

SUSTAINABILITY REPORT 2018



FOREWORD

We are generation-minded, probably because our family business is now in the ninth generation. Some people see this as true sustainability, but it is all we know. For the fourth time, we are happy to report on how we continue to work in the spirit of our forefathers without losing touch with new developments.

Sincere regards,



Dipl. -Ing. Julian Riess

Susanne Rieß

Ing. Friedrich Riess

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For ease of legibility we have dispensed with references to "he/she" and "him/her". The form used refers equally to men and women.

ABOUT US

SUSTAINABILITY AT RIESS KELOMAT

Our company has been in existence since 1550, primarily because sustainability is traditional at RIESS KELOMAT. This was a conviction deeply held by our forefathers. As far as we are concerned, sustainability means applying these principles in the modern era.

Healthy and responsible - cooking our way

Cooking in the 19th century involved harmful substances. When heated, pans released toxic substances. Our grandfather decided to manufacture "healthy cookware" made from porcelain enamel.

If you think this is no longer a problem today, think again. Pots and pans are still potential sources of toxins. We are committed to cookware that is free of any harmful substances and which promotes health.

Nowadays our responsibility extends even further: we are committed to energy-saving and safe cooking. We help our customers to use our quality products so that the products have a long life. We address individual customer's wishes – we put the customer first. We also don't give in to management methods that try to tell us differently.

Positive balance for nature and the climate

Our first source of energy was coal from the nearby mountain. Our grandfathers, Josef, Julian and Leopold Riess, realised that this fossil fuel is a finite resource and what would we do when it ran out? They also did not want to accept the film of soot that covered everything. This is why the first hydroelectric power station was constructed in 1926 and henceforth all the machinery operated using inexhaustible, clean electricity.

Julian Riess also realised that if he built a dam for his power station, the fish would no longer be able to reach their spawning grounds and then how would he be able to fish next year? He thus used spare material to construct one of Austria's first fish ladders.

Today we are the only cookware manufacturer whose production shows a a positive CO_2 balance. Our plant operates using electricity from our own hydroelectric plants. We generate more electricity than we need and feed it into the networks as green energy.

Any impact on nature complies with agreed levels and we significantly undercut threshold values. We support the surrounding natural world and use the resources that nature has given us!

Family business

As a traditional business located on the Eisenstrasse, or Iron Road, in Lower Austria, our family has been part and parcel of this region for generations. Our employees have always been drawn from the surrounding villages. We are a big family business in two senses: our business has been passed down through the family for generations and is managed today by the ninth generation. We also regard us and our employees as one big family. We live and die by our reputation as a good employer. This is why our our employees' health and satisfaction also matter to us.

Our customers are not the only people to whom we offer tailored solutions. The same applies to the people we work with on a day-to-day basis.

Managing with what there is

When our forefathers were faced with the decision whether or not to invest in a production for enamel products, they sold land that had long been owned by the family. They did not want to incur debts; they had to manage with what financial resources they had. Their guiding principle was – total independence!

We still adhere to this principle today. We think long term. We also apply this long-term point of view to our annual profits. We grow cautiously. Even if we had the short-term opportunity to expand capacity, we would refuse if we could not guarantee long-term utilization.

Not only is longevity important where our products are concerned, but also our tried-and-tested machinery. We avoid waste as materials and energy are precious.

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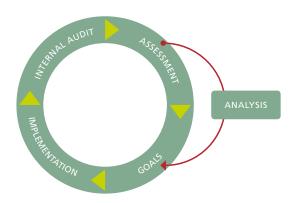


CORPORATE POLICY

WE OPERATE IN HARMONY WITH OUR SURROUNDINGS

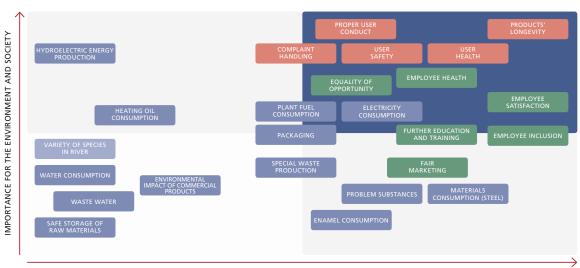
"Our philosophy is ecological vision, a sustainable approach and social responsibility." Julian Riess

The company uses the ONR 192500 sustainability management system to embed its centuries-old, sustainable corporate management in its processes. Sustainability management follows the circuit shown in the diagram.



In addition to general principles of social responsibility, the company has defined all the specific sustainability issues that are important to it. The starting point is annual collection of data and analysis of sustainability indicators. Particular attention is paid, as part of sustainability management, to the issues shown in the upper right quadrant of the diagram below.

News about our sustainability management can be found in this report at the end of each chapter under "goals achieved" or "new goals".



IMPORTANCE FOR ECONOMIC SUCCESS

WE REALISE THAT PEOPLE MAKE THE DIFFERENCE

"Clearly defined responsibilities and a good age mix foster team spirit and healthy competition."

Susanne Rieß

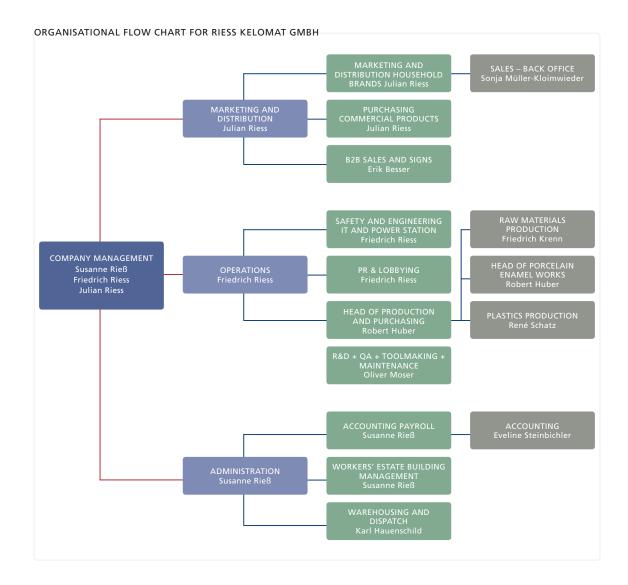
RIESS KELOMAT GmbH is 100% family-owned and is managed by the ninth generation – Friedrich Riess, Julian Riess and Susanne Rieß. There is clear separation of roles, although important decisions are always taken jointly.

Friedrich Riess is responsible for Technology and Production, Julian Riess is in charge of Sales and Marketing and Susanne Rieß handles Finance and Human Resources. The management is supported by a team of specialists, some of whom have been with the company for a very long time and who trained here.

At the same time apprenticeships, which the firm heavily promotes, ensure a good age mix. (24–34 years: 31,2 %, 35–44 years: 18,8 %, 45–54 years: 33,0 %, 55+ years: 17 %).

GOAL ACHIEVED:

For 7 years now, the average length of service of our staff has remained at a stable 11.1 years, whilst at the same time the age structure is very well balanced.



WE HAVE THREE MAINSTAYS AND BELIEVE IN QUALITY

"Over the years three business divisions have developed out of the various characteristics of porcelain enamel and our know-how in metal processing and enamelling."

Julian Riess

The company's core expertise lies in production of thermoformed, pressed and pressure-formed metal items, injection-moulded plastic items and, above all, surface finishing with porcelain enamel. As a composite material porcelain enamel – glass on iron – has many wonderful properties.

It can be used anywhere that extreme heat stability, UV resistance, abrasion resistance, and smooth, anti-bacterial surfaces are required. The company's extensive experience of enamelling has resulted in a range of products and services offered by the following three separate areas of business, www.riesskelomat.at

GOALS ACHIEVED:

We received the Austria quality label as a Leading Austrian Company.

We also obtained ISO 9001:2015 certification for producing industrial components, developing an effective quality management system which has been in use ever since.

RIESS KELOmat

HOMEWARES

We are Austria's only cookware manufacturer and enameller. In addition to the RIESS brand produced in Ybbsitz, the Austrian KELOMAT brand has also been part of our kitchenware and cookery range since 2005.

Our comprehensive product range is complemented by some distributed brands.

www.riess.at www.truehomeware.com www.kelomat.at

RIESS

PORCELAIN ENAMEL SIGNS

We manufacture porcelain enamel house numbers, advertising boards and road and information signs. Our signs can be found on streets in Vienna, Graz, Klagenfurt and Trieste, and at Frankfurt Airport.

