

The background of the cover is a composite image. It features a close-up of a microscope's eyepiece and objective lenses on the right side. On the left side, there are white line drawings of chemical structures, including a benzene ring and a more complex molecule. The entire image is overlaid with a green-to-yellow gradient that runs diagonally from the bottom left to the top right.

# SUSTAINABILITY REPORT TIGER Coatings GmbH 2016/17





**“Plan for the future because that's where you are  
going to spend the rest of your life.”**

**Mark Twain**



## Contents

### AT A GLANCE

Contents	5
Preface by Executive Management	6
Preface by the Supervisory Board	9
Guest Commentary: Norbert Rainer	10
About This Report	11

### THE WORLD OF TIGER

History	13
TIGER Group	19
TIGER Coatings Austria	23
7S Principle Procedure	29
Research & Development	32
Products and Services	36
Stakeholder-Engagement	42
Procurement and Logistics	48

### SUSTAINABILITY

Economy	51
Ecology	55
Social Issues	67
Our Engagement on Behalf of Society	76

### OUTLOOK AND GOALS 81

### CONTACT AND PUBLICATION DETAILS 82



From left to right: Dr. techn. M.Sc. Clemens Steiner (CEO) | Ing. Dipl. Wirtsch. Ing. (FH) Thomas Loibl (COO) | Prok. Ing. Elisabeth Berghofer (Chairwoman of Supervisory Board, Human Resources) | Dr. Reinhold Freiseisen, MBA (CFO) | KR Ing. Kurt Berghofer (Majority Shareholder)

## Preface by Executive Management

Dear Sir or Madam,

We are pleased to present to you the first CSR report of TIGER Coatings. You are looking at a document that outlines our fundamental ethical principles and provides an overview of the way we live them in our daily activities.

A BETTER FINISH. FOR A BETTER WORLD.

Our mission statement, the foundation for all of our actions, clearly expresses what CSR management is all about for us: A BETTER FINISH. FOR A BETTER WORLD.

Berghofer, the founding family, has been involved in high-quality paints and coatings for surface finishes for more than a century. Thus the commitment to quality is deeply rooted in our DNA and extends across all areas of our company: Quality in color and effect. Quality in processing. Quality in production and durability. It goes without saying that quality is reflected in our daily communication with customers and our TIGERs.

Environmental friendliness became an important aspect in 1968 when Kurt Berghofer bravely ventured into the field of powder coating technology, an area largely unknown until then. Powder coatings are free of solvents, can be processed cleanly and are characterized by a degree of material utilization approaching one hundred percent. Not only do we create a more colorful and beautiful world, we also take care of nature around us.

TIGER makes every effort to keep its ecological footprint as small as possible. It starts by using process heat for heating and hot water and continues with purification of the company's own waste water.

However, taking a sustainable approach goes far beyond the ecological aspect and involves our economy and society as well. After all, only by managing conscientiously, protecting existing resources from exploitation and assuming social responsibility can we create an environment that makes living worthwhile for the generations to come.



## A BETTER FINISH.

Foundation. Quality in everything we do.  
Quality in planning, product, process,  
in our cooperation.

## FOR A BETTER WORLD.

We bring more color and beauty to our world.  
The subject creates the object.

All this is made possible first and foremost by the passionate commitment of inspired employees who develop, produce and sell our products. In return, we take pains to provide our TIGERs with framework conditions that allow them to fully develop individually and as members of a team. An open, respectful atmosphere of communication, accepting different thought patterns and habits and joint activities also help us grow the company.

As an ethical player in the global economy, a careful approach to its stakeholders is of utmost importance to TIGER. In doing so we follow the principles of our Code of Ethics to which we committed in 2010. It guides the actions we take when interacting with fellow workers, suppliers, customers, investors and society; it also combines legal compliance with moral conscience. At TIGER we do not view ethical principles as a necessary evil but as an important component of the business processes.

It is in this spirit that we hope you will enjoy reading this publication. We appreciate your interest in the TIGER sustainability strategy. In the coming years we will continue with our focus: For a green future on our planet.

Dr. techn. M.Sc. Clemens Steiner  
CEO

Dr. Reinhold Freiseisen, MBA  
CFO

Ing. Dipl. Wirtsch. Ing. (FH) Thomas Loibl  
COO



# Preface by the Supervisory Board

Dear Stakeholders,

Everyone is talking about sustainability. However, unless we apply the term to guide our lives and our thinking, it remains but an empty word.

A company unable to guaranty customers that its products are made using sustainable materials and processes cannot expect much success in the 21st century. On the other hand, if everything were as sustainable as everyone says, our globe would already look like an idyllic Garden of Eden – without environmental pollution, scarcity of resources, frantic pace and stress.

We all hope for a change in the tense situation on our planet in the near future. Yet, are we ready to do our part to make it so? After all, for many, sustainability means primarily one thing: Sacrifice. Sacrificing the latest consumer goods. Sacrificing the car and traveling by plane. Sacrificing imported foods. And ultimately even sacrificing one's own property.

This is where we have to change our thinking. Is it really a sacrifice to cut tropical fruits from the menu in winter? Is it a sacrifice not to drive a car boasting 200 hp when electric cars and public transportation get us safely to our destination? Is it a sacrifice to replace fossil fuels with geothermal, solar and wind energy and thereby curb mining and production methods detrimental to nature and humankind? Furthermore, do we really want to buy coffee produced with exploitative methods or clothing made with child labor?

We have to change our way of living! However, just as we think nothing of separating our garbage these days, one day soon we will be OK with using alternative transportation, preferring regional products and turning our back on the throw-away society.


As an industrial plant in the chemical sector, TIGER strives to serve as a positive model and do its part in the area of sustainability. Thus, sparing use of resources starts as early as in our research lab. We seek to use by-products as cycle material, have been successful in implementing energy efficiency projects for years and provide our TIGERs with a workplace that is healthy and interesting. Regular ISO 14001 certification and joining the Austrian Climate Alliance publicly reflect our commitment to active environmental protection.


Added up, these steps ultimately result in increased motivation on the part of our employees as well. After all, only when the moral concepts of the team and those of the company coincide and the atmosphere among the workforce is positive will the quality of work and therefore of the competitiveness of entire company increase. We want to take the opportunity to thank our TIGERs for their tireless and inspired commitment.

That said, we also thank you, dear reader, for your interest in TIGER's efforts toward sustainability. With our first CSR report we are providing you with a document intended to convey the topic of corporate responsibility in a form that is entertaining and easy to read.

We hope you will find the insights exciting and enjoy perusing the document.

  
KR Ing. Kurt Berghofer  
Majority shareholder

  
Prok. Ing. Elisabeth Berghofer  
Chairwoman of the Supervisory Board

  
Karl Buchner  
Vice-Chairman of the Supervisory Board

# Guest Commentary

## Models for sustainable trend reversal

2016 was the warmest year worldwide since they started keeping a record; it was also third one in a row in which global temperature records were shattered. According to the climate index, in Upper Austria it was also a historic year as the fourth-warmest thus far. To top it off, it was also a very wet one with extreme effects; in June and July alone, eight days with violent thunderstorms resulted in massive devastations in villages in Upper Austria.

Climate changes are felt in particular in extreme situations such as these; however, in the meantime they are also noticeable to the naked eye. The glaciers are one of the indicators for climate change caused by humans, as everywhere else in the Alps, the glacier surface on the Dachstein mountain shrank massively. Current surveys of “Bluesky” are evidence that the Hallstätter Gletscher has been shrinking continuously for 35 years. It vividly depicts the impact of our way of living – and the necessity of targeted climate protection policy for sustainably reversing the trend.

The awareness of the problem, however, does not automatically lead to climate-friendly actions. This phenomenon is frequently described as the “gap between knowledge and action”. Fortunately, this gap can be counteracted by pointing to positive role models. After all, a good role model can have a positive effect on others. Thus, the message is: The trend can be reversed sustainably if we start with ourselves. Every day offers many opportunities to discover that we can live and work well and sustainably, regardless whether in a personal or professional environment.

Around 600 members of the Climate Alliance in Upper Austria decided on this path. They point to impressive results when climate protection and entrepreneurship complement each other. They come from a wide range of sectors and made a commitment to improving their own carbon footprint – entirely in keeping with the motto: “Go green and operate in the black”. These measures are not at all confined to the energy sector. Rather, they are conceived to be all-encompassing in the meaning of sustainability and/or CSR. Thus, topics such as sustainable management, fair treatment of each other and communication with the stakeholders play a central part.

This willingness to assume responsibility for global climate protection with one’s own actions also characterizes TIGER Coatings GmbH & Co. KG: It is evident from measures already realized in the area of energy, such as certified environmental management, establishment of an energy team or purchasing green power. Now, additional steps are in the works for the future by switching to LED lighting, climate-friendly menus at the Bistro as well as the motivation for a sustainable way of living and working. The present sustainability report is an instrument that is pivotal to taking this path consistently and transparently and talking to everyone involved.

In this spirit we are pleased with the exemplary engagement and gladly welcome TIGER to the Climate Alliance.



*“TIGER took important steps toward a green future with the motivation for creating a sustainable way of living and working. We are pleased with the exemplary engagement and cordially welcome TIGER to the Climate Alliance!”*

**Mag. Norbert Rainer | Head of Regional Office Climate Alliance OÖ (Upper Austria)**

A stylized, handwritten signature in dark ink, appearing to read 'Norbert Rainer'.

Mag. Norbert Rainer  
Head of Regional Office Climate Alliance OÖ

# About This Report

This sustainability report of TIGER, is the first publication to comprehensively document our CSR measures and the associated initiatives and goals. We want to demonstrate how our company lives sustainability and how we take responsibility for the environment, our employees and society without losing sight of the economic aspect in the process. The goal is to publish the TIGER CSR report regularly in the future.

The report at hand is divided into two large sections: in the introduction we provide detailed insights into our company and describe our history, our visions and values, our business units, research activities, products and our stakeholders. The subsequent chapter is dedicated to the sustainability strategy of TIGER and shines a light on measures, successes and goals already in place and those planned with respect to economy, ecology and society.

## Reporting period

The reporting period for the information provided includes the Financial Year 2016 (January 1 to December 31); however, it also includes important notes and select projects up to the 2nd quarter of 2017.

## Reporting boundary

The majority of the key figures mentioned refer to TIGER Coatings GmbH & Co. KG and its core business in Austria. None of the affiliates were included in the report. This is due to the fact that data related to sustainability from our subsidiaries is not yet captured uniformly. If individual statements refer to such data nevertheless, that fact is expressly mentioned in the text.

We are looking into the extent to which our subsidiaries can be included in the CSR reporting in the future.

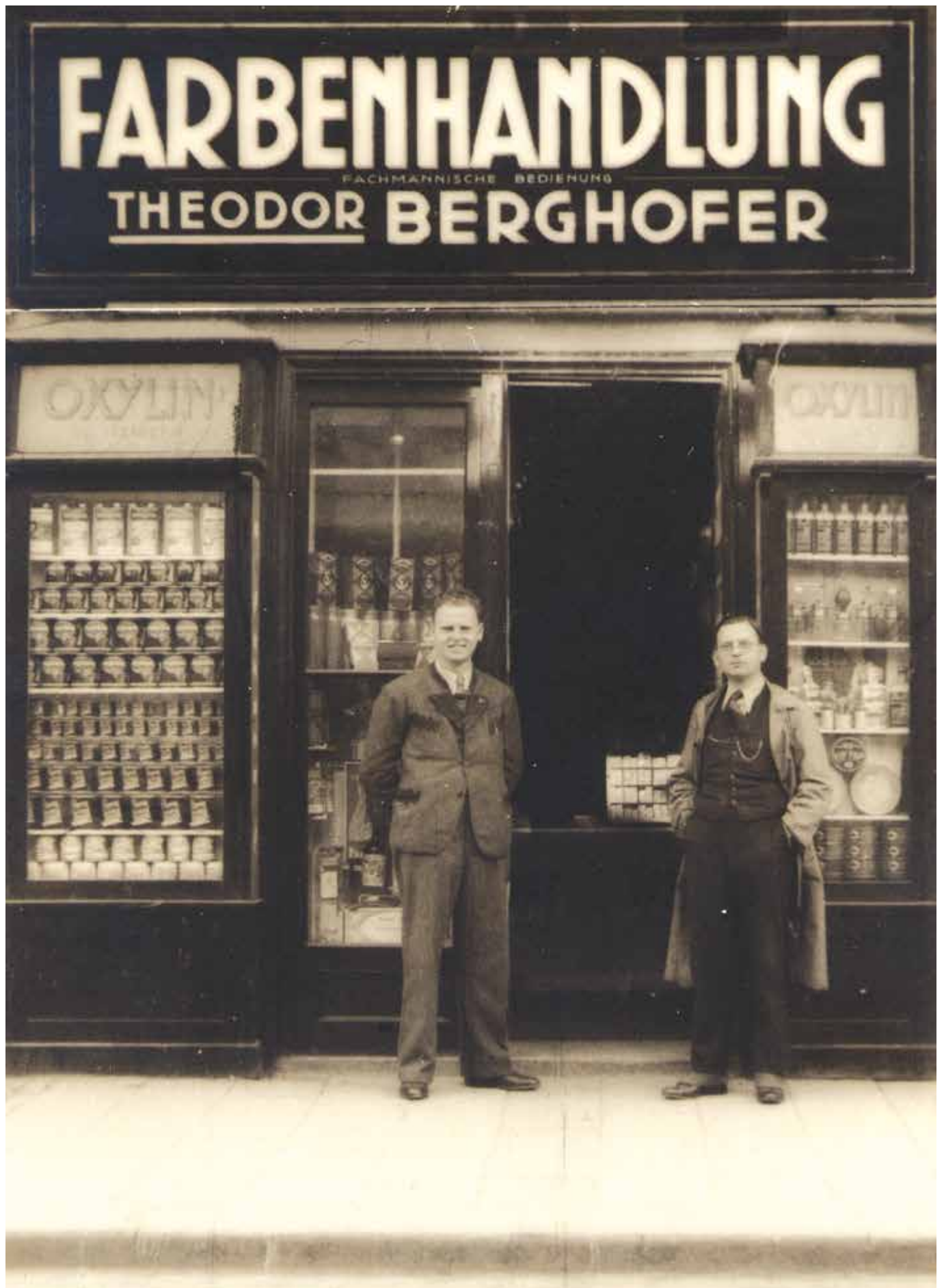
## Your contact person:

In case of questions regarding the TIGER CSR Report, please contact:

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Phone: +43 7242 400 - 1290

Email: [christian.ebenberger@tiger-coatings.com](mailto:christian.ebenberger@tiger-coatings.com)



A look back: Theodor and Gustav Berghofer in front of their first retail shop for paints at Welser Pfarrgasse, 1936.

## History

Since its founding as a paint store in 1930, TIGER has grown steadily into a multinational group of companies with production facilities and research centers around the globe. Today, the professionally managed family company is one of the most important producers of high-quality coating systems.

Originally focused on the wet paint sector only (the DIY division will be dissolved at the end of 2017), in 1968 TIGER was one of the first companies to venture into powder coating technology which was still unknown at the time. The thermosetting coatings quickly grow to become the core of the TIGER product portfolio: environmentally friendly, safe to process and a degree of material utilization of close to one hundred percent.

Aside from developing and producing powder coatings, with innovations for industrial inkjet printing systems, TIGER opens up new dimensions in the area of digital individualization.

Whether it be windows, facades, car wheel rims, carbon fiber parts, solar panels, machines, furniture, refrigerators or elements for shop fitting: Coatings from TIGER are used in a large number of products for everyday life and lend color, effect, function, structure and protection to surfaces.

## At the beginning there was a painter's business

It all began around 1900, when the father of the TIGER Company founder, Julius Berghofer, opened up a painting business in Gmünd, Lower Austria. His specialty: Wall coatings with effective patterns for living areas of well-to-do families. A technique that requires great artisanal skill. Once they completed their education, his sons Gustav, Theodor and Johann Berghofer, three of altogether 11 children, worked in their parent's company (by now located in Wels) for an extended period. This is where they began to produce oil paints, dry paints, putties and thinners based on simple recipes.

### The rest is TIGER Company history:

#### **1930:**

The brothers devise a plan for building a company that could offer a complete range of paints and coatings for the do-it-yourself market. With the founding of the company, the search is on for a short and concise brand name. During the creative process they envision a TIGER as the symbol of a strong and graceful animal. The catchy brand is registered in 1934.

#### **1949:**

TIGER ships its first synthetic resin coatings and conquers the domestic do-it-yourself market.

