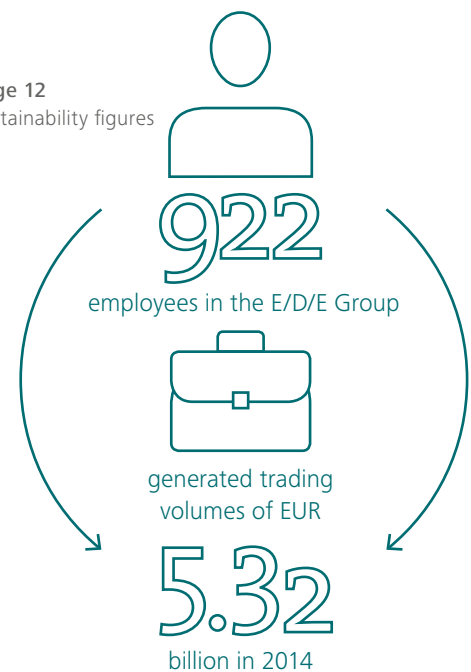
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Our employees take responsibility

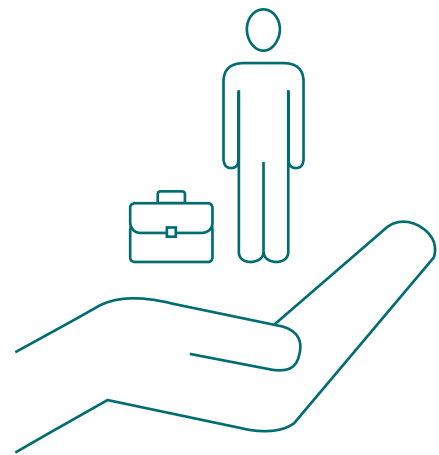
Dear Reader,

We at E/D/E have been meeting our economic, social, civic and ecological responsibilities for decades. We see it as our duty to share a portion of our ongoing economic success. That is why we are actively involved with social and cultural institutions as well as children and youths in need in the region of Wuppertal. We act in a responsible manner, both for our benefit and for that of our member companies and suppliers. Our employees are our greatest asset, and we provide support and opportunities for employees and take environmental issues seriously.

I am therefore especially pleased to be able to present ongoing, sustainable development at E/D/E in this,

our third sustainability report. Our gratitude goes in particular to our very hard-working employees. They have made a vital contribution to the economic success of our company with their dedication. But many E/D/E employees are already going a step further when it comes to sustainability. They have shown great determination in our printer savings competition and in waste separation, they have baked cakes for charity events, given gifts to children in emergency housing in Wuppertal as part of our Christmas "wish upon a star" charity drive and even joined in on the day of the event itself.

The charitable spirit we have seen on a large scale in Germany in the past weeks and months for the refugees has been mirrored on a smaller



Our employees are
our most important
asset

Hans-Jürgen Adorf
Chairman of the E/D/E Advisory Board

scale by our employees here at E/D/E. When push comes to shove, Germany is willing to help – fast and with dedication. It is characteristic of our society as a whole, and we can be proud of it.

That our employees are taking on an increasing amount of responsibility also shows that we at E/D/E have completed the next step in our sustainability strategy. We are sharing our responsibility, which is exactly as it should be. Because holding ourselves accountable in society, treating resources with the respect they deserve and thinking and acting in an economic manner within the company is something that applies to us all. That is why I would like to take this opportuni-

ty to thank all those involved for their commitment. And I hope you, dear readers, will enjoy the interesting insights into our company that our third sustainability report has to offer.

A handwritten signature in teal ink, reading 'Hans-Jürgen Adorf'.

Hans-Jürgen Adorf
Chairman of the E/D/E
Advisory Board



Dear Reader,

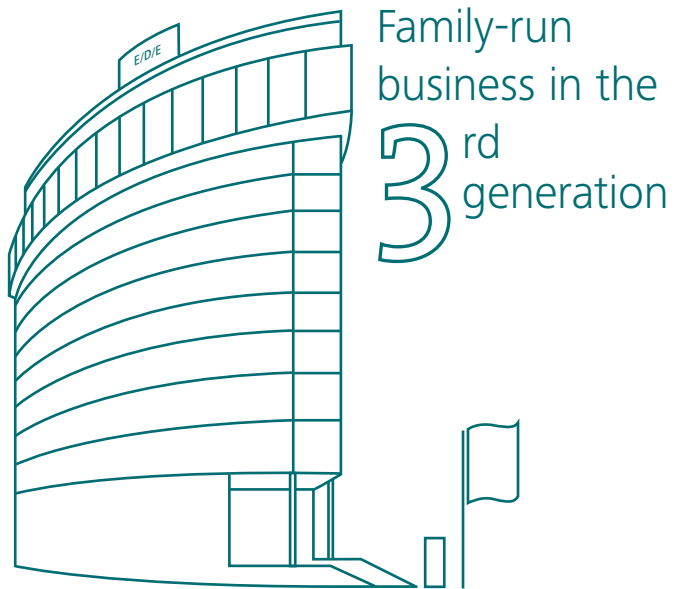
Assuming responsibility for the next generation – this is one definition of sustainability that a family-run business like E/D/E identifies with completely. The entrepreneurial family Trautwein has always maintained a close connection with its employees, the area of Wuppertal and the surrounding region.

Today, sustainability is ingrained in public and corporate conduct, and increasingly even in private lives. And at E/D/E, too, we consider sustainability to be a strategic goal. With this report, the third since 2011, we are once more documenting the progress we have made in this area. We are proud

of our accomplishments, but we are also aware of how much remains to be done. Sustainability is not a project that has a final goal, but rather one that involves an ongoing effort on all levels.

Our sustainability activities are split into four areas, which are interconnected in many ways and mutually dependent: economic responsibility, which is our main focus as entrepreneurs and merchants, and social, civic and ecological responsibility.

From an economic point of view, we have accomplished a great deal in the reporting period for the future viability of E/D/E and its partners. Particularly noteworthy is the scheduled takeover of



E/D/E Management Board (from the left): Jochen Hiemeyer, Dr Ferdinand von Alvensleben, Dr Andreas Trautwein (Chairman), Dr Christoph Grote

full responsibility by Dr Andreas Trautwein, who has been leading the company since 2014, and is the third generation to do so. We have also established the CHALLENGE 2020 corporate strategy, with which we intend to prepare our association and its trading partners for a competitive environment that is set to change more dramatically than ever before. We have already been able to successfully implement a number of our main plans.

And we have also made some progress in other areas. We have opened our "EDEfanten" daycare cen-

tre, we continue to be dedicated to the region and we have taken a critical look at the way we handle resources. One of our accomplishments is that we have been able to save a considerable amount of paper. At this point we would like to thank our employees, who have made a significant contribution to these successes with their great dedication.

Sustainability cannot be viewed as an abstract issue. Everybody must take responsibility for our future. That is why we, too, will continue to give our all when it comes to sustainable conduct.

Dr Andreas Trautwein
(Chairman)

Dr Christoph Grote

Jochen Hiemeyer

Dr Ferdinand von Alvensleben

A company that values sustainability



E/D/E – the heart of European B2B

E/D/E is Europe's largest purchasing and marketing association in the industry, with 1016 medium-sized member companies working in the area of industrial business-to-business trade and 301 further retailers. Partner companies of E/D/E trade in tools; machinery and operating equipment; structural fittings and structural elements; sanitation and heating; steel and mounting technology; welding, safety and industrial technology; as well as occupational safety products. The majority mainly supply commercial purchasers from industry, the craft sector and municipalities. The EURO-DIY GmbH & Co. KG systems centre, founded in 2013 as a joint subsidiary of E/D/E and the EK/servicegroup eG, provides its 500 or so associated retail companies with custom concepts for carving out a successful position for themselves on the do-it-yourself market. .

Comprehensive range of services

In addition to the individually tailored sales concepts and trademarks, E/D/E services include central payment, central purchasing, developing and implementing marketing concepts, designing and producing catalogues, industry services, IT services, financial services, logistics, data management, e-business, marketing services and support for members. Other service modules include consultation services for range and operational issues, IT and ERP, special member rating and e-procurement solutions, as well as seminars and networking.

A role model for sustainability

In 2013 E/D/E published its second sustainability report. The company has had an impact on the local economy, its employees and social and cultural aspects in the city of Wuppertal and the surrounding region with its



Corporate philosophy

- | We want to be an indispensable link between our members and our contracted suppliers.
- | We ensure our future success by intelligently linking our ranges, logistics and services – thereby creating strong market concepts.
- | We inspire our members with our unconditional dedication. We expect active participation and a firm commitment in return.
- | We rely on the best quality from our contracted suppliers and acknowledgement of our goals. We motivate them with an active and reliable partnership.
- | We're a strong team. No matter what we're doing, we want to do it faster, better and more efficiently.
- | We're friendly, highly competent, open and fair. We know that how you present yourself is how the world sees you.
- | We are keenly aware of our social responsibility; the E/D/E Foundation is how we meet our responsibilities.

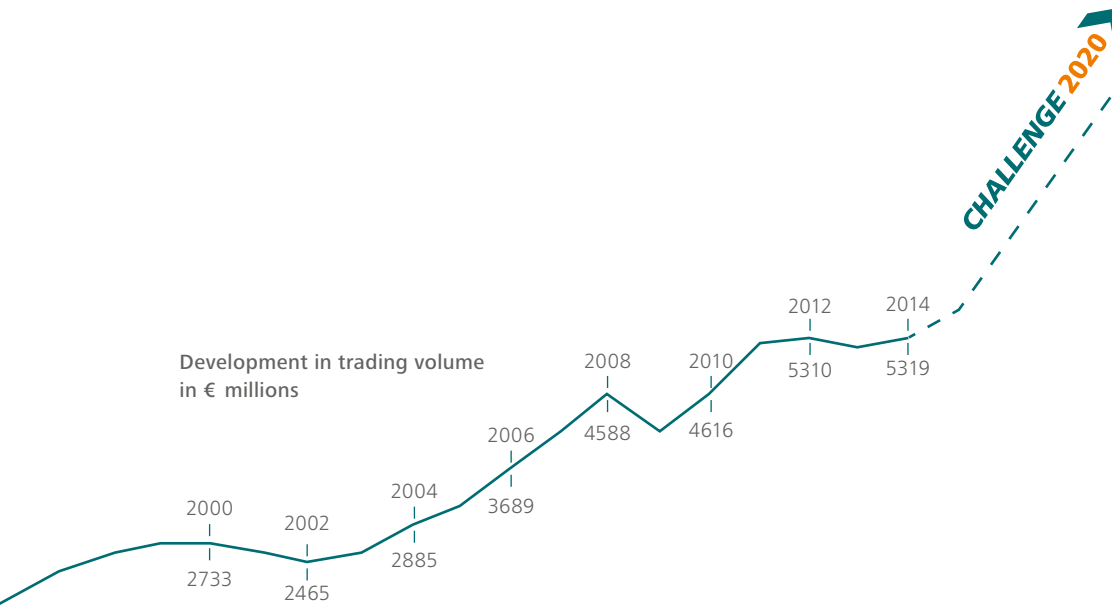
sustainability strategy. E/D/E is also considered a secure employer due to its high level of equity, which rose from 43.6 percent (2013) to 45.7 percent (2014). And E/D/E offers its employees numerous benefits, such as professional development opportunities, childcare and occupational healthcare management. E/D/E's success as an organisation enables it to engage in social responsibility. In addition to economic success, this commitment is an important aspect of our corporate philosophy. E/D/E and the E/D/E Foundation organise several social and charitable activities that go beyond our ordinary business. The focus of the donations is on supporting children and adolescents in Wuppertal who are in need, as well as making donations in the areas of education and culture. It is particularly important to E/D/E to establish long-term partnerships and support projects that directly help those in need. E/D/E also takes

its ecological responsibility seriously and contributes towards climate protection – for example by optimising its logistical processes, separating waste and being aware of its energy consumption. First Class Service 48 processes, which started life as a service and quality initiative, are now well established at E/D/E. They are a part of our corporate culture and help us maintain the focus on providing the best-possible service for our member companies. In this way, E/D/E can offer its partners and the industry real added value.