The signs were enamelled at our factory and then screenprinted with images and lettering.

www.riesskelomat.at www.emailschilder.co.at

RIESS

INDUSTRIAL COMPONENTS

The B2B division manufactures innovative special orders for our customers: small-and medium-sized production runs of steel, stainless steel and aluminium thermoformed parts, as well as enamelled surfaces or oven and cooker parts, lamp shades, sanitary ware, water tanks, etc.

Our range also includes injection-moulded plastic; we have specific know-how in the field of production of special parts made from a steel and plastic composite.

www.riesskelomat.at

THE RIESS BRAND

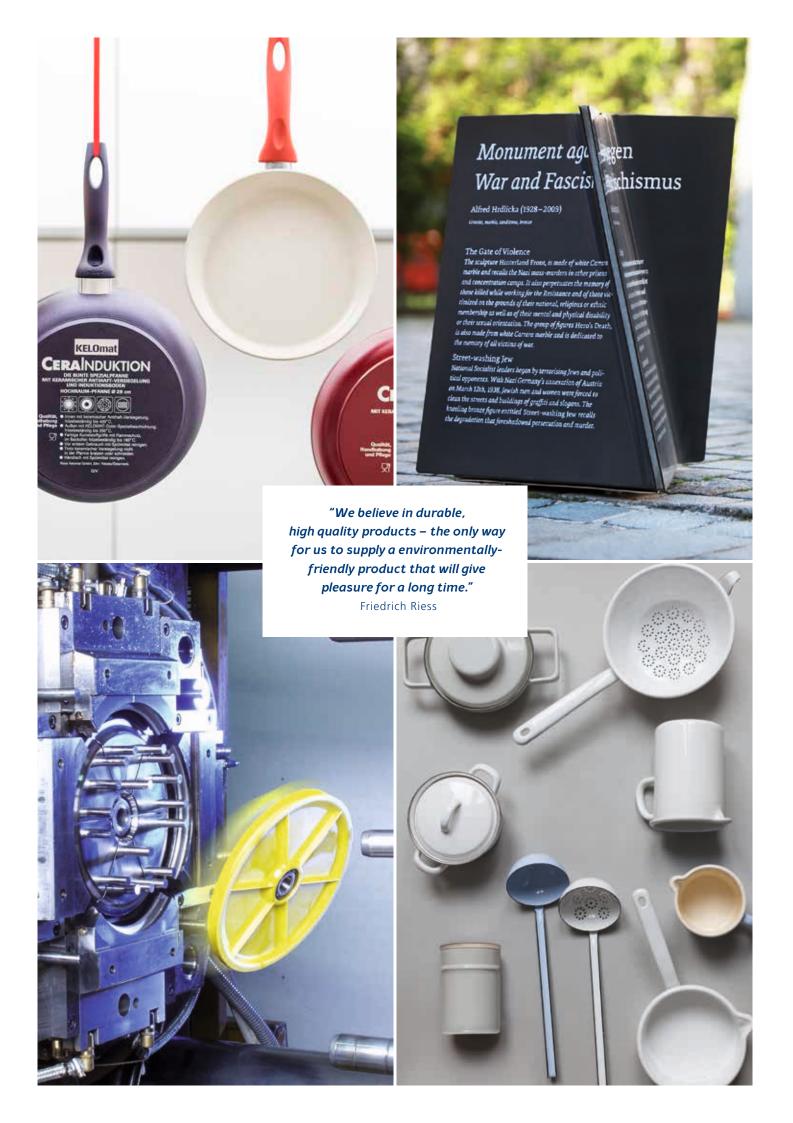
has been synonymous with premium quality, handmade porcelain enamel cookware from Austria, and for enamel signs and custom-made articles since 1922. Well trained employees and high quality raw materials ensure a premium finish and extreme durability.

All products meet the highest performance standards, and are certified by the European Enamel Authority and Green Brands.

THE KELOMAT BRAND

is the leading Austrian brand for high-quality stainless steel cookware and kitchen equipment. KELOMAT is known for its classic pressure cooker with safety valve, which enables speedy, energysaving, healthy steam cooking.

KELOMAT is known for a wide range of stainless steel pots and pans, with or without the KELOMAT quality, non-stick, scratch resistant-surface and a complete range of kitchen utensils.



SUSTAINABLE GROWTH

WE ARE INDEPENDENT AND BELIEVE IN TAKING THINGS ONE STEP AT A TIME

"Porcelain enamel is enjoying a renaissance, from which we are benefiting. We're pleased, but we won't let it make us arrogant."

Julian Riess

As far as RIESS KELOMAT is concerned, long-term success means organic growth and market focus.

Innovation is an important factor for growth, together with historic products. New ideas are jointly developped using regular feedback of customers, field staff and designers and subsequently launched on the market.

In the 2017 financial year the company sold approximately 814 000 sales units of enamel cooking ware, in 2013 the quantity of sales units sold had increased to 612 000. This means an average growth of the own production of 5,6 %.

A total of 61 % of annual turnover can be attributed to porcelain enamel products, 33 % to KELO-MAT cookware and 5 % to commercial goods and kitchen accessories. Germany is the most important export market, with the biggest increase. We export to a total of 35 countries.

In addition to Europe, the USA and, in recent years China, Korea and Australia, are important markets for enamel cookware.

GOAL ACHIEVED:

We raised the awareness of our brand as well as our POS presence in Austria and with our neighbours in Germany, Italy, Slovenia and Switzerland. And we steadily increased our export rate to 27.5 %, with new markets in Russia and China.

NEW GOAL:

Sustainable expansion of our exports of RIESS brand cookware with the help of new sales partnerships.

WE LISTEN TO OUR CUSTOMERS AND ADAPT TO THEIR NEEDS

"We have swum against the tide. Instead of optimizing our range, we have listened to our customers and banked on a diverse range. Our customers love it."

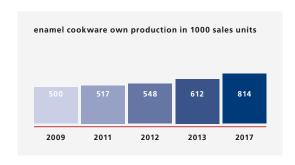
Friedrich Riess

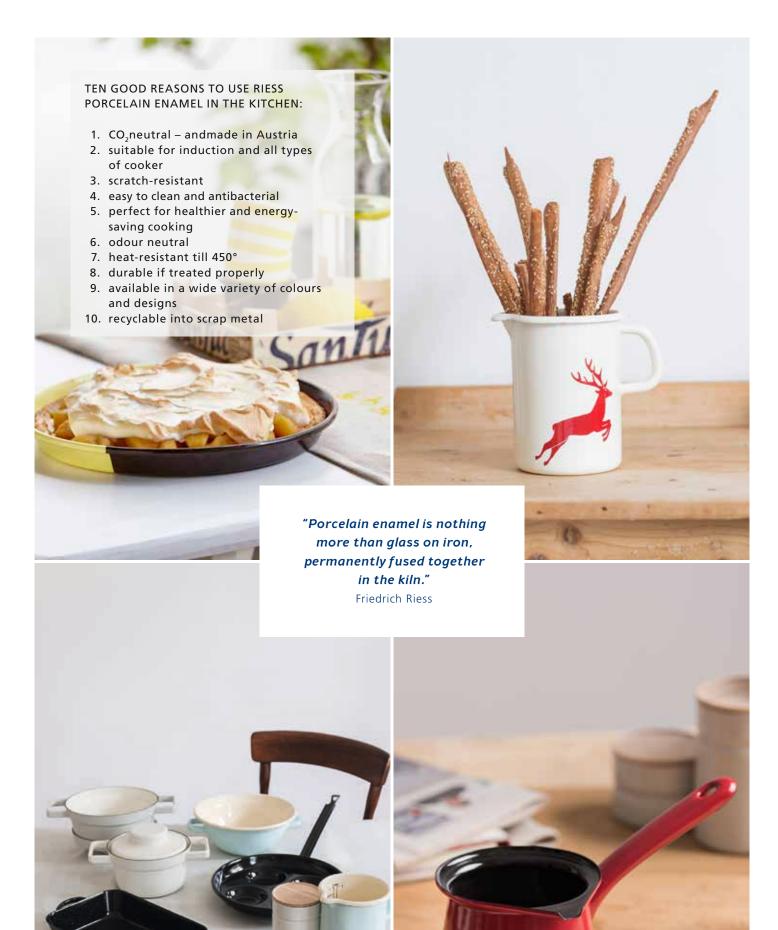
In addition to quality work, a high level of flexibility and speed of supply are declared corporate aims.

Approximately 600 moulds guarantee that we can respond very flexibly to customer requirements. We manufacture special, one-off requests in addition to small-scale production runs. All 1,000 products are available to customers ex stock.