#### **1955 to 1957:**

The first switch position for TIGER: Johann Berghofer gets married and moves to Schwaz in Tyrol. After producing simultaneously at two locations for a while, in the mid-50s the three brothers decide to separate the two operations. The Tyrolian TIGER gives rise to ADLER Lacke, a company run by Johann Bergdorfer. Theodor and Gustav continue running the company in Wels.

#### **1959:**

Founder Gustav Berghofer passes away. Theodor Berghofer assumes sole leadership of TIGER.

#### **1962:**

Theodor's son, Kurt Berghofer, joins the company at the young age of 19 after having graduated from Chemie-HTL, the Higher Technical College for Chemistry in Vienna. At this time TIGER's workforce numbers approx. 40 and generates revenues of about 10 million Shillings.





Historic picture: Kurt and Elisabeth Berghofer cherish the first extruder used for TIGER powder coating production as an authentic memento.

#### **1966:**

Kurt Berghofer is appointed CEO. Gabriele Buchner-Berghofer joins the company as commercial artist after completing her education at the Art School of Linz. Right when she starts working there, the daughter of Gustav Berghofer hits the jackpot with the new design of the TIGER Coatings brand image. Gabriele Buchner-Berghofer designs a tiger with a friendly smile with a paintbrush in its right paw and a paint can on its left. To this day this logo is the symbol of quality products from TIGER.

#### **1967:**

Kurt Berghofer gets a valuable tip from his college friend Gerald Hemedinger about great potential in the emerging powder coating technology and immerses himself in the topic. Ultimately, as one of the first European paint manufacturers, TIGER banks on the revolutionary coating technology and creates the new "TIGER-Drylac®" brand. In the early 1970s worldwide export of the products is already off and running.

#### **1984:**

TIGER founder Theodor Berghofer passes away.

#### **1985:**

The company is on a course to expansion and establishes companies and production facilities in the U.S. and in Canada. The global distribution structures of TIGER Drylac® powder coatings are continuously expanded.

#### **1992:**

Elisabeth Berghofer, daughter of Kurt and granddaughter of Theodor Berghofer, joins the company. She previously graduated from the Handelsakademie (Business College) in Wels and obtained a degree in Chemical Engineering in Vienna. A 6-month internship with a paint manufacturer in Spain completed preparations for her new job. As one of the first paint companies, TIGER implements a quality management system and obtains certification according to ISO 9001.

**1993:**

TIGER installs a new computer-controlled production planning and control system (PPC), an essential step toward operational excellence and competitiveness.

**1994 to 1995:**

Clemens Steiner joins the company on a permanent basis. In summer of 1989, as a student of Process Technology, he learned the ins and outs of powder coating production at TIGER in California before taking the lead in the set-up and certification of the quality management system according to ISO 9001 in Wels and Canada in 1991 and 1992.

For the purpose of long-term company management planning, Kurt Berghofer, Gabriele Buchner-Berghofer and Elisabeth Berghofer decide on Clemens Steiner as the successor of Kurt Berghofer. A ground-breaking long-term plan for SMEs is formulated together with Dr. Günther Horvath, a company consultant for many years.

**1995:**

The new segmentation in the powder coating market leads to a dual distinction between OEMs and job coaters all the way through to application-specific clusters referred to as Application Target Groups (ATGs) at TIGER from now on.

**1996:**

The Asian market is explored and the first offices are established with Clemens Steiner as the new third-party minority shareholder.

**1998:**

Gerald Hemedinger joins TIGER as Head of Global Research, Innovation and New Business Development. Under his leadership, the company created the first concept for long-term development, a move that results in the following innovations: TIGER Architectural Service, ATG Glass, ATG Wood, ATG Steel, ATG Cans & Tubes and TIGITAL® Inks and Powders.

**2000:**

Opening of a production plant for TIGER Drylac® powder coatings in Shanghai/Taicang (China).

**2001:**

The establishment of production facilities in Ho Chi Minh City (Vietnam), sets a new milestone in the strategic expansion plans of TIGER.

**2002:**

In the global roll-out, TIGER decides on a standardized ERP software. The proprietary IOS PPC system is discontinued and a decision made in favor of SAP.

**2003:**

With the opening of the new global Research & Development Center in Wels, TIGER lays the cornerstone for coating solutions of the future. Kurt Berghofer appoints Clemens Steiner to join him as a second CEO with signatory authority for the Group.

**2004:**

TIGER starts building its automotive division and gets a foothold in the sector with the aluminum rim coating business.

**2005:**

Finance Director Erhard Klassen passes away unexpectedly after 59 years at TIGER.

**2006:**

TIGER opens a production site in Itupeva (Brazil). The company enters the acrylic powder coating technology with its first production line in Wels. The globally standardized use of an ERP system starts with the SAP go-live in Wels.



Future of digital inks: We use our multi-pass printer for developing UV inks and producing patterns.

**2007:**

As part of the company's internationalization and the related standardization, TIGERWERK is renamed TIGER Coatings. Green light for TIGER digital ink development headed by Gerald Hemedinger.

**2008:**

TIGER launches its VISION project. A production facility is opened in Mexico. The international organization is elevated to the next level with the Global Functional Leaders.

**2009:**

Continuous research and development activities on new substrates. TIGER enters the in-mold coating technology so it can supply the emerging market of lightweight components with carbon and glass fibers in the field of electro mobility as well. Founding of TIGER Egypt.

**2010:**

80th anniversary celebration of TIGER Company. Profit sharing is implemented for all employees worldwide.

**2011:**

Start of production in Chengdu (China West). Implementation of the TIGER Operating System (TOS).

**2012:**

Expansion of business activities: Establishment of TIGER Consult for professional handling of consulting activities for the TIGER Group in the area of surface technology and surface processes.

Reinhold Freiseisen, Chief Financial Officer (CFO), is appointed to the Executive Board as its third member.



**2013:**

Start of production in Fogang, China (South). Opening of the Digital Print Center in Wels with demo printers for TIGI-TAL® Inks & Powders. The structure of the company is clearly geared to the business units.

**2014:**

The Chamber of Commerce honors TIGER with the “Hidden Champion Award”. WirtschaftsBlatt (business publication) chooses the company as the best family business in Austria.

**2015:**

With consolidated Group revenues totaling EUR 297,3 million, TIGER is within reach of the 300-million mark. The head of global production facilities, Thomas Loibl, is appointed to the Executive Board as Chief Operating Officer (COO).

**2016:**

For the first time, TIGER revenues surpass the 300-million mark. This result means that revenues doubled since 2010. After sizable investments in the Research & Development Department, additional millions are invested in building new production areas, offices and the growing field of digital printing solutions.



TIGER invests: By 2018, we will have built the Gemba Support Center (GSC) along with the Bistro for employees (left), a spacious production hall and an impressive entry hall with safety access control (top right). We are also expanding our administration building (bottom right).



*"Discovering new shores has always been in the genes of the TIGER. We first managed to do so in the 1960s when we ventured into the field of powder coating technology, which was still unknown at the time. With the same spirit of our founding fathers, we also managed to jump from the analog to the digital age."*

**KR Ing. Kurt Berghofer | Majority Shareholder**



# TIGER Group

## TIGER Coatings GmbH & Co. KG

Legal form: GmbH & Co. KG | Headquarters: Negrellistrasse 36, A-4600 Wels | Commercial Register Number: FN 25572 g  
Commercial Register Court: Regional Court Wels | UID Number: ATU 25018405 | DVR Number: 4000845  
Ownership structure: Partner with unlimited liability

## TIGER Coatings Geschäftsführungs GmbH

Legal form: LLC | Headquarters: Negrellistrasse 36, A-4600 Wels |  
Commercial Register Number: FN 78072 m | Commercial Register Court: Wels

Prok. Ing. Elisabeth Berghofer, Authorized Representative: 38.6%  
Mag. art. Gabriele Buchner-Berghofer: 36.4%  
KR Ing. Kurt Berghofer: 25%

## Limited partners

Kurt Berghofer GmbH: 63.64%  
Gabriele Buchner-Berghofer GmbH: 36.36%

## Supervisory Board:

Prok. Ing. Elisabeth Berghofer, Chairwoman  
Karl Buchner, Vice Chairman  
KR Ing. Kurt Berghofer, Member of Supervisory Board  
Franz Reiter, Employee Organization Delegate  
Klaus Wiesinger, Employee Organization Delegate

## Affiliates

TIGER Coatings Egypt (LTD); Egypt  
TIGER Coatings Belgium bvba; Belgium  
TIGER S.A.R.L.; France  
TIGER COATINGS UK LTD; Great Britain  
TIGER Drylac Italia s.r.l.; Italy  
TIGERLAK spol.s r.o.; Czech Republic  
TIGER Coatings Poland Sp. z o.o.; Poland  
TIGERLAK Slovakia spol.s r.o.; Slovakia  
TIGER Coatings Spain S.L.; Spain  
TIGER Coatings Sweden AB; Sweden  
TIGERLAKK Kft; Hungary  
TIGER Coatings Turkey Boya Ticaret Limited Şirketi; Turkey  
TIGER Drylac U.S.A., Inc.; U.S.A.  
TIGER Drylac Canada Inc.; Canada  
TIGER Drylac Mexico S.A. DE C.V.; Mexico  
TIGER Drylac Taicang Co. Ltd.; China  
TIGER Drylac Chengdu Co. Ltd.; China  
TIGER Drylac Fogang Co. Ltd.; China  
TIGER Drylac Japan K.K.; Japan  
TIGER Drylac Malaysia Sdn. Bhd.; Malaysia  
TIGER Drylac Vietnam Co., Ltd; Vietnam

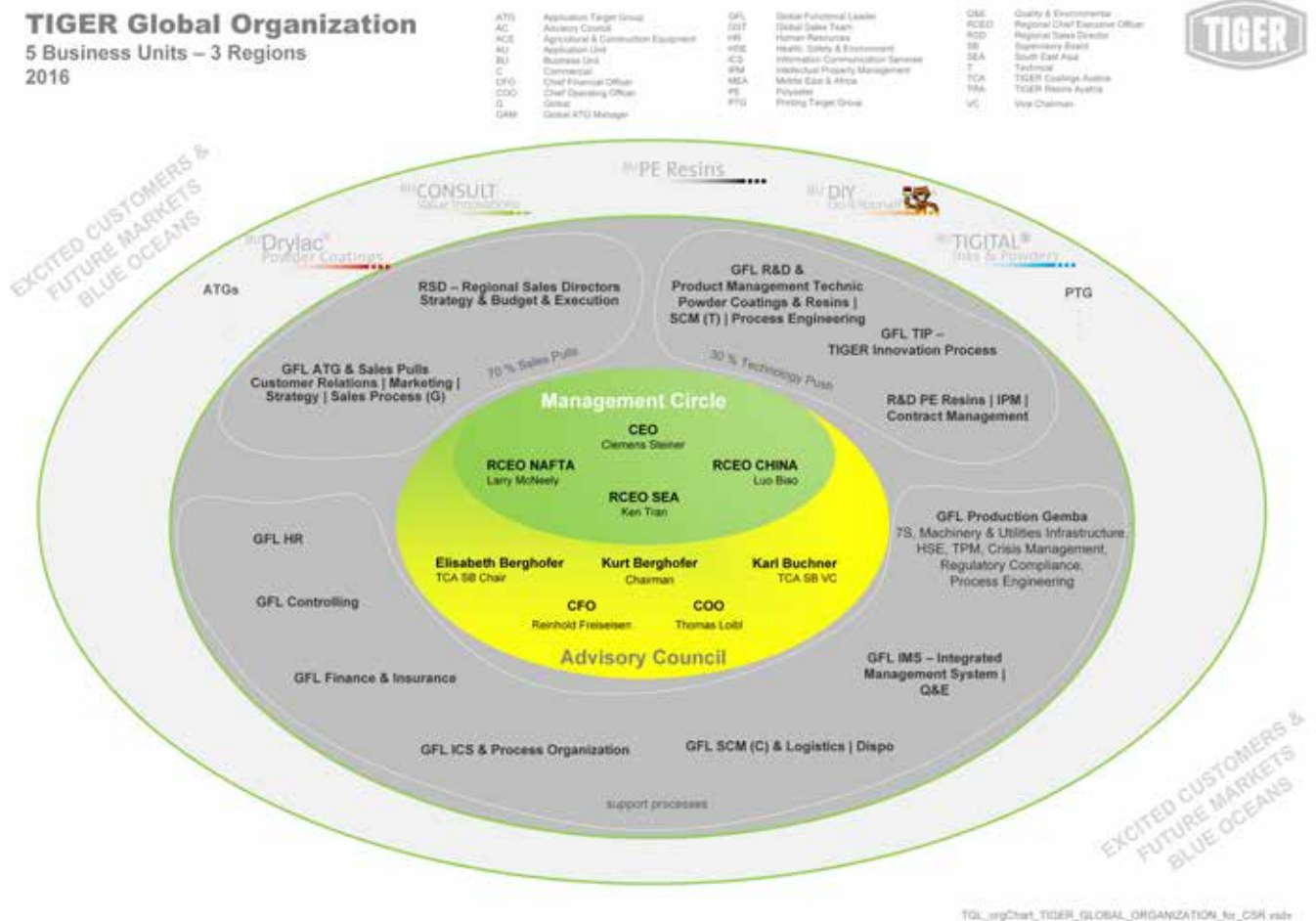
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## Production locations

Austria, Egypt, China (3), Canada, Mexico, U.S.A., Vietnam

# Globally organized

It is the map of our company: The organizational chart of TIGER shows very clearly the way our five business units are organized internationally and the relationship of these units to each other; it also illustrates the way responsibilities and authorities are organized.





## TIGER in numbers

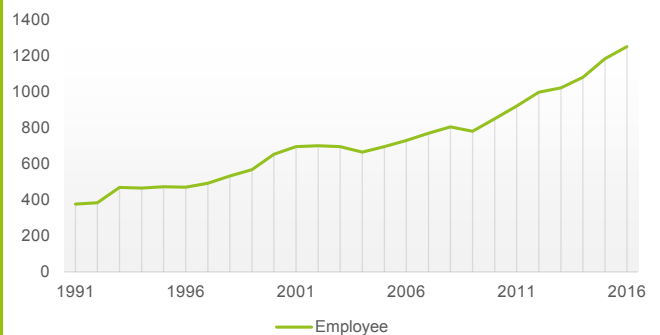
1,251 employees of the global TIGER generated consolidated net revenues of EUR 305.2 mio. in 2016. This equals net revenues of EUR 244,000 per employee.

We invested 5.5% of this amount in form of funding, material cost, consultation and salaries in the TIGER laboratory team. In 2016 approx. 3.3% were spent directly on expenditures and wages in Research & Development as well as on innovations.

Net Revenue in EUR mio.



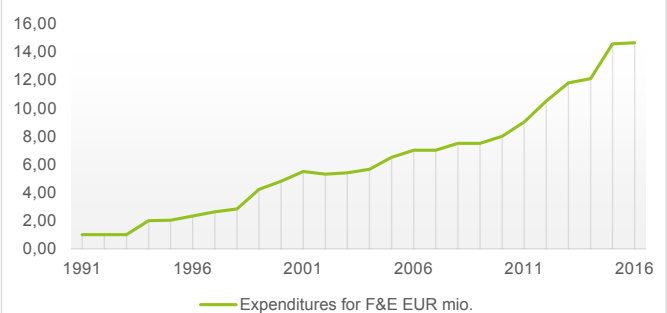
Number of TIGER Group Employees



Net Revenue/Employee in EUR mio.



Expenditures for Research & Development in EUR mio.



Research & Development in % of Net Revenue







# TIGER Coatings Austria

TIGER is space. Space where people can grow, develop their talents and release their energies. Entrepreneurial success is not the primary goal of our effort but rather the result of our actions.

Our customers are our partners. Worldwide. This is how we aligned our productivity capacities. Our primary rule is to implement optimal solutions in the shortest time. We maintain intense cooperation in global networks with many customers worldwide. This is something we are proud of.



TIGER Coatings Austria, Wels







# Our vision for the future

## VISION

Our Vision is to CREATE and CAPTURE VALUE; to our customers with our COATINGS and TIGITAL Inks, to our people by providing them with the opportunity to grow, to spread their wings and fly, with room to unfold their wonderful talents, to excel as individuals and as a TEAM. This is our Purpose of Existence. Success and profit are logical results of this attitude and guarantors for a robust organism.

## MISSION

A BETTER FINISH. A BETTER PRINT. FOR A BETTER WORLD.