Traditional, but with an eye on the future

The family-run company, which was founded in 1931 in Wuppertal, is active in a number of European countries and firmly rooted in the domestic German market. The corporate principle – successful together – represents the E/D/E Group's main attitude towards its

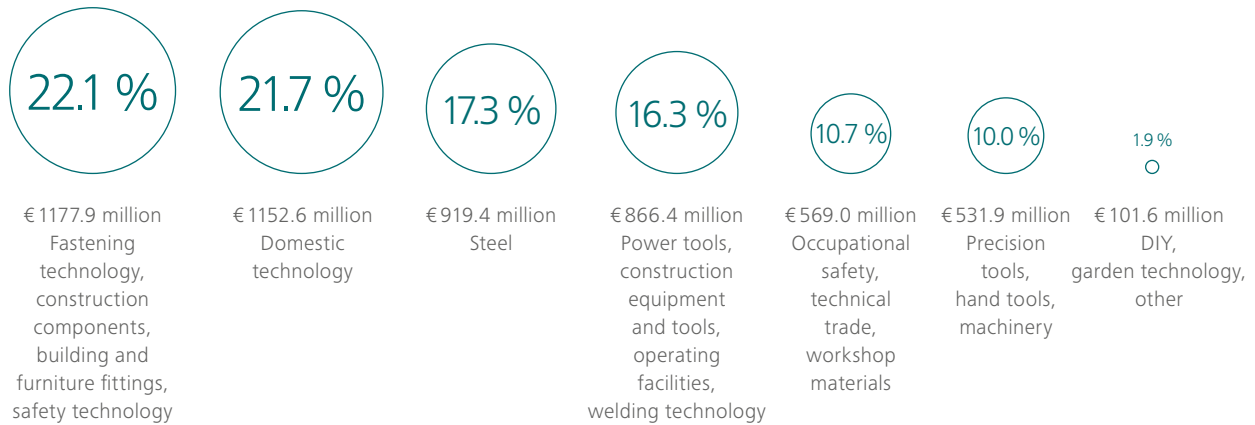
€ 10,000 million



cooperation with members and contracted suppliers. In 2014 E/D/E was once more able to exceed the excellent figures achieved in the previous year, with trading volume of €5.3 billion (2013: €5.2 billion) and again reached a record high in the company's 80-year history. E/D/E is pursuing a long-term strategy of continued development throughout every area of activity within the company. As part of CHALLENGE 2020, E/D/E has established a vision and set itself clear aims that it wishes to reach by 2020. This strategy programme, which involves numerous core projects and significant investment in the company's future, has already achieved several milestones. For example, the online marketplace Toolineo is already launched and the eDC electronic data centre is already providing product data. 2014 also marked

the opening of the Akademie business division, a central point of contact for further training in industrial business-to-business trade. Doubling warehouse capacity to 150,000 items, expanding the activities of ETRIS Bank GmbH, and networking communication within the group are yet more milestones that we are working to reach. The aim for 2020 is to achieve a trading volume of €10 billion. ETRIS Bank GmbH, which was founded in 2011, is responsible for financial processing for members and contracted suppliers. The wholly owned E/D/E subsidiary took over central payment and del credere liability for E/D/E at the beginning of 2013. In the future, factoring transactions will be added. Founding the bank was another step taken by E/D/E towards preparing the Group and its partners for the future and guaranteeing

E/D/E Group's trading volume according to business division in 2014 (€5318.8 million)



smooth finance and cash flow processing. The founding of EDE International AG also represents further progress in the intensively pursued European expansion: At the end of 2014, 195 direct members abroad were part of the E/D/E group. Other distributors are indirectly associated with E/D/E and its member companies through cooperations. Representatives in key markets guarantee proximity to the market and provide local support for all members. A number of well-known cooperations and associations work with E/D/E both in Germany and on the European market, using the motto "Cooperation of the Cooperations." What is more, a systematic approach is taken to pursuing the implementation and development of successful sales concepts on European markets. The joint ventures DELCREDIT France S.A.S., DELCREDIT

España S.A. and Swiss-based ZEDEV AG are also creating positive momentum. The involvement in the Swiss purchasing group e+h Services AG marks a further milestone in the strategic expansion of E/D/E's activities abroad. In the future, our intention is for all international E/D/E activities to be controlled by EDE International.

Our sustainability activities in numbers

E/D/E has set itself the task of accepting responsibility. Sustainability figures are already being actively documented and positive developments can be seen. This two-page spread will show you the most important indicators for the last two years.



donations for social projects

Verwendungszweck

The Christmas donations include up to €100,000 provided by E/D/E and the E/D/E Foundation in order to support carefully selected institutions and projects in Wuppertal.

More than

80 years of corporate history

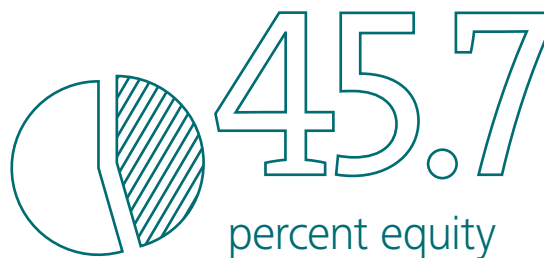
As a family-run company we feel a close connection to our location and the people of Wuppertal.



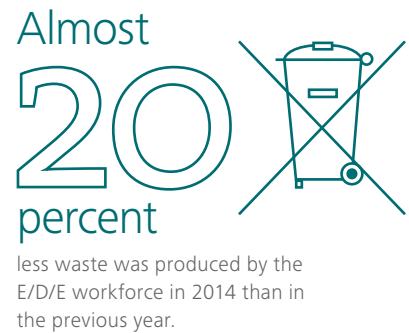
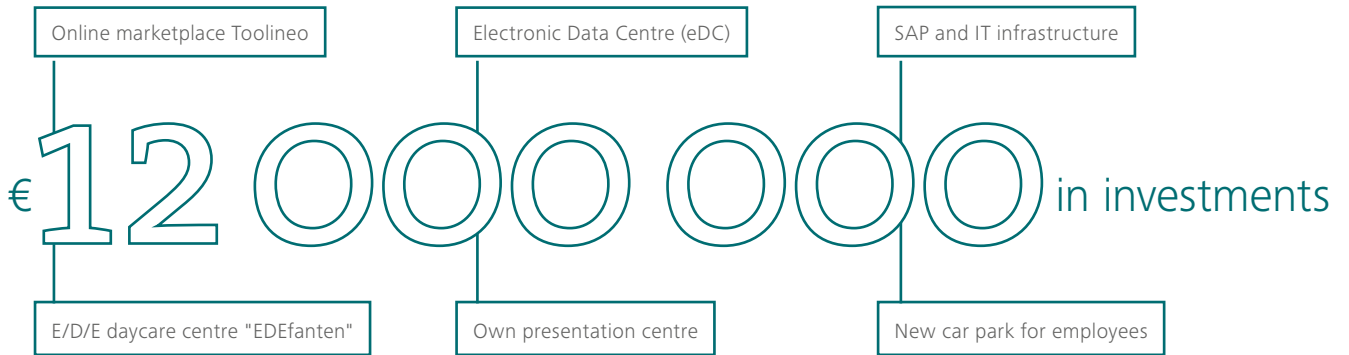
On 31st December 2014, the companies in the E/D/E Group both in Germany and abroad had 922 employees, 27 more than at the end of 2013.



Since 2009, 1040 gifts have been collected for children in need by E/D/E employees during the annual Christmas "wish upon a star" charity drive.



Equity rose from €316 million (31.12.2013) to €336 million as of 31.12.2014.



With the trading volume of €5.3 billion achieved in 2014, we were able to exceed the previous year's excellent figures by 2.5 percent and outperform the 2012 record high once more.



The future will bring changes

Interview with trend researcher and futurist Matthias Horx

How will the economy develop in the future?

Matthias Horx: I think that there is a need and the possibility, in a complex scientific society, to break out of the 8-plus-hour working days framework. There is a greater need for purpose and perspective in the workplace. Work is a cultural construct: the form we know today was established as "wage labour" in industrial societies. A person gives their time and receives money in return. But this isn't how people tick. Work should be more. Career, passion, applying one's talents, purpose – someone who just gives up his time for eight hours a day will become depressed. I believe that our society is rich and mature enough to develop new, sustainable working models that offer more balance, joy and growth.

Will the gender ratio change in the working world in your opinion?

Matthias Horx: In Germany the male culture of being present still dominates. In Scandinavia, however, the understanding of time and role has already changed somewhat. While here in Germany

careers still rely on the time put in, there life plans and time economics are more fluid. In the North, men who spend too much time working are seen as uncooperative and slow performers. There is much more job sharing, schedule flexibility and work-life balance. This makes it easier for women to have a career. That is why we also see considerably higher birth rates in Scandinavia. Women are not forced to choose between a career or a family, and men now also consider this a good thing.

How will companies have to change in future in order to acquire the brightest talent?

Matthias Horx: Many will not have to make any changes, because they have already made the necessary changes. Otherwise, they wouldn't exist any more. Those companies that can't attract the best people, people with ambition and imagination, not just those who want to collect their wages and blindly follow orders, do not stand a chance in the future. Many companies are going to great lengths. The company as a whole has to make sense – from the product to the work and the atmosphere to the image. The heart of the matter is

Successful futurist and author of books

Matthias Horx is considered one of the most influential trend researchers and futurists in German-speaking countries. After starting his career as a journalist (DIE ZEIT, MERIAN and TEMPO) he founded the "Future institute" at the start of the new millennium, which now advises numerous companies and institutes. He has been teaching prognostication and early recognition as a lecturer at the Zeppelin University in Friedrichshafen since 2007. Horx is a popular speaker and advisor on future topics such as changes in the working world. His books "Anleitung zum Zukunftsoptimismus" (Instructions for future optimism) and "Das Buch des Wandels" (The book of change) are both best sellers.

"holistic fairness". That, and the sustainability that occurs as a result of this, can be felt immediately.

And what do the employees of the future need to be able to do?

Matthias Horx: The employee of the future has to stop being an employee and become a partner. The workplace is bound to the industrial model, where in a factory – or a public office – the same tasks are repeated day in and day out. The term "life entrepreneur" already shows us that it is possible to show more personality nowadays. Every task that can be done without thought, will be done by machines sooner or later.

Do we find it difficult to accept changes?

Matthias Horx: In the end, it is a question of communication. For example, people can be fascinated by ecological reorganisation, but it is still sold as a correction of defects and faults. But the point of the green revolution, the energy change and circular politics are to improve the quality of life, to develop spiritually and psychologically. I'm defending the "neo-ecological" approach, which is neither technophobic nor against globalisation. We would be able to create intelligent systems for society and the economy that would be helpful, not harmful!

In your talks you keep referring to mega trends for future developments – what does that mean exactly?

Matthias Horx: Mega trends always change everything: the cultural system, values, economy, society. They are the blockbusters of change. Example: The mega trend regarding women, which will not just change the economy, but also working forms, partnership culture and value systems.

Obviously there is no harm in not fanatically following every trend, as many successful family-run companies with a certain amount of conservatism show. Or to put it another way: What does a futurist have to say on the topic of values?

Matthias Horx: I believe it makes sense to discuss values, but you have to be careful not to fall into the trap of romanticising. The majority of discussions about values are in reality demands to meet virtues and standards based on nostalgia. We must remain aware of the fact that values do change over time. Value evolution means that we need new, better and more subtle values. In this day and age, values relating to openness are very important, such as tolerance, friendship and spirituality. These soft-individual values suit our open, plural society and its desire for self-determination very well.



Futurist Matthias Horx:
providing long-term advice for companies
and institutes to prepare for the future.





We are preparing the future



were taken on by E/D/E in 2015 for seven different apprenticeship careers.



and training courses are specifically carried out in the first weeks of the apprenticeships.

Qualifications, encouragement, promotion – E/D/E does a lot to prepare its junior employees for the challenges they will face in the future. And our network principle is always at the forefront of our minds. In addition to junior B2B staff, we also encourage our own specialists of tomorrow. **Michelle Vuong** and **Lukas Croonenbroek**, both apprentices in their first year, are learning right at the start of their apprenticeships in a communications training course how to properly interact with business partners, how to be convincing in their communications and how to successfully represent their company. Both are apprentices for the wholesale and export business and will in future work closely together with E/D/E partner companies. We are supporting E/D/E's economic success with high-quality training for our own new employees and an early opportunity to exchange experiences.

ECONOMIC RESPONSIBILITY

Creating better prospects together



What does economic responsibility mean to E/D/E?

For us, economic responsibility means managing our business successfully. E/D/E accepts that it has a certain responsibility towards its economic partners and the industry and is therefore obliged to be economically successful. As an association we consider ourselves to be a network and take into account the direct impact of our conduct on our partners. As the central link between trade and manufacturer we place a great deal of emphasis on a regular exchange of information and mutual support.

