

An aerial photograph of a blue car driving on a winding asphalt road that cuts through a dense, lush green forest. The car is positioned in the center of the road, moving away from the viewer. The trees are vibrant green, and the road is a light grey color. The overall scene is peaceful and natural.

autoneum

Corporate Responsibility Report 2016



Autoneum is the global market and technology leader in acoustic and thermal management for vehicles and is partner to vehicle manufacturers around the world. Autoneum develops and produces multifunctional and lightweight components and systems for optimal protection against noise and heat. Autoneum's innovations make vehicles quieter, lighter and safer and help to reduce fuel consumption and emissions.

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4

Four Business Groups

>11000

Over 11 000 employees



Around 50 locations worldwide



Represented in more than 20 countries

Business Group Europe

Belgium

- Genk

Czech Republic

- Bor
- Choceň
- Hnátnice

France

- Aubergenville
- Blainville
- Lachapelle-aux-Pots
- Moissac
- Ons-en-Bray

Germany

- Grossostheim
- Munich
- Rossdorf-Gundernhausen
- Sindelfingen

Great Britain

- Halesowen
- Heckmondwike
- Stoke-on-Trent

Italy

- Santhià

Poland

- Katowice
- Nowogard

Portugal

- Setúbal

Russia

- Ryazan

Spain

- A Rúa
- Valldoreix

Sweden

- Gothenburg

Switzerland

- Winterthur (HQ)
- Sevelen

Autoneum

Locations with minority shareholders

Associated companies and investments

Licenseses

Global presence

Business Group North America

Canada

- London, Ontario
- Tillsonburg, Ontario

Mexico

- Hermosillo
- San Luis Potosí
- Silao

USA

- Aiken, South Carolina
- Bloomsburg, Pennsylvania
- Jeffersonville, Indiana
- Novi, Michigan
- Oregon-Lallendorf, Ohio
- Oregon-Wynn, Ohio
- Sunnyvale, California
- Jackson, Tennessee
- Monroe, Ohio
- Somerset, Kentucky
- Tinley Park, Illinois
- Valparaiso, Indiana

Business Group SAMEA

Argentina

- Córdoba

Brazil

- Betim
- Gravataí
- São Paulo
- Taubaté

South Africa

- Rosslyn
- Durban

Turkey

- Bursa

Business Group Asia

China

- Chongqing
- Shanghai
- Shenyang
- Taicang
- Yantai
- Guangzhou
- Tianjin
- Wuhan
- Fuzhou

India

- Behror
- Chennai

Indonesia

- Jakarta

Japan

- Aichi
- Higashi Kyushu
- Hiratsuka
- Hiroshima
- Kyushu
- Shizuoka
- Tokyo

Malaysia

- Shah Alam

South Korea

- Seoul

Taiwan

- Taoyuan

Thailand

- Laem Chabang
- Chonburi

Living a Culture of Responsibility

Interview with Martin Hirzel, Chief Executive Officer

Why is Corporate Responsibility important for Autoneum?

Our company, with more than 11 000 employees in over 20 countries and supplying nearly all vehicle manufacturers of the world, wants to remain successful in the long term. Our success formula is, fundamentally, simple: As long as consumers buy cars, we are making business. At the same time, we know that they are only able to do so if they live in stable

growing risks resulting from climate change have had a direct impact on our business – and this impact was severe.

At the same time there are also promising trends. In spite of political backlash reoccurring from time to time, sustainability has, from a global perspective, established its position in the political agenda. Environmental and social regulations are progressively tightening around the world. We need

events: In 2015, we were sanctioned for anti-competitive practices, performed primarily by Autoneum's predecessor. In order to avoid any events of this kind in the future, we have significantly expanded and strengthened our compliance governance structure, revised our Code of Conduct and further developed our compliance training programs. In addition, we introduced a Speak Up hotline which enables employees as well as third parties to report anonymously any violations of our Code of Conduct.

Finally, we are firmly committed to protecting nature and reducing our environmental footprint. For this reason, we are implementing waste, water and energy efficiency projects across our operations. While we have made progress in most of our measured categories, there is still room for improvement, especially in the area of electricity consumption, CO₂ intensity and acidification potential.