VALUE CREATION for CUSTOMERS & PARTNERS

**We** win customers by creating value with innovative coatings and print solutions and excite them with TIGER services, quality and flexibility.

**We** are close to our customers and develop global partnerships through our worldwide network.

**We** offer competitive standard solutions and develop special ones for hi-tech products and applications. This is how customers perceive our value.

A GREAT PLACE TO WORK

**We** cultivate a creative and inspiring work environment through a liberating organization. A solid balance of work-life and private-life is the foundation of a happy and healthy lifestyle. Therefore, a healthy organism with a robust immune system has the best chances to cope with the challenges ahead.

**We** know that the key elements that drive our internal passion are clarity of purpose, autonomy in what we do and a framework to achieve mastery of doing. Carrots and sticks are yesterday's approach.

**We** are aware with every decision we make of our Total Responsibility for all TIGERs around the world and their family members associated with them.

**We** strive to work in self managing TEAMS.

**We** cultivate the art of short effective communication to nourish and instill purpose into our doing.

**We** TIGERs accept each other with respect, honesty and fairness at all levels. We foster open communication.

**We** TIGERs enjoy working together and do it with pride. We trust each other and achieve excellence through TEAM-work and integrated global networking.

**We** re-energize and motivate each other through common activities and gatherings.

**We** TIGERs cherish and welcome every opportunity to develop our skills and to grow as a person.

**We** consider every crisis from two angles – as a threat as well as an opportunity.

**We** appreciate diversity; different views and opinions lead to better solutions.

**We** are striving for equal chances and equal pay for women and men.

GREEN

**We** develop and produce innovative and environmentally friendly products while keeping in mind the least impact on resources, so we can contribute to a higher quality of life. We are fully aware of our social responsibility.

FAMILY OWNED

**We** are a professionally managed and family-owned business with over 80 years of experience in the coatings industry and will remain as such. Our roots are in Austria with branches throughout the world.

VALUE CAPTURING & PROFIT

**We** create and capture value.

**We** achieve sustainable results despite economically challenging times. We predominantly re-invest our profits, mainly in our TEAM and new technologies, to enhance the competitiveness of TIGER. This is the foundation of our independence.



*"The foundation for what we do every day consists of the canon of values we developed together. It is the bright north star that shapes our actions. Not only are our employees obligated, they are within their rights to live and preserve our core values: From the very first workday."*

**Dr. techn. M.Sc. Clemens Steiner | CEO**



## We live our values

Our eight **core values** are like a beacon for our company. They form the foundation of TIGER, provide guidance and describe the characteristics that are important and valuable to us.

They guide our actions, provide valuable aid in decision-making and are the driving force as we implement our vision and mission.

### Openness

Openness has two dimensions for us: Speaking and listening.

We speak openly and honestly with each other, and we listen to others without prejudices. If in our opinion something is not right, we address the topic and lay problems on the table openly.

### Courage

Courage is the state of mind that is essential when you leave the well-traveled path and proverbially "set sails for uncharted waters". To have the courage means to leave behind familiar structures and find the strength for building new ones. Only in this way can we create innovative solutions and inspire our customers over and over again.

### Passion

We sparkle with passion for what we do. This passion cannot be explained but is felt everywhere.

### Teamwork

We strongly believe that team spirit is the key to success and use the power of group intelligence in gatherings, meetings and workshop and also in mindful dialog. However, to us team also means knowing exactly who is behind the wheel and ultimately take responsibility.

### Trust

Trust is one of our most important founding principles and starts as early as during the hiring interview. We trust our TIGERs from the very beginning. However, this also means that responsibilities are clearly defined and each team member knows their tasks. After all, our topmost goal – customer satisfaction – can only be achieved by motivated cooperation of all employees.

### Respect

We kick the ball but never the person. There is more to giving respect to someone than merely accepting the person. This subtle distinction simplifies the rules of fair play.

### Appreciation

We appreciate each other. We appreciate the cultural diversity, our different perspectives and opinions. We learned that we can come to an agreement even when different points of view clash.

### Curiosity

The natural interest in everything new is a wonderful characteristic from childhood that we want to retain, foster and appreciate. The dynamics of curiosity keeps us from stagnating in our development. After all, when you stop improving you stop being good.



#### Creating value

Preparing the boiler; extruding and milling; filling and packaging

#### Necessary secondary activities

Preparing and cleaning; testing procedures

#### Waste

Wait times; searching for parts; repackaging products; reworking

The goal is to eliminate waste, reduce necessary secondary activities and as a result increase added value.

\*Anything not increasing value is waste!



**MUDA\***



## More efficiency with lean management

TIGER has been actively working in accordance with lean management principles for more than ten years. Its objective is to “slim down” existing processes along the entire value chain. By doing so we increase employee satisfaction as well as productivity.

Trained lean managers are by our TIGERs’ side right at the workstation, also known as Gemba, and together they optimize the workflow.

### Culture of Kaizen

Gemba is a Japanese concept meaning “place where added value is created”. The basic idea of Gemba is to eliminate waste – Muda – and in doing so create more space and energy for creating added value.

The constant optimization of processes in small steps, Kaizen, is a key to making high-quality products. Kaizen has a positive effect on product quality, safety, ergonomics and workstation design, and creates more efficient processes by preventing waste and thus reducing susceptibility to errors.

New TIGER employees are regularly offered training on the topic of Gemba.

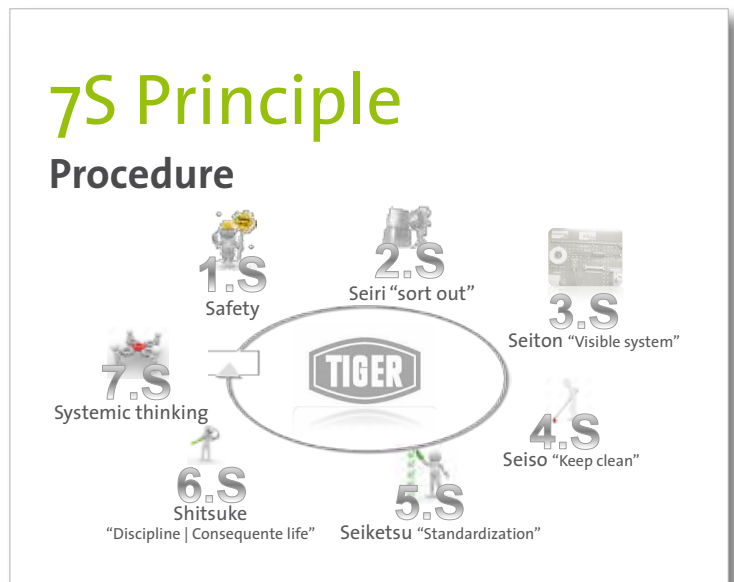
### Step-by-step to success with 7S

The 7S principle creates a clean, healthy, pleasant, safe and efficient work environment. Not least of all, the appearance of workstations in production is a calling card for TIGER and underscores the high quality of our products.

The goal of the 7S strategy is to arrange all equipment at the workstation in its ideal position. To this end, regular workshops are conducted with team leaders and employees in select production areas, where they work directly with the systems. In the course of the workshop, workstations are optimized and exiting processes improved.

Equipped with 7S checklists, our lean managers evaluate the steps implemented in monthly rounds; they check areas with existing improvements and those where more help can be offered. Throughout the process, the in-person communication with TIGERs is always at the top of the list.

Based on all production areas at the Wels location, we were able to successfully implement around 60 to 70 percent of transformations defined in the 7S area. Still, we should note that 7S is an ongoing process, certainly much more than a basic principle, that too continues to be lived at TIGER.





## TIGER capturing blue oceans

TIGER is the only professionally managed family enterprise among the top players in the powder coating sector listed on the stock exchange. Add to this that coating production is a bulk business with enormous competition in the traditional user markets.

What makes TIGER so successful just the same?

First, it is our perfect interaction as a team. Every day we are working together to develop, produce, store, ship and market top products for our customers.

Second, the strategy of our Executive Board to capture new markets, also known as **blue oceans**, with innovations. They are the counterpart to **red oceans** that symbolize hotly contested saturated markets.

Thus, the TIGER fleet skillfully sails around the bulk business and downward pricing pressure in the coating sector and discovers undeveloped niches offering real added value for customers.

Our researchers are constantly working on blue oceans. In 2016 they once again inspired with spectacular inventions, many of which we were able to register for patents and we are still counting.

## Our inventions are our property

As a driver of innovation and a company that operates worldwide, TIGER secures its intellectual property using a comprehensive protective strategy. Within its context we apply for patents for promising inventions.

In 2016 we were able to apply for several patent rights in the area of TIGER Austria core markets in Europe and globally. They include:

- Novel inks for industrial use that exhibit performance characteristics not known thus far
- Highly reactive powder coating systems
- Innovative concept for material to be used for industrial 3D printing
- Unique metallic powder coating that allows for characteristic effects of wet paint in a brilliant way never before achieved



*"It is vital to use today to lay the foundation for tomorrow because of increasing commoditization in the area of paints and coatings. This is why at TIGER we highly value innovations. Thus, a sustainable value and benefit can be created for our established and future customer."*  
**Mag. Dipl.-Ing. Dr. Ingrid Hintersteiner | Assistant to Lab Management**

# Research & Development (R&D)

From the design of binding agents to formulation and improvement of powder coatings with effect pigments through to application and use, the topic of sustainability plays an important part at TIGER. After all, our products are not only intended to be high-performing, above all they are intended to be environmentally friendly.

## Roadmap to success

The corner-stone for our innovative products is set in their new as well as their further development. TIGER has a long-term research and development strategy (R&D + road-map) entitled “TIGER 2020+”:

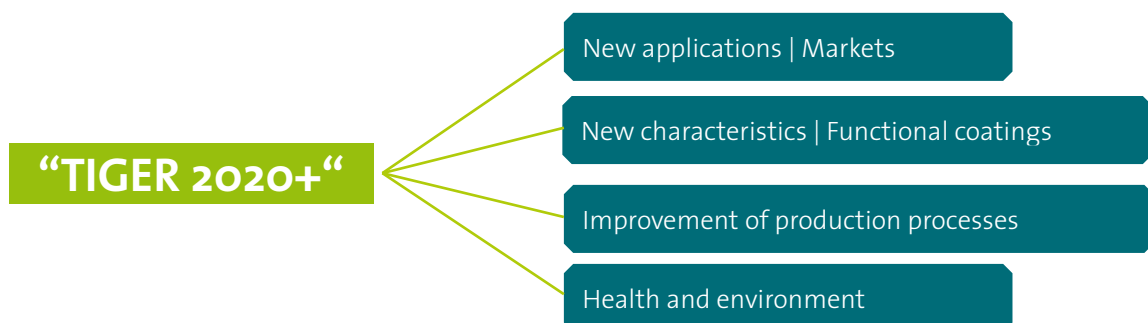
Providing existing products with extraordinary features or developing completely new and innovative coating systems is one of the primary objectives of R&D activities at TIGER. For one, it is important in order to generate additional benefits for various stakeholders. For another, we are fending off commoditization.

Another focus is the ongoing improvement and optimization of production processes. All of these research and development activities are framed by the focal point “Health and Environment”.

When selecting projects, the TIGER R+D team has a dual concept in mind. On the one hand there is the “market pull” approach that clearly focuses on considerations of market developments, customer interests and specific user groups. In this process, Research & Development works together in close cooperation with Marketing and Sales.

Then there is the other objective at TIGER: the pursuit of a “technology push” approach through targeted innovation scouting, where the intent is to anticipate and address future customer requests and market trends. The combination of these two mainstays ensures closeness to the markets and customers, innovative strength and thus (future) competitiveness of our company.

Regional proximity, including to suppliers of raw materials, is very important to the ability to respond quickly and flexibly to customer requests and specific inquiries. This is the reason TIGER operates R&D centers in all regions with production sites.









## These are the subjects of our research and work

In our activities we focus on sustainable decrease of curing temperatures, reduction of layer thicknesses and the associated consumption of material and energy, increased durability of coatings and opportunities for recycling.

Another focal point is development of what is known as “functional coatings”. Their innovative characteristics not only improve the products of our customers but also simplify their production processes and ensure competitiveness in the long term.

Since TIGER has its own polyester resin production and an appropriate in-house synthesis lab, the company is able to design specific binder systems for the demands of particular fields of application. Here, too, the trend is increasingly toward “green” basic materials as evidenced by the use of the first raw materials derived from biological resources.

## From idea to (green) products

Within the context of R&D management, TIGER has employed an approach that has been highly process-oriented for several years. For this purpose we joined forces with an outside consultant to institute the “TIGER Product Development Process” (TPDP).

In this process, various departments such as Product Management, Production, Process Development, Quality Assurance and Sales are included in the in-house development process from the very beginning. And since the origin for sustainable products and solution is their formation, we anchored the aspects of sustainability directly in this innovation process.

With all projects that are implemented, TIGER requires a comprehensive social and fact-based analysis of project environment and stockholders that includes various perspectives and findings starting with the early stages of development.

With respect to selection of technologies and raw materials, we also pay particular attention to environmental friendliness, avoiding raw materials that present a health risk and sparing use of resources.

## Communication is everything

To be able to exhaust the full potential in Research & Development, we put a high premium on the exchange of information at the regional and global level. Aside from virtually daily meetings within the individual R&D units, there are also weekly gatherings of lab managers. We also organize large quarterly meetings with all R&D employees attending. These meetings not only focus on specialized contents but primarily on interpersonal aspects as well.

Based on the concept of the “Make-me-better-session”, we organize an annual off-campus meeting combined with a team trip. The objective is to work on improving daily interactions. There are also regular exchange programs and weekly SKYPE conferences with our global TIGER R&D colleagues.

In communications with Sales, Production, Purchasing or Process Technology, we also place great value on teamwork across departments.

## Strong partnerships

In addition to collaborating with local companies, we also bank on close collaboration with universities and research institutes in order to achieve our research goals. Within this context, TIGER offers opportunities for completing Bachelor, Masters, Diploma and Doctoral theses as well as research internships and is becoming the cutting-edge mentor and partner for many pupils and students.

## Top priority: Diversity

Contrary to the general trend in technical professions, the R&D area at TIGER is taking a leadership role when it comes to the share of women in leadership positions. As of February 2017, the share of women product and lab managers in the TIGER team is around 40%.

The outstanding performance of our women researchers was honored several times with high-profile research awards in years past. Thus, our committed women were able to celebrate the Upper Austrian Women Researchers Award [“Oberösterreichischer Forscherinnen Award”] as well as “DIE OBERFLÄCHE” [Surface], awarded by the Fraunhofer Institute (see page 79).



*“For a number of years, TIGER Management has clearly committed to hiring more women and develop them for leadership positions. We did particularly well with this goal in the R&D Department. Aside from providing adequate framework conditions (diversity as a top priority, establishing a pool of talented women, etc.), we foster a cooperative work environment that lives up to the gender aspect: Same qualification, same opportunity!”*  
**Dr. Dipl.-Chem. Carsten Herzhoff | Global Technical Director**



*"TIGER believes in the concept that the only constant is change. We see constant change as an opportunity to ensure the high quality of our products in the future as well – true to our motto: Never stop learning, never stop growing!"*

**Ing. Dipl. Wirtsch. Ing. (FH) Thomas Loibl | COO**

## Products and Services

The highest production volume at TIGER is in powder coating, some of which is further processed for metallic effects. Our company also specializes in the development and production of innovative digital inks for industrial inkjet printing systems.

However, from the very beginning, the name recognition of TIGER has been built on do-it-yourself products that currently amount to approx. 2.5 percent of the Group revenue. Due to a drop in demand resulting from competition with low-cost proprietary brands in the home improvement and DIY markets as well as rising raw material prices, we are nevertheless forced to abandon this division at the end of 2017 (see page 40).

Adjusted for the volume sold, our products are made, stored and shipped at the Wels location in shift operation. Management, Logistics and Maintenance are also located there.

