

AERZEN USA

A SOCIALLY RESPONSIBLE AND
SUSTAINABLE COMPANY



AERZEN

AERZEN USA SUSTAINABILITY REPORT: 2019

Since its inception, Aerzen USA has been a mission-focused business built on core values, such as quality products, customer satisfaction, management practices, engaged employees, innovation, corporate responsibility, and environmental sustainability. Keeping these values at the heart of our decision making has allowed us to prioritize success and sustain long-term growth despite the rapidly-changing market space in which we operate. Changing regulations, advancing technologies, and rising resource costs require a business approach that incorporates sustainability in its decision making, thereby creating long-term value through embracing opportunities and managing risk. Aerzen USA considers itself a “triple bottom line company”; therefore, we focus on the well-being of the individual and our communities, as well as increasing the health and vitality of the natural environment and producing a long-term positive economic impact. We approach sustainability with the following guiding principles:

Environmentally Responsible Operations Operating in a building that is energy and resource efficient, using green building practices, including LEED certification.



Sustainable Products – Manufacturing products that achieve the highest benefits in production and service with the lowest expenditures in material and energy.

Empowering Local Communities

Implementing volunteer programs and work exchanges to improve social conditions in the community in which we operate.



Aerzen USA opened Aerzen Rental in Atlanta, Georgia. The 24,740 sq. ft. facility consists of a 21,000 sq. ft. production/warehouse area and 2,800 sq. ft. of office space. Featuring several areas including space allocated for rental machines and spare parts storage, work cells for machine setup, repair and overhaul, and state-of-the-art testing capabilities.

People Development

Cultivating a supportive work environment with generous employee benefits and opportunities for personal and professional development.

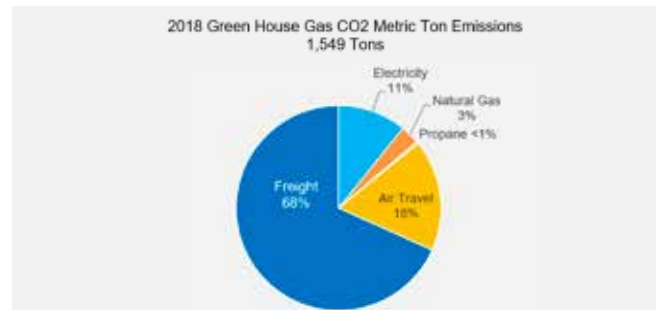
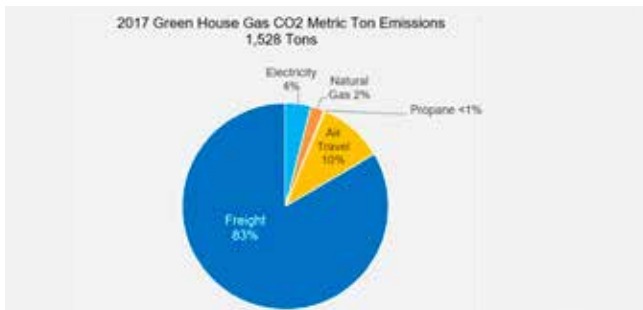
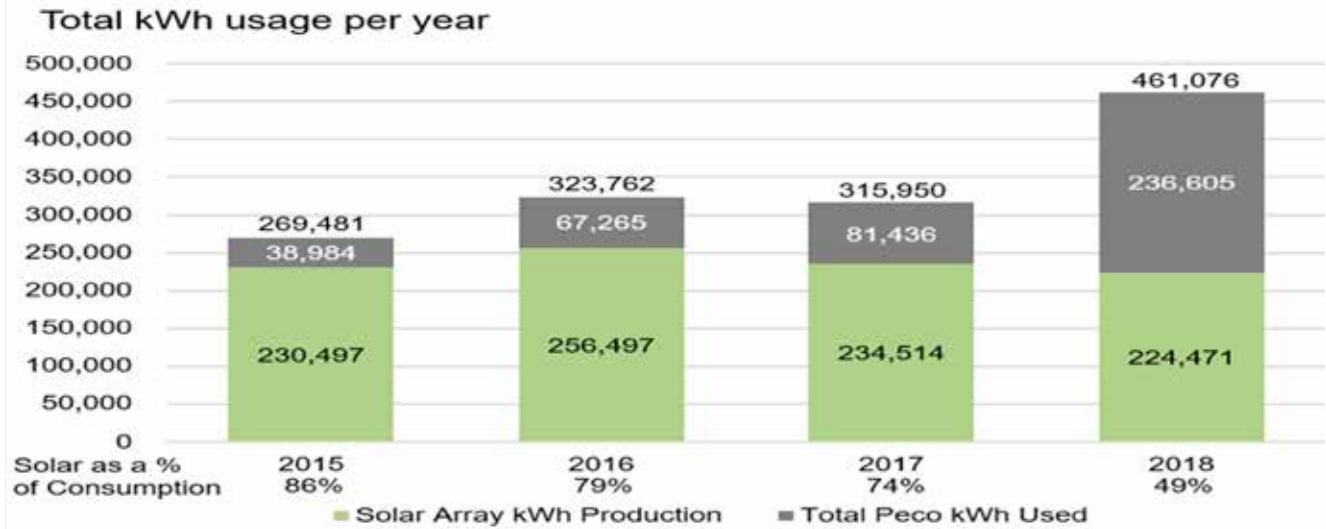
This report aims to provide transparency on the impact of business operations and progress made in each of these areas over the 2018 calendar year.