We need to see ourselves as part of a stakeholder ecosystem where it is essential to attune our aspirations in a way they can benefit society and the natural environment around us. For me, this is the essence of Corporate Responsibility.

and prosperous societies not affected by environmental or social crisis. It is thus obvious that we need to go way beyond a purely business-based logic when analyzing our role in the world. We need to see ourselves as part of a complex stakeholder ecosystem where it is essential to attune our interests and aspirations to benefitting the whole – that is, society and the natural environment around us. For me, this is the essence of Corporate Responsibility.

Our world is shaped by megatrends such as population growth, resource scarcity and, perhaps most importantly, climate change. At Autoneum, we have experienced the immediate effects of the latter: In 2011, our US plant in Bloomsburg was devastated by a flood, which occurred as a consequence of a tropical storm. Scientific analysis shows that climate change is one of the decisive factors contributing to the increasing frequency and intensity of hurricanes and storms. Thus, it is fair to say that the

to be not only well-prepared for these changes; as a company with a truly global footprint, we should be proactively shaping this agenda, promoting further integration of social and environmental aspects in business decisions.

What are Autoneum's key fields of action in Corporate Responsibility?

First and foremost, we strive to be a responsible employer. Our employees spend a substantial part of their time at our premises; therefore, we must provide them with a healthy, safe and convenient working environment. I am proud to say that we have been continuously improving our performance in this area over the last six years. The reason for this are our investments in health and safety processes, programs and trainings, which we will continue in the future as well.

Secondly, we want to be an ethical business partner. Here again, our position has been influenced by concrete

The scope of this year's Corporate Responsibility Report has been further expanded and deepened. What are the reasons for this?

My stance on this is very clear: You can only manage something if you can measure it. For this, you need high quality data, a transparent and reliable reporting system and clear targets to measure against. In this sense, we have broadened our set of reported Corporate Responsibility key performance indicators and improved our data collection process. Furthermore, we have expanded the key sections of the report, covering social, environmental and compliance topics in even greater detail. I am also proud to say that we are among the first companies in Switzerland to report according to the updated Global Reporting Initiative (GRI) Standards, the leading Corporate Responsibility reporting standard of the world. With this report, we would like to set another clear example that Corporate

Responsibility is at the heart of our business and defines everything we do.

Let's talk about the future. We see a variety of new mobility trends emerging. What is their significance for Autoneum?

When we talk about mobility trends, we need to recognize that they largely result from a combination of the social megatrends and environmental regulations as mentioned. For instance, electric mobility is growing because vehicle manufacturers have to simultaneously fulfill the requirements of emission and noise regulations and the growing demand of consumers for

thermal management, Autoneum wants to be at the forefront of these developments. As a key step, we have established a Competence Center for New Mobility in Sunnyvale, California. At this Silicon Valley site, we will be profiting from the proximity to other innovation leaders and will be better suited to evaluate the potential of current and upcoming

Responsibility benchmark in our field. In line with this commitment, we will set up an entirely new Corporate Responsibility governance structure. We have established a Group Corporate Responsibility function that will oversee and advance all relevant activities in this area. Furthermore, we will implement a Corporate Responsibility Steering Committee, with

We have never seen such transformation of the industry since the invention of series-produced automobiles.



2017 will be a decisive year for us. We have defined as our strategic commitment to become the Corporate Responsibility benchmark in our field.

environmentally friendly cars – making it a very good business case. At the same time, the breathtaking pace of technological development – along with its constantly decreasing cost – play in favor of various other trends such as autonomous driving or connectivity. To me, this unique mix makes it the most interesting time in the history of the automotive industry. I would even say: Since the invention of series-produced automobiles we have never seen such a transformation as is taking place right now. Of course, as innovation leader in acoustic and

automotive trends. What we would like to see is how these trends can be translated into new technologies and products – that is, business opportunities – for vehicle acoustic and thermal management, both for traditional as well as new vehicle manufacturers.

What is the outlook for Corporate Responsibility at Autoneum in 2017 – and beyond?