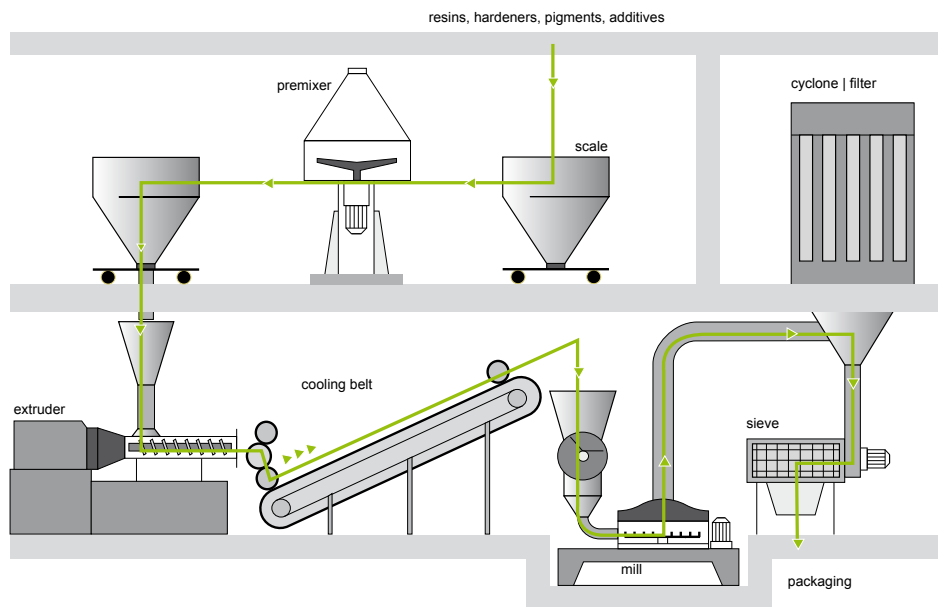
### TIGER Drylac®

TIGER is one of the leading global manufacturers of powder coating for industrial surface finishing of steel, aluminum, galvanized surfaces, wood (MDF), temperature-resistant plastics or glass.

Powder coatings are solvent-free, environmentally friendly enamels with nearly one hundred percent material utilization. TIGER offers the most comprehensive standard range of powder coating colors and effects worldwide.

## Powder coating production process:

1. **Weighing:** Raw materials (resins, hardeners, pigments and additives) are weighed based on a recipe that specifies the raw materials and their percentages.
2. **Premixing:** The following mixing process produces a homogeneous mixture in the batch container for subsequent dispersion in the extruder.
3. **Extrusion:** As part of the extrusion, resin granules melting combined with intensive shear forces, the raw materials are evenly distributed and pressed through a nozzle as a viscous mass in the form of a rope. Then a calender rolls out the extrudate to the desired thickness before it cools off and is broken up into chips in a crusher.
4. **Grinding:** Now an air stream blows these chips into the grinding chamber where they are processed into fine powder. Once the particles passed through the air separator, they enter the cyclone separator where grains that are too fine are screened out. Due to its inertia, the powder slows down, collects on the floor and is fed to the filling station by way of an airlock.
5. **Filling:** After final protective screening and filling into their respective containers (PE bag, box or FIBC), the TIGER powder coating is ready to be shipped and used.

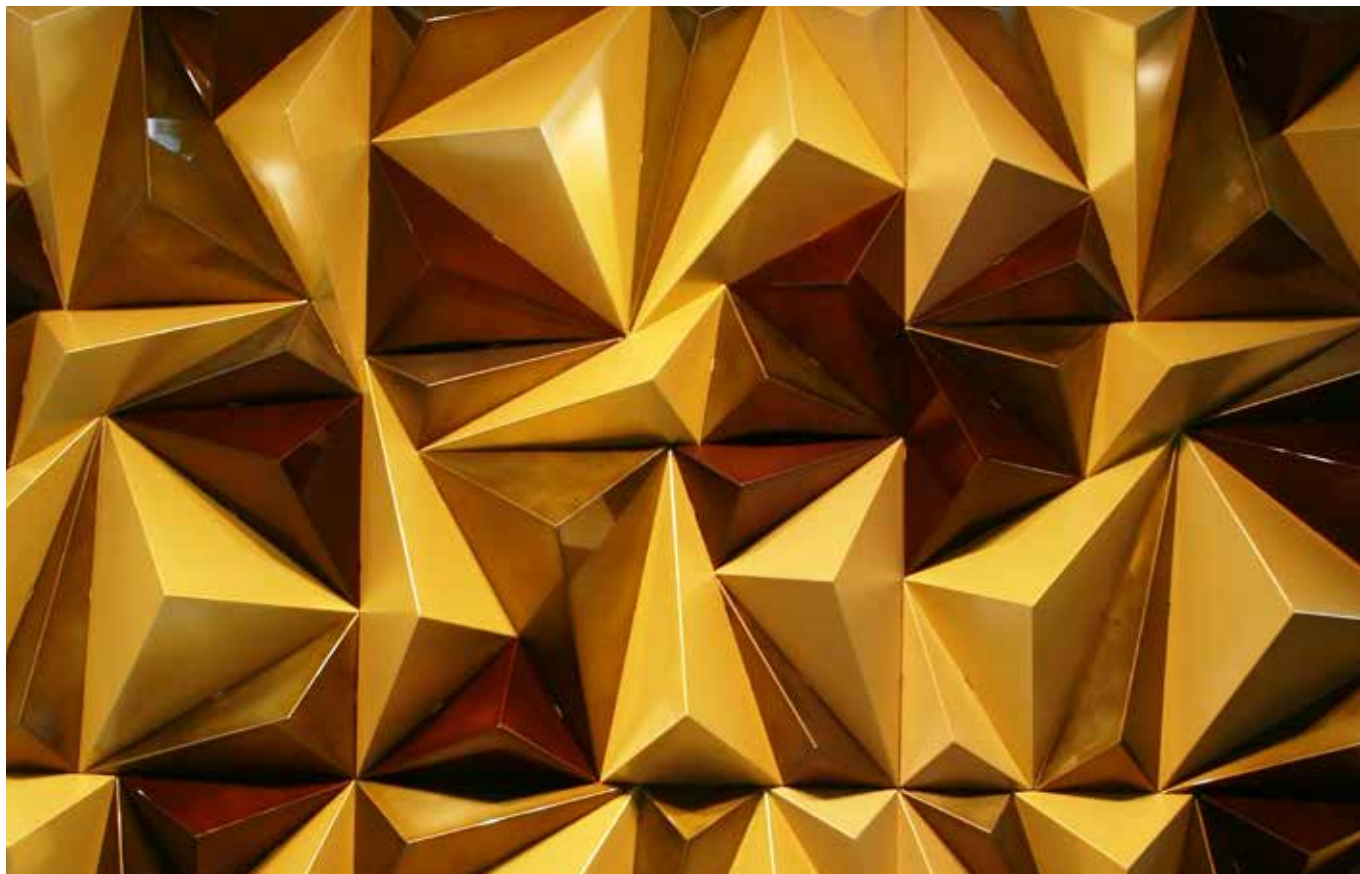


## Depth and brilliancy with metallic effects

Whether for individual architectural applications, in the automotive or sports equipment area or as stylish interior design elements; effective metallic surfaces are in demand more than ever. They underscore the valence of an object and make it distinctive. TIGER takes this desire into account and finishes its powder coatings with brilliant gloss effects.

In the past, a process known as bonding was used to make these special products: Here, powder and effect pigments are mixed homogeneously using shear force and temperature; a process in which the pigments get stuck on the powder grain surface. The result is impressive. Nevertheless, the depth effect of powder coatings cannot compare to that of wet paints.





### Innovation: TIGER Drylac® 3D Metallics

In order to meet the various demands for brilliancy and depth, TIGER developed a spectacular product innovation that perfectly combines the high demands of powder coating for finish and visual effects.

**TIGER Drylac® 3D metallics**, a new generation of liquid paint look-alike metallic effect powder coating that allow the perception of optical dimensions never before achieved. The innovative TIGER product line ensures highest standards of processing reliability, excellent quality and a spectacular surface where differences in effect can no longer be distinguished from liquid paint.

In the TIGER Drylac® 3D metallics production process, which is registered for a patent, the effect pigments are added to a colorless or transparent powder coating melt and ground particularly gently. Then a special mixing process is used to create a homogeneous blend from this master batch with a second, opaque (= impervious to light) powder coating.

During the melting and curing phase, TIGER Drylac® 3D metallics form channels of colorless powder coating between pigment and coating surface. As a result, similar to fiber-optic conductors, the effect pigments deep inside the powder coating matrix become visible as well and the 3D metallics effect can be seen perfectly from different view angles.

At the same time, our innovative product offers an advantage compared to liquid paint: It can be applied in a one-layer process, is sustainable and environmentally friendly.

## TIGITAL® inks & powders

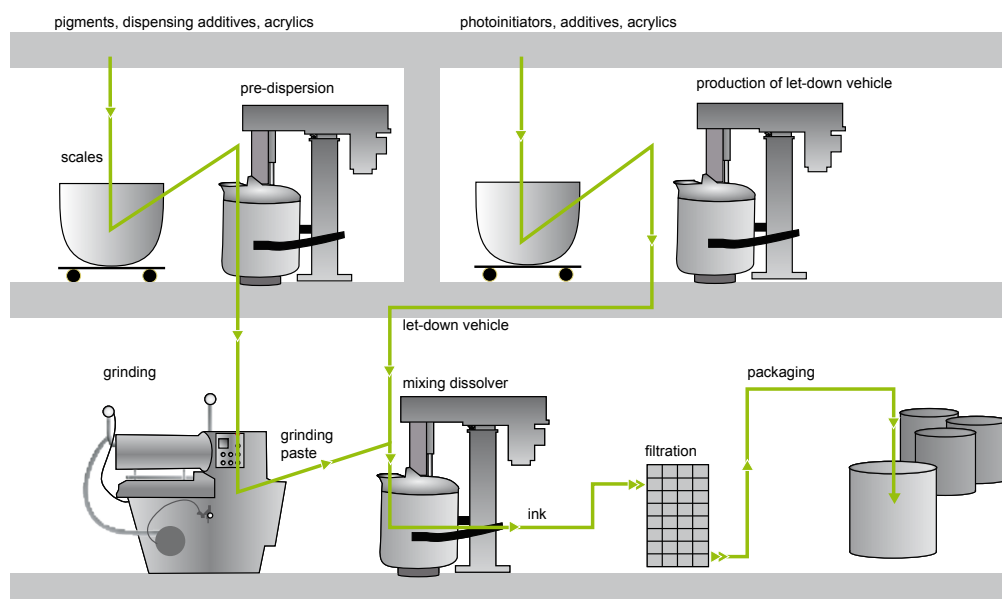
In cooperation with system integrators, TIGER develops exclusive, customized digital printing products, such as inkjet inks and digital powders for industrial applications in the small to large format printing range. The trend to customization, small lot sizes and, above all, cost efficiency are the driving forces further pushing the trend toward direct digital printing.

The materials to be printed, such as paper, decorative paper, glass, wood, metal or plastic, present specific challenges for inks that can only be realized optimally with customized recipes. Here, TIGER offers customized solutions for all surfaces.

### Production process for digital inks:

The production process of TIGITAL® Inks is divided into five-step process that are implemented in separate areas to prevent cross-contamination. The entire UV ink production process takes place in an environment free of natural light.

1. **Dispersion:** The first step is to weigh the individual components of the ground concentrate in accordance with the recipe and disperse them in a dissolver.
2. **Grinding:** This pre-dispersion is followed by grinding or fine dispersion in a mill referred to as a bead mill. First, a pump moves the pigment concentrate produced into its milling chamber where it is further crushed under high shear and impact forces.
3. **Finalizing:** In this step the ground concentrate with its high concentration of pigments is diluted according to the recipe before additional components are added. After finalization, all necessary ingredients are added to the ink which is then ready for filtration.
4. **Filtration:** The filtering and filling processes take place together in a clean-room environment. A pump filters the pressurized inks through the proper cartridges before they are packaged in suitable containers.
5. **Cleaning:** All devices and work equipment used must be cleaned with solvents once the inks are produced. TIGER installed a separate cleaning system for the tanks used.





TIGER Do-it-Yourself: The brand rich in tradition was a mainstay for generations of do-it-yourselfers and won over customers with its broad product portfolio.



## TIGER do-it-yourself

The strong brand with a rich tradition won over generations of do-it-yourselfers with a broad product portfolio ranging from paints, emulsion paints, thinners, hobby paints and primers to putty and sparkle materials through to wood protection, sealant, corrosion protection and concrete coating. The products which can be diluted with water are characterized by extremely low odor and are completely incombustible. The result is guaranteed maximum processing comfort and risk-free storage.

However, starting in 2018, the entire TIGER do-it-yourself product range and therefore the popular “Paintbrush-Tiger” will be part of the past. As was mentioned on page 36, we are forced to close this business unit at once owing to the difficult market environment.

While total revenues of the remaining Group continued to develop on an upward trajectory in recent years (EUR 305 million annual revenues in 2016), we had to accept a significant drop in revenues in the DYI division. Years of attempts to maintain this area for employees and customers failed due to current market conditions. The division’s production remains intact through the end of 2017.

## TIGER PER (polyester and epoxy resins)

For production of its powder coatings for facade and exterior applications, TIGER relies on innovative, high-performing synthetic resins based on polyester combined with weather-resistant curing agents. Epoxy resins or combinations of polyester and epoxy resins are used for interior powder coatings.

TIGER PER produces a broad portfolio of captive saturated polyester resins for high-performance exterior applications, in particular in combination with weather-resistant hardeners and epoxy resins for hybrid formulations for use in interior areas.

## TIGER Consult

This business unit operates as a consulting company in global network structures and fits together customer ideas from a large number of puzzle pieces until there is a complete concept.

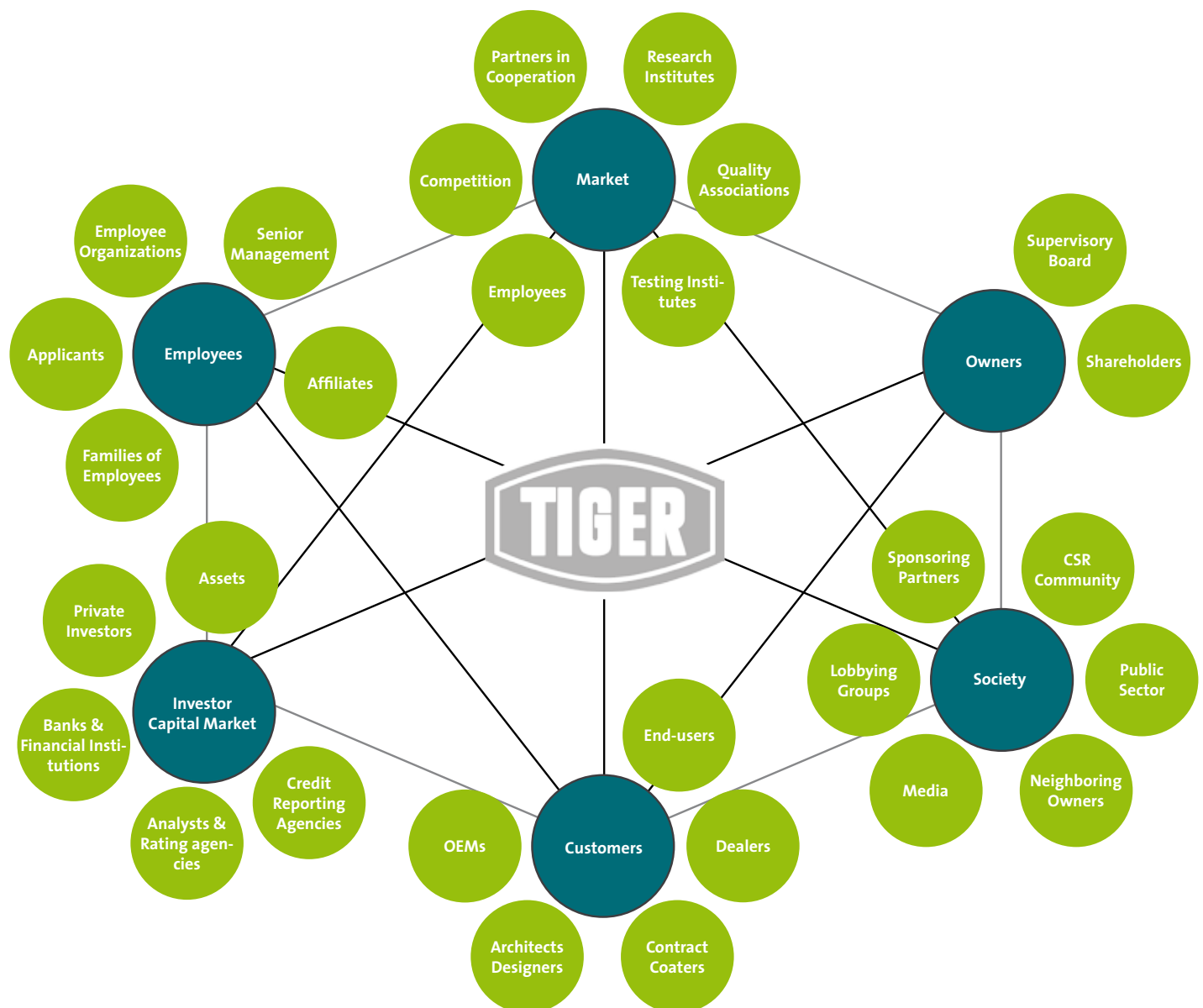
At TIGER Consult, customers are in good hands from the very beginning: As early as during the project planning phase, our team is available to answer questions about color design and product selection and consults with architects and designers. The consulting team helps set up a network of industry partners on five continents if requested and provides support from the sampling and approval phase through to project completion.

