



The efficient use of resources needed to manufacture and operate our products has always been integral to our products.

Resource optimization is one of the major features of our products and at the center of our customers' concern. The aim of this Sustainability Report is to provide information on the relevant improvements that we have implemented in our products as well as in their development and production processes.

Continuous improvement through constant optimization, as practiced at HOBART for years, is currently expressed among the public by the fundamental idea of "MORE LESS".

In our opinion, fewer emissions and lower consumption cannot be the only yardstick for all things. In order for us to continue our involvement in sustainable development, we wish to trigger and actively guide public discussion in this direction on a broad basis.

The aim of this Sustainability Report is to stimulate discussion and motivate the public to offer their judgment as to how effective our activities are regarding environmental protection.



With this environmental and energy policy, HOBART GmbH commits to further reduce energy requirements and the resulting CO2 emissions. In order to meet this responsibility even more and to ensure continuous improvements, HOBART Germany has introduced an environmental and energy management system.

In addition to a successful business policy, the basis for the success of our company is the maintenance and adherence to our own ambitious environmental standards, which are fundamentally defined by the Code of Conduct of our ITW Group, irrespective of an associated obligation to adhere to the legal requirements and obligations of our customers.

Thus, it is possible for HOBART to monitor the claim respectively the emergence of environmental or energy-related variables by targeted analysis and determine adherence to environmental and energy policy as well as to initiate and document corrective action in case of deviation.

Findings realized from this flow into a continuous improvement process.



ENVIRONMENTAL AND ENERGY POLICY

It is the management duty to promote environmental awareness of employees at all levels, defining competences and responsibilities. In order to avoid environmental deficiencies, environmental targets are derived by environmental and energy policy, environmentally relevant activities are defined and the effectiveness of the resulting measures is being assessed. Adherence to environmental and energy policy is ensured by regular management reviews.

Potential environmental impacts from changes in activities, products and processes are taken into account in advance. Local effects of current activities are considered as well as the handling of hazardous substances and the noise development at the location. At the same time environmental aspects are being considered.

Water savings and waste reduction are being forced as well as energy savings by means of conscious energy management. The future-oriented handling of all resources includes the avoidance, reduction and recycling of the used raw materials in order to minimize ecological damage. We achieve this by the consequent use of preferably environmentally friendly technologies. Possible deviations from normal operation and emergency plans prevent negative effects on the environment are taken into account.



Energy saving as well as sustainable energy supply provide an important basis at HOBART for achieving the aspired environmental and energy goals and they are constantly being monitored.

Ongoing, product-related advice to our customers on the environmentally friendly handling and disposal of our products under environmental aspects is also part of HOBART's environmental maxims. Close cooperation with the authorities and organizations in prevention is also self-evident for HOBART as well as the information and open dialogue with the public and the neighborhood about the environmental impact of the company's activities. In cooperation with our external partners we also involve them into our environmental protection concept and encourage them to provide active support.

To achieve our fundamental goals, active participation of all corporate departments is indispensable. It is just as important to have all employees well informed in regard to ecological questions. Every employee of the company has to contribute to the protection of the environment and has to be aware of his or her responsibility. Environmental protection is a dictate of individual initiative and responsibility.



- All activities and information to take due account of the environmental aspects and of relevant legal regulations.
- The company's environmental and energy aspects orientation has been incorporated in the existing organizational structures or added as an amendment; this is considered a basic requirement of a working environmental and energy management system.

HOBART has had ISO 9001 certification since 1996.

Certifications in accordance with the requirements of ISO 14001 and ISO 50001 followed in 2012. At the end of the first three-year period, a re-certification audit took place at the Elgersweier site in December 2015, which was again carried out by TÜV Süd. As during the past years, the requirements of ISO 9001, ISO 14001 and ISO 50001 will be re-audited. This auditing confirms that Hobart GmbH has introduced, implemented and continuously improved an integrated management system.

- The clear assignment of responsibilities by company management is a key to the successful achievement of its environmental targets. These responsibilities are coordinated by the Environmental and Energy Management officer, and are described in the management handbook.
- In order to continuously improve the environmental performance of our products and processes, we regularly define environmental and energy goals that need to be achieved.