2017 will be a decisive year for us. We have defined as our strategic commitment to become the Corporate

the membership of key Function Heads of Autoneum and myself. We will conduct an internal screening of all our activities related to Corporate Responsibility in order to define where we stand and to see where our key challenges, and strengths, lie. Based on the results, we will launch Autoneum's first Corporate Responsibility strategy with defined key fields of action, quantitative and qualitative targets and a detailed implementation plan. Simultaneously, we will launch an internal communication campaign to sensitize employees and further deepen their knowledge about the key topics, opportunities and risks entailed in the various dimensions of Corporate Responsibility at Autoneum. It is vital for us that all employees at our more than 50 locations worldwide understand the scope of their personal responsibility, act in a compliant manner and make a contribution to good corporate citizenship.

Corporate Responsibility at Autoneum

Autoneum has committed itself to become the Corporate Responsibility benchmark among its industry peers. We want to lead by example by managing human and natural resources responsibly and preserving a healthy and safe world for future generations.

Corporate Responsibility Dimensions at Autoneum

Economic Responsibility	Ecological Responsibility	Employee Responsibility	Social Responsibility	Ethical and Legal Responsibility
<ul style="list-style-type: none"> · Delivering high quality products to customers · Creating economic value for shareholders · Supporting economies by purchasing goods and services · Job creation and human capital development · Generating revenues and paying taxes · Infrastructure and community investments 	<ul style="list-style-type: none"> · Promoting sustainable mobility · Developing eco-friendly products · Eco-efficient production processes · Climate change mitigation · Conservation of natural resources · Environmental protection in the supply chain 	<ul style="list-style-type: none"> · Protecting human and labor rights of employees · Investing in employee well-being, development and education · Providing fair compensation and benefits · Continuous improvement of occupational health and safety · Promoting diversity and inclusion 	<ul style="list-style-type: none"> · Providing healthy and safe products to end consumers · Protecting human and labor rights in the supply chain · Continuous and open dialogue with stakeholders · Engaging with communities at all locations · Implementing corporate philanthropy projects 	<ul style="list-style-type: none"> · Compliance with laws and regulations · Building a culture of ethics, integrity and accountability · Fight against corruption and anti-competitive practices · Maintaining a reputation as a fair and trustworthy business partner · Protecting intellectual property rights and data

At Autoneum we practice Corporate Responsibility in five dimensions. It is our economic responsibility to deliver value to our customers and shareholders; with ongoing business activities and investments, we advance the societies and economies where we operate. We apply the principles of ecological responsibility in the development of our products, in our production processes and across the supply chain, thereby making our contribution to climate change mitigation and the conservation of natural resources. We have a deep sense of responsibility for our employees: We protect their human and labor rights, invest in their professional and personal development and provide safe and fair working conditions. We take responsibility for the society around us: We engage with local communities through targeted projects, promote human and labor rights in the supply chain and make sure our products do not harm the health of end consumers. Finally, we practice ethical and legal responsibility by ensuring compliance with laws and regulations and by building a culture of integrity; this

is essential for preserving our reputation as a trusted business partner. These responsibilities cannot be separated from each other and together they shape and define every decision we make. Neglecting any of them would have a substantial impact on our environment, the communities where we operate, but also us as a company.

Governance

Within each Corporate Responsibility dimension, key fields of action have been identified and responsibilities assigned to internal functions. In May 2017, a Corporate Responsibility function was established to oversee and advance all activities in this area. Furthermore, a Corporate Responsibility Steering Committee will be implemented, with the membership of the CEO and key Function Heads. This committee will monitor risks, define opportunities and decide on all actions related to Corporate Responsibility at Autoneum.

Risk Management

Autoneum maintains an Internal Control System and procedures for detecting, reporting and managing risk. The Company regularly assesses general business-related risks such as strategic, operational, financial, capital and litigation risks. At the same time, specific risks with Corporate Responsibility components – political, legal and compliance, organizational, environmental and work safety risks – are evaluated. An aggregate review of all identified risks and the measures to address them is performed on a semi-annual basis by the Risk Council, consisting of the CEO, Heads of Business Groups and Heads of Corporate Functions. The review results are reported to the Board of Directors and Group Executive Board.

Stakeholder Engagement¹

In order to gain a holistic understanding of Autoneum's key Corporate Responsibility risks and opportunities, we engage in regular dialogue with the key stakeholder groups in our stakeholder ecosystem. The various forms of engagement are described in the table "Autoneum in Dialogue".