Combined with the core competencies of TIGER Coatings GmbH & Co. KG, production, process and recipes, this is the point of convergence of an unbeatable know-how pool with concentrated product and service expertise.

# Stakeholder Engagement

Stakeholders are individuals and/or groups of people with a special interest in the outcome of an economic process, usually in a product line or service; most of the time they are directly affected by the particular business activities.

TIGER identifies six groups of stakeholders that can be further divided into sub-groups. In terms of stakeholder value, our company's particular concern is the communication with all stakeholders.



## Market

Market stakeholders naturally play a central part at TIGER, because without them our actions would be devoid of spirit and purpose; their perspective on the market or user serves as a controlling element that is integral to product management, product offering and our innovations.

At TIGER, products are developed according to the specific stakeholder requirements consistent with “sales pull” and customers have a voice. This is the only way we can respond timely and adequately to current market impulses and customer requests. This inherently necessary flexibility is a characteristic of the TIGER organization that is controlled by projects and the most important condition for developing innovative products demanded by the market.

Therefore, it is part of the job of our Global Application Target Group Manager (GAM) to “implement” precisely this market and end-users perspective in the product offering and product development. In doing so, they are equally the voice of the stakeholders and their requirements for the product and service quality.

## Owners

The representatives of the owners and the Executive Board of TIGER keep a liberal open-door policy. As a result, our employees can easily contact members of the Executive Board and discuss their concerns.

Within the context of Board Meetings, there are also large company meetings where members of the Executive Board and owners meet employees from all production locations. Topics span from current project and new economic developments through to workplace safety.

## Society

TIGER is a member of a large number of industry and sector associations, such as:

- Chemical Industry Association (Verband der Chemischen Industrie e.V. (VCI))
- Window and Facade Manufacturers (Verband der Fenster- und Fassadenhersteller e.V. (VFF))
- Association of German Paint and Print Ink Industry (Verband der deutschen Lack- und Druckfarbenindustrie, VdL)
- ÖGO
- Austrian Institute for Further Education (Österreichisches Fortbildungsinstitut, ÖFI)
- European Council of the Paint, Printing Ink and Artists' Colours Industry, CEPE
- GFKT
- GSB International
- QUALICOAT
- Association of Austrian Specialist Paint Retailers (Vereinigung österreichischer Farbenfachhändler)
- Carbon Composites e.V.
- Association of Aluminum Surface Finishing (Verband für die Oberflächenveredelung von Aluminium e.V. (VOA))

The objective for cooperating with these associations and committees is to provide active support for common plans and to have a voice in legislative processes relevant to TIGER representing the positions and expertise of the company.

TIGER is aware of its responsibility to society and supports social, cultural and educational causes in many different ways. It starts with support for kindergarden fostering integration, continues with hiring various artists for in-house events at TIGER. Last but not least there is the partnership with the CAP education project. (see page 77).

The plant premises of TIGER are located in the industrial area of Wels with mixed construction. Thus, there are commercial as well as private neighbors. We put a high premium on harmonious coexistence and rely on open communication. In case of suggestions and questions, the adjacent owners may call up our contact person. By doing so, TIGER can respond quickly to any disagreements.

During the 2015 Advent season, we invited our neighbors to join us at our punch stall in order to inform them of ongoing operations and to maintain face-to-face contact. Many also took the opportunity to get to know more about the TIGER hunting grounds during the “Research Night” (see page 77).

## Customers

TIGER is always in contact with its customers and includes this stakeholder group into its research and development projects as a partner in cooperation. In doing so, we trust in the principle of Single Point of Contact (SPoC) that calls for just one contact person for all topics.

Whether on the phone, during in-person consultations or at pertinent trade shows, proximity to our customers allows us to learn early on about their needs. This way TIGER is in a position to develop products that not only meet the customer requirements but to exceed them by far.

Under the motto “Plug and Spray”, we offer 100% reliability for service and quality and powder coating that can be applied immediately without compromises.

### We value your opinion!

TIGER conducts customer satisfaction surveys at regular intervals to find out what moves the stakeholder group, what they would like to see and where there is potential for improvement.

Thus far we asked 200 select European customers to complete an annual electronic survey in order to determine the needs of our customers. We evaluated the data in-house and analyzed the results.

The new concept at TIGER will be supported by additional resources. It includes regular inquiries using professionally revised surveys, personal thank-you notes, quarterly evaluation and detailed follow-up activities. The addresses are selected randomly throughout Europe.

TIGER hopes this approach will provide even more information that can be used to improve responses to customer requests and to send the signal: We are always here for you.

## Investors / Capital market

TIGER GmbH & Co. KG headquartered in Wels is owned by the Kurt Berghofer GmbH and Gabriele Buchner-Berghofer GmbH. The former holds 63.64% of the shares, the latter 36.36%.

For years, TIGER has been steadily increasing the equity ratio in Austria. Effective December 31, 2016, it was 30% and is expected to increase to more than 40% in the near future.

In the capital market, TIGER is represented as a private company. We secure the majority of borrowed funds through bank loans.

## Employees

TIGER has a workforce of approx. 1,288 employees (May 2017) across 20 locations with 9 production facilities. At 536, the employee group at headquarters in Austria is the largest.

Our strength is based on the core competencies of our TIGERs for they are our company's foundation and building block for success. We respect diverse cultures and religions. We accept different thought patterns and habits. Above all, there is one thing we do; we are not working **for** TIGER or **for** shareholders and bosses – we are working together **with** TIGERs and **with** managers in the TIGER team.

Global department and board meetings help force communication and the related exchange of experiences; they also promote quick and effective decision-making across borders.

Communication between Executive Board, HR Department and Employee Organization is particularly important in this process. It takes place on a regular basis. People meet as equals and work on a partnership-based solution in a manner that is constructive and conveys mutual respect. Regular monthly meetings between the Chairperson of the Employee Organization and the Director of Personnel round out our efforts toward harmonious co-existence.



*"We use our in-house communications to leave a visible footprint that enables all TIGERs to place their own work within the context of the greater whole. Open communication channels all the way through to our customers allow for an all-encompassing overview and provide us with sound information and suggestions for improvement for the ongoing process of updating our range of products and services."*

**Prok. Christian Ebenberger, MBA | Sales Director & Marketing**

## TIGER Conference for ALL

Staying in regular contact with all employees is important to TIGER. Maintaining an open dialog, creating unity about the direction of the company and reflect on things that went extraordinarily well or less satisfactorily.

To this end, we organized the 2nd TIGER Conference for all employees held at the Wels location on June 2nd, 2017. Consistent with the motto "Reinforcing strengths", in a managed group session we discussed where we can see potential for improved communication, where we can increase our efforts and the contributions each individual can make to the success of TIGER. Seeing the success and positive feedback from all participants, our plans are to host this exciting event annually from now on in order to work together, hold discussions and, of course, to celebrate.

By the way, the 2nd TIGER Conference counted as a workday for all TIGERs. Overtime was settled in form of comp time; no deficit hours were computed on that day.

**INFO**







## Stakeholder communication

TIGER strives to coordinate communication with its stakeholders with the needs of the different groups to the extent possible. The table below illustrates the individuals and type of information and services made available to them.

### Employees

In-house Communication Monitors	2017	2016	
Global Intranet "TIGER World"	2017	2016	2015
Employee Magazine "TIGER inside"	2017	2016	2015
Employee Survey	2017	2016	2015
Noticeboards	2017	2016	2015
Annual Performance Reviews	2017	2016	2015
External Training	2017	2016	2015
Social Benefits	2017	2016	2015
Preventive Medical Exams,			
Vaccination Campaigns	2017	2016	2015
First-Aid Course	2017	2016	2015
Sports Events	2017	2016	2015
Team-Building Seminars	2017	2016	2015
Blood Drive	2017	2016	2015
CIP Mailbox	2017	2016	2015
Anniversary	2017	2016	2015
Punch Stall		2016	2015

### Customers

Customer Meetings	2017	2016	2015
Information by Email	2017	2016	2015
Website	2017	2016	2015
Trade Shows	2017	2016	2015
Industry Events	2017	2016	2015
Color Charts	2017	2016	2015
Product Folders	2017	2016	2015
Company Brochures	2017	2016	2015
Customer Satisfaction Surveys	2017		2015
Customer Audit Feedback	2017	2016	2015
Customer Seminars	2017	2016	2015

### Investors / Capital Market

Reports	2017	2016	2015
Disclosure of Balance Sheet to Business Databases	2017	2016	2015

### Society

Talks	2017	2016	2015
Public Relations	2017	2016	2015
Contact with Employer/			
Employee Representatives	2017	2016	2015
Trade Shows	2017	2016	2015
Events	2017	2016	2015
Awards	2017	2016	2015
Social Media	2017	2016	2015

### Owners

Board Meetings	2017	2016	2015
Shareholder Meetings	2017	2016	2015
Supervisory Board Meetings	2017	2016	2015

### Market

Talks	2017	2016	2015
Meetings/Events	2017	2016	2015
Projects	2017	2016	2015



## Procurement and Logistics

The raw material markets relevant to TIGER are globally interconnected and volatile. In this environment, successful procurement depends on speed, flexibility and competitiveness. By practicing active supply chain risk management, TIGER ensures sustainable supply and is able to control the supply risk as well.

When purchasing and selecting suppliers, we consider economic, ecologic and social criteria (TIGER Global Purchasing Standards, ISO 9001/14001, SA 8000, ILO standard, etc.) and conduct annual supplier reviews to ensure the standards required by TIGER. This process includes audits of the supplier's management system, the environmental and social standard, product quality and delivery capacity as well as service factors.

TIGER values an open and fair partnership with its suppliers and is convinced the continuous improvement of logistics processes and safety along the supply chain are best achieved through long-term relationships.

### Perfectly stored and shipped

TIGER operates local warehouses all over the world in order to ensure that our customers are supplied efficiently. To achieve this objective, we optimize the required routes and bundle our shipments. When cooperating with carriers, we ensure that the companies implemented programs aimed at CO<sub>2</sub> reduction and are certified in accordance to the appropriate environmental and social standards.

With forward-looking material and resource planning we also manage to reduce air freight and express services. In its warehouse in Wels, TIGER only operates electric forklifts in a high energy efficiency class. We are converting the lighting of stock-rooms, production halls and office buildings to environmentally friendly LED technology step-by-step.

## Suppliers share our values

TIGER compels all suppliers to sharing our principles and values set forth in our Code of Conduct. Consistent with these values they are urged to abide by the following guidelines:

### Human rights and labor standards

TIGER expects its suppliers to respect the rights of their employees and to comply with all relevant national regulations and statutes regarding work and employer/employee relationships.

### Environment

TIGER greatly values responsible handling of products and thus imposes on its suppliers to:

**Respect for the environment:** All suppliers must comply with applicable international standards, national regulations and statutes for environmental protection. TIGER requires that its partners implement steps to minimize risks of negative impacts on the environment resulting from business activities. Accordingly, our suppliers are expected to be able to document an effective and appropriate environmental policy.

**Quality and safety of products and services:** Our suppliers must ensure that the products and services delivered meet all applicable quality and safety standards. They also must not contain substances which are banned by law in the respective country and present an untenable risk to human health or the environment.

Good to know: TIGER amended its procurement guidelines to reflect that its suppliers in turn offer products that provide maximum energy-savings.

**INFO**

### Steps in case of violations

TIGER reserves the right to audit each supplier based on the Code of Conduct. This is how we determine whether there is compliance. Appropriate corrective steps must be taken in the event of violations.

If there is serious and/or repeated failure to comply, TIGER is within its rights to indemnification and to terminate the supplier contracts.



*“Even in times of raw material scarcity when supply is the top priority, we do not lose sight of our goals when it comes to sustainable procurement. Starting from raw materials sourcing to shipping finished goods to our customers, we avoid materials and processes hazardous to the environment and demand the same from our suppliers.”*

**Prok. Mag. Wolfgang Lindorfer | Global Supply Chain Management**



*When we launched our integrated management system, TIGER took the path toward sustainable environmental protection. By expanding this system to include the area of energy, we are establishing another important priority."*

**Dipl.-HTL-Ing. Robert Reingruber, MBA |**  
**Global Head of Integrated Management System**



## Economy

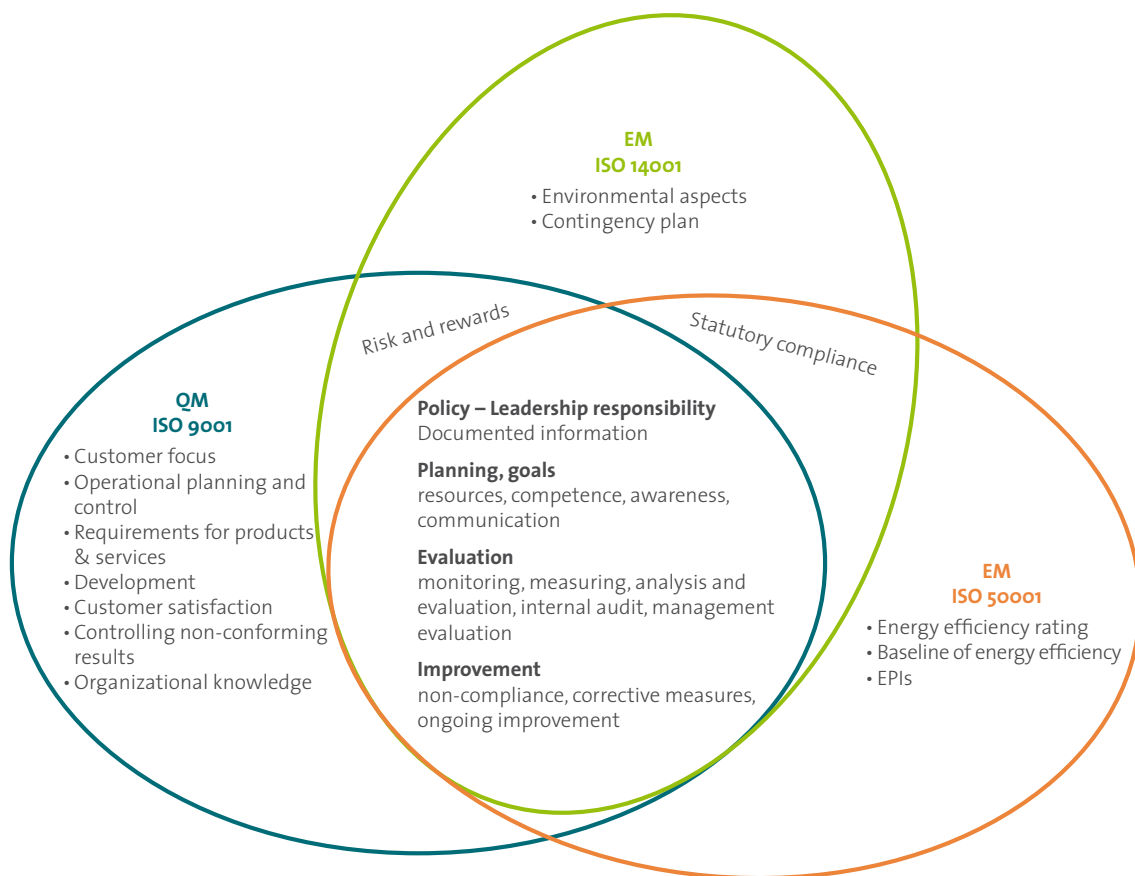
### TIGER banks on ISO

An even balance between economy, environment and society is indispensable for satisfying our needs and, in doing so, refrain from jeopardizing the opportunities for the generations to come.

Ever stricter legislation, increasing pressure on the environment, inefficient use of resources, improper waste management, climate change, adverse effects on ecosystems and loss of biodiversity heightened societal expectations with respect to sustainable development, transparency and accountability.

Years ago, TIGER decided on employing a systematic approach to be consistent in doing its part for environmental protection and introduced an Integrated Management System. Its effectiveness with respect to quality (ISO 9001) and environment (ISO 14001) is reviewed annually by way of all-encompassing audits conducted by third-party and independently certified bodies.