Goods are put together per order and delivered "just in time". Depending on the quantity ordered, goods are dispatched either by parcel service, by freight forwarders or railway.

In our logistics process we aim to minimise staffing levels and wasted journeys thus saving working time and using energy and fuel in a "ressource-friendly" way.





ENVIRONMENT FRIENDLY PRODUCTION

WE NEED IRON, GLASS, WATER AND VERY LITTLE ELSE

"If new developments aren't in keeping with our sustainable working methods, we start to think out of the box."

Friedrich Riess

Technically speaking, porcelain enamel is the term for a composite material made from glass and iron. Glass is melted and anorganically fused with the metal substrate in the kiln.

Production in our maufacture doesn't generate any CO₂, because we use our own hydroelectric power plants. The entire value creation chain is geared to saving resources and is continually optimised; this is ensured by a proprietary environmental programme.

Iron: from rough sheet steel to saucepan

The rough, high-quality steel sheets are transported by rail from Voestalpine AG in Linz to the ABC Metal Centre in Mauthausen, Upper Austria. The raw material is temporarily stored here and cut to the required widths as necessary, before being rolled into coils. This optimises use of the sheet metal and minimises waste during cutting.

The coils are delivered to Ybbsitz via a regional forwarding agent, where they are cut into the basic shapes, the circles for pans and lids, or stamped and moulded direct into the desired shape using the deep drawing press. The pan rim is then moulded and the handles are mounted.

Only minimal offcuts are produced thanks to optimised sheet use, and these offcuts are returned to the raw materials cycle. As production uses the cold-forming technique (no heat), this saves energy and reduces the environmental impact.

The resulting blanks are degreased in an alkaline bath, so that the glass coating can perfectly fuse with the metal in the kiln. This is the final step before enamelling.

A deep drawing machine was upgraded in order to avoid the higher energy consumption of a new hydraulic model (see box). For this modification, the company received the HELIOS energy efficiency award 2014 from the Chamber of Commerce of Lower Austria in the category of "Mobility and Awareness Raising and other Actions".

After reducing the use of lye by 50 % by installing a new osmosis plant in 2013, the environment team at RIESS continues to work on further reducing detergent use. A further aim is to change over to complete use of electricity produced in the company's own hydro-electric power plants for this production step.

GOALS ACHIEVED:

Changing the degreasing baths over to an electric heating system (previously: carrier oil heater) allows the tanks to be heated with cleaner electric energy.

Ultrasonic technology has helped reduce the use of lye by almost 10 %.

Thanks to two new drying chambers, less energy is now needed to dry the degreased products.

Glass: a durable, natural surface

By individually tailoring the enamel dross's composition it is possible to produce almost any shade of colour. The glassy coating, called porcelain enamel, consists of glass, potash and metal oxides. The various raw materials are mixed and melted at temperatures of 1,000 °C to 1,200 °C in the kiln. The liquid enamel mass is then set and broken into flakes (granules) or frits. At the enamel factory the granules or frits are finely milled and combined with the pigments. Water is the only suspension medium used.

Porcelain enamel: two become one

Now it is time for the enamelling process. The iron moulds are coated inside and out with the enamel dross base, dried and fired in the kiln. When the temperature reaches around 850 °C, the iron moulds and the layer of glass fuse. They are then immersed in the chosen colour of enamel dross, dried and fired again in the kiln.

GOAL ACHIEVED:

The enamelling furnace was completely overhauled in 2017. Apart from increasing the furnace capacity by 20 %, this also resulted in greater energy efficiency and other benefits. The increase in waste heat means more residual heat is available for the drying furnace and improved interior climate in the production hall.

WE USE OUR RESOURCES CAREFULLY

"The company adheres to the basic principles of sustainable management out of fundamental conviction."

Anton Schörghofer, Safety Centre

Waste management

In line with the precautionary principle and sustainability, waste management is focused to avoiding harmful or adverse effects on humans, animals and plants, their source of live and their natural environment.

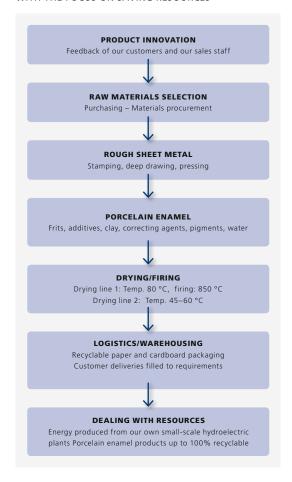
The waste management concept is not a one-off state recording with punctual measures, but the first link in a chain of improvements. All waste, including any iron and sheet steel offcuts, is collected separately and recycled by a licensed company.

Together with iron, enamel dross is one of the waste products from the production process. The enamel dross that is not used during production is collected, treated and the majority reused in the production process.

Contaminated porcelain enamel which cannot be treated is filtered, dried and then removed by an authorized waste management company.

The waste water is treated and recycled as part of the production process. The water required is recycled several times to save resources. New technologies

FROM PRODUCT IDEA TO FINISHED PRODUCT – WITH THE FOCUS ON SAVING RESOURCES



and modern automated spraying machines also help to optimise use of any remaining enamel dross and at the same time to cut CO₂ emissions.

Oils, acids and lye for degreasing the metal moulds are stored in barrels and plastic containers which are placed on containment trays. These are made from acid- and oil-resistant sheet steel and are sized according to the container on top of them. Hazardous substances are handled with care. We always take care to minimise hazardous substances as far as possible.

GOAL ACHIEVED:

Recovery of unmixed enamel for a higher proportion of recycled materials:

We optimised enamel application by equipping the machines which applies the enamel to the metal forms with new article-specific software. This also increased the amount of unmixed enamel we are able to recover and therefore the proportion of materials we can recycle.

Heat recovery

The kiln is the most energy-intensive stage in the production of porcelain enamel. Over the years we have developed a sophisticated system for optimum energy use.

Porcelain enamel is fired in what is known as the U-type furnace (240 KW). This means that fired forms exit and those waiting to be fired enter at the same time, to prevent excess heat loss. The heat generated during firing at 850 °C in the 240 kW kiln is used in three ways:

- To fire the porcelain enamel in the kiln at 850 °C
- To dry the goods in the drying kiln at between 45 and 80 °C (after the enamel dross has been applied)
- To heat the production hall.

To exploit this plant's maximum output, it is operated on a shift rota as part of an optimised working time model.

SHIFT 1: The products to be fired are dried in the firing kiln (temperature approx. 80 °C) and then fired. The excess heat from the firing kiln is used to heat the drying kiln.

SHIFT 2: Any exhaust gases from the drying kiln during Shift 1 are now used for the second, slower drying line. During this drying process the goods are suspended just below the production hall roof on conveyor belts and dried with the exhaust gases from the drying kiln. Depending on the time of year the temperature beneath the roof is 45-60 °C.

GOAL ACHIEVED:

Thanks to improved heat recovery, we have saved 27.64 tons of CO_2 per year since 2013.

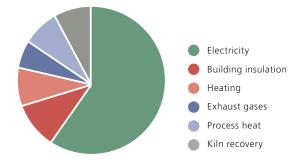
The overhaul of the furnace helped to further improve the climate inside the production hall, as the insulation was optimised and the exhaust air is now guided directly to the drying furnace.

FOLLOWING APPLICATION OF THE ENAMEL, THE PRODUCTS ARE DRIED IN THE VERY WARM AIR UNDER THE ROOF.



RIESS KELOMAT GMBH ENERGY PIE CHART

New electricity consumption and heat recovery





WE BORROW WATER AND USE IT CAREFULLY

"Water helps us produce electricity and our goods without harming the environment. Safeguarding this resource for future generations is a matter of course for us. " Friedrich Riess

Water - for CO,-neutral production

At RIESS KELOMAT GmbH, water is mostly used to generate electricity. This ensures carbon-neutral production of enamel cookware, industrial components and signs.

Between 1926 and 1935, the grandfathers of the current owners of the company built three hydroelectric power plants at the site in Ybbsitz, which were placed along the big and the small branch of the river Ybbs. They replaced the old coal-fired furnaces, which burdened the environment with their soot and exhaust emissions, with emission-free electric enamelling furnaces. This immediately made them independent of non-sustainable fossil fuels. As a further benefit, the energy generated in the hydro-electric power plants is renewable and almost CO₃-free.



GOALS ACHIEVED:

In order to secure power supply from the company's own power plants for the future, an additional power plant, Gaissulz, was built in 2016 with a maximum capacity of 1,193 KWh. It was built on the dam of an already existing power plant at the "Grosse Ybbs" – which again was an environmentally-friendly solution.