Materiality Assessment²

To identify the Corporate Responsibility issues that are most relevant to Autoneum and its stakeholders, we have conducted a Materiality Assessment in 2016. The results were elaborated in an internal workshop where the perspectives of subject matter experts from key functions at Autoneum, as well as of external stakeholder groups, were systematically collected. Results were finalized in a review by Autoneum's top management. The topics defined as material for Autoneum were selected for consideration within the GRI reporting framework – see table "Focus Areas and GRI Topics".

Transparency and Reporting

This is Autoneum's first report implementing the GRI Standards framework. This report has been prepared in accordance with the GRI Standards: Core option. It also provides a comprehensive overview of Autoneum's Corporate Responsibility activities, while addressing all material topics. The report was submitted for the GRI Materiality Disclosures Service and GRI confirmed the correctness of the locations of materiality disclosures (GRI 102-40 to GRI 102-49), see GRI Content Index on page 28. In 2016, Autoneum also participated in the disclosure of its environmental impact by submitting a Climate Change Investor Response, Water Response and Supply Chain Response to the Carbon Disclosure Project (CDP).

¹ Covering the disclosures GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44.

² Covering the disclosure GRI 102-46.

³ In 2016, Autoneum's industry association memberships included Swissholdings, Swissmem, Swiss-American Chamber of Commerce, Shanghai Association of Enterprises with Foreign Investment, Swiss Chamber of Commerce in Shanghai, Columbia County Water Mitigation Authority, Excellence in Manufacturing Consortium.

⁴ Covering the disclosure GRI 102-47.

Autoneum in Dialogue

Employees	Dialogue between employees and managers, satisfaction surveys, idea management, Digital Collaboration System with integrated intranet
Customers	Development process of products and services, in-house fairs on customer premises, media, social media
Financial Community	Shareholder meetings, dialogue with financial institutions, response to analysts
Research	Cooperation with universities, scientific lead or participation in conferences, hosting of students in R&T projects
Media & Public	Communication through media events, advertising, website and social media
Local Communities	Community engagement projects, plant visits, neighborhood dialogue, open door events, one-on-one dialogue with local authority representatives
Civil Society	Responding to NGO inquiries, collaboration projects, memberships
Industry Associations	Memberships in various organizations, hosting events, participation in working groups ³

Focus Areas and GRI Topics⁴



Economic

Economic Performance; Indirect Economic Impacts; Anti-Corruption; Anti-Competitive Behavior



Environmental

Materials; Energy; Water; Emissions; Effluents and Waste; Environmental Compliance



Social

Occupational Health & Safety; Training & Education; Diversity & Equal Opportunity; Non-Discrimination; Human Rights Assessment; Local Communities; Customer Health & Safety; Socioeconomic Compliance

Strategy & Management Approach

As a global market and technology leader in acoustic and thermal management for vehicles, we are consistently implementing the six Strategic Priorities set out in our Corporate Strategy. Our High Performance Culture, underpinned by defined Principles and Values, serves as the foundation of long-term business success.

Technological expertise, an innovative product portfolio and a global presence geared towards customer needs and market demands are the key factors of Autoneum’s success. In order to further expand our existing global market and technology leadership in acoustic and thermal management, we consistently implement the six Strategic Priorities set out in our Corporate Strategy. Prior to every business decision we evaluate whether it is in accordance with our Strategic Priorities and how it contributes to their fulfillment. Autoneum’s High Performance Culture, reinforced by our Principles and Values, forms the basis of this strategy.

Autoneum’s Values and Principles

A corporate strategy geared only towards business success is not sustainable in the long run. At Autoneum, we live a High Performance Culture. This means that we expect our employees to perform at their best. At the same time, we provide all necessary support for their personal and professional development and enhance employee well-being by creating a safe, motivating and inclusive working environment. This culture has been developed by a global management team across all locations and divisions. It serves as both a framework and a guideline for the daily actions of Autoneum’s employees and must be exemplified by executives of the Company.