In response to the Energy Efficiency Act, TIGER plans to expand its Integrated Management System by adding the contents of the ISO 50001 standard (energy management).







## For a better world

TIGER's company policy is derived from our company philosophy and is consistently communicated to our employees by management and all supervisors; it is also made available to the public.

Our key messages: Striving to surpass customer expectations, continuously improving our products, processes and services, protecting the environment, using resources sparingly and complying with legal and moral obligation.

### TIGER's Company Policy

We inspire our customers  
We strive for consistent improvement  
We live values such as conformity, integrity and teamwork  
We create a safe work environment  
We work on environmental and economic solutions  
We do our part for a better world

## PHILOSOPHY

## Environmental goals until 2020

Following our company vision/policy, we are taking the term "conservation of resources" seriously. We are convinced that TIGER is able to grow successfully even without increased consumption of resources.

Our company is careful to manufacture its products efficiently. By doing so we not only ensure our competitiveness; we also make a valuable contribution to climate protection that can be measured. In recent years, our energy consumption per kilogram produced dropped significantly.

Propelled by the environmental management system, TIGER made the important aspect of "Energy" a focal point until 2020 and formulated strategic goals for the Austria location:

- Reduction of specific total energy consumption [kWh/kgPE] by 5% compared to base year 2016 by 2020.
- Increase in percentage of renewable energies of total energy consumption from 53% to 55% compared to base year 2016 by 2020.

## Investment for the future

It is a well-known fact that success is followed by inventions. For TIGER, this means expansion of system, space and storage capacities.

By using modern and energy-efficient machines, we manage to increase production without putting additional stress on the environment. We are also expanding the lean management area and making our workstations even safer and cleaner.

In addition, we are in the process of building a modern, bright office and lab building at the Wels location. It will serve as our Gemba Support Center (GSC). TIGER is mindful of using building materials of high quality that preserve resources. Aside from a facade that is partially planted, the building also features SageGlass and low-energy LED lighting. A heat pump operates our floor heating while the ceiling is cooled by well water. Low-temperature systems and use of slow thermal masses such as ceilings and floors ensure minimal energy expenditure.

Beyond that, there are plans to add to the height of the Administration Building in 2017/2018. As a result of the energy-efficient construction, the entire heat supply of this building can be covered by the compressor discharge air. The plans for construction of the new warehouse provide for ultra-modern lighting, including an efficient motion sensor system.

## Surface water

Roof areas | traffic areas | parking areas



- Restrooms

## City water



- Wastewater
- Coffee kitchens

## Industrial water well



- Lab and splash water
- Process water and test equipment
- Secondary production cooling
- Restrooms
- Truck wash area
- Gray water for cleaning Drylac containers
- Wet paint boiler cleaning
- Landscape irrigation

## Cooling water well



- Primary production cooling

DRY WELL

SEWER  
COMBINED SEWER

BARA  
Industrial process water  
cleaning system

PERCOLATION

DRY WELL



# Ecology

At TIGER, sparing use of resources does not start during the production process but as early as in research and development. We make sure to use by-products as in-house cycle material or secondary raw materials for new products to the extent possible. To this end, we collect remaining quantities from previous productions and reuse them as raw material in subsequent processes. Furthermore, TIGER has been successful in implementing energy-efficiency projects resulting in significant savings for years.

In the following, we present the essential environmental aspects of our company in detail.

## Water, our most important asset

TIGER uses three different wells to secure the water supply for the Wels location. Beyond that, we also collect and use **surface water**.

The water supply in our coffee kitchens and sanitary areas is **city water** delivered through the water system of Wels. Waste water is directed into the combined system.

Areas not dependent on drinking water quality, such as process or rinse water, are supplied by our own **process water well**. Before discharging it into the sewer system, we pump waste water from container and tank cleaning into our own process water cleaning system. This is how we ensure that the discharge water is in compliance with all regulations.

TIGER also operates a **cooling water well** for production cooling. Cold water at 12 °C is withdrawn from the well, heated by the cooling process and, after being used, it is returned to the groundwater by way of a dry well at max. 20 °C. The technical design as a separate cycle ensures that groundwater cannot be contaminated. We continuously take measurements to check compliance with the parameters specified in the notification in terms of maximum withdrawal and return volume and maximum return temperature. **(For Total Water Use see diagram on page 57)**

## “E” as in saving “energy”

TIGER uses primarily electricity and natural gas as fuel and ensures generation of heat by way of two gas boilers as well as three heat recovery systems. Our condensing boilers were replaced in 2007 and generate total output of 2,645 kW. Two thermal oil boilers at 1,400 kW each delivers the process heat for our synthetic resin production.

The energy demand of TIGER is at a constant level and amounted to approx. 28.5 GWh in 2016 **(see Total Energy Use diagram)**.

To meet the obligations arising from the Energy Efficiency Act, our company decided on an external energy audit as a first step. The report verified that the company is doing well overall in the area of energy technology and suggested a few additional measures, some of which we were able to implement already.

*“After visiting the facility and conducting an energy audit, our subjective assessment is that the topic of energy efficiency is high on the list of priorities at TIGER and is already implemented consistently.” (sattler energie consulting)*

And one more thing: TIGER established its own energy team that meets once every quarter to check on energy consumption, initiate implementation of energy efficiency measures or represent the subject-matter of energy within the company.

**INFO**



## No to fossil fuels!

TIGER procures its electricity from Wels Strom, with 100 percent of it made from hydro power, wind power and biomass. This way we contribute significantly to the energy transition in Austria and take a clear stance against nuclear power and power from fossil fuels. (see **“Wels Strom Fuel Period” diagram: 1.1.2016 to 12.31.2016 source: eww ag**).

Our total power consumption in the first half of 2016 is comparable to the same period in 2014. The visible up-tick in the second half is the result of an ongoing construction site on the premises, a high number of volume produced and creation of new jobs.

The largest portion of power consumption at TIGER – for the operation of our production systems – amounts to 67% of total consumption (see **“Total Power Use Cumulated” diagram**).

In this case it would be much more meaningful to compare energy consumption at TIGER relative to the volume produced. The numbers show that we managed to keep total power consumption in 2016 significantly below the prior-year level. On average, we needed 0.564 kWhel to make one kilogram of produced volume (synthetic resin, powder coating and wet paint) (see **“Total Power Use/Volume Produced” diagram**).

We expect that the replacement of outdated systems at the Wels location (this revamp project was started back in 2014) will yield another relative reduction of our power consumption.

## We use heat multiple times

When it comes to process and room heat, natural gas is the first choice at TIGER. However, in the area of synthetic resin production, which requires extremely high temperatures, it is very difficult to find an alternative to the thermal oil boiler. This is why we make sure to use the heat generated as often and efficiently as possible. At this time, TIGER is operating three heat recovery systems on compressors and waste air, two additional implementations are in the planning stage.

We are always excited to see innovative concepts in our company. Thus, we are installing SageGlass for the first time in the new office building. This dynamic sun protection technology increases energy efficiency and at the same time lowers operating costs. It deliberately allows solar rays into the room in winter and absorbs them by automatically tinting the glass panels in summer.

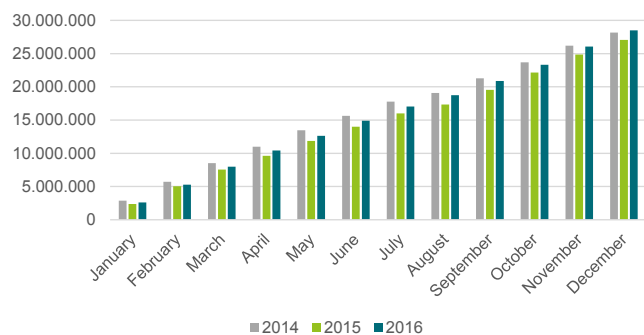
In 2016 TIGER consumed a total of 13.4 GWh of gas and thus was able to lower consumption compared to prior years or keep it constant. These data are not adjusted for weather.



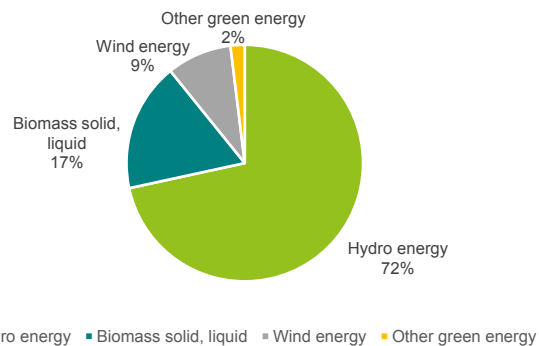
*“A solid understanding of one’s own resource consumption is the perfect start for successful management of environmental and energy-related resources – TIGER Group included. We take targeted environmental measures where they are highly effective and continuously monitor their effectiveness.”*

**DI Marielen Haider-Madl | Junior Project Manager**

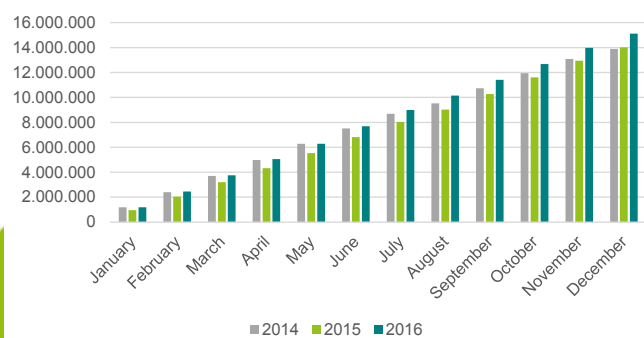
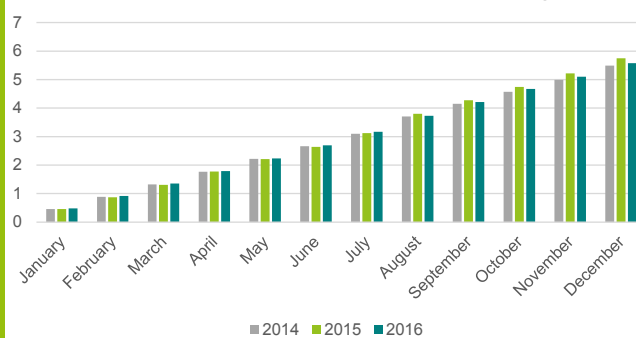
Total Energy Use



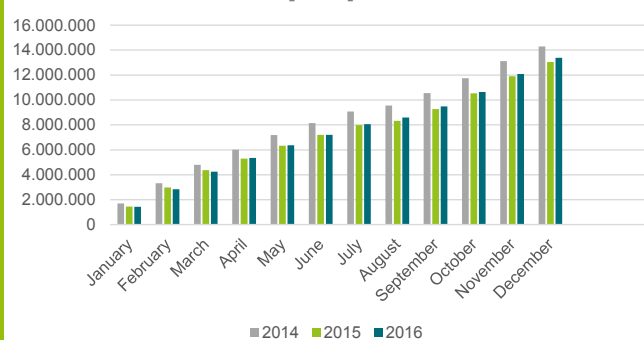
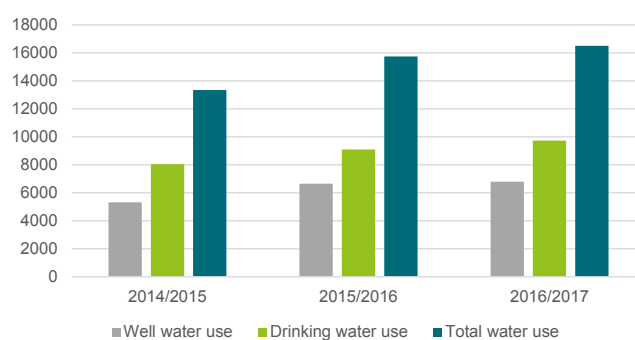
Wels Strom Fuel



Total Power Use [kWh] Cumulated

Total Power Use/Volume Produced [kWh<sub>el</sub>/kg]

Gas Use [kWh] Cumulated

Total Water Use in m<sup>3</sup>



## Well cooled with groundwater

In addition to refrigerators we also use groundwater for cooling buildings and production processes. TIGER is allowed to withdraw 400 m<sup>3</sup>/h of cold water at 12 °C and, after the cooling process, discharge it into the ground at maximally 20 °C. A control point on the premises ensures that the groundwater is not affected by this process.

Did you know ...

that groundwater is colder during warm seasons than in winter? The reason is that the ground is able to store the cold generated in winter until the summer months. TIGER utilizes this natural refrigeration smartly and in doing so spares the environment.

**INFO**

## TIGER keeps seals tight

At TIGER, compressed air is moved throughout the facility in a ring pipe; in the production process it is needed primarily for cleaning filters and purging bearings.

Four compressors supply our network with compressed air at significant energy input. One of them is demand driven, while the remaining ones are rigid systems. Analyses show that TIGER used compressors are utilized at 98% of capacity. Thanks to regular maintenance, our compressed air system impresses with a low loss rate of approx. 8% only. Prior to eliminating the leaks, the leak rate was at 15 to 16%. TIGER has been focusing intently on its compressed air consumption for more than 10 years and was able to reduce the network pressure from 8 to 6.3 bar by way of empirical approximation.

## Much light from little electricity

At TIGER, new buildings are equipped with LED lighting from the very beginning; we also have been replacing outdated light fixtures with this economical technology for years. During the most recent “exchange project” in 2014, we were able to replace 403 light fixtures and, by doing so, save about 47.214 kWh/a in electric energy.

Daylight is continuously measured by a sensitive system of sensors on the roof of the R&D building; this way the requirement for light is controlled automatically. This is another way of saving energy and ensuring ideal lighting conditions in workspaces.

## Clean air for Wels

In order to keep the impact on people, animals and environment as low as possible, TIGER makes certain to prevent and/or reduce development of air pollutants. Emissions in the form of dust are collected and before being released; polluted waste air is cleaned in multi-stage waste air cleaning systems.

## Controlled thermic incineration

Thermic incineration (TNV) cleans the waste air streams polluted with organic matter from our TIGER PER business unit. The heat generated in this process is reused by way of the heat exchanger. Using a separate monitoring system, we continuously check the emissions of the TNV and keep our eye on carbon monoxide, nitrogen oxide and oxygen, which are the key parameters.

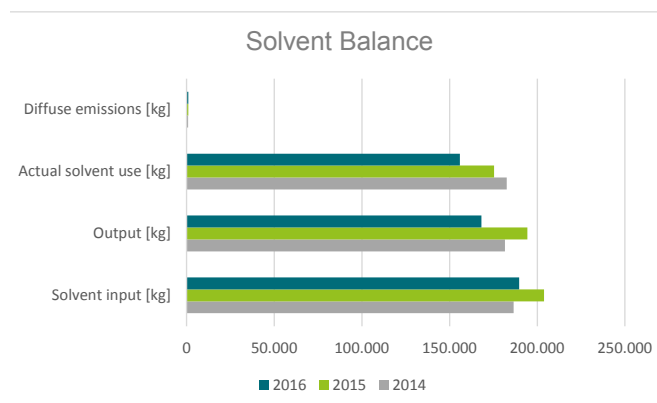
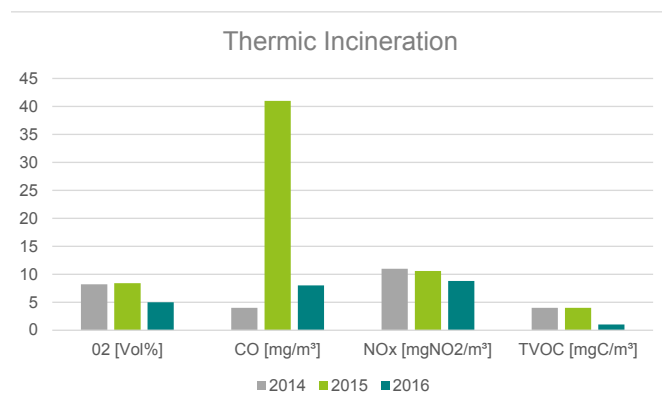
Apart from this, annual measurements confirm our compliance with statutory regulations (see “Thermic Incineration” diagram).



## Solvent balance: All requirements are met!

In accordance with the VOS System Ordinance and as part of creating the solvent balance, TIGER collects all waste air streams polluted by solvents and checks them for compliance with statutory regulations each year.