Successful together

E/D/E's economic accountability has been firmly established in its corporate philosophy. It is directly linked to accepting responsibility and operating in a sustainable manner. The cooperation with our members and suppliers is characterised by long-term, close relationships. The corporate principle "successful together" represents our main attitude towards our cooperation with partners. The family-run business, which was founded in 1931 in Wuppertal, is now led by the third generation of the family, Dr Andreas Trautwein. Despite its expansion, E/D/E has remained an SME, just like the associated member companies and the majority of its suppliers. SMEs are an important part of the German economy and provide many jobs – a sustainable foundation for an economically secure future. E/D/E also

strengthens the market position of its members using individually tailored sales concepts and trademarks. And by covering various product areas and offering a sophisticated service portfolio, we are also able to operate flexibly on the market in a future-oriented manner. E/D/E is considered to be a secure employer and independent, and therefore a safe harbour in times of economic crisis. This reputation is also upheld by our high level of equity of 45.7 percent. Equity rose from €316 million (31.12.2013) to €336 million as of 31.12.2014. And the regular refunds we pay out to our members also confirm E/D/E's solid position on the market. They also allow our partners to share in our success.

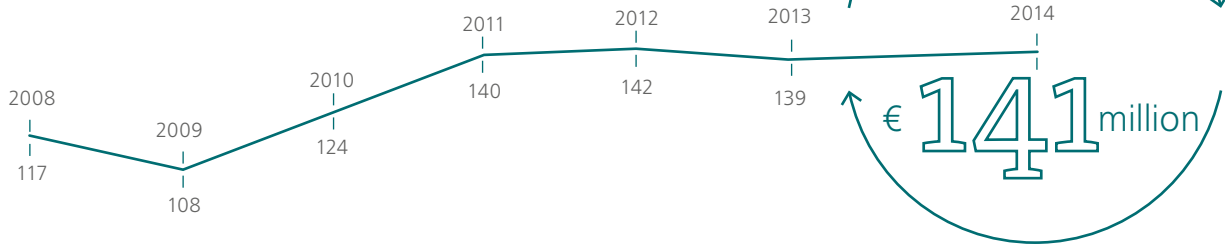
The future in our sights

E/D/E is pursuing a long-term strategy of continued



Toolineo Managing Director Jochen Hiemeyer (left) and Hendrik Sassmann.

Dividends paid out to members in € millions.



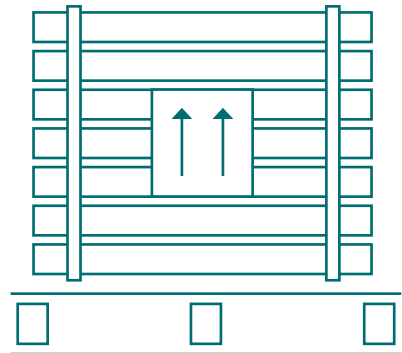
development throughout every area of activity within the company. As part of **CHALLENGE 2020**, E/D/E has established a clear vision and set itself ambitious aims that it wishes to reach by 2020. The company's solid financial position allows E/D/E to invest in projects. In the 2014 financial year, the association earmarked € 12 million for an investment programme for construction measures on the company's premises (daycare centre, presentation centre and car park) as well as for IT projects (including SAP and IT infrastructure, online marketplace Toolineo and an electronic Data Centre (eDC)). In addition to these projects we are also investing in our workforce. The CHALLENGE 2020 core projects for everyday operations already achieved their first milestones last year. The new online marketplace **Toolineo** is in the final preparation stages and is due to be launched

at the end of 2015. With Toolineo E/D/E is providing its B2B members and therefore also its contracted suppliers with access to an online distribution channel – a decisive step towards the future. The buyer target groups for Toolineo are professional users and buyers from the craft sector, industry and the municipalities as well as private customers who require professional articles. A further building block of this strategy is the **electronic Data Centre eDC** that was launched in December 2014 and includes a completely new product information management (PIM) system and provides traders with access to a comprehensive data base with all manufacturer data. Other milestones, linked to CHALLENGE 2020, on which we are working include **the doubling of warehouse capacity** to 150,000 items, **expansion of ETRIS Bank GmbH activities**, **increasing trading**



eDC information brochure.

150 000
items in stock



As part of CHALLENGE 2020 warehouse capacity is set to be doubled to 150,000 items.

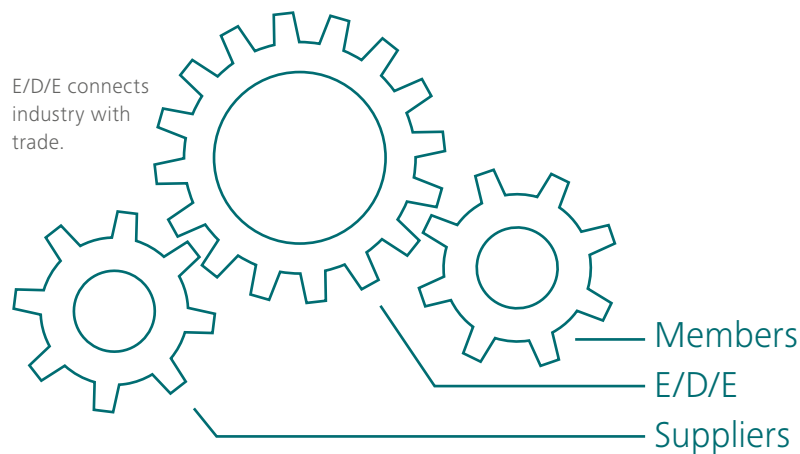
volumes in Europe and increasing the amount of **networking and communication within the association**. 2014 also marked the opening of the **Akademie** business division, a central point of contact for further training in industrial business-to-business trade. Once all these measures have been successfully implemented, we will almost double the trading volume together with our members and suppliers to € 10 billion. As an association, E/D/E is not focussing solely on its own development, but also, and in particular, the long-term success of all its associated partners. By investing in the future we intend to improve the competitive strength of our members and contracted suppliers and support employees.

E/D/E connects B2B

New challenges, new strategies – E/D/E is a driving and

sustainable element in B2B. But that is not the Group's only recipe for success. Another decisive factor is our ability to successfully establish connections between our members and suppliers. E/D/E offers its partners the opportunity to be actively involved in shaping the services and sales concepts on offer and to provide ideas and suggestions. The continual exchange of experiences between members and suppliers guarantees the systematic development of the concepts. In addition to the sales room concepts, E/D/E services are backed by marketing tools such as catalogues, brochures and online shops. The members also develop new concepts in skill groups, cooperatives and specialist groups. Certain sections of the warehouse range are being optimised along with select suppliers in order to attract as many traders on the market as possible. E/D/E is supporting its members with

All systematic qualifications and training courses are listed in the E/D/E training course brochure.



a regular and effective exchange amongst equals via the E/D/E Business Network. The participants are owners and directors of E/D/E partner companies, and they meet several times a year. For junior employees in the industry, the Junior and Young Entrepreneur Network provides a helping hand for young managers. With needs-oriented, systematic qualifications and training courses, E/D/E aims to provide employees and managers, young entrepreneurs and juniors with the necessary methodological and social skills. E/D/E partners can find all of the courses on offer in our professional training course brochure. In order to promote the expansion of training and education offers, E/D/E came up with the new Akademie business division in 2014. The WUPPER AKADEMIE is an education institute for traders and suppliers and functions as a central platform for

B2B qualification measures. The E/D/E association also promotes regular exchange between industry players at a number of events. Various E/D/E divisions work together in order to achieve this. At the many events that take place over the course of the year, and which serve as communication and exchange platforms for members and suppliers from all over Germany, the Marketing and eBusiness divisions are also regularly involved in addition to the business divisions responsible for content. The two largest events are the 'special' industry event in Nuremberg and the 'total' industry event in Leipzig, that take place alternately every year. Next to the Tool Forum, other highlights of the past years were the several marketplaces. Added to that are the events for the 35-year anniversary of the construction equipment and tools specialist group as well as other events organised

"B2B is best" is the slogan for the 'special' industry event to be held in 2015 in Nuremberg.



The external industry magazine "B2B Magazine"



In-depth discussions at the 2014 'total' industry event in Leipzig.

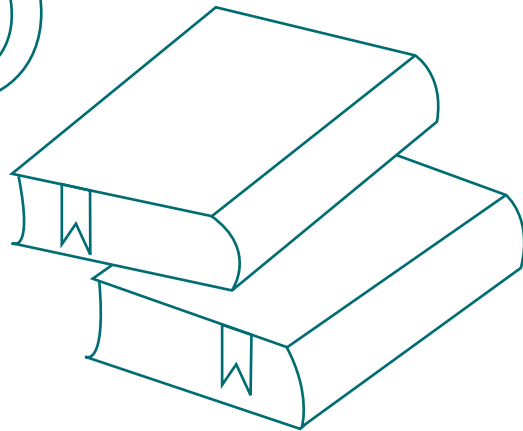
by other specialist areas and groups, often featuring famous speakers from the world of politics, economics and science that also give the participants the chance to discuss topics unrelated to everyday business. Internationality is becoming an increasingly important topic: For example, E/D/E organised its first ever marketplace abroad in Poland in 2014, and is increasingly taking part in international trade fairs, such as Biehm in Spain. E/D/E's external industry magazine B2B Magazine provides partners with regular information and news regarding the B2B industry. The magazine is published five times a year and 7,000 copies are issued for each publication. Since 2012 E/D/E has been reporting alternately about members and suppliers who are particularly committed to sustainability and take their responsibilities seriously under the title "Sustainability in B2B".

Supporting junior employees in B2B

E/D/E values its own educational and training measures highly and also invests in the junior employees support measures at partner companies. Family succession plays a particularly important role, especially at SMEs. Since the mid-1990s, the IfM (Institut für Mittelstandsforschung) in Bonn has been publishing figures regarding the number of companies facing handovers in Germany. The number of management changes in the time period from 2014 to 2018 is considerably above the estimates for the time period 2010 to 2014 with 135,000 companies. The increase in the number of companies being handed over is primarily due to the accelerated ageing of the entrepreneurs as a result of demographic changes. In order to provide support for E/D/E members undergoing such processes and in order to promote young talented

More than
3000
 Grants

By the end of 2015, the E/D/E Foundation will have distributed more than 300 grants.



people, Dr Eugen Trautwein, long-serving Chairman of the E/D/E Management Board, founded the independent, non-profit E/D/E Foundation in 2002. The aim of the Foundation is to promote on-the-job education in B2B, which contributes to strengthening and securing the stability of family-run businesses against the competition. Together with ZHH-Bildungswerk educational institute it provides grants to young employees in owner and family-run trade businesses every year, which allows them to take part in the institute's industry-specific courses. In 2015 the following courses were sponsored:

- External consultant
- Technical salesman for construction components
- Technical salesman for fitting technology
- Technical salesman for connection and fastening technology
- Technical salesman for tools and machinery