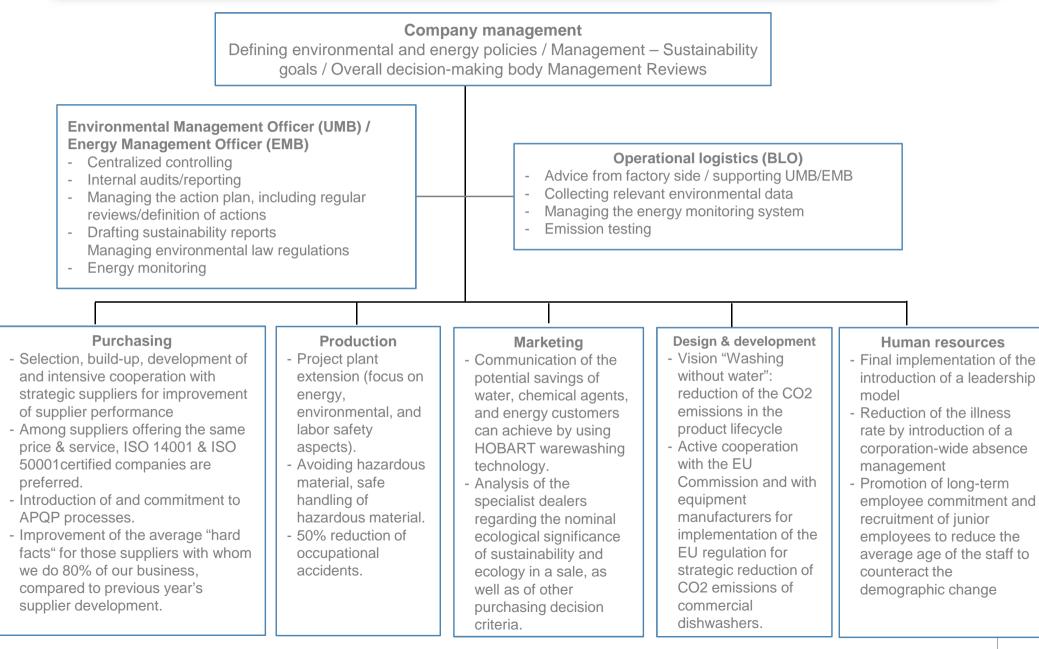


- The scope of these environmental and energy goals is determined by our environmental and energy policy. An environmental program is to be drawn up to reach these goals, and the continuous implementation of its goals will be checked by environmental audits.
- If any deviations are determined by the management in the course of these regular environmental audits and Management Reviews, appropriate corrective measures will be defined. These are laid down in writing and integrated for implementation in the environmental program.
- This system allows us to achieve a continuous process of improvement, both in the operative and in product-related protection of the environment.
- The aim of this Sustainability Report is to reveal our environmental performance to the public.

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RESPONSIBILITIES



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COMPANY HISTORY





OUR HISTORY

OVER 100 YEARS OF HOBART

- Charles Clarence Hobart builds his first engines in 1883 Middletown, Ohio
- 1897 Foundation of the HOBART Electrical Manufacturing Company
- The first warewashing machine carrying a HOBART label 1926
- HOBART receives the patent for the first 1953
- flight-type dishwasher
- HOBART begins production in Offenburg 1960
- Incorporation into ITW Group 1999
- PREMAX line a new chapter in the annals of dishwashing 2007 technology
- Building of a new international research and development 2011 design centre in Elgersweier, Germany
- 2018 18th record year in succession



Divisions:

- WAREWASHING
- COOKING
- FOOD PREPARATION
- ENVIRONMENTAL ENGINEERING
- SERVICE

Products made in Elgersweier:

| Undercounter machines | hood machines | universal warewashers |
|---------------------------------|------------------------------|-----------------------|
| basket transport warewashers | conveyor-type warewashers | automatic warewashers |
| utensils wash systems | waste treatment facilities | conveyor systems |

PRODUCTION





The plant is divided into three sections: **incoming goods deliveries, production**, and dispatch.

Production comprises the fields of sheet metal construction, welding, and assembly.

The **product development** department for Europe is located at the company's competence center in Offenburg-Elgersweier.







PRODUCTION PROCESSES

Our products are characterized by their high quality and service life; for this reason, our warewashing equipment is primarily manufactured from stainless steel.