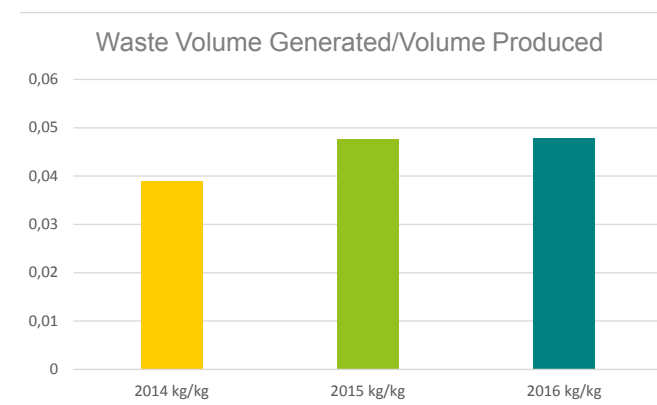
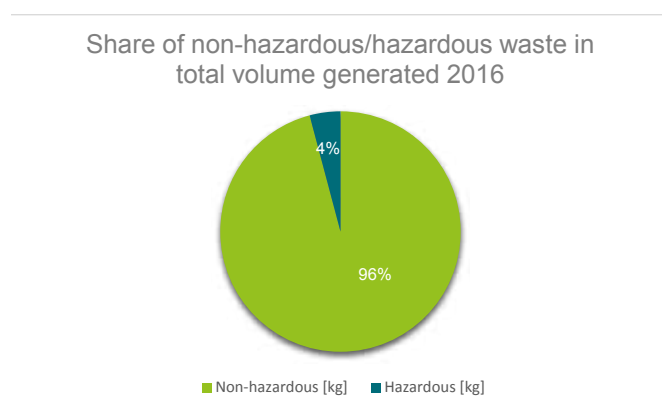
In 2016, the solvent input of 189.636kg is compared to an output of 168.145 kg. The actual solvent consumption at TIGER is 155,887 kg. At 991 kg, diffuse emissions fall below the 3% threshold for solvents used required by law. (see "Solvent Balance" diagram)



## Where does our waste go?

At TIGER, all waste streams are collected separately according to share. Then they are handed over to authorized and certified collection and recycling operations for further processing.

Among the hazardous wastes, at 20,060 tons, waste lacquers and waste paints (if positive for solvents or heavy metals) and not fully cured remnants in containers, made up the largest share in 2016. The second-largest share (14,390 tons) is comprised of wastes in form of solvent-water-mixtures and halogenated solvents.







## TIGER fosters biodiversity

At its location in Wels, TIGER is situated in a recognized industrial zone. Since the entire premises are built on paved substrate, impacts on biodiversity from any remodeling and expansion measures required are minor.

We create green spaces on the grounds of our plant where our employees can relax and numerous insects and birds have their habitats. By building a 10-meter long planted facade on the new office building, we further contribute to the preservation of biodiversity.

Bees love TIGER too! In May 2017, an entire escaped beehive found refuge on a birch in the park of our plant premises. A neighboring beekeeper finally offered the busy bees a new home. We are delighted the important insects picked our company as their temporary residence.



## We are proud of that!

In the course of the last 10 years, TIGER was able to consistently implement measures to reduce impacts on the environment. We also have a number of projects planned for the future to continue improving our outcomes. Below you will find out about campaigns that allowed us to score since 2007.

### Good-bye conventional boiler!

Our old gas boilers had to make room for new and efficient condensing boilers in 2007.

### Waste heat turns into heat for spaces

We've been using waste heat from our powder coating production for heating our production hall for 10 years now. Savings: 993,017 kWh/a

### TIGERS are energy savers!

In 2010 we launched a campaign to raise awareness and used handy tips and tricks to challenge our TIGERS to save energy.

### Lower energy consumption thanks to LED

A total of 403 light fixtures in warehouses, production and in the waste disposal center were equipped with economical LED lamps in 2014. We also installed motion sensors and dimmers. Savings: 47,214 kWh/a





*“Energy efficiency is an important topic for TIGER. During the past seven years, we were able to implement many measures from daylight-dependent lighting control through to using groundwater for cooling production systems. Additional projects are in the planning stages.”*

**Peter Krenmayr | Facility Management**



### Groundwater instead of refrigerator

In 2014, the directive for withdrawing groundwater was amended. Now it permits withdrawal of 400 m<sup>3</sup>/h and the discharge temperature was increased by 3 °C. Savings in refrigeration energy: 116,277 kWh/a (over 15 years).

### TIGER never runs out of air

In 2012, we were able to discover and plug leaks in our compressed air lines with the help of an external consultant. Savings: 169,160 kWh/a.

### The pump makes the difference

Based on the 2015 energy audit report, we tackled the task of replacing the three main pumps of our heating system with speed-controlled pumps the following year. Savings potential according to energy audit report: 67,014.89 kWh/a.

## What we are still working on ...

TIGER never stops developing and steadfastly continues its sustainability program. Here you find out about steps we want to take in the upcoming years:

### Raising awareness about the topic of energy efficiency

- Expanding the existing Integrated Management System with respect to the energy management system according to ISO 50001
- Training an in-house energy auditor and contracting out project jobs
- Informational campaign using Intranet contributions and ongoing employee education on the topic of energy
- Day of action as part of the Climate Alliance Certificate award (spring 2018)
- Heat recovery: 5% share of total heat consumption
- Installing meters for "old compressor" heat recovery
- Incorporating existing heat recovery meter data into energy accounting
- Supplying heat pump in the new office building by way of heat recovery from Drylac cooling basins
- Supplying the planned office addition with heat recovery compressors

### Reducing total power consumption/unit produced from 0.465 kWh/kg to 0.45 kWh/kg

- Replacing Drylac production lighting with LED lamps
- Expanding energy monitoring by adding missing electricity meters and updating to new version
- Installing motion sensors in Drylac production
- Recalculating the cost allocation for power consumption to individual production areas
- Modifying part of the extruder control by adding automatic stand-by circuit

### Creating a procurement/building standard for building services

- Setting standards that new buildings will be equipped with LED lighting only
- Setting standards that new buildings will be equipped with meters that can be read remotely
- Gradually replacing fixed displacement pumps. If there is a need for replacement, only high-efficiency pumps will be used

### Continuing with the power mix from 100% green power

Setting standards that the only power suppliers (PSCs) considered are those offering 100% green power.

### Procuring power generated in-house: Share of 1.5%

Plans for a PV system (230,000 kWh/a) as part of building the new TIGER Logistics Center and in coordination with the energy assistance region of the Energy Conservation Alliance.





# Social Issues

## Our employees

TIGER maintains a creative, inspiring work environment and creates sufficient space for its employees to achieve agreed upon goals. We welcome every opportunity for further professional and personal development and believe in gender equality when it comes to opportunities and wages.

TIGERs enjoy collaborating and are proud of their work. We foster open communication and meet each other with respect, honesty and fairness at every level. We trust each other, motivate each other with joint activities and drive each other to top-notch achievements. We have high regard for diverse perspectives as they generate the best solutions – even in difficult situations and crises.

### 4 Continents – 1,288 TIGERs

As an international group with 20 locations, TIGER operates nine production facilities on four continents. The largest among them is situated in Wels; with 536 employees (41%), its workforce is also the largest.

25% of the remaining employees are working in the NAFTA region and in China. The smallest production locations in Vietnam and Egypt and the remaining European sales affiliates employ 3 to 5% of the total. The TIGER Team Group continues to grow consistently and is 1,288 people strong (as of May 2017). This growth in employees is purely the result of our company's organic growth, not acquisitions.

We recorded a particularly significant increase in the number of employees in the Austrian Headquarters, in the NAFTA region and in China. However, due to the economic situation, China was not able to continue on the trajectory of recent years and had to make slight adjustments. The remaining European countries and Vietnam showed excellent economic growth, which is reflected in the additional jobs. Egypt is stable economically as well as in terms of employees.

Since there are no seasonal production peaks at TIGER, we generally hire only regular employees, most of them full-time. Temporary agency work and fixed-term employment contracts beyond the probationary period are not common in our company.

The proportion of salaried and hourly personnel in the entire TIGER Group is approx. 52 to 48%:

- Austria: 46% salaried | 54% hourly workers
- NAFTA: 51% salaried | 49% hourly workers
- China: 62% salaried | 38% hourly workers



*"The human resource is one of our most important pillars. This is why creating an environment where our employees are comfortable is very important to us. We consider setting up inspiring meeting areas a necessary condition for our TIGERs to be able to engage in active and creative dialog."*

**Prok. Ing. Elisabeth Berghofer | Chairwoman of Supervisory Board | HR**



## Come to stay

In 2016 the employee fluctuation rate at TIGER Austria was 9.9%, in China and the NAFTA region around 25%. Our teams in the smaller European affiliates and in Vietnam are very stable and showed virtually no changes in the year under review.

The reason for the instability in China was that we needed to hire many new, very young employees within a short time. Their training period is very challenging and requires a great deal of tenacity. The low level of education on the part of some, a highly dynamic workplace and less loyalty to the company among Chinese workers further drive up fluctuation figures.

At our production operations in Canada, Mexico and China, company loyalty ranges from three to five years. In the United States about seven years and in Austria roughly nine years. However, there is a downward trend mirroring the general societal trend of the Next Generation.

We were able to reduce the fluctuation rate in the NAFTA region significantly by taking various steps, such as onboarding and leadership training, team building or rearranging the compensation scheme. In the United States it dropped to approx. 23% in 2016.

We also pair new employees with their own personal TIGER mentor. This person is there to provide support throughout the workday, welcoming them into the team and making sure that the introduction to their new job is a positive experience. This appreciative approach also helps us avoid early fluctuations.

## Less sick and very content

At TIGER, absences due to illness continued to drop steadily since the beginning of 2014 and amounted to 5.18% (absences/target work time) in 2016 during the 12-month period under review. Thus the share of healthy employees is significantly higher than in previous years and amounts to an outstanding 96.72% (as of 05/2016). Since we are working mostly in 3- or 4-shift operation at TIGER, this value is particularly gratifying.

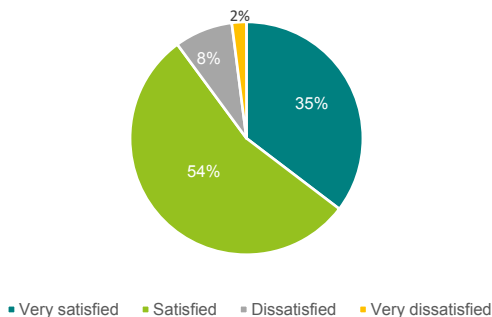
We want to maintain and support our team's health and ability to work in the future by taking preventive steps. This is why in 2015 TIGER initiated meetings with employees once they return from sick leave. We can find out what adjustment we can make in the work environment to further reduce periods of absence.

Incidences of sick leave due to psychological stress are and were not a significant issue in any region at TIGER. Still, since the law regarding employee protection was modified (2013 reform), psychological stress at the workplace has also been examined and continuously evaluated in Austria. This process yielded important insights for the Wels location and we initiated a project aimed at optimizing communication within the company. Our new global Intranet solution – TIGER World – and freely accessible informational terminals in production halls promote direct dialog with our TIGERs.

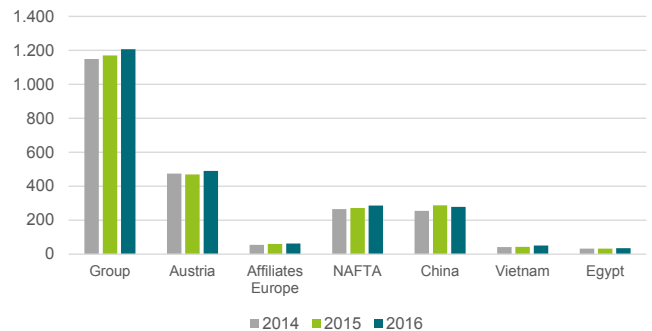
## Proud to be part of the team!

Our global employee survey on the topic of "Satisfaction at Work" conducted at the end of 2016 confirms a high level of well-being among the entire TIGER workforce but also a critical analysis of our core values. Focusing on the aspects that did not get high marks, the TIGER HR Department is currently developing a plan outlining the steps designed to further increase the rate of satisfaction.

Satisfaction survey 2016



Number of employees



## This makes a TIGER purr!

Our employees are the key to our company's success and therefore our most valuable asset. We want to further strengthen cohesiveness by granting many social benefits and contributing to maintaining physical health. That's why our team gets:

- Fresh fruit for all every day
- TIGER Bistro (incl. subsidized meals)
- Free Yoga classes on premises
- A fitness subsidy for joining fitness centers, gymnastics clubs, etc.
- Power-nap room
- Free flu vaccinations
- Disinfectants at problem spots during "critical times for infections with viruses"

Popular kids' adventure week when kids are out of school; it lets parents enjoy some relaxation time in summer outside the family vacation. While grown-up TIGERs are at work, we organize a comprehensive entertainment and activities program at our plant premises as well as at nearby swimming pools, adventure parks and zoos for our little "predators". This program is a cooperation with "Kinderfreunde", a charity organizing leisure activities for children.

## TIGERS continue to learn

The annual performance reviews provide an important foundation for training and continuing education of our workforce; they are a fixed component in the global annual plan for hourly workers as well as salaried personnel. The purpose of these sessions is to evaluate accomplishments and goals, analyze strengths and weaknesses together with the supervisor and then decide on steps for further education and career options. At the Wels location the response rate is 100%.

Aside from subject-specific further education, TIGER focuses strongly on team development training in these educational programs; this path was oriented specifically toward leadership training in 2016. In North America, external courses related primarily to team building and leadership, while in China we push building and expanding English language skills.



*"Our many voluntary benefits are primarily geared toward our employees' health. A fitness subsidy, weekly Yoga classes, free fresh fruits and a subsidized lunch menu are perks intended to foster loyalty to keep TIGERs at the company for a long time and in good health."*

**Mag. Günter Wagner | Global Functional Leader Human Resources**

## Apprenticeship with a future

As of July 7, 2016, TIGER trained seven apprentices in Austria but decided to emphasize this educational path more strongly in the future. For this reason we provide stronger support to existing apprentices (within the educational alliance with Starlim Sterner) at the personal and professional level. We also participate in the program “Lehre mit Matura” (Apprenticeship with High School Diploma). As of fall 2017, we are once again educating and training young Chemical Process Engineers.

For this purpose we developed a new setup for the apprentice concept. It was implemented in cooperation with educational institutions, such as Bildungszentrum Lenzing (Lenzing Education Center).

### Successful integration project

By integrating underage refugees at the main plant in Wels, TIGER assumes social responsibility and a leadership role in the region. After a meeting to get to know several young people who were housed in Wels, we decided on two Afghan citizens who began their apprenticeship as metal fitters on September 1, 2016. These two young men are attended and supported by the Apprentice Representative, Alexander Svoboda and a TIGER employee of several years, Niazi Qudratullah, who also has his roots in Afghanistan.

In order to further promote integration of refugees, TIGER not only organizes meetings designed to talk about experiences with other companies in Upper Austria but also participates actively in panel discussions.



Successful integration at TIGER: Mustafa Qarabaghi (left) and Ebrar Nawab (right), our Afghan apprentices, with their instructor Alexander Svoboda and their mentor Niazi Qudrathullah.





Girl Power: As part of the Girls' Day, TIGER provides interested young women with an opportunity to get exciting insights into the world of Chemistry.

## TIGER stands for equal opportunity

### Several generations – one team

While relatively many young and, comparatively, fewer older people, are employed in Mexico and China. When looking at the age level of employees in Canada, the U.S. and Europe, we see the usual normal distribution.

In China, younger employees are hired specifically in the lab and at the specialist and leadership level due to the lack of language skills.

#### TIGER KPI 2016

	Kanada	USA	Mexiko	China - Taicang	China - Chengdu	China - Fogang	Österreich
<b>2. Gender distribution</b>	rate	rate	rate	rate	rate	rate	rate
Females:	36%	10%	20%	21%	15%	11%	20%
Males:	64%	90%	80%	79%	85%	89%	80%
Sum:	100%	100%	100%	100%	100%	100%	100%

<b>3. Age distribution Females</b>	rate	rate	rate	rate	rate	rate	rate
< 21 years of age	2%	0%	0%	0%	0%	0%	3%
21 – 31 years of age	20%	16%	51%	38%	50%	39%	31%
31 - 41 years of age	32%	47%	49%	41%	50%	61%	27%
41 – 51 years of age	25%	0%	0%	19%	0%	0%	30%
51 - 60 years of age	20%	38%	0%	2%	0%	0%	8%
> 60 years of age	2%	0%	0%	0%	0%	0%	1%
Sum	100%	100%	100%	100%	100%	100%	100%

<b>4. Age distribution Males</b>	rate	rate	rate	rate	rate	rate	rate
< 21 years of age	3%	3%	0%	1%	0%	0%	2%
21 – 31 years of age	17%	23%	40%	28%	26%	37%	24%
31 - 41 years of age	24%	24%	46%	49%	51%	53%	29%
41 – 51 years of age	28%	17%	7%	23%	17%	10%	25%
51 - 60 years of age	20%	26%	6%	2%	0%	0%	17%
> 60 years of age	8%	7%	0%	0%	0%	0%	2%
Sum	100%	100%	98%	103%	94%	100%	100%

### Equal rights for females

As a group of companies in the production sector, TIGER is pleased by the relatively high percentage of females in the company. Although at 36%, the share of female in Canada is quite noteworthy, at locations such as Austria and Mexico and Taicang in China, females also make up more for than 20% of the workforce.