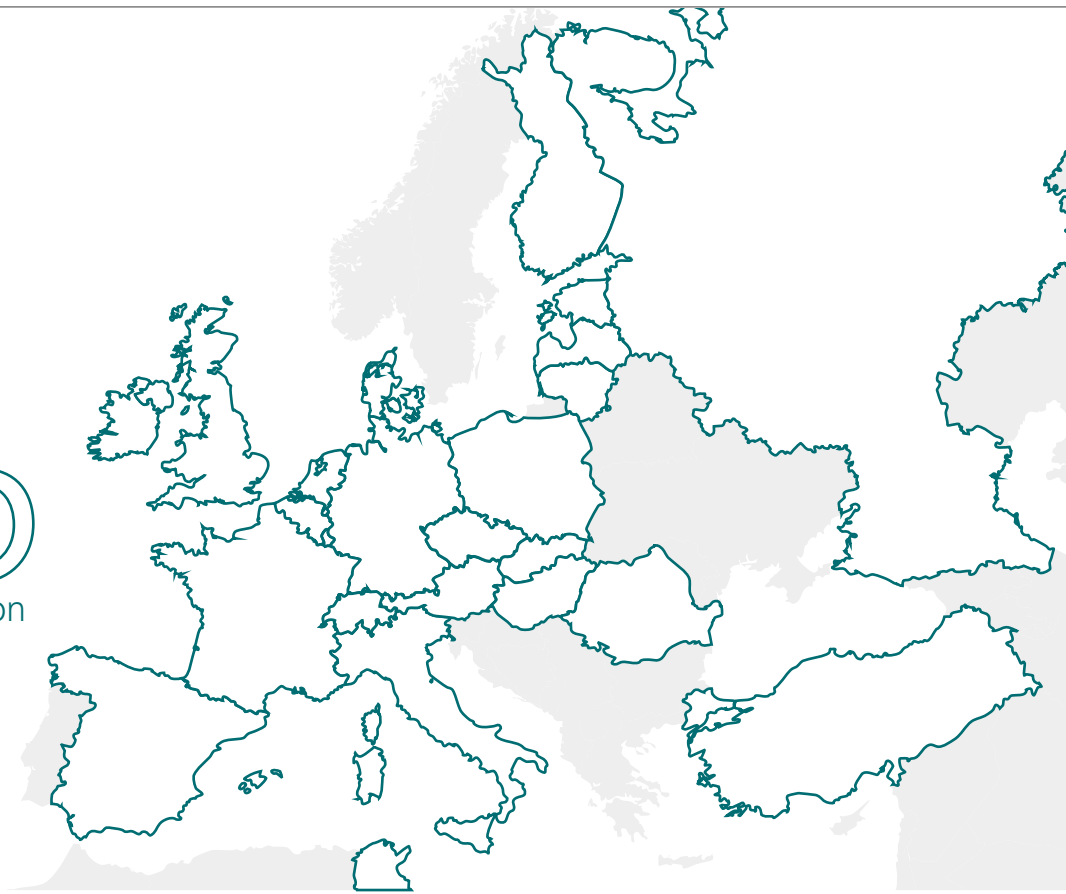
The Foundation provides recipients with grants of up to €3,000 for the duration of the training. By the end of 2015, E/D/E will have handed out more than 300 grants across the entire industry. Another activity designed to support young and creative people is the "B2B Talent" competition. E/D/E awards prizes to apprentices or students from E/D/E member companies that have shown special dedication. The participants are rated based on their grades, an online test and a selection day. The main aspects on which they are evaluated include in particular social skills, such as ability to work in a team, and confidence and communication, in addition to methodological skills such as presentation techniques. The competition is held every two years and already had 56 applications in 2013, its first year. In 2015 ninety candidates applied.

E/D/E is active in

24
countries

with trade volumes achieved
abroad of

€ 950 million



Growth and internationality

Over the last years E/D/E has developed into an internationally active Group with numerous subsidiaries. Due to our solid financial position, constant trend and market observation as well as our positive collaboration with partner companies, E/D/E is growing continually. Along with the important domestic market in Germany, the European market is, as planned, becoming more and more of a focal point. Trading volume abroad increased in 2014 by 7.0 percent to €950 million. Since 2011 the wholly owned subsidiary EDE International AG has been managing all E/D/E activities outside of Germany – the plan is for EDE International, which is based in Zurich, to manage all of E/D/E's international business activities in future. Currently we maintain business relationships

of varying intensity in 24 countries, where the focus is on market penetration in the core skill of tool business (status as of: December 2014). Positive momentum is also being generated by the joint ventures DELCREDIT France S. A. S. and DELCREDIT España S. A. founded in 2012 with partners Groupe SOCODA SA in France and CECOFERSA S. A. in Spain. Other cooperation partners undergoing expansion are the Swiss company ZEDEV AG, the Swiss purchasing association e+h Services AG, VGH International GmbH and Sanistaal A/S in Denmark. The expansion of central payment in Europe with a defined turnover target of €1 billion should be achieved by 2016 with the founding of companies. As a special institute for central payment, payment transactions and trade financing, the wholly



ETRIS BANK

ETRIS Bank GmbH: The company bank for medium-sized industrial business-to-business traders.

owned subsidiary ETRIS Bank GmbH, founded in 2013, has in the past years successfully aided growth within the E/D/E Group. EURO-DIY GmbH & Co. KG, also founded in 2013, has been able to successfully establish itself in the industry. The system central for the DIY area is a joint activity organised by E/D/E and EK/service-group. In the last financial year, the 500-square-metre concept market was set up anew in the E/D/E presentation centre in Wuppertal, which was completed in 2014. This showcases not only the Werkmarkt concept, but all the current trends to be found in the sector as well.

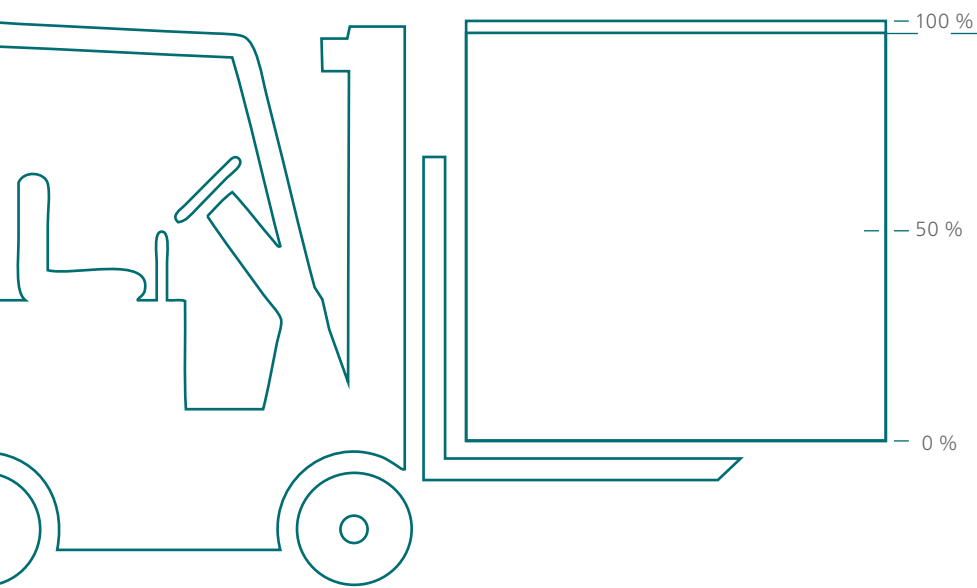
We care about quality

First Class Service 48 processes, which started life as a service and quality initiative, are now well established

in everyday business and have resulted in many satisfied E/D/E partners. Enquiries are either dealt with directly within 48 hours, or the enquirer receives an update regarding the status of their enquiry. The time at which the service enquiry arrived and when it was dealt with is also recorded in a complaints data base. Processing times for daily procedures, such as complaints, credit notes and replacement deliveries, are also permanently recorded in order to document quality of service. Our qualified employees in the E/D/E Service Centre ensure that all service enquiries are always processed smoothly. And thanks to the training opportunities at E/D/E, employees receive efficient training focussing specifically on treating customers in a friendly manner, office organisation and effective discussions.



You can find out more about economic responsibility online at www.ede.de/nachhaltigkeit/wirtschaftliche-verantwortung.html



97.5
 percent Ability
 to supply 2014
 2013: 97.4 %
 2012: 97.3 %

In addition, E/D/E logistics' ability to supply is another positive and constant measure of quality at 97.5 percent for almost all goods. Procedures and processes are audited every year at E/D/E by AGQS Qualitäts- und Umweltmanagement GmbH, an independent institute. As part of the recertification audit, E/D/E meets all requirements of the international certification standards in accordance with DIN EN ISO 9001:2008. AGQS deemed the good development of quality management as particularly well implemented or presented aspects of the management system – particularly the performance evaluation of processes based on key figures. The high level of transparency in processes due to the itemisation of the process description also received a particular mention (status as of April 2015).

The special contribution of SMEs

The German economy is seen as a role model for the whole of Europe. But is it really? And what role do SMEs play?

Prof. Christoph M. Schmidt: It's not so long ago that Germany was Europe's problem child. Since then, two things have changed: Firstly, Germany reformed its labour market earlier than other countries. Secondly, there was the introduction of the common monetary policy in Europe. For many southern European countries the policy was too lax – leading to economic bubbles – and for Germany it was slightly too restrictive. Germany has its varied economy to thank that it managed to overcome the crisis so quickly. SMEs have made a special contribution in this area.

After a year of virtual stagnation in 2013, Germany saw stronger growth again in 2014. Was that the beginning of a sustainable economic upturn?

Prof. Christoph M. Schmidt: Basically, an economic upturn can currently be observed in Germany, yes. But I fear that this upturn could be compromised. This may be as a result of the large coalition expanding welfare benefits without establishing permanent, solid reciprocal financing. The planned increase in expenses – retire-

ment at 63, pensions for mothers, etc. – relies entirely on favourable economic conditions.

Where do you expect the important growth impulses to originate in the coming years? How would you rate the German economic policy of the last years?

Prof. Christoph M. Schmidt: Despite the fact that German exporters are also very successful in the emerging nations, the European market remains as important as ever. If the situation should stabilise there, willingness to invest should increase in Germany. Due to the uncertain economic situation in Europe, companies have held back from investing in the past years. The firmness with which the federal government faced the euro crisis, with a policy of encouragement and stimulation, or solidarity and conditionality, at European level, was impressive and good for both Germany and Europe – just think of the recovery in Ireland. But I am concerned that the current, rather backward-looking reformation policies when it comes to domestic topics, may undermine the federal government's negotiating position in the future. You can only demand others carry out reforms that you are also willing to carry out.

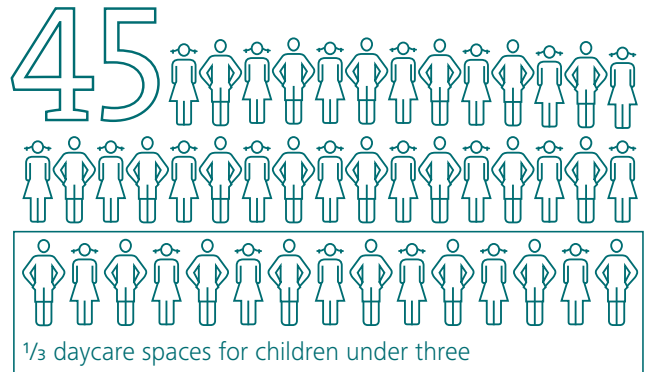


Professor Christoph M. Schmidt, Chairman of the economic experts and president of the Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI) research institute



We are committed to families

Total number of daycare spaces



Providing support, care and flexibility – as a society, we need to find the right balance between family and career. We too, as a sustainably operating, family-run company, see it as our duty to support our employees and help enable a balance between family and career. That is why we built our very own daycare centre, named "EDEfanten", which officially opened in October 2014. **Ekaterine Kampert**, employed at the ETRIS Bank GmbH, is grateful to have this support. She brings her three-and-a-half year old daughter **Anna Sophie** to the daycare centre on the other side of the E/D/E building and picks her up when she finishes work. The best part: She knows that her daughter is receiving the very finest educational care while she is working, and that she is in good hands at EDEfanten.

SOCIAL RESPONSIBILITY

Encouraging and motivating our most important asset



What does social responsibility mean to E/D/E?

For many decades now, the family-run company has considered itself particularly responsible towards its workforce. That is because E/D/E knows: Satisfied and motivated employees are the guarantee to our success. And learning while working does not just benefit the individual but the company. And now, at a time when the world is continually becoming more complex and the fight for the best talent is in full swing, this basic principle is more relevant than ever. We consider it our social responsibility to provide employees with qualifications, motivate them and establish a loyal relationship.

A strong team

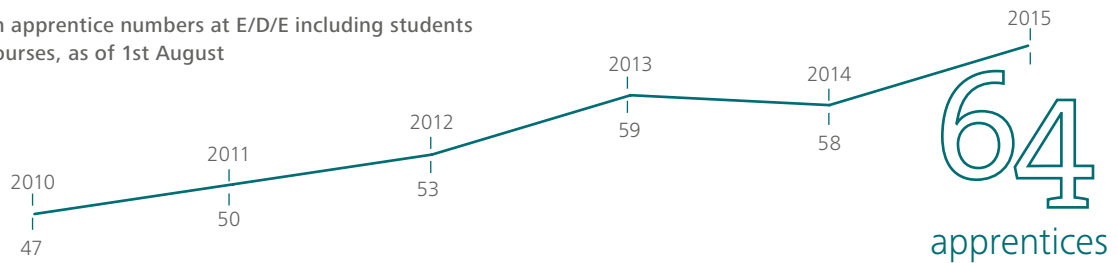
Qualified employees allow E/D/E to offer its partners highly specialised contacts in all departments and for all service areas. Experienced specialists work together in highly efficient teams within the business divisions. Employees are therefore E/D/E's most important asset, because the quality and the level of motivation of our employees is decisive when it comes to our success. That is why sharing responsibility and management according to targets are a vital part of E/D/E's team philosophy. In the past years, too, the company invested heavily in future-oriented activities, which also involved creating new jobs. At the end of 2014, the companies in the E/D/E Group both in Germany and abroad had 922 employees, 27 more than at the end of 2013. Of these

employees 867 are employed in full-time positions and 55 in part-time positions. The number of applications received by E/D/E show that we enjoy a reputation as an attractive employer: In 2014 HR received 4,495 applications. The average length of time that an employee stays with E/D/E is almost ten years. E/D/E is also trying to considerably boost the number of women it employs. As of 31st December 2014, the company employed more than 360 women – which means women account for almost 40 percent of our workforce. The number of women working in administration, such as marketing, the service centre and HR, is significantly higher than in the more technical positions or in logistics. The association has also been involved with the "Girls' Day" for many years now, where girls are invited to spend the



E/D/E junior employees at the apprenticeship team days 2015 in Radevormwald.