The overhead lines from the power plant to the production building were replaced by new 20 kVA underground cables which reduce power losses in transmission by 8 %.

NEW GOAL:

Renovating the small power plant at the "kleine Ybbs" inside the company building in order to boost its efficiency by 10 %.

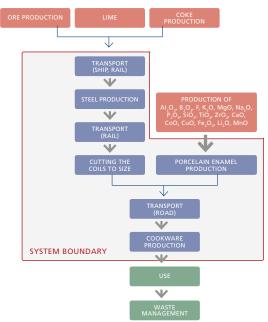
In 2014, we commissioned The Wiener Neustadt University of Applied Sciences, campus Wieselburg, to investigate the impact of using hydropower generated on site on the carbon footprint of our production.

This study was designed according to the ISO 14044 standard. Both the emissions and the environmental impact caused by transporting the base materials, producing the enamel and steel and creating the finished product were analysed. The steps in the pre-production chain outside the defined system boundary were not considered, as there was no sufficiently reliable data available.

The following three points were found to be most significant for carbon-neutral production at the Ybbsitz site:

- 1. The surplus green power generated in the hydroelectric power plants fed into the public grid
- 2. The small amount of waste water (23 % of the input)
- 3. The high portion of metal recycled (35% of the input)

MINING OF ORE, LIME AND COKE PRODUCTION





INFORMATION – technical data on the new power plant building and turbine

PROJECT

Due to the location, the construction of the power plant was quite complicated and required a total investment of four million euros. After a one-year construction period and a test period of one month, the power plant was put into full operation in September 2016.

REGIONAL PARTNERS

ZT-Fritsch Gmbh (planning), 4400 Steyr • Gebrüder Haider & CO (civil engineering), 8607 Kapfenberg • Gebrüder Haider Bauunternehmung GmbH (construction), 4463 Großraming • Kössler GmbH & Co KG, Wasserkraftanlagen (hydro-electric power plant), 3151 St. Georgen am Steinfeld • Schubert Elektroanlagen Gesellschaft m.b.H (electrical installations). A-3200 Ober-Grafendorf • Energiebüro Hörhann GmbH (energy consulting), 3264 Reinsberg • Bruckner Maschinenbau GmbH (mechanical engineering), 4551 Ried im Traunkreis • IBGF Ingenieurbüro für Gewässerökologie und Fischerei (river ecology and fishery consulting) • Mag. Christian Mitterlehner (river ecology and fishery consulting), 3350 Stadt Haag • Ewald Leichtfried GmbH & Co KG - Dachdeckerei & Spenglerei (roofing and plumbing), 3340 Waidhofen/Ybbs • Polybau Fenster GmbH & CoKG (windows), 3300 Amstetten • Dr.W.Daxinger u. Di.R.Miedler (surveying), 3340 Waidhofen an der Ybbs • EHF Maulwurftechnik (earth work), 3341 Ybbsitz • Ing. Klaus Schneider GmbH (crane systems), 1230 Wien • Thomas Tazreiter (assembly), 3341 Ybbsitz • Friedrich Bresenhuber (machine enclosures), 4550 Kremsmünster • Netz EVN Niederösterreich GmbH (grid operator), 2345 Maria Enzersdorf • Bridge Corporate Finance GmbH (financing), 40630 Hörsching • Wüsterstrom Elektroinstallationen GmbH (electrical installations), 3370 Ybbs • Expert Oberklammer (electrical equipment), 3340 Waidhofen an der Ybbs • Pichler Anton GesmbH (construction), 3341 Ybbsitz

EXCAVATION OF THE CONSTRUCTION PIT

6,800 m³ of ground excavated, 2,200 m³ of which were solid rock, 6,800 m³ used for the embankment of the flood dam, 2,350 m³ of concrete, 205 tons of mild steel, 5,100 m² of formwork, 1,000 m³ of natural stone walls built for hydraulic engineering, 500 m² of excavation support.

TURBINE

Vertical Kaplan turbine with double regulation, designed with a directly coupled medium-voltage generator for possible island mode operation. The guide vanes and fan blades can be adjusted to handle different flow rates depending on the varying levels of the river Ybbs. This makes for efficiency of up to 94 %. For comparison, the efficiency of a diesel engine is 45 %.

The maximum capacity is 1,193 kW/h at a speed of 250 rpm. The capacity at the maximum flow rate of $27 \text{ m}^3/\text{s}$ and 1,860 KW is 1,150 KW.

CAPACITY OF THE POWER PLANTS

The combined capacity including the new power plant is now over 1,970 kWh, which is 2.5 times more than the capacity previously available. At an average flow rate of 27 m³ of water per second, this means approximately 9.2 million KWh of energy generated per year. Using this sustainable and green power saves more than 11,327 tons of $\rm CO_2$ and 8,826 kg of sulphur oxide and dioxide.

SAVINGS IN CO.

Approximately 2/3 of the produced electricity is delivered to the public power grid, which is the capacity needed to supply approximately 2,000 households with power, and at the same time it saves 4,200 tons of CO₂ per year.

NEW LINES

At the same time, two new transformer substations (Weyretsau and Ybbsitz factory) were built and the cables laid underground in order to avoid power losses and reduce the risk of damage (e.g. blackouts or cable damage caused by falling trees).





Water - habitat for fish and small animals

In order to ensure that fish could reach their spawning areas, the grandfathers of the current owners already installed a fish ladder on their own initiative when they built the power plants at the "Große Ybbs" in the 1920s and 30s.

Since 2005 there has been an improved fish ladder at the "Kleine Ybbs", with 15 natural-looking pools measuring two to four metres in diameter and up to one metre in depth.

As part of the construction of the new power plant, a new fishway was installed in 2016, which in practice means an energy loss of approximately 200,000 Kw/year (400 litres/second). Due to the limited space available the construction proved to be complicated and challenging, so that an investment of almost one million euros was needed.

GOAL ACHIEVED:

A 200 m long vertical-slot fishway with a 3 m x $2 \text{ m} \times 1.2 \text{ m}$ tank was installed which is suitable for Danube salmon. A total of 58 slots allow the fish to overcome a height difference of 8.6 m over a distance of 167 m. The required design flow rate for the fishway is 400 l/s.

Water - for cooling and rinsing

Water for the plant comes from our springs and aquifers. The water is primarily used as a coolant and for rinsing and is used several times. Cooling uses most of the water. The company adopted a sustainable water conservation concept very early on, which has resulted in water savings of 90% since 1976.

RIESS KELOMAT's waste water statistics for production are far below the official maximum limits. By integrating a water treatment plant in 2001, we further reduced volumes of waste water. The waste water is filtered and recycled as rinsing water. In 2003 the company was awarded the province of Lower Austria's water conservation prize for its activities in this field.

GOAL ACHIEVED:

In 2013, six new water meters were installed in order to permanently control water use and avoid unnecessary consumption. This concludes the optimisation in this area.

INFORMATION - the importance of fishways



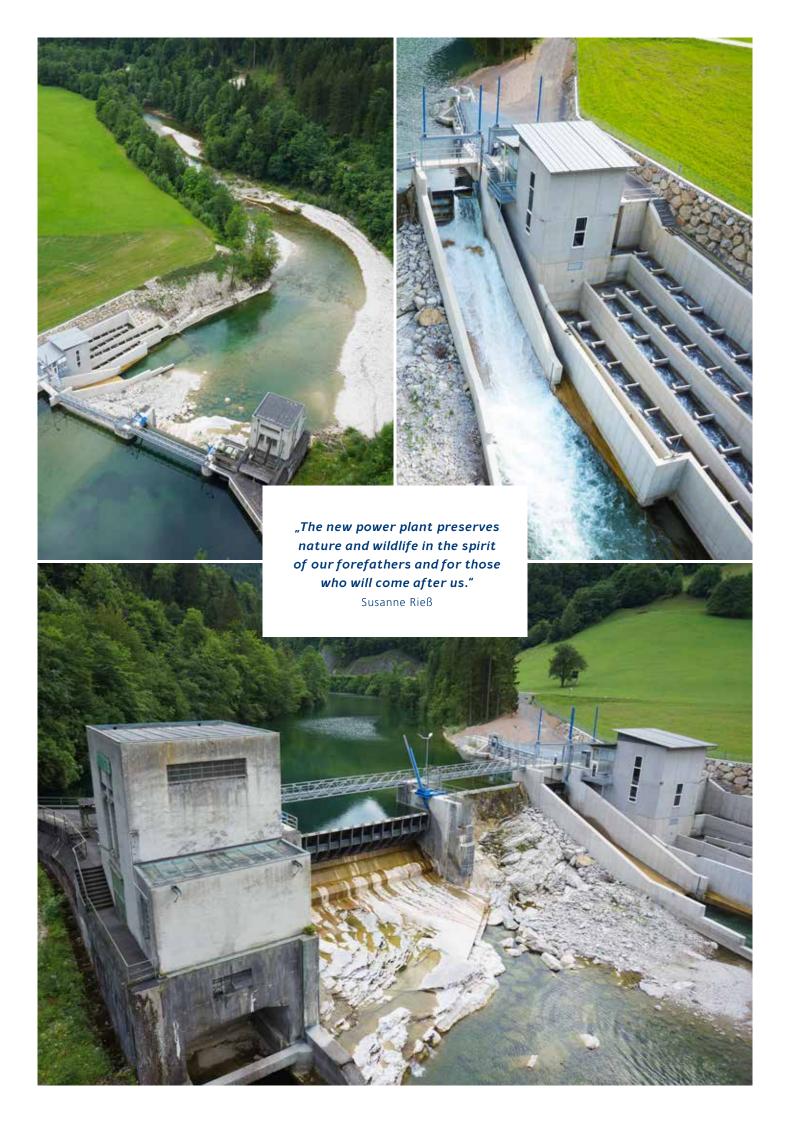
The fish ladder at the "Kleine Ybbs"