- 1. The raw stainless steel sheets delivered to the factory are subjected to initial processing by wasteoptimized computer-controlled laser cutters.
- 2. Now, the housings are made by bending and welding of the pre-cut parts.
- 3. In the assembly step that follows, parts made on the premises are combined with bought-in components.
- 4. A final test run of the finished machine ascertains its correct operation.
- 5. Immediately afterwards, the machine is dispatched either directly to the customer, or via a logistics center.



DIRECT ENVIRONMENTAL ASPECTS

| Direct environmental aspects | Effects/ load on the environment | Priority | Controllability |
|---|---|----------|-----------------|
| Total energy consumption on site | Use of resources, CO ₂ emissions | А | I |
| Total gas consumption on site | Use of resources, CO ₂ emissions | А | |
| Total water consumption on site | Waste water | А | |
| Waste material (metal and non-metal) | Use of resources, CO ₂ emissions | В | I |
| Stainless steel waste | Use of resources, CO ₂ emissions | А | II |
| Production / utilization | Contamination of surface water/soil | С | |
| Diesel consumption | Use of resources, CO ₂ emissions | А | |
| Hazardous substances | Health risk, environmental pollution | А | I |
| Increased material efficiency of the products | Use of resources, CO ₂ emissions | А | |

Key: A = high priority B = medium priority C = low priority

I = easy to controlII = relatively easy to controlIII = difficult to control



DIRECT ENERGY ASPECTS

| Direct energy aspects | Effects | Priority | Controllability |
|--|----------------|----------|-----------------|
| Reducing energy consumption | Energy savings | А | 11 |
| Leakage recognition compressed air / gas | Energy savings | A | |
| Use of energy-efficient production machines | Energy savings | В | |
| Implementation of energy-efficient manufacturing processes | Energy savings | В | 111 |
| Use of energy-efficient units / operating systems | Energy savings | A | |
| Optimization of work processes | Energy savings | А | |
| Climate control in the buildings | Energy savings | В | |
| Heating management in the buildings | Energy savings | В | |
| Building refurbishment | Energy savings | В | Ш |
| Building extension / new buildings | Energy savings | В | I |
| Disciplined behaviour of the staff | Energy savings | A | 11 |
| Energy consumption lighting | Energy savings | А | I |

Key:

A = high priority B = medium priority

C = low priority

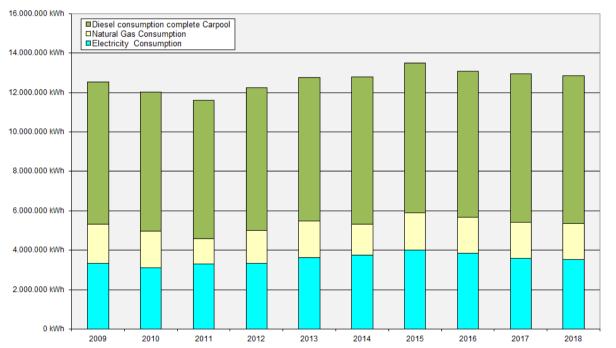
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We use primary energy in the form of electrical energy, diesel and natural gas.

- Electrical energy is primarily used to operate the production plants, generation of compressed air, air conditioning of the offices, and for testing our products.
- Our service vehicles have **Diesel** engines.
- Natural gas is used to operate our heating system and to generate steam and hot water for the test stands.



The diagram shows that energy consumption at the Elgersweier site has remained more or less constant since 2007.

Since then, the annual dishwasher production volumes have increased constantly.

In 2012, the production area was extended to allow for another significant upgrade in the number of dishwashers made. The expansion caused only a minor increase in energy consumption.

Since 2013, using energy-efficient vehicles has been a top priority. In spite of a constant extension of the company fleet, the Diesel consumption has remained more or less constant.

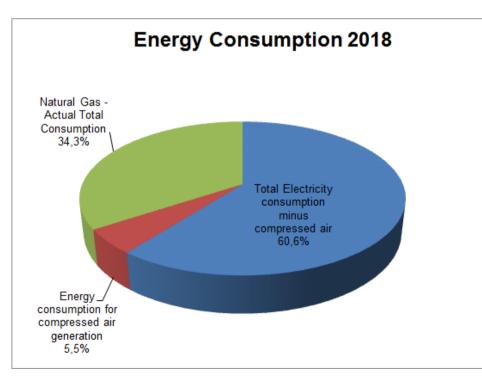
This shows how important energy saving is for HOBART.