Development in apprentice numbers at E/D/E including students in dual study courses, as of 1st August



day at E/D/E and find out more about our various departments. The main purpose of "Girls' Day" is to introduce young women to careers that are male dominated.

Supporting young talent

Supporting young people is also an important task that E/D/E considers to be a part of its social responsibility. The company therefore trains young people specifically for roles with E/D/E, and took on 20 new apprentices in 2015, mainly in the area of wholesale and export. In total 64 young people have chosen E/D/E as the place to start their vocational training – the highest number yet in E/D/E's history. The training rate in 2015 stood at 6.94 percent. E/D/E provides appropriate training and also aims to take on all apprentices after they

have successfully completed their apprenticeships. In 2014 sixteen out of nineteen apprentices continued their careers with E/D/E (status as of October 2015). E/D/E also offers dual study courses. At the end of 2014 there were six graduates who studied trade, marketing, business information technology or logistics. Based on the more than 700 applications that HR received last year for apprenticeship positions and dual study courses, it is clear that young applicants also consider E/D/E an attractive employer. The foundation of a good apprenticeship is close contact between the employer and apprentice – after all, the apprentices should be happy with their apprenticeships and E/D/E with the apprentices. Regular talks, help with educational questions and continual evaluation of the apprentices after they have

100

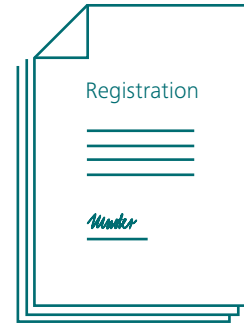
education

Altogether E/D/E offers employees approximately 100 training opportunities.



910
Registration

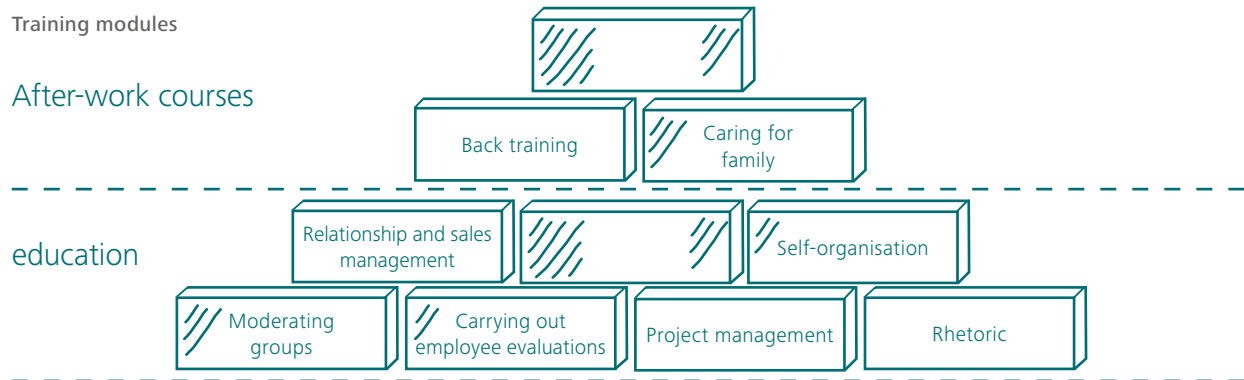
In 2014 E/D/E's HR department received more than 910 internal registrations for courses.



worked in a department help them to recognise their own strengths and where improvements can be made. The annual apprentice team days also serve to deepen solidarity and communication amongst the young employees. At the start of the new apprenticeship year, the apprentices and students from all three years meet in order to get to know each other better over a number of team exercises. Another important event for the young employees are the annual apprentice market-places. Over the course of the two-day event, E/D/E apprentices look after junior staff from member companies and support them with information about E/D/E as well as practical advice. The main focus is on networking and supporting one another during the training phase.

Education leads to success

The Group has been working to combat the future lack of educated personnel, generally feared in society due to demographic changes, over the past years with targeted training and education measures. Around 100 training courses for specialists and managers are presented clearly in a brochure that we publish annually. Because we believe that employees can only meet the growing demands of rapidly changing technical developments with the right qualifications. Interest in our training courses remains unabated at E/D/E. In 2014 we received more than 910 course registrations. Further education courses for managers are even mandatory: There has been a mandatory further education concept



The training on offer includes numerous training courses as well as after-work courses.

at E/D/E for second-tier management, consisting of more than 50 team leaders, since 2013. Every management employee must complete further education measures within three years. E/D/E considers individual education to be very important on the whole. Employees and managers discuss, in a constructive manner, which education courses would be most beneficial. In addition, certain courses were especially adapted to meet the needs of older colleagues and employees in logistics. Naturally, the personnel developers also took into account the two-tier system in logistics during planning. All apprentices are also offered in-house help for exam preparation in the form of internal lessons from a vocational school teacher. The most important

aspect is to provide struggling apprentices with individual help and confident apprentices more education opportunities or more responsibility. In addition to the education opportunities offered at E/D/E, all apprentices also receive training in: Communications, IT and rhetoric training as well as etiquette and telephone training.

A healthy future

E/D/E has also considerably expanded health management, in order to keep employees fit in the future. This includes health-related modules in the E/D/E training programme, for example time management or the best way to deal with psychological strain, as well as back-strengthening at the workplace. In practice

37 E/D/E runners

took part in Wuppertal's 2015 suspension railway run.



E/D/E's 2015 team of runners.

employees working in logistics should learn correct posture and the right movements for their work in the warehouse, as their work can cause physical strain. E/D/E also gives employees the opportunity to improve their health and their physical well-being in free after-work courses – from stopping smoking, back and autogenic training, violence prevention and caring for family to driver safety training. Language classes and "work-life balance" courses also get the grey matter working. These courses are also popular with employees. E/D/E is convinced that investing in employees' health contributes towards maintaining the ability to work and will pay for itself in the future. We consider it a matter of course that we have confidential discussions as part of our corporate integration management with employees who have been absent for longer periods due

to illness. We would like to know the reasons for long-term absences and to help resolve them for everyone's benefit. This has led to a dramatic decrease in sick leave in logistics in the past years and a positive impact on awareness amongst managers. Health management at E/D/E also includes voluntary flu injections, eye exams with the works doctor and setting up ergonomic workspaces with our work safety experts. Promoting company sports, healthy food choices in the canteen, participating in running events in Wuppertal, such as the suspension railway run, and the vitamin initiative, where logistics employees are given fresh fruit in the winter months to avoid colds, complete our range of tactics.



The eye-catching pencil decoration at the daycare centre in E/D/E colours.

EDEfanten at play in the daycare centre's playground.



The work-life balance

With the "EDEFanten" daycare centre, which opened in October 2104, E/D/E has begun to tackle two important social topics: helping employees achieve a better balance between family and career, and attracting the best employees, whose children can now attend the new daycare centre. As a family-friendly company, E/D/E is increasing its attractiveness as an employer and taking another step towards more future-oriented personnel development. The daycare centre, which is opposite the head office, has room for 45 children in three groups of varying ages – a third of the places are earmarked for children under the age of three. Around half of the places are reserved for E/D/E employees and the other half will be made available to children from Wuppertal. For the year 2105 all 45 places have already

been filled (status as of October 2015). The large number of applications to the new daycare centre has confirmed that we are on the right path with our commitment to company daycare. The individual opening times are also designed to give parents more support. The centre is open from 7 a.m. to 5 p.m. and allows flexible dropping off and picking up times – throughout the year, as it does not close for holidays (except between Christmas and New Year). Overall E/D/E invested €2.5 million in the construction of the daycare centre. It is operated by the Wuppertal company Kita|Concept, which establishes and operates company daycare centres throughout Germany. E/D/E employees had the opportunity to get involved with the naming process in an internal competition.



You can find out more about social responsibility online at www.ede.de/nachhaltigkeit/soziale-verantwortung.html



Retired employees do not just receive the employee magazine MAZ, they are also invited to attend the E/D/E end-of-year celebration.

Information and recognition

E/D/E informs employees about decisions relating to personnel and strategies with the aid of internal communication media, such as the employee magazine MAZ. The magazine also serves to increase employee satisfaction and loyalty. Each employee also receives a copy of the annual report and the bi-annual sustainability report, which gives them a detailed insight into economic and sustainability developments within the company. Important information is communicated to employees via media such as "internal personnel". We show our employees that they are our most important asset by recognising good work. That is why we reward our colleagues for their hard work and dedication: The highlight is our large end-of-year celebration for employees and former employees, which is held at special locations with celebrities.

Another benefit that E/D/E employees enjoy is a company pension which the employer also pays into (direct commitment from E/D/E Versorgungswerk). And the company also encourages creativity and innovation. That is why we set up the concept "idea!" in 2005, which allows employees to provide suggestions on how to improve operational processes and structures. To date E/D/E has received 1376 suggestions, and 153 have been implemented. This does not just give employees the opportunity to improve processes, but also to profit financially from their suggestions.

Creating a healthy work-life balance together

How would you rate the occupational health management at SMEs in North Rhine-Westphalia?

Babara Steffens: I'm afraid I can't answer that question because I'm not aware of any independent, comprehensive survey. But I do know of some very good examples. One thing is clear: Companies that recognise their employees as their most important "asset", and who are concerned with their employees' health, will have less problems in the long-term finding sufficiently qualified employees.

Which measures should companies be focussing on in order to maintain employee health and fitness?

Babara Steffens: Ideally, companies should design the working conditions together with employees in such a way that the danger of physical or psychological illness is minimal. This includes offers

that allow employees to balance caring for family members or raising children with a career as well as advice for employees who feel they are overworked or suffering psychological stress.

What challenges will companies face in the future as regards encouraging health-oriented behaviour in employees?

Babara Steffens: Creating the framework for a healthy work-life balance for employees is an important point. Flexible working times and work structures that recognise individual needs are particularly important for future employees (generation Y). Promoting flat hierarchies and solidarity as a company must be encouraged as must reinforcing team work. These all contribute towards preventative healthcare in the workplace. Illnesses that are the result of stress must be reduced.



Barbara Steffens, Minister for Health, Equality, Care and the Elderly in North Rhine- Westphalia





We are committed to our city



received gifts during the "wish upon a star" charity drive in 2014.

52
children

attended the E/D/E 2014 Christmas party.

Helping, a good deed, making a difference – that's not just E/D/E's motto when it comes to social commitment in our home town of Wuppertal. Our employees are also happy to get involved and take responsibility – for example during the annual "wish upon a star" charity drive. With this charity drive E/D/E employees try to fulfil the Christmas wishes of children in need. **Brigitte Worst**, an employee in E/D/E's record-keeping department (left), and **Ingrid Motschmann**, an employee in E/D/E's building services department, are looking for the right star and a matching gift – a doll? Or maybe a Playmobil set instead? But there's one thing they are sure of: it's the thought that counts. After all, there is nothing better than helping to put a smile on a child's face.

CIVIC RESPONSIBILITY

We enjoy volunteering in our city



What does civic responsibility mean to the E/D/E Group?

Helping where the need is greatest – an important part of the corporate philosophy at the E/D/E Group. That is why the association is fiercely committed to its home town of Wuppertal and supports several projects here, aimed at helping children and youths in the Wuppertal area who are disadvantaged or in need. We support organisations and institutes that offer tangible help and contact points for young people in need. And E/D/E's support is not just short-term; we establish long-term partnerships in order to provide lasting support for these projects.

Commitment is a given

Sharing our economic success and supporting projects and organisations in our town that are committed to helping children and youths, is a given as far as we are concerned. Both E/D/E and the E/D/E Foundation are committed to our society. The non-profit, independent E/D/E Foundation was founded in 2002 by Dr Eugen Trautwein, long-serving Chairman of the Management Board and former Chairman of the Advisory Board. Its main task is to provide educational support. Another task it has set itself is the promotion of committed young employees in B2B. The E/D/E Foundation is also committed to educational and cultural projects and social organisations and institutes in the Wuppertal region.