Fish often migrate over many kilometres in natural bodies of water in order to reach suitable spawning grounds or habitats. If they are confronted with impassable barriers, individual fish species or whole communities of fish might disappear as a consequence.

The river Ybbs is in fact located in the grayling zone. The main species in this zone are grayling, brown trout and bullhead. Other typical companion species are burbot, chub, barbel, minnow, Danube salmon and nase. According to the EU water framework directive, the species which should determine the dimensions of the fishway is the Danube salmon, with a length of 80 cm.



The new fishway at the at the "Große Ybbs"



PRODUCT SUSTAINABILITY PROFILE

WE ARE CONVINCED THAT PORCELAIN ENAMEL IS A SUSTAINABLE MATERIAL

"We are not only proud of our product quality, but above all that we manufacture in harmony with nature." Friedrich Riess

Multiple favourable properties

Porcelain enamel combines the favourable properties ofmetal with those of glass. It is not only used for household items, but also in the engineering and construction fields. Enamelled surfaces exhibit the abrasion-resistance that is typical of glass and are extremely durable, abrasion-, corrosion-, weathering and heat-resistant.

Further to these properties, porcelain enamel is antibacterial, flavour preserving and suitable for people with Nickel allergy. The surfaces stay smooth and retain their bright colours even after many years of use. Riess's high-quality porcelain enamel products comply with applicable European standards with regard to their resistance to acids and alkalis.

Thanks to its excellent heat transfer and retention properties, using enamel cookware requires less cooking energy. Because of their iron core, enamel pots and pans also work on modern induction hobs. In order to support consumers and our staff at the points of sale as much as possible, the products are submitted to ongoing tests.

GOAL ACHIEVED:

In 2016, the existing test laboratory was improved and equipped with new induction hobs.



As little – recyclable – packaging as possible

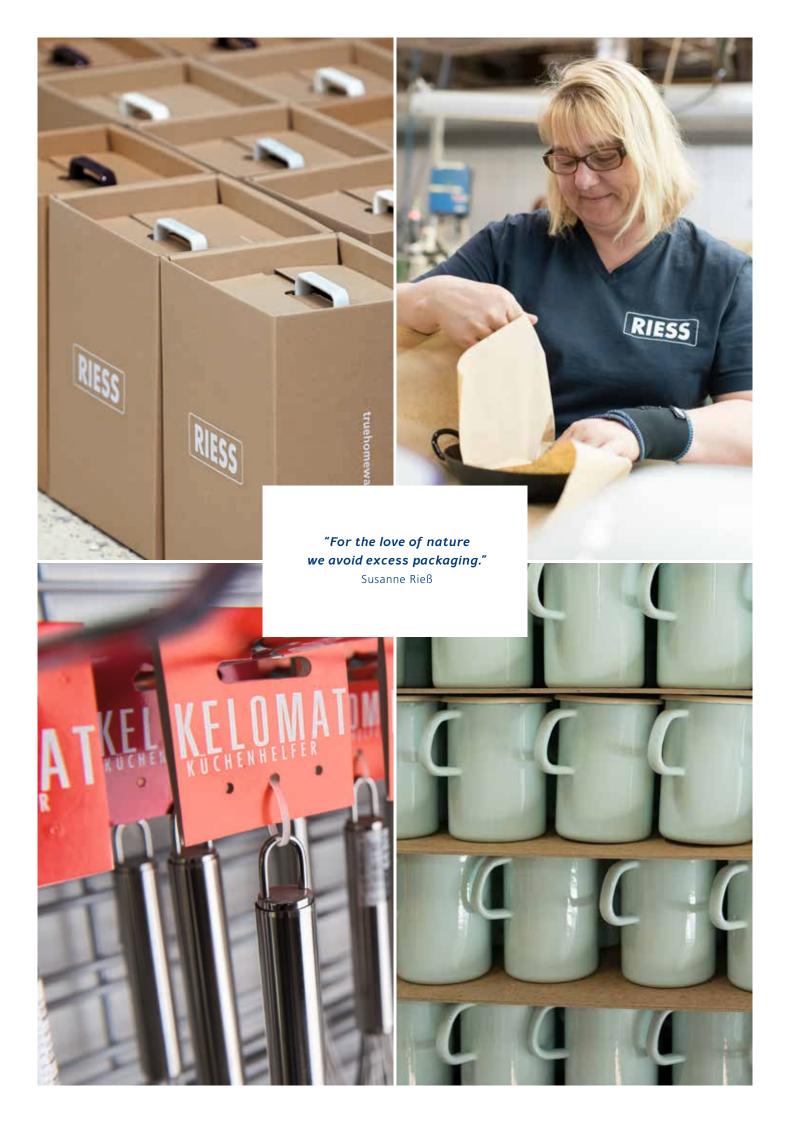
We also minimise use of resources where packaging is concerned. We exclusively use fully recyclable paper and cardboard. A high proportion of products are purposefully supplied without surrounding cardboard. The majority are simply wrapped in tissue paper to protect against dust. The only exceptions are large products such as sets of saucepans and large baking and roasting tins. Like KELOMAT saucepans and pans, these are packed in cardboard, but we still take care to use materials carefully.

We use large, second-hand boxes from a partner firm to ship the goods. The packing we use to protect the goods from damage comes from shredded old packaging and is 100% recyclable. Any leftover cardboard we can't use is sent to a local firm, to ensure a packaging cycle that is as smooth and continuous as possible.

In 2011 the company was awarded the "Embalissimo" packaging prize for Aromapot packaging. The Austrian Packaging Association considered the product presentation for KELOMAT kitchen utensils, using a hanging tab, to be an exemplary packaging solution and conferred on it the "Vorbildliche Verpackung 2012" award.

Easily recyclable end product

Porcelain enamel products are easy and cheap to recycle. Used products are returned to the materials cycle via the metal recycling system. The metal in the products can be almost infinitely recycled. Porcelain enamel does not contain chlorine and is inflammable, which is why the production process and recycling do not release toxic emissions. During the melting process porcelain enamel helps to form the necessary slag in the furnace.



WE ARE HAPPY TO PASS ON OUR KNOWL-EDGE OF PORCELAIN ENAMEL

"We frequently realise that with the knowledge about the material, consumer can take even more advantage of their kitchenware."

Friedrich Riess

Many people still know very little about porcelain enamel as a material. We use many different ways to inform customers and interested parties about porcelain enamel, how to clean and care for it, and how to cook safely, properly and healthily when using it. With every item purchased, consumers receive detailed information about porcelain enamel and instructions on how to use it safely. It is very easy for customers to contact the company with questions and complaints. The company also provides information via the Internet, in the press and publications, and through PR.

GOALS ACHIEVED:

Improved KELOMAT website

Conversion of the KELOMAT brand page to responsive design.

Videos

Learning videos about enamel as a material and about energy-saving use of enamel pans ("The 5 golden pan rules").

Information material

Our publication "The pan manual" (only available in German as "Pfannenfibel") is available at the POS in order to provide customer information about energy-saving use of enamel pans and healthy cooking.

The "World of learning" (available in German as "Lernwelt") was developed as a training and reference book for better customer service at the POS.