Autoneum’s six Strategic Priorities



Autoneum’s six corporate Values are:

Passion | Accountability | Innovation | Global | Continuous Improvement | Simplicity

These Values represent our Company as we want it to be. We live them through all our decisions and actions. Living these Values every day keeps us in line with our long-term Principles:

Delight your customers | Enjoy your work | Fight for profits

Economic Performance

An uncompromising focus on operational excellence enabled Autoneum to once again achieve new financial record highs in 2016. Thanks to our innovative product portfolio, efficiency enhancements in production and a globally diversified customer base, net sales and profitability have grown substantially.

In 2016, Autoneum reached an organic net sales increase of almost 7%, exceeding again the growth pace of global automobile production in this period. While the rise in sales was particularly driven by the Asia region, Business Group Europe made a significant contribution to the increase in profitability. The Group's profitability has increased remarkably, with the EBIT margin at 8.2% reaching a new record high in a full year.

Compared to 2015, net profit has virtually doubled to CHF 133.8 million. In order to continue growing profitably in the future, Autoneum invested strongly in expanding the capacities of existing facilities, vertical integration and the introduction of new technologies at various sites across the world in 2016, with total investments amounting to CHF 138.4 million.

2153
CHF million



Net sales in Swiss francs reached a new record high of more than CHF 2153 million.

6.8%

Net sales growth of 6.8% in local currencies after already strong preceding year.

8.2%

EBIT margin hit a new record high and exceeded the 8% mark for the first time.

133.8
CHF million

Net profit virtually doubled to CHF 133.8 million.

Customers and Products

Autoneum develops and produces multifunctional and lightweight components and systems for optimal protection against noise and heat. Our innovations make vehicles quieter, lighter and safer and help reduce their fuel consumption and emissions.

Technology leadership

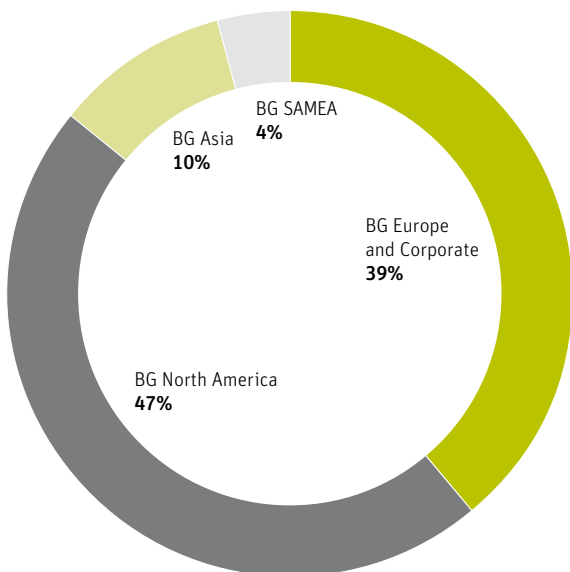
Autoneum is the global market and innovation leader in acoustic and thermal management solutions for vehicles. We develop and produce components, modules and systems for the entire vehicle: For the engine bay, the underbody, the interior floor and the body-in-white. We offer noise and heat protection in individually adaptable product packages for optimum compliance with customer requirements. Furthermore, Autoneum’s multifunctional and lightweight components reduce vehicle weight and thereby also fuel consumption and CO₂ emissions. We thus support customers in fulfilling tightening environmental and noise regulations. At the same time, our innovations

enable them to efficiently address growing consumer demand for environmentally friendly cars.

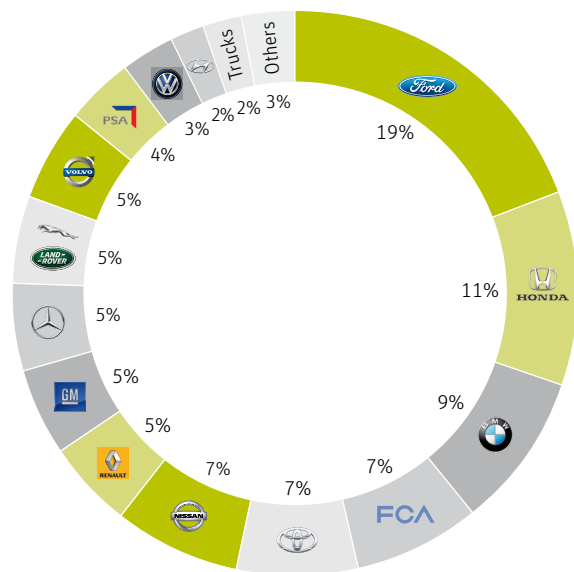
Our customer portfolio

Autoneum’s customers are the leading automobile manufacturers in the markets of Europe, Africa, North America, South America and Asia. Global presence and proximity to the customer is not only a key success factor but also a crucial competitive advantage of Autoneum. The graphs below show an overview of the distribution of our net sales in 2016 according to Business Groups and customers.