Connected by partnerships

The focus on long-term partnerships that we

have set ourselves becomes particularly apparent in E/D/E and the E/D/E Foundation's three most important activities. This includes the children's hospice Bergisches Land, the Junior University and the nature and environment station.

Bergisches Land children's hospice: The Bergisches Land children's hospice is one of E/D/E's most important projects and characterises E/D/E's support of regional projects in Wuppertal and the surrounding area. The association helped to make construction in 2012 possible with its donation of €600,000. The institute was opened in March 2015. The Bergisches Land children's hospice is a communal project organised by Diakonie Wuppertal and Caritas. The hospice supports and provides care for families with terminally ill children in a homely environment. The



E/D/E and the E/D/E Foundation's three most important projects: Junior University (left), the children's hospice (top right) and the nature and environment station.

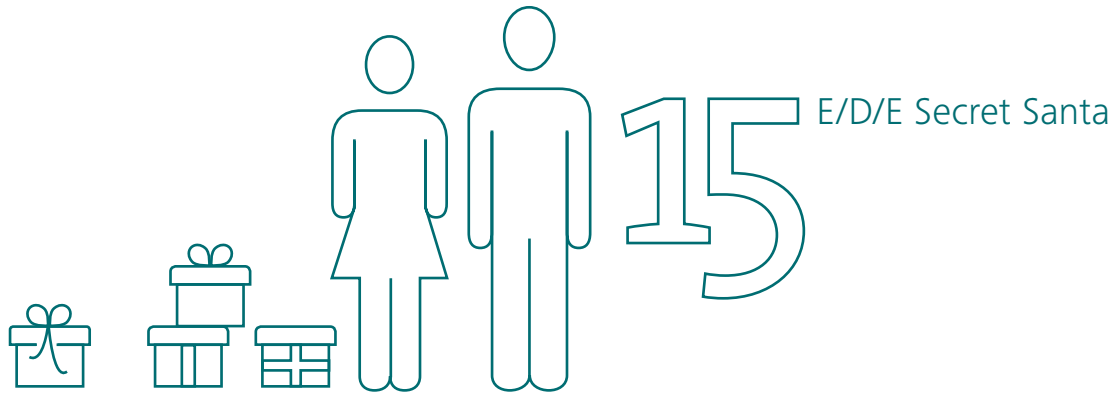


institute has room for eight children and two youths, who are cared for by 30 therapists, carers and paediatric nurses. The aim is to strengthen family solidarity and give those affected the opportunity to live as families in even the most difficult of times.

Junior University: The Junior University in Wuppertal shows young people between the ages of 4 and 20 that it is possible to enjoy learning and to learn independently. Professors and experts as well as students and pupils from the University of Wuppertal introduce small groups to the natural sciences and technology. In 2014, 7,700 young people took part in 720 courses. The E/D/E Foundation, as one of the three founding sponsors, donated a total of € 100,000 over a period of five years and continues to support the educational institution. E/D/E also made a considerable

contribution of €900,000 towards financing a new building for the Junior University in autumn 2013.

Nature and environment station: The E/D/E Group and the nature and environment station association are linked by a long-standing partnership. For its 75-year anniversary E/D/E donated € 1 million over a period of three years. This has enabled the association to partially finance a number of projects, such as the construction of a new building. The E/D/E Group also supports the annual environmental festivals organised by the nature and environment association. In 2015 approximately 3,000 visitors flocked to the 12th environmental festival. The slogan for the festival was: "Recording nature – touching nature". The institute gave children and youths the opportunity to get up close and personal with nature and



At the end of the "wish upon a star" Christmas charity drive, 15 E/D/E employees presented the children with their presents at a Christmas party.

the lifeforms that live in diverse habitats within the area. In 2014 the station had 35,000 visitors.

Dedicated employees

E/D/E employees' dedication to social issues can be seen in their voluntary work and at the annual E/D/E Christmas charity drive. As in previous years, E/D/E again organised the "wish upon a star" charity drive in 2014 for almost 200 children at the children's A + E unit in Wuppertal and for the protestant children, youth and family aid organisation. The E/D/E employees have a very important role to play in the charity drive. The employees try to fulfil the children's Christmas wishes. Participation is exemplary – just a few hours after the drive started, many of the children's wishes had already been snapped up. The

children and employees got into the Christmas spirit during the E/D/E Christmas party. E/D/E employees also got involved with voluntary activities, such as bake sales for non-profit organisations. Increasing employee involvement in social responsibility activities was one of our visions from the 2013 sustainability report.

Christmas donations

Particularly at Christmas, E/D/E focusses on helping children and youths in need. That is why E/D/E and the E/D/E Foundation established the Christmas donations. Often more than € 100,000 is provided per year and used to support select institutes and projects based in Wuppertal.



E/D/E has been supporting the "in from the cold" bus for many years.



A long-term partnership exists between the E/D/E Foundation and the Färberei.

- High-rope course project:** E/D/E donated a high-rope course to the children's food charity Kindertisch Vohwinkel. The food charity provides a cooked meal and afternoon daycare for children in need.
 - A Midsummer Night's Dream project:** With a donation from E/D/E, the LVR special school in Wuppertal and the Nordpark school were able to set up a theatre project for children with mental and physical disabilities.
 - German for refugees project:** The Diakonie Wuppertal is supporting young refugees with its project "Do it! Transfer". In 2014 the E/D/E Foundation helped get a second German course off the ground.
 - "In from the cold":** Once more, E/D/E supported the project "In from the cold" in the winter 2014/2015 organised by the Catholic women's social service in Wuppertal. Twice a week the homeless were brought
- by bus to a number of places offering a bed for the night, where they also received warm food and drinks.
 - Färberei:** The E/D/E Foundation provided the Färberei, a meeting place for disabled and able-bodied people, with financial support for renovating and redecorating common rooms.
 - Langerfelder Kindernest daycare:** E/D/E made a donation to the local daycare centre Langerfelder Kindernest so they could buy a new swing.
 - Kinderschutzbund:** With the help of E/D/E, the outpatient family aid provided by the Kinderschutzbund e. V. allows families to enjoy a holiday.
 - Alevi community:** The Alevi community Wuppertal helps Turkish and Kurdish children and youths to improve their educational opportunities. E/D/E provides the community with financial support for this purpose.



The Lebenshilfe choir with Ulla Schmidt, Vice-President of the Bundestag.

Amongst other events, E/D/E organised application training courses and career orientation weeks in cooperation with schools in 2014. A total of almost 260 pupils attended the courses held at E/D/E. Another ten such events are planned for 2015 and over 400 pupils are expected to take part.



You can find out more about civic responsibility online at www.ede.de/nachhaltigkeit/lokales-engagement.html

- Artificial grass pitch project:** E/D/E helped the Sonnborn 07 e.V. sports club buy an artificial grass pitch. The club makes an important contribution to the welfare of children and youths.
- Fellow citizens in need project:** For many years now the E/D/E Foundation has supported Soziale Hilfswerk Wuppertal-Langerfeld e. V., which helps citizens who are facing hardships through no fault of their own.
- Help for the children of Chernobyl:** E/D/E has supported the Wuppertaler Hilfe für Kinder von Tschernobyl e. V., for many years. One of the things the organisation does is organise recuperation stays in Wuppertal.
- Wuppertal culture fund:** E/D/E has supported Wuppertal's culture fund for many years. The organisation strengthens the free art scene.
- Support in Wuppertal:** The Lebenshilfe für Menschen mit geistiger Behinderung Wuppertal e. V. association supports people with mental disabilities. In 2014, thanks to a donation from the E/D/E Foundation, the institute was able to drive to Berlin and decorate the Christmas tree at the German Bundestag with handmade decorations.
- "Culture in the morning" project:** With the support of the E/D/E Foundation, the Winzig Foundation project "Culture in the morning" was held at six primary schools in Wuppertal. Children were introduced to culture in the form of music, theatre, dance and visual arts and even got involved themselves. The E/D/E Foundation and the Winzig Foundation have maintained a cooperative relationship for many years.

Education is the key to a self-determined life

What is so special about the Junior University and what are its aims?

Prof. Ernst-Andreas Ziegler: Although almost every university town has something similar that is usually open for a few hours or days, the Junior University is unique in this country in that it is open throughout the year. It helps pupils between the ages of 4 and 20 to find fascination in learning. Without grades, without report cards, without pressure – on a purely voluntary basis. In close cooperation with the schools, the Junior University is able to give young people strength and confidence in themselves. The fees are kept extremely low, so that children and youths from low-income families can also get involved. Another unique aspect is that it is solely funded from private sources and receives no tax money. The generous financial support it receives from E/D/E is vital. Another special feature is the group of lecturers at the Junior University: all experts in their field who are able to impart knowledge and moral concepts in a way that is appropriate for the age groups they are teaching. The aim is to teach young people how to learn and to show them that research and experimentation can be just as much fun as their favourite hobby.

Why do children and youths, even at the Junior University, have to be pushed to learn at such a young age?

Prof. Ernst-Andreas Ziegler: The key to a self-determined life in later years is education. The children

and young people here are Wuppertal's most valuable treasure. During these times of globalisation, we have to make sure our young people are ready to face the fierce competition for jobs. Our concept of teaching children to learn is most effective when started at the age of four. At this point in children's lives, the desire to learn doesn't have to be encouraged – it is already enormous without any interference. Parents or other guardians who are not able to fulfil the children's thirst for answers in an understanding and respectful manner are denying virtually all of their children's future chances. At the Junior University we take the greatest care to ensure that the lecturers whom we entrust our students to are able to teach in a way that is appropriate for their wards' age group.

What role do well-educated youths play in the German economy?

Prof. Ernst-Andreas Ziegler: The former president of the Wuppertal-Solingen-Remscheid Chamber of Commerce, Friedhelm Sträter, once publicly answered this question: "The Junior University is the best business for the local economy!" He meant that companies should be pleased that the Junior University educates young people and prepares them for working life or studies and also builds character. We are eternally grateful that the Trautwein family and E/D/E as a whole has supported the Junior University right from the start.



Prof Ernst-Andreas Ziegler,
Mastermind of the Junior University and Chairman
of the Management Board





Printing sensibly



From 2013 to 2014, printing volume decreased by

10.23
percent

Saving, being careful, being considerate – operating in an environmentally friendly manner is important at E/D/E. In addition to optimised logistics processes, E/D/E also managed to reduce printing volumes in the last years. During the printer savings competition held internally in 2014, the employees managed to reduce printing volumes considerably, thereby saving energy and reducing CO₂ emissions. E/D/E employee **Valentina-Luisa Munzig**, whose occupational safety team was one of our quarterly winners, thinks carefully before printing about whether she really needs a printout or whether a digital copy on a USB stick is sufficient. **Eckhard Hülser**, an employee in the electric tools team, is one of our winners for the entire year. The team reduced their printing volume by 72.84 percent against the previous year. Both employees agree: Environmentally friendly conduct is important and it's always possible to save paper.

ECOLOGICAL RESPONSIBILITY

Environmentally friendly conduct and treating resources with care

**What does ecological responsibility mean to E/D/E?**

Sustainability is a strategic corporate target at E/D/E. We believe our ecological responsibilities include protecting the environment and its resources. We make positive contributions towards reducing CO₂ emissions in many areas. For years now, E/D/E has focussed on promoting measures that reduce energy consumption and are climate friendly. The main focus is on areas that consume a high amount of energy: transport, internal logistics, warehouse management and building management.

Protecting the environment together

By taking responsibility for the environment and protecting it, we lay the foundation for a future that is worth living. It is particularly important to E/D/E that its employees internalise environmental responsibility and treat resources with care. Our competition to reduce printing volumes, for example, allowed E/D/E employees to personally contribute towards environmental protection. The E/D/E Group also aims to be a role model for its partners and motivate them to conduct themselves in an environmentally friendly way, too. This includes in particular the expansion of online activities: The E/D/E catalogue portal means that catalogues can be downloaded, which saves printing costs and paper. Other printed products, such as the B2B magazine and the sustainability report are also available online. The switch to an electronic invoicing

system also protects our environment. Approximately 20 percent of our members and five percent of suppliers or partners that support the electronic business process are already using the paperless E/D/E service. This means they also save paper, postage costs and time.