Customer dialogue

Uncomplicated customer contact through more presence on the social media platforms facebook and instagram.

Guided tours

RIESS offers guided tours of the traditional enamel manufacture. The production facilities are accessible and we are a partner of the German Red Cross in their "assisted travel" scheme.

NEW GOALS:

Conversion of the www.riess.at website to responsive web design.

Production of more learning videos for easy outreach via our website, in training courses and through social media platforms.

WE BELIEVE IN THE POWER OF GOOD DESIGN

"Good design lasts; many of our product designs are successful in the market since decades."

Julian Riess

Artists and designers value porcelain enamel as a material, the high-quality production and the company's receptiveness to experimental work.

Long tradition of design

In the 1960s and 70s Carl Auböck, the father of Austrian industrial design, designed striped, bellied pots in porcelain enamel.

In 2003 leading British designer Tom Dixon developed his "multifunctional enamel living surfaces" (enamelled seating units) in Ybbsitz. Californian pop artist Mel Ramos published a new, limited edition of his famous series of "Pin-Ups" enamel signs.

VIENNA DESIGNWEEK has several times chosen RIESS as a partner firm. Viennese design duo "Polka" developed "Polka Pots", pots with far too many handles, which are reminiscent of fantastic animals

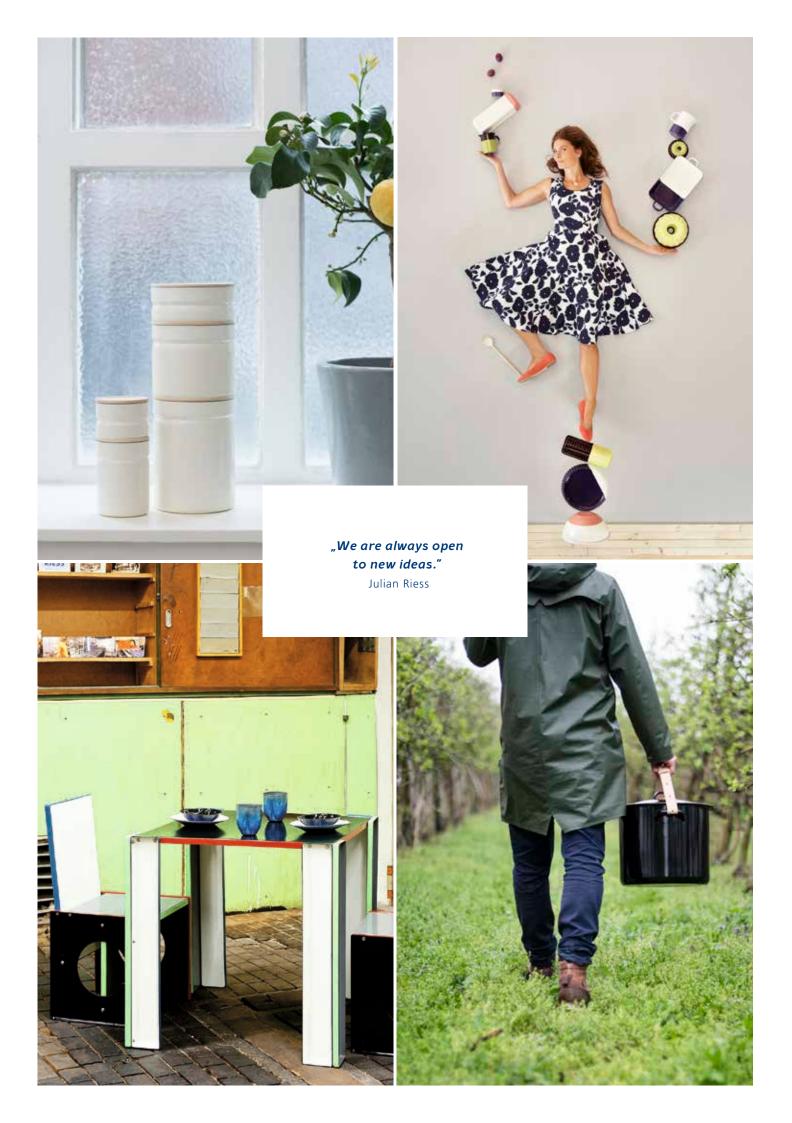
In 2013 British designer Oscar Wanless worked in Ybbsitz. By experimenting with different and intrinsically "wrong" positive and negative shapes in the metal pressing machine, he created objects and containers with almost textile-like qualities - metal frills and flounces. Garden furniture emerged from the moulds for signs.

Current product design

"Democratic pan design – beautiful, functional-cookware for every home." Since 2008 Viennese designers Dottings, founded by Sofia Podreka and Katrin Radanitsch, have designed three product lines under the RIESS "truehomeware" brand. A series of two-tone bakeware was produced in 2013 in cooperation with star chef Sarah Wiener.

GOALS ACHIEVED:

More successful projects with the dottings design company, such as the Kitchen Management Maxi project and the giants and dwarfs project with the giant pot carrier (a leather belt for transporting large pots).



WHAT WE DO IS DETERMINED BY OUR FOCUS ON PEOPLE

"Throughout our business's history we have never paid mere lip service to social commitment and a work-life balance."

Susanne Rieß

Company housing

The houses date from the 1930s, when the company experienced a sharp decline in production due to the economic crisis. In order to avoid making employees redundant, RIESS had its employees construct 15 houses, divided into a total of 30 flats, on a nearby plot of land. Employees lived free of charge in the flats and were able to grow vegetables in the gardens.

Eleven of the original 15 houses still exist. Nowadays these flats are let to employees on reasonable terms. The apartments can be occupied until the employees have built or purchased their own homes.

Family-friendly working hours

At the request of employees, RIESS KELOMAT GmbH switched from standard working hours to shifts. The majority of employees work in the early shift, which allows for an excellent work-family-life balance.

Accessibility of the workplace

Over three quarters of our staff live in the neighbouring communities of Ybbsitz, Waidhofen/Ybbs and Opponitz and some of them also manage a farm as a second source of income, so they appreciate our flexible working hours. Since the public transport connection to the site is not ideal, most travel to work in their own cars.

GOAL ACHIEVED:

For this reason, 20 new parking spaces were created in order to make it easier for our staff to get to work guickly.

Safety and healthcare

"RIESS KELOMAT is one of the safest places I have ever worked."

Ing. Anton Schörghofer, engineer, Safety Centre

Safety is paramount at RIESS KELOMAT GmbH. The workforce receives regular training on the latest safety regulations relating to handling acids and alkalis or operating machinery. The safety of all plant and equipment is regularly checked by a works safety committee.

RIESS KELOMAT quickly and reliably rectifies any defects that occur. The safety centre's safety officers help the company to remove causes of potential accidents. The company has low accident statistics. The company has several, well-trained first aiders ready to provide a rapid response in the event of injuries.

We invest continuously in employee safety, to reduce noise and dust pollution and provide optimum lighting at workstations. There is a works doctor whom employees can consult at Mödling occupational health centre, a modern centre for occupational health and safety at work.

GOALS ACHIEVED:

New social room and accessible sanitary facilities.

Audit of mental stress.

An idea box for improvements already yielded two successfully implemented actions in its first year.

Improved working conditions thanks to a new heating and a canopy at the warehouse as well as height-adjustable working tables.

Second tilting lift in the welding shop for more ergonomic working positions.



Communal activities

The company, in conjunction with the Works Council, also makes a commitment to fostering a community spirit amongst employees: • Midsummer bonfire • Christmas party • Works outings

- Hiking day Employees' football tournament
- Apple campaign in autumn/Tea for all employees in winter

WE PUT HEART AND SOUL INTO EVERY ITEM WE MANUFACTURE

"There are lots of stages to all our products. In order to be perfect every piece not only requires enormous expertise, but also love of craftsmanship." Julian Riess

Apprenticeships - learning on the job

For generations we have attached great importance to thoroughly training employees in metalworking, special enamelling and plastics processing techniques, as well as machine tool and fixtures construction. We are proud that every year we successfully train several apprentices, often in dual apprenticeships.

They can learn trades such as screen printing, plant electrician and mechanical engineer. Many apprentices (dual electrical and mechanical engineering apprenticeship) go on to study for a Master of Science degree.

NEW GOAL:

Foreman's office for training apprentices in 3D drawing.

Continuing professional development

"We need generalists, not specialists.

Qualified apprentices and employees must have a wide range of specialist knowledge."