ENVIRONMENTALLY RESPONSIBLE OPERATIONS



By making investments in solar energy, a LEED-certified green building, and energy efficient equipment and processes, we've been able to use renewable resources. Since the installation of our solar panels in 2012, we have been able to generate 71% of our electricity needs from solar energy

alone. During 2018, Aerzen USA consumed approximately 461,000 kWh of electricity, which is a 46% increase over 2017. This increase was mainly driven by fully realizing the energy needs of the building expansion and additional machine testing owing to business growth.



Over the past few years, Aerzen USA has made several investments in lean training and certifications. In putting what we have learned into practice, we implemented a new organizational structure in March 2018. The new organization now emphasizes “value streams” that align operational functions with product lines, which allows us to streamline material flow and eliminate waste or non-productive activity. Our technicians can more efficiently build products as materials move through standardized cells for staging, inspection, and assembly, reducing the time spent on activities such as picking parts and

staging materials. The value stream design has also increased visibility in terms of the number of packages moving through the cells, which, in turn, also improves our forecasting capabilities. Complimenting this process was the addition of a new and more sophisticated test bay located inside the work area. The location adds to the efficiency of the workflow by reducing forklift driving and eliminating any weather-related delays. Additionally, the new test bay has improved sound dampening qualities which provide parallel working opportunities as one bench can be set up while the other bench is currently running.



The West Test Bench became fully operational at the beginning of 2018.



SUSTAINABLE PRODUCTS



Aerzen Rental machines lined up on the loading dock ready for deployment.

The organization opened up a new business segment to provide Aerzen USA equipment for rent. Located in Atlanta, Georgia this new business segment provides a unique solution by serving customers who need to rent equipment in an emergency, temporary, or even long-term situations. Unlike many competitors, Aerzen USA's machines are designed to offer compressed air at or below 50lbs of pressure, allowing the customer to correctly match the machine to the size of the

application, thus conserving fuel and energy.

A case study analyzing a typical industry solution using backup equipment to prevent a halt in production, while the original machines were repaired, showed that Aerzen Rental USA, LLC offered a comparable solution that would reduce diesel fuel consumption by nearly 70%, thus mitigating the environmental impact while saving the customer money.

EMPOWERING LOCAL COMMUNITIES

Girl's Exploring Tomorrow's Technology "GETT" conference

Aerzen USA's involvement in the local community ranges from work exchange programs, volunteer hours educating students at middle schools and high schools, and contributing fresh produce from our volunteer-based community garden. Through the various programs we participate in, Aerzen USA employees have managed to volunteer over 7,000 hours to the local community. This year, Aerzen USA was honored to participate in the 2018 Girl's Exploring Tomorrow's Technology "GETT" conference.

This annual event supports girls from the 5th through 10th grade who wish to learn about career opportunities within STEM related industries. Several female employees from Aerzen USA were in attendance and led a booth staged with a

hands-on activity demonstrating pneumatic conveying. Aerzen USA employees were able to share their career journeys and talk about the different types of job opportunities available to students who may be interested in a future career in technology or manufacturing. Nadine Trombley, a founding member of the GETT program and an Aerzen USA employee, was inspired to pursue a career in STEM because she wanted the opportunity to build tangible products she could see through from beginning to end. Driven by an affinity for problem-solving and a motivation to work with a socially-responsible company, Nadine's career path led her to Aerzen USA, where she started as a Project Manager, and most recently, took on the role as Value Stream leader.

Jammin' 4 Water Charity Event

Each year, during the Water Environment trade show (WEFTEC), Aerzen USA sponsors the Jammin' 4 Water event to raise money for charity. The event is an open-mic amateur performance that was formed by a group of WEFTEC attendees who shared the common bond of music. This year the event raised \$85,000!