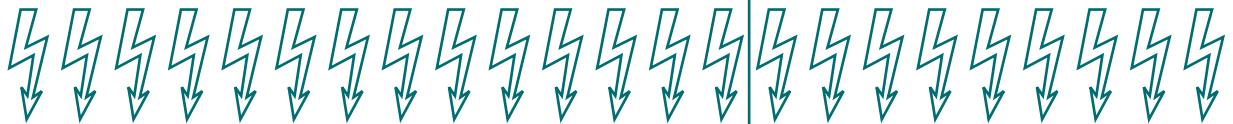
Efficient energy management

An important part of our ecological responsibility is careful energy management. In this way E/D/E not only unites economical and ecological targets, but also sets standards for environmental management. This includes energy-saving processes as well as energy-efficient office buildings. In 1995, as the E/D/E high-rise was being built, the company was already incorporating energy-saving technology. For example, we largely decided against air conditioning in favour of intelligent window architecture. Ever since, the E/D/E team Facility



The new daycare centre will be heated using an air/water heat pump, lit with LEDs and insulated in an environmentally neutral way with a green roof.

The daycare centre's annual primary energy requirements are in line with the guidelines of the 2009 German Energy Saving Regulations (EnEV).

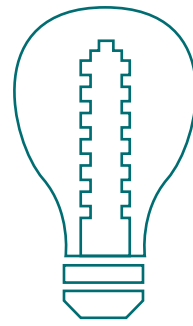
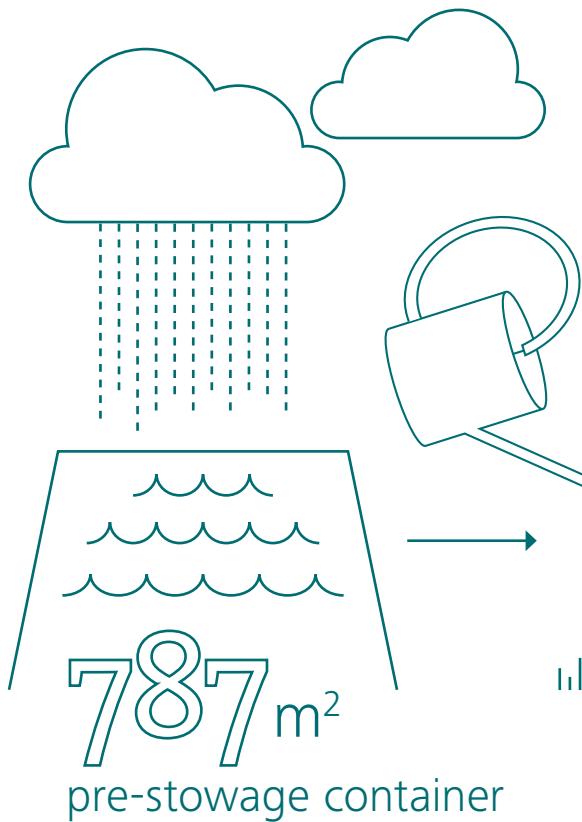


86.25 kWh/(m²a)

The daycare centre's actual annual primary energy requirements.

Management has sought out efficient parts and solutions for repairs and improvements as well as for new builds. This includes for example, the "EDEFanten" daycare centre, which was completed in 2014, and the connected presentation centre, which also opened in 2014. Both buildings are sustainably heated using an air/water heat pump with a gas condensing boiler for peak operating times. Ninety-five percent of the annual heat supply will be generated by the air/water heat pump and five percent will be generated by the gas condensing boiler. The annual primary energy requirement, which takes into account the actual energy consumption per year, amounts to 86.25 kWh/(m²a) for the daycare centre. The building therefore meets the guidelines for the 2009 German Energy Saving Requirements (EnEV) of annual primary energy requirements below 232.34 kWh/(m²a). With an annual primary

energy requirement of 76.89 kWh/(m²a) the presentation centre also comes in under the specified figure of 133.83 kWh/(m²a) and therefore also meets the 2009 EnEV guidelines. In the other buildings, too, gas condensing boilers and frequency regulated heat pumps are largely being chosen in cases where replacements or new investments are required. E/D/E currently has six gas condensing boilers. And LED lights have been fitted in new buildings. Energy-saving lights are used wherever possible on the entire E/D/E grounds, or at the very least modern lights. 480 lights have already been changed to LED. In order to meet the demands of both comfort and environmental protection, E/D/E is also fitting all lighting equipment with motion sensors. And the green roof on the daycare centre ensures excellent, environmentally-neutral insulation while also publicly displaying how important ecological issues are to us. The



480 LEDs

To date 480 lights at E/D/E have been replaced with LEDs.

Whenever necessary green areas on the E/D/E grounds can be watered using rain water from the 787-square-metre surface water pre-storage container.

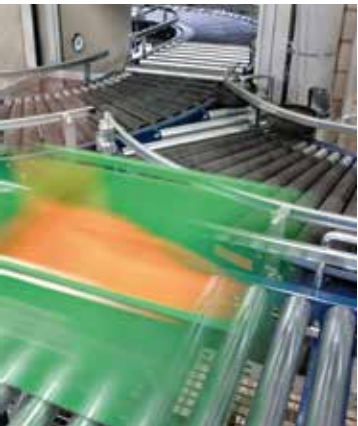
most current German Energy Saving Regulations (EnEV 2014) were also met. The pre-storage container for surface water, covering an area of 787 square metres, allows us store rain water. Whenever necessary, the green areas on the grounds can therefore be watered in an ecologically neutral way using rain water. In order to discover more savings potential at E/D/E and our subsidiaries, an energy consultant from EffizienzPlus GmbH visited the company at the end of 2013 and an auditor from ENOPLAN GmbH in 2105. E/D/E was able to establish concrete measures from the results. Some aspects have already been implemented while others are still in the planning phase. Approximately half of all E/D/E employees work in administrative areas. That is why the majority of energy is used in our office buildings. Our server set-up has been structured to save as

much energy as possible. The IT infrastructure, which was updated recently, has been undergoing continual optimisation since 2014. The majority of physical servers have been switched off and their functions transferred to a virtual environment. With these energy savings, IT operations are also contributing towards the E/D/E Group's economic and ecological targets.

Sustainable warehouse processes

For over eighty years, state-of-the-art logistics has been one of the most strategically important services that E/D/E offers its member companies. Handling logistics at our headquarters in Wuppertal has long been standard for us. Expansion of the logistics centre has made our core skill future-proof and created a foundation for further growth. However, modern logistics processes

E/D/E also aims for sustainable and ecological processes in the area of logistics.



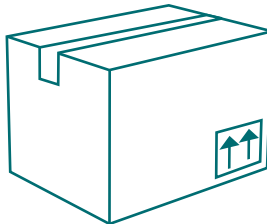
consume large amounts of energy. And the transport component is responsible for a considerable amount of CO₂ emissions. Two factors that pose a significant challenge for companies like E/D/E that wish to meet their own high standards of sustainable and ecological operations in their warehouses. That is why we are always looking for solutions that are even more efficient and elegant methods of implementation, in order to operate in a manner that is economical and climate friendly. E/D/E has therefore set itself firm targets for the logistics division for 2014, in order to make long-term improvements to processes here. The main focus will be on pooling transport, i.e. optimised supplier management. On the return leg of a journey, goods for delivery to E/D/E will be collected from suppliers. This eliminates additional journeys. The project, which has been launched

with one supplier, will be expanded in the future. With pooled delivery for certain, pre-determined incoming goods or electronic notices for entry to warehouses or with goods does not just allow us to reduce internal time expenditure and therefore costs, but also CO₂ emissions. Detailed documentation of the E/D/E supply chain and looking for optimisation potential together with our partners was one of the ideas from our 2013 sustainability report. E/D/E was also able to reduce shipping against 2012 by 50 percent, or 75,000 packages, thanks to the new booster technology. The booster technology helps group shipments efficiently so that parts with different dimensions going to the same address are packaged in one box. In the years since, too, an increasing number of packages have been grouped in booster units. This becomes apparent in the decreasing total

Energy and resources are also saved by the electronic Logistics Centre (eLC) and used in optimised logistics operations.

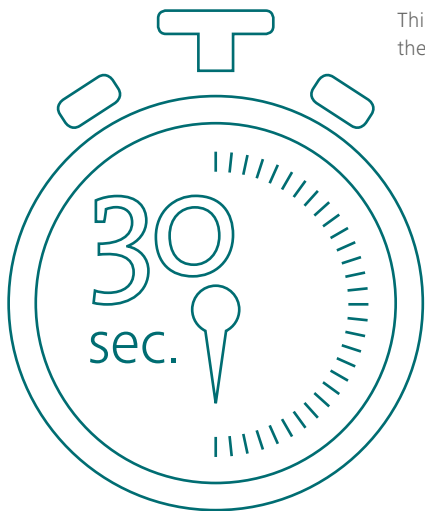


packages sent were reduced by 75,000 in 2012



number of group shipments: In 2012 we had 147,352 packages, in 2013 it was down to 132,262 packages, and in 2014 lower again with 129,795 booster packages. Another, long-term target is improving the warehouse structure. To ensure that the goods travel the shortest distance possible with logistics, we will be taking a closer look at the flow of goods. A clear classification will allow us to determine whether goods are stored at the best possible location. This is particularly important when it comes to the significant expansion of goods in the electronic Logistics Centre (eLC), as part of our CHALLENGE 2020 strategy. The eLC, in which we have invested approximately €40 million, will use modern technology within an entirely electronic and paper-free environment, to provide the very highest standards of quality when sending goods to members

or directly to end customers. Brand new, cutting-edge storage systems have also been chosen to accompany the comprehensive range expansion. The entire space planning focusses on picking and stocking the range in order to implement efficient commissioning strategies. The existing warehouse capacities will continually be adapted to meet the actual situation in order to ensure that space is utilised as efficiently as possible. The automated conveyor technology also contributes to reducing energy consumption and recovering energy. Thirty seconds after the last item has been conveyed, the conveyor belts automatically switch off until the next item approaches. Our automatic small parts warehouse ensures our operations are ecological by increasing the lifespan of individual segments. A stronger engine/motor combination has been used for machinery parts that



Thirty seconds after the last item has been conveyed, the conveyor belts automatically switch off.

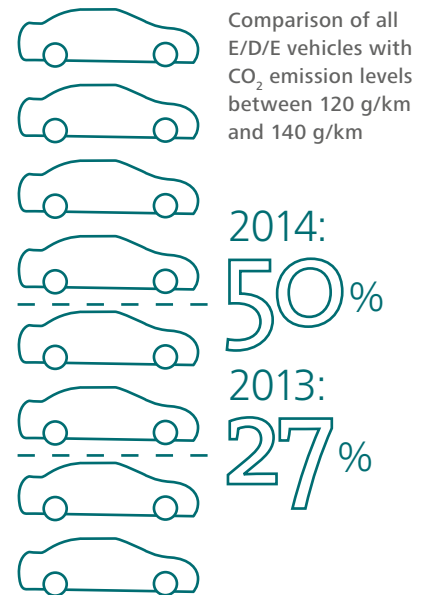
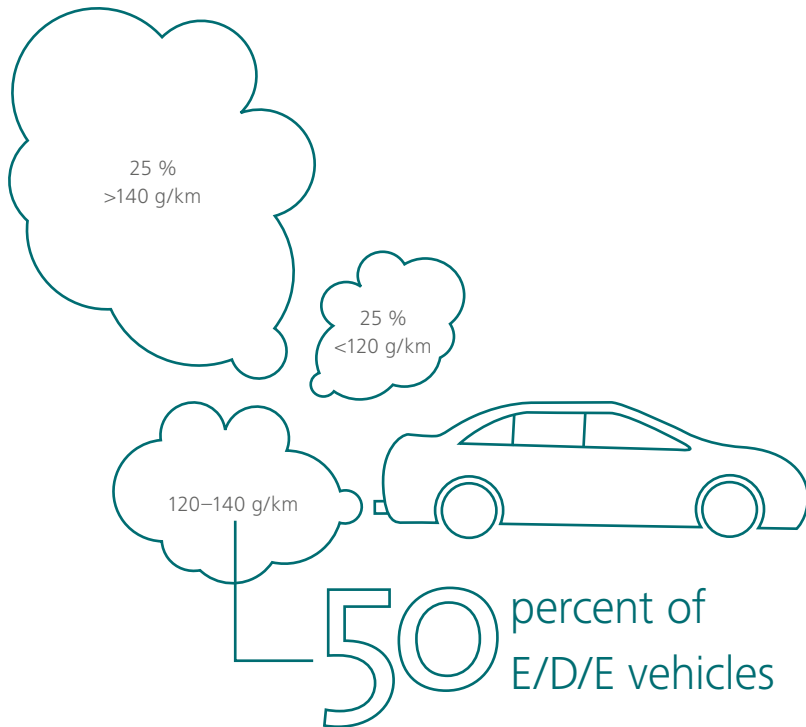


The new shop floor boards in logistics increase transparency and serve as an information platform for employees.

deal with heavy loads and a new electronic brake roller model has been installed. By increasing the precautionary maintenance measures we have been able to considerably reduce the annual repair costs. Strategic changes in logistics have also led to higher levels of efficiency due to transparency: This includes shop floor management and the associated quality offensive. By examining the area, quality has been improved. Traditional errors, such as defective boxes, and defined processes are observed closely. Through additional changes to the organisation and division of labour, including via the creation of new logistics teams, the error rate in the E/D/E warehouse was reduced by 18.2 percent in 2014 against the previous year. Shop floor management, that is management of the area, is another, long-term target for E/D/E logistics which is being systemised during a continual

process. We aim to spread the responsibility across several roles through permanent documentation and regular meetings. This ensures an increased level of employee participation and promotes active involvement, which also leads to more sustainable conduct and long-term success. For example, we have devised daily routines for team leaders. Checklists also allow employees to verify that all important tasks have been completed. The new shop floor boards also ensure higher levels of transparency and provide information to employees in the logistics division. And the paper normally used for notices and informational leaflets can be saved. The already established quick (KUKI) notices also provide visual information and tips regarding the best processes for packaging, which helps us to reduce the amount of filling, packaging and strapping materials used.