Friedrich Riess

Every employee can choose from 80 different training and CPD courses every year. This promotes employees' long-term loyalty and personal development and ensures success in the market as a result of premium product quality. There are courses on the latest IT topics and various modules in the fields of hydraulics, electrical and plastics engineering, languages and organisation management, so employees can enhance their qualifications.

We also offer personal and health education seminars in addition to the technical CPD courses. Two to three employees per year also take the enamelling course at Iserlohn University of Applied Sciences in Germany. CPD also encompasses the Zukunftsakademie Mostviertel (Project IQ Net) for training in the subject of intelligent materials.

GOAL ACHIEVED

The number of training courses was increased from 11 to 16 in the period from 2016 to 2017.

NEW GOAL:

Continuing to promote the development of leadership skills within the workforce through training and attendance at industry conferences.

Promoting team spirit

"In addition to the skills of a craftsman, we also place great emphasis on responsibility and team spirit." Susanne Rieß

The company participated in the generation mentoring scheme by WIP = Wirtschaftsantrieb am Punkt, an independent association of SMEs in Lower Austria which represents SME interests, a CPD programme for management, specialists and employees. The model, which is based on a system of inhouse mentors, is supposed to dispel prejudice and generate positive synergy from interaction between the generations.

Prospective new employees have an opportunity to familiarise themselves with the business during a taster week. If they are taken on they are offered a comprehensive training programme. Each company department regularly organises cross-departmental guided tours, with a brief period of training. "This way everyone is familiar with and understands the-procedures and connections between work processes. It makes communication on a daily basis easier and promotes improved mutual understanding", is how Robert Huber, head of goods management, explains the programme.



WE LOOK FOR PARTNERS WHO THINK AS WE DO

"RIESS KELOMAT is an important partner for our association. The company impresses with a high level of environmental awareness over its entire production chain, from energy generation to actual production. It also complies with the strict EU directives on food safety and subjects itself to quality control in cookware enamelling by the European Enamel Authority (EEA) in order to offer a healthy and durable product to the consumer." Heinz Binder, Austrian enamel association

To produce the desired, high quality products, the company sets standards for purchasing of raw materials and its commercial goods. All RIESS KELO-MAT's suppliers are urged to sign the BSCI Code of Conduct 2009 (BSCI = Business Social Compliance Initiative). www.bsci-intl.org

Quality takes top priority when choosing suppliers, followed by supply capability and price. We also place emphasis on strengthening the Austrian economy and short transport distances.

The rough sheet metal is purchased exclusively from Voest Alpine AG in Linz. We consider short transport distances when selecting suppliers for the raw materials for porcelain enamel. The raw materials for porcelain enamel come from Germany, Belgium, the Netherlands and Italy.

WE WANT TO MAKE A CHANGE

"As a company we should actively shape our environment." Friedrich Riess

Friedrich Riess is actively involved in various working parties, in the trade association (medium-sized business initiative), in the Austrian Enamel Association (Österreichischer Email Verband - ÖEV), the Wirtschaftsantrieb am Punkt (WIP) initiative and the European Enamel Authorithy,

where in addition to addressing the topic of sustainability he also represents the interests of proprietor-run medium-sized companies.

Well-trained employees are the lifeblood of a healthy economy and the backbone of the company. We are therefore dedicated to investing time and money in training young people and committing ourselves to regional development projects.

GOAL ACHIEVED:

Cooperation with initiatives for healthy eating and sustainable food production as well as cooking and integration.

NEW GOAL:

Cooperation with Krems University of Applied Sciences.

WE HAVE BEEN IN THE AREA SINCE 1550 AND ARE DEEPLY ROOTED HERE

"I particularly value the fact that despite globalization and pricing competition, RIESS KELOMAT has never questioned its location at Ybbsitz." Josef Hofmarcher, mayor of Ybbsitz

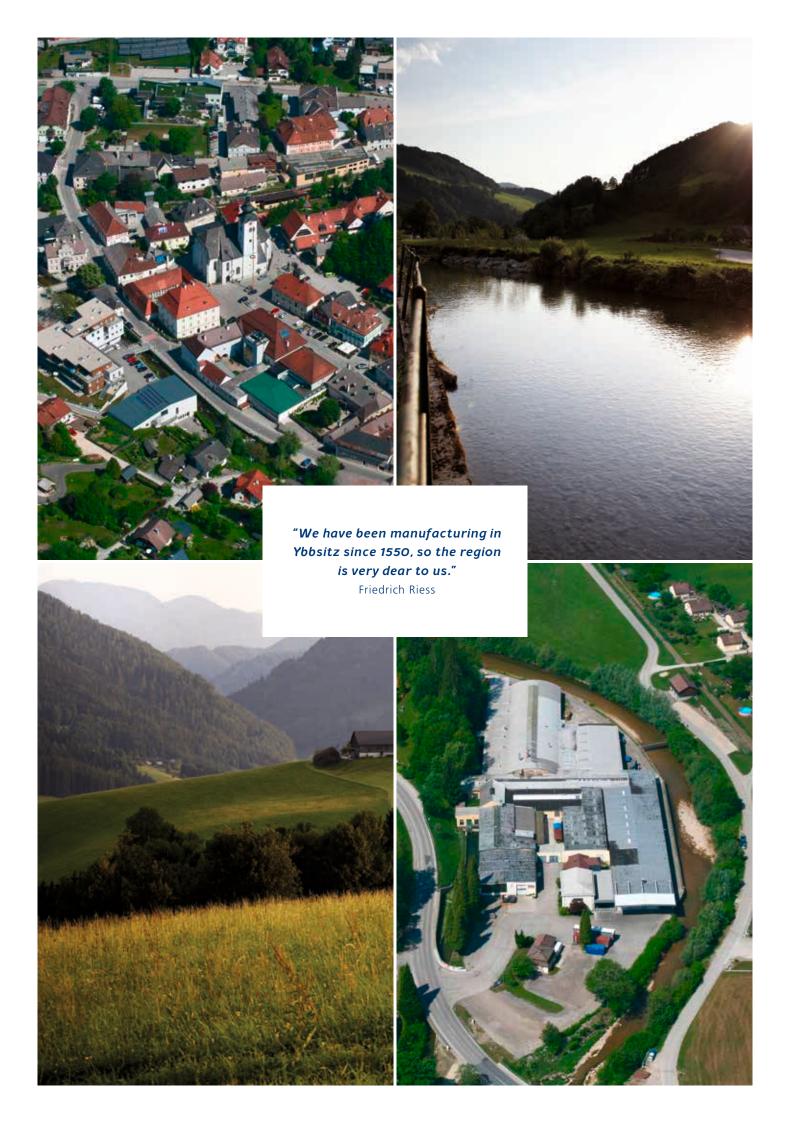
The firm is an old-established business in the market town of Ybbsitz. With a workforce of more than 100, RIESS KELOMAT is an important employer in the region. Up to 48%? of employees are drawn from the local community.

The company supports a wealth of social, sporting and cultural activities in the town, such as the Health Day in Ybbsitz, various clubs (Amstetten district teachers' choir, voluntary fire service) and cultural events (various balls and concerts in the region). The works site and production hall are regularly used for voluntary fire service exercises. There are numerous cooperations with cultural events which use the traditional production hall as a venue.

GOALS ACHIEVED:

Installing a vehicle charging station on the premises which is accessible to the general public.

Continued support for regional cultural initiatives by opening the factory hall for concerts as part of the Klangraum Waidhofen/Ybbs festival.



COMPANY HISTORY

- **1350** Existence of the house and estate "sup eben apud tanzstatt" first documented.
- **1550** Establishment of a hammer mill. Production of simple iron pans and cauldrons. Iron smelted into bars for making tools.
- **1616** Company coat of arms by conferred by the Holy Roman Emperor Matthias.
- **1690** The Riess family took ownership of the business.
- **1801** Johann Riess from the iron-working town of Steyr married into the "Tanzstatt firm with the hammers". The pan hammer mill which the Riess family owned in Steyr was sold a year later to the Werndl family and was to become the present-day Steyr Werke, part of BMW.
- **1890** Conversion from a smithy to a metal drawing and forming business. Water wheels give way to modern turbines and new sheet metal-processing machines replace the pan hammers.
- **1914** Business handed down to the seventh generation, brothers Julian, Leopold and Josef.
- **1922** Production of enamel kitchenware commences under the quality RIESS ENAMEL brand. Construction of a glass kiln for making porcelain enamel.
- **1926–1935** Construction of three hydroelectric plants along the Kleiner and Großer Ybbs rivers. Coal-fired kilns replaced with electric enamelling kilns to make the company energy-independent and improve quality through electro-enamelling.
- **1939–1945** Second World War. Manufacture of field crockery and/or shutdown.
- **1951** Handover to the eighth generation Friedrich, Julian and Leopold.
- **1954** Erection of a U-shaped furnace. Expansion of machinery to include production of raw materials. Start of production of cookware suitable for electric cookers.