Share in Net Sales by Business Group (BG)



Share in Net Sales by Customer



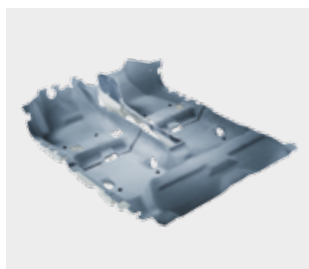
Product Lines

Engine Bay

Autoneum's engine bay products – engine encapsulations, hoodliners, outer dashes and engine top covers – help to store heat in the engine bay and to protect sensitive components from engine heat. At the same time, they also minimize the engine noise emitted to the interior and the exterior of the vehicle. Within this product line, Autoneum has pioneered the key technology Theta-FiberCell, which is used in engine encapsulations and engine top covers. Theta-FiberCell is a lightweight fiber-foam-material with noise reduction and thermal insulation properties and high temperature stability. Compared with conventional engine covers made of plastic, engine covers based on Theta-FiberCell are more than 50% lighter, which is equivalent to a weight reduction of up to one kilo per vehicle.



Engine Bay | Engine Encapsulations | Engine Top Covers | Hoodliners | Outer Dashes | Water Box Shields | Battery Covers



Interior Floor | Tufted Carpets | Non-Woven Carpets | Inner Dashes | Floor Insulators | Floor Mats



Underbody | Under Engine Shields | Under Floor Shields | Heatshields | Floor Pans | Wheelhouse Outer Liners



Body Treatment | Dampers | Stiffeners | Other Acoustic Parts

Interior Floor

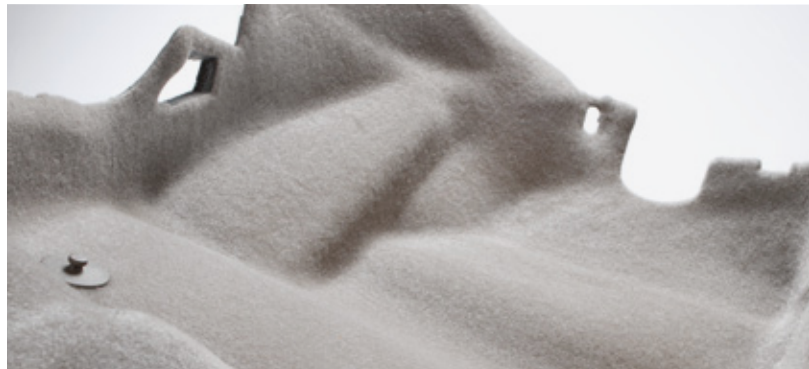
Autoneum's multifunctional carpet systems reduce noise entering the passenger compartment from the road or powertrain, thereby enhancing driver comfort. The Company produces tufted carpets for higher vehicle classes and non-woven carpets for compact and mid-range vehicles. Through their durability and stain resistance, these lightweight carpets efficiently meet the aesthetic requirements of customers. The Di-Light carpet for compact and medium class vehicles is the most recent innovation in this product line. While maintaining the benefits of standard non-woven carpets, Di-Light has an even lighter weight. Depending on the product variant, it consists of up to 97% recycled PET, which further enhances the environmental performance of this component.

Body Treatment

Damping materials reduce the noise in the passenger cabin by attenuating the vibrations that are transferred to its body-in-white, causing unpleasant buzzing sounds. Autoneum's damping products can be used in numerous body-in-white areas and they noticeably increase the acoustic comfort in vehicles. At the same time, the light weight of these high-performance damping solutions contributes to lowering fuel consumption and emissions.

Innovation and Sustainability

Our innovation leadership is a key driver of our success. By anticipating future demands, we became the market and technology leader in acoustic and thermal management and have contributed with our products to quantum leaps in vehicle acoustics. We integrate sustainability criteria in all stages of our innovation processes.