CO₂ consumption of all E/D/E vehicles in 2014



Climate-friendly vehicles

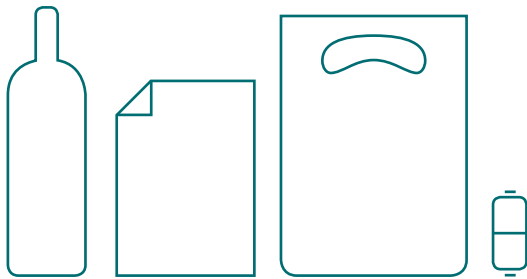
The E/D/E fleet consist of 97 vehicles – ranging from cars and buses to vans and carriers (status as of 31.12.2014) When selecting vehicles for the fleet we pay attention to the CO₂ emissions. In 2014 we had 49 vehicles with CO₂ emission levels between 120 g/km and 140 g/km (combined CO₂ emission) and 24 vehicles with emissions below 120 g/km. In the previous year we had just 29 vehicles with CO₂ emission levels between 120 g/km and 140 g/km. E/D/E has therefore already managed to reduce its fleet's CO₂ emissions and will continue to focus on climate-friendly vehicles in the coming years, too.

Motivating employees and raising awareness

At E/D/E we are not just focussing on making individual

processes and projects as environmentally friendly and sustainable as possible – our employees are also an important aspect in this regard. E/D/E is attempting to raise awareness amongst employees for this topic with various measures and supporting them with the implementation. Now that we have successfully incorporated recycled paper, we are turning our attention to separating our waste. The numbers already show that separating glass, batteries, plastic and paper has made an impact at E/D/E: In 2013 our unrecycled waste amounted to 175,650 kg, in 2014 this figure was down to 143,420 kg. This represents a reduction of almost 20 percent. Paper waste on the other hand increased by 3.75 percent between 2013 (372,140 kg) and 2014 (386,100 kg). The proportionate increase in paper waste and the corresponding decrease in unrecycled

The "page-o-meter", an electronic information window that hovers on E/D/E screens in administration and is updated twice a week, reminds employees to reduce their printouts.



We separate our waste: from glass and paper to plastic and batteries.

waste can be explained by the fact that the paper is now disposed of separately and therefore is not part of the unrecycled waste. The per capita amount of waste is also on the decrease, due to the fact that the number of employees increased between 2013 (895 employees) and 2014 (922 employees). With sustainability in mind, E/D/E launched an internal printer savings competition in 2014, which was designed to motivate employees to avoid unnecessary printing. Thanks to our employees, the printing volume was reduced by almost 830,000 pages, or 10.23 percent, between 2013 and 2014. The winning team for the year, for example, reduced its printing volume by 72.84 percent. The company also rewarded employees for their ideas on the topic of printer savings. As an additional incentive for the competition and to raise awareness for the topic

over the long-term, E/D/E presented the previous winning teams' ideas for printer savings. The "page-o-meter", an electronic information window that hovers on the E/D/E screens in administration, were kept after the end of the competition and also feature valuable printer-saving tips. Reducing printing costs was therefore one vision from the 2013 sustainability report that we have made reality. And E/D/E also saves 63,965 KWh of energy per year with the new printers that have been in use since 2015 – that's 44,131 kg of CO₂ per year. E/D/E also intends to change to climate-neutral paper. The new paper, which is made without burning any fossil fuels and is 100 percent CO₂ neutral, meets the ecological and social forestry standards and is therefore certified by the FSC. The new printers and the new paper will help E/D/E reduce its CO₂ emissions by 115,151 kg



You can find out more about ecological responsibility online at www.ede.de/umweltschutz.html

Reducing printing volumes was a vision from the 2013 sustainability report that we successfully implemented.

per year. We also support alternative mobility measures in order to raise awareness amongst our employees for helping the environment and acting sustainably. There are bicycle stands for bike riders on the grounds. We also fitted a separate entrance for bike riders and wheelchair users at the employee entrance turnstiles, which were completed in September 2015. The E/D/E also supports car pooling. In a portal established specifically for this purpose, employees with a similar way to work can find each other. Car pooling is a great way to save money as well as care for the environment. E/D/E has also agreed special conditions with the Wuppertal public utilities company for employees to use Jobtickets. In 2012 thirty-nine E/D/E employees subscribed for a Jobticket, in 2013 the number was 49, and in 2014 the number rose to 61.

Employees's conduct must be ecologically responsible

What should the ecological targets be for SMEs?

Michael Kuhndt: In addition to reducing the amount of waste produced, which can be achieved by optimising production mechanisms and higher levels of material efficiency, one of the main targets should be moving away from fossil fuels along the entire value creation chain in the intermediate future. There is a danger that efforts in this direction may be neglected at the moment due to low oil prices. This will have a negative impact when the oil prices rise again, whether from advances in regulations or political conflicts. These price hikes can occur relatively quickly and can drive manufacturing costs up in a short period of time – in the worst case scenario they may result in liquidity shortfalls. SMEs that investigate alternative energy sources and energy efficient processes, such as ISO 50001 for example, early will enjoy more success in the medium term. Also because the new EU reporting guidelines due in 2017 will mean that suppliers will face higher demands from bulk purchasers.

How can companies motivate their workforce to act in an ecologically responsible manner?

Michael Kuhndt: A good start is to inform employees why they should be committed to such a cause and to establish the connection to economic success.

Including employees in establishing and designing measures and implementation plans is also a method that has proven successful. In this way the relevant expert knowledge is integrated at a corporate level, the affected employees feel valued and the level of interest in ecological conduct increases.

What benefits do companies stand to gain by being environmentally friendly?

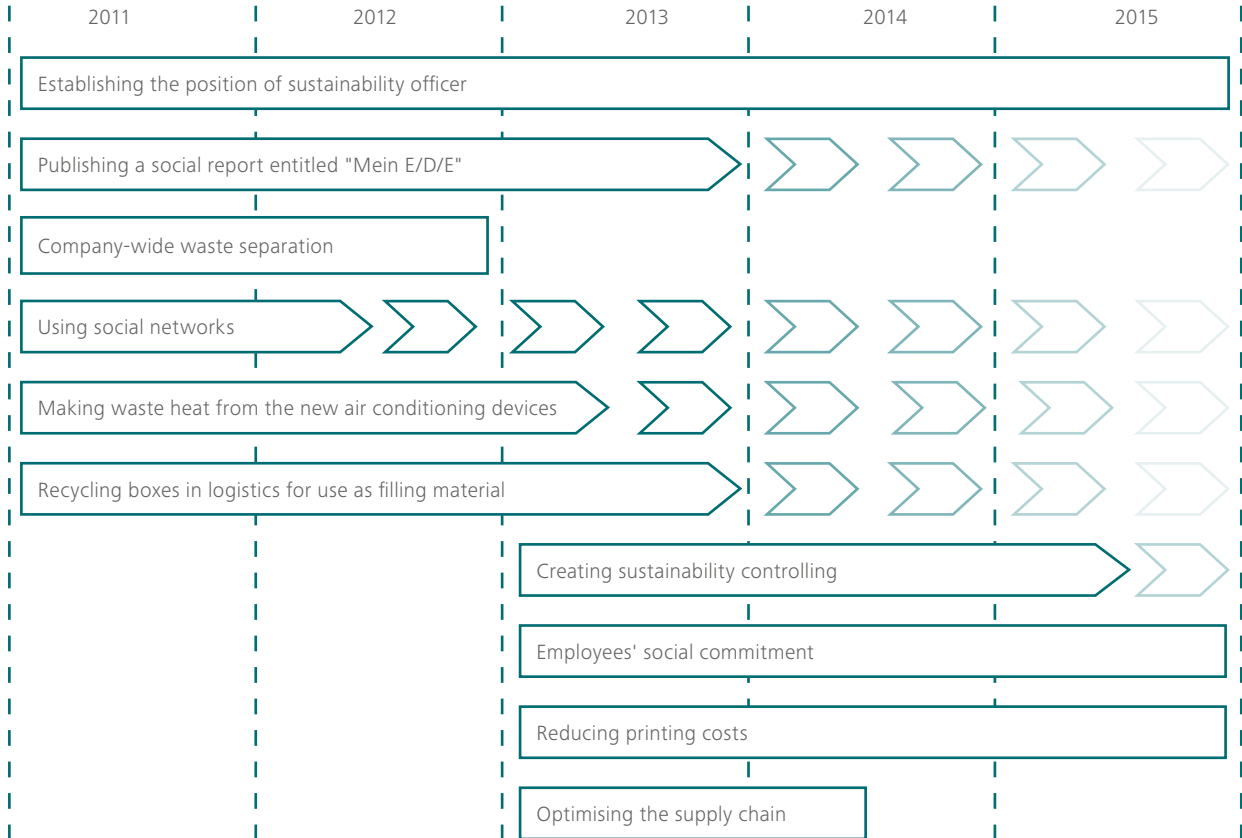
Michael Kuhndt: Of course, social commitment can be used as a marketing tool, but it should be used with caution in order to avoid being labelled as lackadaisical. All claims should be backed up with firm examples and wherever possible should also have a direct connection to the products. That also gives companies the opportunity to point out benefits for their customers. Product properties, such as long life or energy-saving use, can result in a number of benefits for the customer and lead to cost savings in the medium and long term. Whether items can be repaired or not can also play an important role. As a rule, however, businesses should always be aware of the fact that sustainability has an economic aspect as well as an ecological one. This gives businesses more room for manoeuvre with the potential for more positive effects.



Michael Kuhndt,
Director Collaborating Centre on Sustainable
Consumption and Production GmbH

Our vision

Visions already defined



Our vision for the future

- We want to continue increasing our members and suppliers involvement in our sustainability measures.
- We want to be even more consistent in including our employees in sustainability activities. Our main instrument for achieving this will be employee surveys.
- We want to structurally expand sustainability within the company even further.
- We want to act in a future-oriented manner with projects such as Toolineo and eDC and thereby solidify our market position from an economic perspective.
- We want to expand our internal health management system.
- We want to intensify existing partnerships and make new contacts in the area of social accountability.
- We want to continue reducing our ecological footprint.

About this report

Auditors' remark

This sustainability report was verified and validated in a comprehensive on-site audit.



Jörg Oppitz, AGQS Qualitäts- und Umweltmanagement GmbH
Wuppertal, 3rd December 2015

Legal notice

Publisher, editor

Einkaufsbüro Deutscher Eisenhändler GmbH,
Corporate Communications, EDE Platz 1, 42389 Wuppertal, Germany

Layout, graphics

Einkaufsbüro Deutscher Eisenhändler GmbH,
B2B Advertising, EDE Platz 1, 42389 Wuppertal, Germany

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Contact

Do you have feedback for us regarding this report? We would be happy to hear your feedback and suggestions for this sustainability report, or answer any questions you may have. Send an email to nachhaltigkeit@ede.de or call us on +49 202 6096 1257.

We would like to thank our employees, apprentices, the daycare children, former employees and company partners involved with the photo shoots for the E/D/E sustainability report.



Jennifer Probst,
Sustainability division

This sustainability report was printed on environmentally friendly, FSC-certified, offset paper.



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