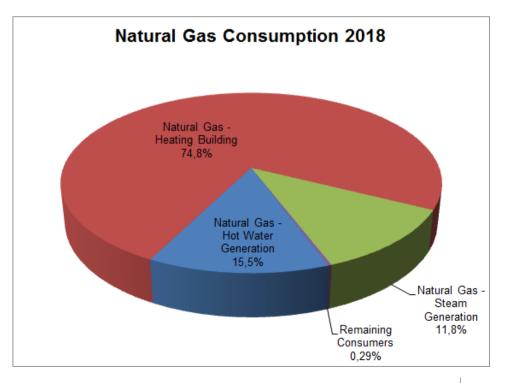




Distribution of energy consumption

See the following diagrams for the distribution of the energy consumptions at the Elgersweier plant. For several years already, the use of the HOBART energy data monitoring has enabled us to check and compare the gas, power and water consumption at the Elgersweier plant. This monitoring is continuously refined so as to be able to break down the needs even more accurately and broadly and to counteract disruptions/irregularities. Furthermore, these data serve as basis from which further possibilities to save energy can be derived.







DRINKING AND WASTE WATER

We obtain our drinking water from the municipal water supply. The composition of the waste water corresponds to that of domestic waste water. A large proportion of our waste water is used in our bathroom facilities. The Energy Data Monitoring System also

supplies detailed information on the water consumption.

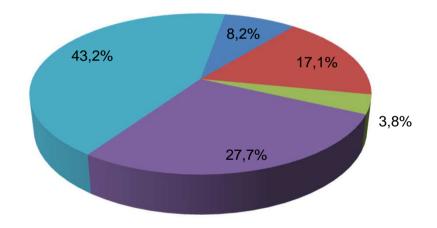
The high water consumption of our Innovation Centre is attributable to long-term tests of newly developed machines.

We are unable to reduce the level of testing because to do so would risk product quality. The diagram on the right shows a significant reduction of the water consumption per employee and day at Elgersweier site compared to 2013. This is the result of the respective changes to the sanitary facilities.

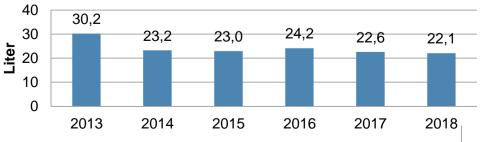
HOBART's focus is clearly on reduced consumption of water, energy and chemicals during the actual operating phase of our products.

Water Consumption in m³ 2018 complete

- Water Consumption Test Stations F1
- Water Consumption Test Stations South Extension of Building
- Water Consumption Test Stations F3
- Water consumption Innovation Center
- Water Consumption for social expenditures (Employee, canteen)









WASTE / RECYCLING

A significant proportion of our refuse is **recyclable**.

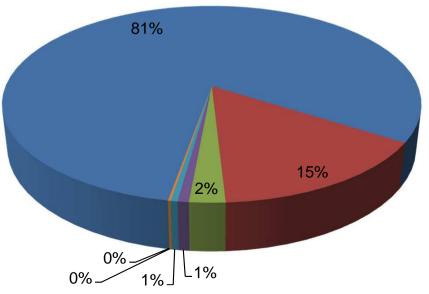
By **waste-optimized sheet metal cutting**, the amount of Cr/Ni refuse is reduced to a minimum.

The majority of purchased parts are delivered in reusable packaging or in **multi-unit packs** rather than single packs.

Returned machines are dismantled and the materials sorted and **recycled**.

At all waste collection points, we provide a set of containers that are clearly labelled to ensure proper separation of the refuse. **Waste separation** is clearly described in the **HOBART Guide to Waste Disposal** and is discussed during the annual training sessions attended by every employee. See the diagram below for the ratio of all materials recycled at HOBART in full year of 2017. The major part is attributable to **stainless steel waste** from the sheet metal machining center. By means of continuous efforts to implement waste-optimized sheet metal cutting, it is **reduced to an unavoidable minimum**.

- Stainless Steel scraps
- Packaging paper and cardboard
- Metallic components / parts (scrap iron)
- Electrical Cables
- Electric Motors





AIR, NOISE, SOIL

Air

Air-contaminating emissions are mainly caused by the heating system, which is subject to regular emissions monitoring.