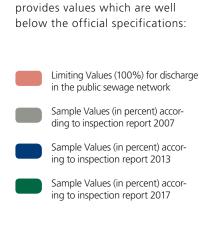
- **1965–1975** Manufacture of aluminium ware for commercial kitchens. Company buildings newly built or refurbished. Production of stainless steel goods.
- **1983** The Austrian coat of arms is conferred on RIESS.
- **1988** Production of high-quality enamel signs commences.
- 1995 Start of sales in Germany with own sales force.
- **2000** Handover to the ninth generation cousins Julian, Friedrich and Susanne.
- **2001** Takeover of Austrian brand KELOMAT RIESS KELOMAT is the only cookware manufacturer and supplier from Austria.
- **2005** Expansion of exports to Europe and overseas to what is currently 35 countries around the world.
- 2008 First sustainability report.
- **2009/2010** Introduction of "truehomeware" premium range (designed by Dottings) with "Aromapots" and "kitchenmanagement". KELOMAT range expanded.
- **2012** Introduction of RIESS EDITION Sarah Wiener (designed by Dottings) in cooperation with celebrity chef Sarah Wiener. Friedrich Riess is awarded Entrepreneur of the Year 2012 by the Austrian Trade Association.
- **2013-2019** Green Brand certificate for the company and the RIESS brand, which has been renewed twice and is now valid until 2019.
- **2015** Trigos Lower Austria award and nomination for the national TRIGOS award.
- **2016** Construction of a modern fishway and a further power plant at the Große Ybbs. Launch of the dwarfs and giants project.
- **2017** Certification according to ISO 9001:2015 for the development and implementation of an effective quality management system for the production of industrial components, and distinction with the Austria quality label.



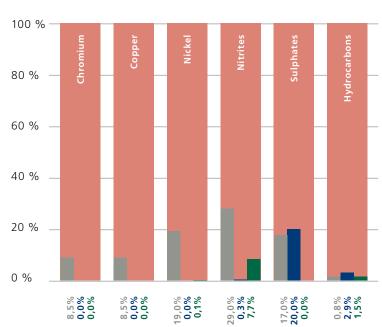




REFERENCE FIGURES Numbers of employees Gross heated surface area (m²) Quantity produced (1000 of sales parts)	86 6.675 500	121 6.675	132
Gross heated surface area (m²)	6.675	6.675	
			C C7F
Quantity produced (1000 of sales parts)	500		6.675
		612	814
ENERGY CONSUMPTION			
Fuel oil (I)	24.300	20.220	30.810
Electricity (kWh)	3.529.690	2.984.910	2.438.670
Diesel (for emergency generator) (I)	1.350	1.395	750
Diesel (vehicle firms) (I)	8.180	6.675	6.221
Km travelled Representatives	258.300	236.556	259.903
MATERIAL CONSUMPTION (T)			
Steel	464	692	875
Enamel	87	91	156
Packaging material	131	111	132
Plastic	35	34	26
SHARE OF WASTE			
Waste paper (m ³)	86	86	86
Industrial resources (t)	32	14	18
Acids and based before degreasing (t)	63	56	101
Enamel dross (t)	49	50	55
WATER CONSUMPTION **		2.810 m ³	5.300 m ³
WASTE WATER (PRODUCTION) *	870 m³	1.688 m³	1.857 m³
ELECTRICITY FROM OWN PRODUCTION (KWH)			
Water power	6.723.975 kW	6.679.374 kW	10.105.989 kW
Emergency generator	2.800 kW	1.700 kW	1.056 kW
RECYCLING MATERIAL (T)			
Cardboard recycling	12	12	47
Metal recycling	160	223	262



The annual sample investigation



^{*} Change from one to two shift production
** Measured value at the mountain spring pipeline, monthly meter reading

KEY EMPLOYEE FIGURES	2009	2013	2017
Total number	86	121 ।	132
Permanent stuff	71	83	111
Leasing workers	15	13	21
WORKING RELATIONSHIP		15	
Workers	60	96	108
Employees	23	23	21
Apprentices	3	2	3
SEX		_	
Female	47	74	79
Male	29	47	53
AGE	25	17	
Under 24 years	12	20	14
25–34 years	16	20	21
35–45 years	26	23	21
46–54 years	23	41	37
Over 55 years	9	22	19
EDUCATION	3	22	19
School leaving examination	6	8	3
Specialist leaving certificate	12	14	15
Master's	4	4	6
Apprenticeship graduation	34	38	41
Other	30	57	55
PERIOD WITHIN THE FIRM	30	37	33
Less than 4 years	24	63	43
5 - 10 years	21	27	32
11 - 20 years	15	9	11
21 -30 years	17	15	10
Over 31 years	9	12	16
·			11,1 years
Average length of time within the firm SAFETY	15,6 years	10,5 years	II,I years
Average time lost due to illness per MA	7 days	14 days	14 days
Industrial accidents	7 days	14 days	14 days
		10	
Average time lost due to reportable accidents (>3 days) FLUCTUATION OF EMPLOYEES	0,5	10	16
Arrivals	16	6	10
		3	
Departures Paties manta	3 2	2	11
Retirements			8,3 % ***
Fluctuation	6,9 %	4,1 %	8,3 % ^^^
VOLUNTARY SERVICES	140	F2F	200
Further training costs per employee (euros)	140	525	369.–
Canteen*	no	no	no
Company apartements / houses	yes	yes	yes
Commuter support		yes	yes
Car sharing, company buses	no	no	no
Childcare within the firm *	no	no	no
Seminars on personality development,			
nutrition and health **	25	26	30

^{*} because of the working hours model, it was not neces-sary to provide a canteen and a company childcare facility. See also Page 24 "Family-friendly working hours"

^{**} Health and nutrition seminars provided. the cost of these seminars is divided as follows: 1/3 works council, 1/3 firm, 1/3 employees.

^{***} Fluctuation of in-house staff 1.1 %



GREEN BRANDS QUALITY LABEL

GREEN BRANDS is an independent international brand marketing organisation which provides certification in cooperation with independent institutions and companies in the fields of climate and environmental protection as well as sustainability, also working together with market research and opinion polling institutes. In 2013, RIESS KELOMAT received the Green Brands quality label for the first time from the GREEN BRANDS organisation, both for the company as a whole and for its enamel products. Since then, the label has been renewed twice.

www.green-brands.org



CO,-NEUTRAL PRODUCTION

RIESS products are produced with hydro-electric power generated on site. The surplus is fed into the public power grid, offsetting the CO_2 emitted in the individual production steps. Data and fact-based evidence regarding our carbon-neutral production is provided by a study by the Wiener Neustadt University of Applied Sciences, campus Wieselburg, performed with the help of the Gemis 4.6 database (GEMIS = Global Emissions Model for Integrated Systems). The first eco label for CO_3 -neutral production of cookware was developed based on the study results.



EEA CERTIFICATE

The European Enamel Authority (EEA) is committed to developing, updating and auditing quality requirements which are agreed by all member associations. For the consumer, this guarantees high quality on the part of those companies which comply with the EEA quality guidelines and are certified by the EEA.

www.european-enamel-authority.org/de



TRIGOS LOWER AUSTRIA 2015

In 2015 RIESS KELOMAT GmbH was nominated for the national TRIGOS award and received the TRIGOS Lower Austria in the category of whole-system CSR management.

www.trigos.at



HELIOS AWARD

Helios – the energy efficiency award of the state of Lower Austria – went to RIESS KELOMAT GmbH in 2014.

www.energieeffizienzpreis.at



ISO 9001:2105 QUALITY MANAGEMENT

On 22.10. 2017, RIESS KELOMAT GmbH was certified by Quality Austria Trainings, Zertifizierungs und Begutachtungs GmbH according to ISO 9001:2015 for the implementation and development of an effective quality management system in the production of industrial components.

www.qualityaustria.com



AUSTRIA QUALITY LABEL

The Austria quality label is awarded to Leading Companies in Austria. Quality Certification of the products is carried out by Quality Austria Trainings, Zertifizierungs und Begutachtungs GmbH.

www.qualityaustria.com



WWW.RIESSKELOMAT.AT

ArtNr. 0029-000 CSR/Bericht/08-18/GUG/1.0