As is typical for production companies, the share of females in management positions at TIGER is also rather small. However, in our NAFTA and China regions, the regional CFO and HR Director positions are held by female; for years, the share of female in the Research & Development Department has been on an upward trajectory.

TIGER allows its employees to enjoy the best-possible work-life-balance. We demonstrate a high degree of flexibility when deciding on work-hour models for females returning from maternity leave, something that is proven by 34 different time models for 41 part-time employees. In the past two years, we did not reject any requests for parental leave; thus, the reintegration rate is 100%. To provide a little support for new parents, TIGER welcomes new members of the human race with a baby voucher.



Golden TIGERs: We honor our employees whose accomplishments during the year were outstanding with the Golden TIGER Award.

### Girls' Day: Females choosing technology!

TIGER actively participates in initiatives that want to inspire females to choose careers in technology and point to alternatives to traditional professional paths. Our company has partnered with "Girl's Day" for several years and is passionately engaged in providing young females with exciting insights into professions in the chemical, metal and electronics sectors.

### Cultural diversity as a factor of success

The fact that TIGER exists as a worldwide company is due in no small measure to its multi-cultural diversity. It is reflected at the Wels headquarters where TIGERs from all over the world are working together in harmony.

Thus far, we were able to successfully balance inter-cultural differences thanks to our open-door culture. The latter is demonstrated just as much by the integration project mentioned previously – and we take pride in it.

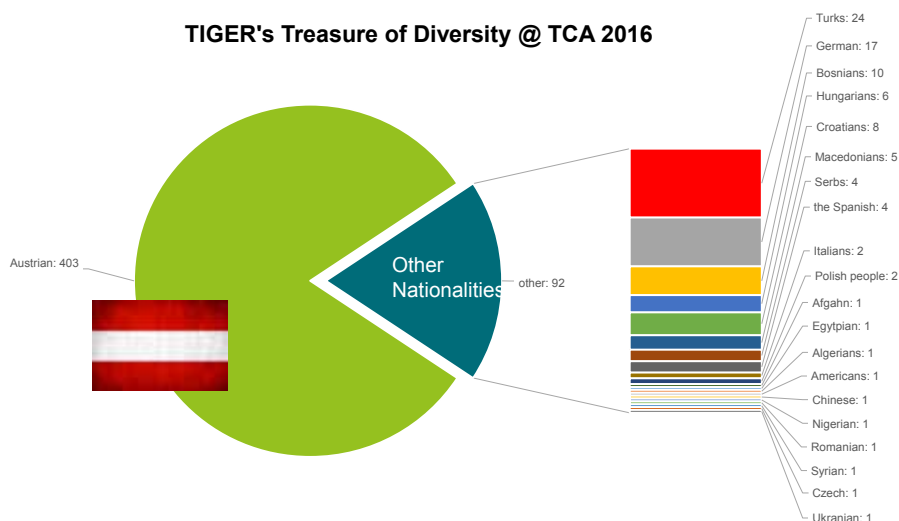
### Profit sharing for ALL

Developed in Austria and rolled out globally to the Group companies: At TIGER, employee profit sharing has been in place since 2010. The program distributes 3.85% of the profit among all TIGERs. Individuals who excelled with outstanding achievements during the financial year are also honored with the Golden TIGER Award and receive an additional bonus.

### Every human being is valuable!

At numerous locations, TIGER enables individuals with special needs to perform meaningful work and offers integration into teams. In Austria, we are not yet in compliance with the employment rate of 4% required and, therefore, have to pay compensatory taxes. TIGER Austria, nevertheless, implements joint projects with social and educational institutions, such as the BFI vocational training institute. We were able to hire an employee as a result of these measures.

In general, TIGER is very open toward people with disabilities and makes an effort to continue employment of individuals with prolonged absences or functional restrictions. Our buildings are designed so that employees with disabilities have easy access and therefore can be well-integrated. This is an important issue that is reviewed in all HR audits.





## Enjoy your meal!

Modern design and good, freshly made foods are at the center of the TIGER BISTRO under construction. We envision it as a place where employees can meet, talk and enjoy good food. Although it entails higher investment and running costs, we purposely decided on the concept of “fresh meals” as a sign that we want to make a valuable contribution to the health of our workforce. When selecting the operator of the BISTRO, we made sure that the meals consists primarily of regional and/or organic products.

It goes without saying that TIGER also shows consideration for vegetarians and appointed a committee that ensures special needs of our staff are taken into account.

## Sports to balance work

Our employees' health is important to us!

This is the reason we offer free in-house Yoga classes and subsidies for sports activities, we also pay for starting fees at regional sports events (e.g. Business Run) and functional running T-shirts. For athletic wear we decided on LÖFFLER, a producer of high-quality clothing whose company is registered in Ried im Innkreis.

Good to know: We also buy our TIGERS' work apparel from an Austrian producer.

**INFO**

# Our Engagement on Behalf of Society

Around the world, TIGER sponsors and supports social projects consistent with our company philosophy. In doing so, we become involved where our employees live and work.

One example is Vietnam, where the local TIGER team ran in the “Turkey Dash” for a good cause. The goal of this sports event is to raise funds that allow children to have necessary plastic surgeries.



## Research Night

The areas of science and research are interesting professional fields representing a path-breaking perspective for the future of committed young workers. Apart from that, they are indispensable if the local economy is to have any hopes of surviving in the global competition.



On April 22, 2016, as part of the “7th Research Night”, TIGER opened the doors to its R&D Center and Drylac Production and provided exciting insights into the world of paints and effects at no charge. It is the only event promoting communication about science throughout Austria.

## Exciting internships

Sponsoring students and schools is a very important cause for TIGER. This is why we like to hire students of local HTLs to work during their vacations and also to complete professional internships. At TIGER, students have an opportunity to apply their practice-oriented knowledge even before completing their studies and to write their Bachelors and Masters Theses while at the company.

We also support schools with different donations in kind, such as the HTL for Science of Materials in Andorf.

## TIGER supports CAP.tains

TIGER partners with CAP, an initiative that allows students of Austrian high schools to complete an apprenticeship program in Mechatronics while still in High School. As part of this generalized technical education combined with the practice-oriented approach of the apprenticeship, students who are particularly talented get the best-possible preparation for their studies and their professional lives.



Our company offers CAP participants who are particularly motivated to complete an exceptional opportunity for an internship in Canada. Our Canadian TIGER team is excited to support the young people on site, allow them exciting insights into various technical problems and make their first professional experience internationally an unforgettable experience.





## Our prizes and awards

Participation in competitions is not merely a purpose onto its own at TIGER. To the contrary, we use them as opportunities to communicate great successes to the world and have them evaluated objectively by third parties.

In years past, TIGER was privileged to receive numerous prizes and awards: Valuable compliments for our work.

### **2013: Landespreis für Innovation (3. Platz) (State Innovation Award (3rd place))**

In the “Large Companies” category, the development of melamine-compatible, UV curable TIGITAL inks enabling the use of inkjet technology when producing laminate flooring, was honored with the 3rd place during the award ceremony for the “Upper Austrian State Award for Innovation” in 2013.

### **2014: Hidden Champion Award**

For outstanding services to the export business, CEO Clemens Steiner accepted the “Hidden Champion 3.0” award from Christoph Leitl, the President of the Chamber of Commerce in 2014.

### **2014: Austria's Best Family Company**

As part of a competition sponsored by the WirtschaftsBlatt (business publication) in cooperation with Bankhaus Spängler, the Austrian Notaries Federation, and BDO Austria, the search was on once again in 2014 for “Austria's Best Family Company”. A distinguished jury of experts, including then-Commerce Secretary Reinhold Mitterlehner, assessed the companies based on their economic development and according to specific topics in the areas of sustainability and culture of values.

In addition to the main prize for Upper Austria, TIGER was also able to bring home the national title.

### **2015: DIE OBERFLÄCHE (2. Platz) (Surface (2nd place))**

In 2015, the 2nd place of the prestigious research prize for surface finishing awarded by the Fraunhofer Institute for Production Technology and Automation went to TIGER. The subject-matter of the award was our development cooperation on the topic “Powder Coating - inside finish of cosmetics jars”.

### 2015: Oberösterreichischer Forscherinnen Award (Upper Austrian Female Researcher Award)

Our TIGER, Sibylle Jilg, was able to enjoy receiving the “OÖ Forscherinnen-Award 2015” –organized by the state of Upper Austria and the Upper Austrian Research GmbH. With her project to develop toner powder for digital printing in industrial digital printing in the category “Unternehmens R&D / Sonderpreis: Jungforscherin” (Company R&D / special award: Young Female Researcher), the Chemist beat out a field of 120 contestants.

### 2016/17: BEST-RECRUITERS-Gütesiegel (quality seal)

As part of the BEST RECRUITERS Study 2016/17 in Austria, TIGER was able to garner 2nd place in the Chemistry sector. With this, the preconditions for receiving the silver “BEST RECRUITERS Gütesiegel” are met.



*“Finding qualified employees with the right attitude, i.e. real TIGERs, and positioning ourselves as an attractive employer is an important concern for us. The Silver BEST RECRUITER Gütesiegel is proof that we are on the right path here.”*

**Mag. Melanie Grabmair | Talent Management Europe**

### 2017: TIGER joins Climate Alliance

As of June 2017, TIGER has been a member of the Climate Alliance of Austria, a global partnership for global climate protection among European communities, companies and educational institutions and the indigenous people in the rain forest areas of the Amazon. Aside from ecological aspects, the Climate Alliance also observes social and societal interplay, such as inequality in resource distribution and opportunities in life.

As part of the comprehensive operational check as a prerequisite for acceptance into the Climate Alliance Austria, all relevant areas of the operation were analyzed, savings potentials calculated and opportunities for subsequent action were pointed out. We were able to successfully turn initial measures, such as procurement of high-quality bicycle racks for our bicyclists, into reality already.



**2015**  
DIE OBERFLÄCHE  
2ND. place



**2015**  
OÖ Researcher  
Award

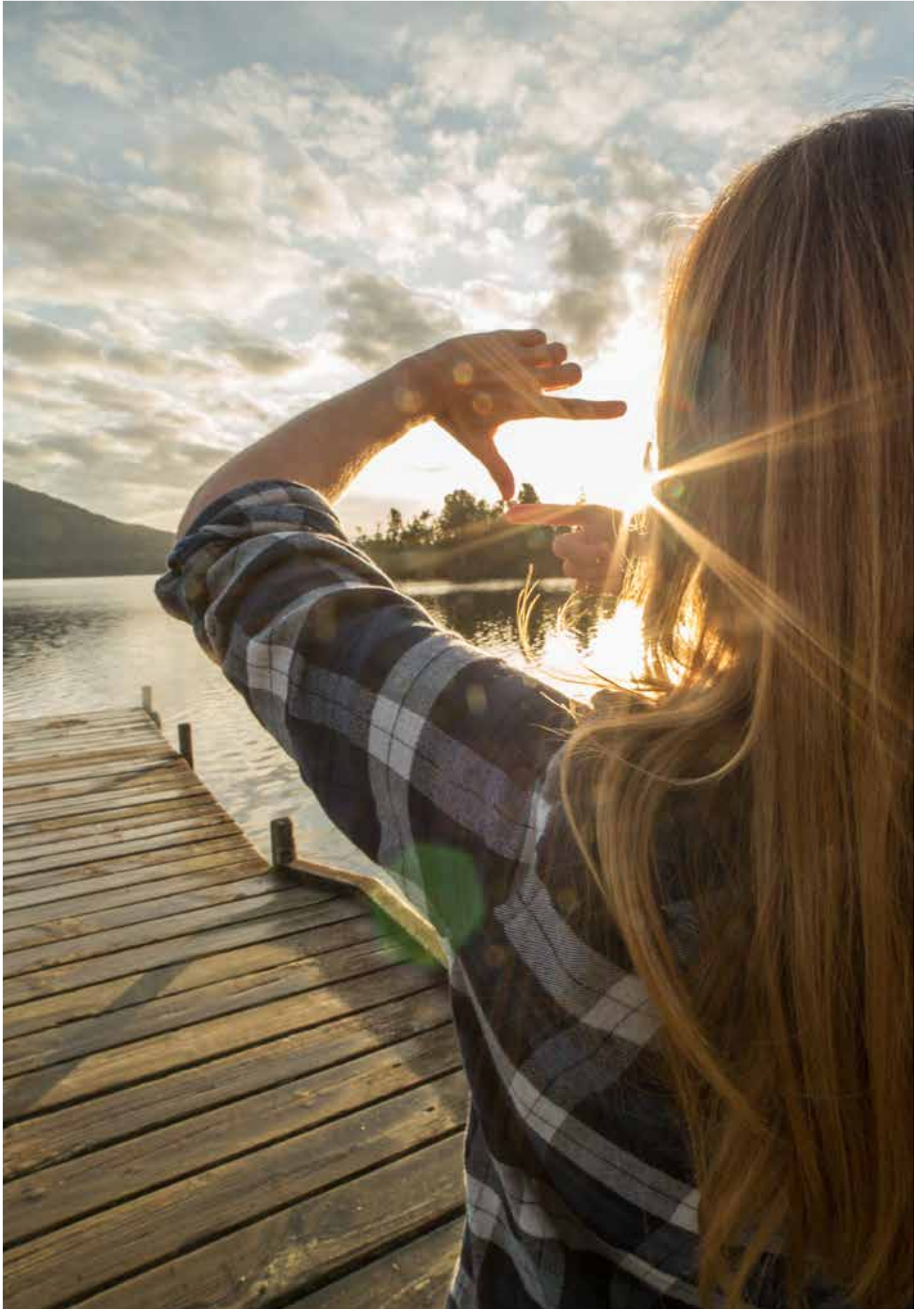


**2016/17**  
BEST RECRUITER  
Gütesiegel



**2017**  
Climate Alliance  
Austria





Thanks to the tireless efforts of our team, TIGER can surpass its goals regularly. For this reason we are identifying numerous focal points in the investment, Industry 4.0 and Research & Development for the near future. The next CSR report will include information regarding their implementation.

## TIGER continues to grow

Something that was started in 2017 under the term “Revamp” (replacement of machinery according to the latest technological aspects), will be continued in the years to come across all TIGER company departments.

2018 will be the year of expanding TIGITAL ink production, expansion of our metallic production capacities and additions to our Administrative Building. We are also happy about completion of the GSC building that will house the new Bistro as well. Construction of a high-rack facility for storing finished goods and expansion of our resin production are planned for 2019 to 2020.

## “Smart factory” vision

Everybody talks about Industry 4.0. At TIGER, the concept will be introduced in an evolutionary way as part of the biggest investment campaign thus far. For our company, this means continuous modernization of production systems according to best available techniques (BAT) with the medium-term goal of a self-organizing, digitally networked “smart factory” – the “Internet of Things in automation.

## New blue oceans ahead!

The TIGER fleet continues to sail on the high seas in order to conquer new blue oceans in the form of undeveloped markets. In the process we put the value curves for our Application Target Groups (ATGs) on the testbed in order to filter out their core elements from the perspective of customer and non-customer alike.

In the future, we will continue to orchestrate our blue-ocean strategy using our TIP process, a global steering element for innovation projects serving all TIGER captains as a path-breaking sea chart.

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We created this report with utmost diligence and checked the data. However, we cannot rule out errors in rounding, setting or printing. When adding rounded amounts and percentages, discrepancies in calculation arising from rounding may occur due to use of automatic calculation aids.

As is customary, we phrased future-related estimates and statements based on all information available to us at this time using terms such as “expect”, “estimate”, “plan”, “figure”, etc.

We point out that actual circumstances, and thus actual results, may deviate from the expectations expressed in this report due to a wide range of factors.





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