The used air from the laser cutters is treated by a special filter system before being returned to the open air.

The same goes for the waste air from the belt grinders, which is returned to the room air.

Noise

Noise emissions at the works are monitored regularly. The major sources of noise are the die cutters, hand sanders, tube saws, and the Troval system. This unit has been encapsulated to reduce the internal noise level.

The internal noise level has been reduced further by installing sound-absorption panels in the more noise-intensive areas. All noise sources are located inside the buildings. We never had any complaints from neighbours regarding our noise levels.



Soil

The Elgersweier plant was built on former farmland which was free of any contamination. Since its establishment in 1980, HOBART has continually adopted protective measures to avoid potential soil contamination.

Care is taken that suitable collection and retention vessels are used when storing and transporting substances that may be hazardous to water so that spillage is effectively prevented.

The surrounding green spaces are maintained on a regular basis by a landscape gardener.



HAZARDOUS SUBSTANCES

Hazardous substances management

The use of hazardous substances always poses a risk to people and the environment. For this reason, the quantities of such substances must be reduced to a minimum while continuously searching for environmentally friendly alternatives. The hazardous substances management system introduced by HOBART ensures that only substances that are absolutely necessary are used and stored at our premises. Clearly described processes ensure that no uncontrolled hazardous substances are used anywhere in our factory.





INDIRECT ENVIRONMENTAL ASPECTS

| Indirect environmental aspects | Effect on the environment | Priority | Controllability |
|--|---|----------|-----------------|
| Energy consumption during operation of products ¹ | Use of resources CO ₂ emissions | А | I |
| Water consumption during operation of products ¹ | Waste water | А | I |
| Use of chemicals in cleaning process | Contamination of waste water | A | I |
| Packaging / disposal | CO ₂ emissions, use of resources | В | |
| Logistics | Use of resources CO ₂ emissions | В | 11 |
| Environmental performance of suppliers and partners | Emissions, wastes | В | |
| Environmental awareness of workers | Emissions, wastes | В | |

Key: A = high priorityB = medium priority

C = low priority

II = relatively easy to control

I = easy to control

III = difficult to control

For assessing the environmental aspects, HOBART GmbH focuses on the product life cycle of its machines. 1 More than 90% of resources are used during the operation of the products, with only a small proportion of resources used for production/transport.



In the development of our products, we take into account the following product-related environmental aspects:

- A **reduction in energy consumed** in the operation of our products is achieved for example by optimizing the heat systems, applying heat insulation to surfaces, and employing efficient heat recycling systems and heat pumps.
- The innovative "**PERMANENT Clean Automatic Soil Removal**" system allows for the continuous removal of dirt from the machine. This ensures that the wash water remains clean and effective so that there is no need to renew it. This significantly reduces the consumption of water, energy and chemicals during machine operation.
- The amount of chemicals required to operate warewashers (detergent and rinse aid) is directly proportional to the volume of water consumed. A **reduction** in **water** consumption therefore results in a lower consumption of **chemicals**.
- A reduction in water, power and detergent consumption is achieved by **intelligent washing systems**. Faulty operation by the user is eliminated by innovative technology, and reduces the consumption to a necessary minimum.
- The packaging required for **transporting** the products is made from **recyclable materials**.
- When choosing the materials for the production of our machines, we take into account their **environmental impact** and sustainability.
- We are increasing the capacity of our production plants without increases in the use of resources.

HOBART

PRODUCT DEVELOPMENT



The HOBART App WASHSMART offers you the chance to call up all key data and important information of all undercounter and hood-type dishwasher as well as utensil washer anytime from anywhere in the world. Whether via PC, tablet or smartphone the status of the dishwasher, its operating costs or the chemical consumption, as well as other parameters can be monitored. This makes your work easier and more transparent and allows you to react faster to the situation on hand.



With the slogan "WORK SMART, NOT HARD" in 2018 the new undercounter models was presented. With no fewer than four new innovative highlights, the enhanced glass and dishwashers ensure a speckless, ecological and smart daily dishwashing routine.

The focus of our new generation is the innovative TOP-DRY drying - unique in the commercial sector which ensures a perfect drying result and eliminates manual drying and polishing.