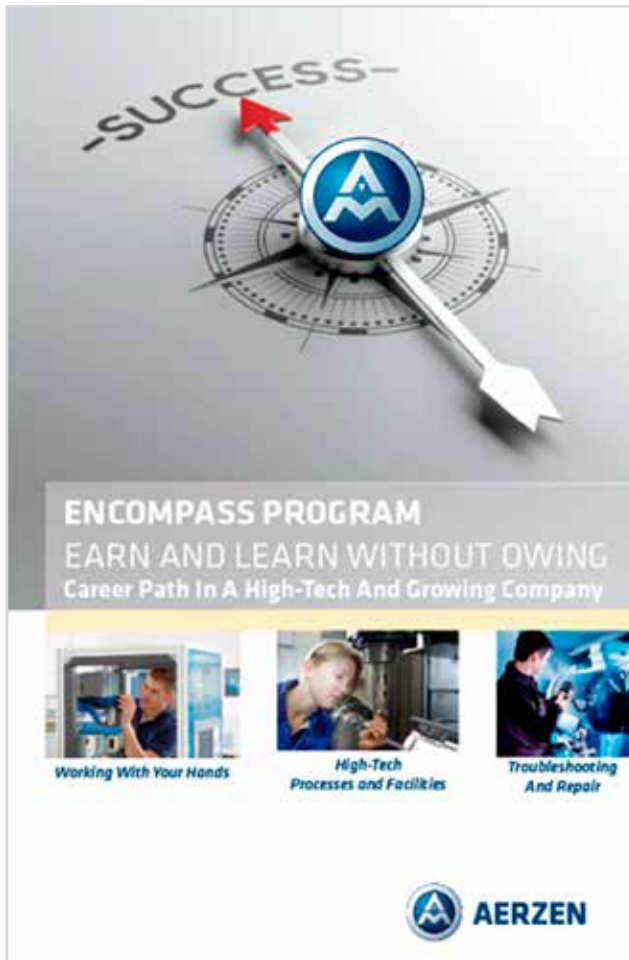


Aerzen USA employees speak with the attendees at the 2019 GETT event.



Jammin'4Water features eclectic musical performances by amateur musicians including Aerzen USA's, Tom McCurdy, who plays saxophone in the band.

PEOPLE DEVELOPMENT



Between leadership training sessions, employee development plans, and continuing education support, Aerzen USA understands the importance of investing in its workforce, not only for today but also for the future. Hence, the Encompass Program was designed to ensure a talent pool equipped with the skills needed to support Aerzen USA's manufacturing and production capabilities. This program, which is unique to Aerzen USA, was launched in November 2018 and will guide students on an 18-month journey which will fully certify candidates with paid training provided in these areas: Assembly, Repair, and Field Services. During the program, candidates will attend at least one four-hour class per week at the Delaware County Community College.

At the end of the 18-month course, if successful, the candidate will receive an Electro-mechanical Technical Certificate and has the option to work with his or her Aerzen USA manager on choosing a career path in one of the three areas. At this time, the option to continue education to pursue an Associate's Degree in Advanced Technology is also available. The cost of training and education is paid for by Aerzen USA. Plans are being developed to extend the work program to 1-2 candidates per year.

Each year, we always report on our health and safety achievements because we recognize the importance of a safe work environment for our employees. In 2018, there was only one OSHA reportable safety incident (compared to zero in 2017 and 2016). One key safety initiative that we undertook in 2018 regarded placing a renewed focus on communicating the importance of safety glasses and safety shoes to all employees while in the production areas.

2018 Best Places to Work Award

Aerzen USA has been named one of the Best Places to Work in PA for 2018. The awards program, created in 2000, is one of the first statewide programs of its kind in the country. The program is a public/private partnership between Team Pennsylvania Foundation, the Pennsylvania Department of Community and Economic Development, the Pennsylvania State Council of the Society for Human Resource Management, and the Central Penn Business Journal.

The survey and award program identifies, recognizes and honors the best places of employment in Pennsylvania, who are benefiting the state's economy and its workforce. Employers are categorized based upon the total number of employees they have in the United States: 15 to 99 employees, 100 to 250 employees, or more than 250 employees.



Aerzen USA company president, Tony Morris, receives the Best Places To Work award for the fifth time in six years that Aerzen USA has won the award.

CONCLUSION

Aerzen USA is continually looking to advance its culture of sustainability and corporate responsibility by recognizing a unique opportunity—growing our business while simultaneously improving the quality of life for our workforce, their families, and local communities. In 2019, Aerzen USA will continue to work

hard on the most important initiatives for our company and stakeholders. Some of our future sustainability plans include gaining additional efficiencies through value stream management and the potential to increase our use of solar energy and run our building and office park in Coatesville, PA.



Aerzen Atlanta Office – Rental machines, repair, and sales support



Aerzen Atlanta team for rental, service, sales, and engineering.

Aerzen Rental USA, LLC
5500 S Cobb Dr SE #50
Atlanta, GA 30339
1-800-400-AERZ

Aerzen Houston
825 Town And Country Lane Suite 525
Houston, TX 77024-2238
Phone: 281-881-2970

Aerzen USA
108 Independence Way
Coatesville, PA 19320
Phone: 610-380-0244 | Fax: 610-380-0278
USA-Inquiries@aerzen.com
www.aerzen.com/en-us



AERZEN
EXPECT PERFORMANCE