In addition, the PREMAX models with the VAPOSTOP² technology prevent steam escape and provide for a pleasant room climate.

With the WASHSMART app the customer has an overview of all essential information of the dishwasher, such as status, operating costs, capacity and error messages. The usage of the WASHSMART app is free of charge for 5 years.

The front of each new undercounter machine is characterized by the innovative VISIOTRONIC-TOUCH control. A colour touch display with text and graphics, as well as the tried and tested single-button control, simplify the operation a lot.





ENVIRONMENTAL PROGRAM 2018-2020

Product-related objectives

Protecting resources

- Energy savings of up to 20% for conveyor dishwashers
- Energetic optimization of the warewashing process in undercounter machines

Customer benefits due to reduction of investment and installation workload

- Reduction of the total connected load of the machine
- Reduction of chemical consumption

User friendliness

Easy, self-explanatory operation

Increasing efficiency

- Increase of the output capacity without increase in the use of resources
- Optimization of the warewashing processes in canteen kitchens

Intelligent dishwashing

 Use of sensors to check the soiling of the washwater and to adjust the detergent quantity accordingly

Increasing material efficiency

Resource-saving design

HOBART's objectives

Reduction of overall energy consumption at the Elgersweier site

 Reduction of the indicator energy consumption/hour in 2018 by 11% compared to the starting basis, i.e. the energy situation in 2013

Investment in low-energy workshop lighting (LED)

Project: Factory extension 2018-2020

 Planning with focus on the energy balance of the building /

Ergonomically correct work stations / occupational safety

Reduction of effects on the environment by transparent analysis and optimization of the flow of commodities

Transport Management System within the ITW group

'Green sourcing'

 Constant consideration of environmental aspects when buying products and services

Service

Reduction of the CO₂ emission by optimization of the company fleet

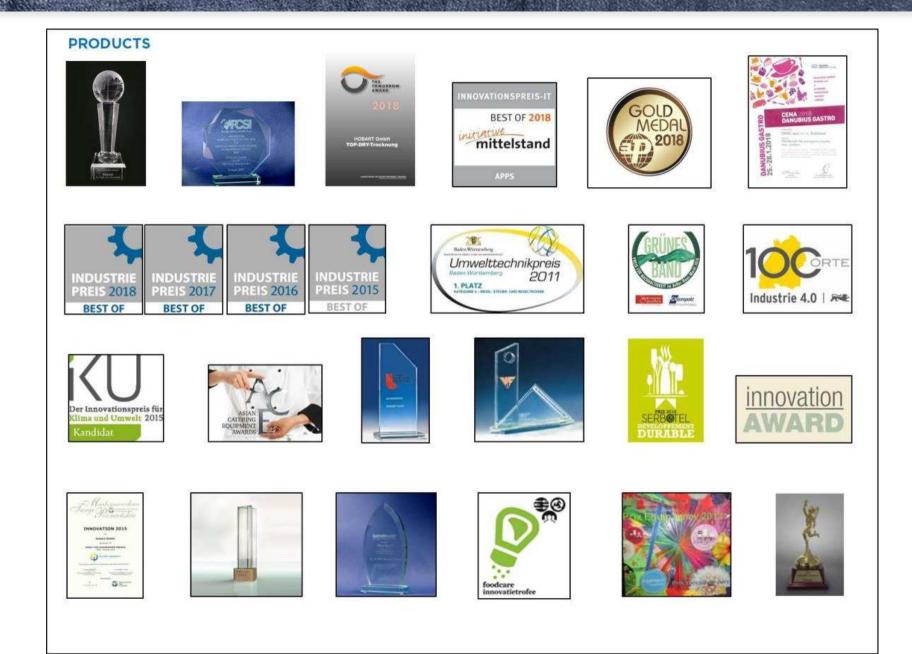


AWARDS





AWARDS





DIALOGUE WITH HOBART

The aim of our Sustainability Report is to provide information for the benefit of our customers, neighbors, suppliers, employees, and fellow citizens, concerning our environmental protection activities. We invite you to enter into a dialogue with us. We are fully aware that all our activities are being conducted in our shared environment.

The information contained in this Sustainability Report is updated every year. In the interest of reducing the consumption of resources, we publish our Sustainability Report on our website on the internet, at <u>www.hobart.de</u>.

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SUSTAINABILITY REPORT 2018