Innovation Leadership

In order to maintain its market and technology leadership in the highly competitive automobile supplier industry, innovation is of strategic importance for Autoneum. Our Research & Technology (R&T) experts are the primary drivers of our innovation success. Approximately 80 R&T employees at our Group's headquarters in Winterthur – engineers, chemists, physicists, product designers and others – continuously work on new ideas aiming at the next technical breakthrough in acoustic and thermal management. More than 200 employees work at twelve state-of-the-art Acoustics and Development Centers worldwide. In this diverse network of experts, regular know-how transfer takes place on technologies, products and production processes. Global R&T committees evaluate the latest in-house research findings, develop optimized production flows and analyze global trends.

Autoneum supports customers both in the development of new vehicles and in the advancement of existing models. For this purpose, we have developed a variety of measurement systems and simulation software programs, some of which have become the global industry standard used by vehicle manufacturers as well as suppliers. These simulation tools enable us to adjust the material composition, thickness or density of a product during the design phase, ensuring that customer requirements are fully met. Furthermore, by optimizing isolation and insulation properties of components, we achieve a perfect balance between acoustic and thermal performance and product weight. Our products are becoming progressively lighter, which means that vehicles with Autoneum components consume less fuel, emit less emissions and therefore support our customers' compliance with statutory noise and emissions regulations.

Product Sustainability

We integrate sustainability criteria in all stages of the innovation process. In the Autoneum technology road-mapping program, as a first step we screen emerging technologies based on a Balanced Scorecard with four evaluation dimensions, one of which is sustainability. Within this dimension, waste, energy and emission aspects of the emerging technology are evaluated. Only technologies that reach a high sustainability score are turned into innovation project proposals and finally presented to the Group's top management.

After approval, the development process starts. As the process unfolds and the various options for turning the technology into a product become visible, a second, more detailed sustainability evaluation follows. This evaluation is based on 14 criteria along four phases of the life cycle of the product: raw material composition, the production process, service life of the product and the method of disposal at the end of product life. The evaluation shows at what stage the product might have the largest sustainability impact, thus enabling its further optimization. Autoneum's target is to pursue only future innovations with a low environmental impact. On one hand, this enables us to support our customers both in fulfilling tightening environmental regulations and responding to a growing

consumer demand for environmentally friendly cars. On the other hand, this target is also in line with our Corporate Responsibility commitment to protect the natural environment and reduce our environmental footprint.

In the Spotlight: Ultra-Silent

Ultra-Silent is an exemplary Autoneum technology combining cutting-edge innovation and sustainability aspects. Underbody systems made of this lightweight textile material are up to 50% lighter compared to equivalent plastic products. Furthermore, they enhance the aerodynamics of vehicles by significantly decreasing their drag, resulting in the reduction of fuel consumption and CO₂ emissions. Autoneum has been producing textile underbody components made of Ultra-Silent for the European market since 2009; so far over six million vehicles of German, British, French and Japanese customers have been equipped with these products. The global market launch of Ultra-Silent outside Europe took place in 2015 in North America. In addition, Autoneum has developed a special version of this product for sport utility vehicles (SUV), thus making a decisive contribution to reducing the fuel consumption and CO₂ emissions of these globally highly sought-after vehicle models.

New Trends in Mobility

In light of new developments in the automotive industry, Autoneum's research and technology department pays particular attention to areas with disruptive innovation potential. Among a variety of different trends, we have defined electric mobility and autonomous driving as most relevant to our business. These trends, should they become mainstream, will substantially change the way we use transportation in the future and they also bear potential to make mobility more sustainable in the long run. We analyze these trends on a continuous basis in order to be able to transform them into new technologies and products. In 2016, to not only maintain our innovation leadership but to expand it further in a profitable manner, we opened the Competence Center for New Mobility in Sunnyvale, California. With this Silicon Valley operation, we will evaluate the potential of current and upcoming automotive trends. The aim is to provide established and new vehicle manufacturers with the best possible range of products for the cars of the future.

Electric Mobility

The projected global increase in electric vehicles also presents new market opportunities for Autoneum. Right now Autoneum offers development services and supplies innovative lightweight parts to both new and established electric vehicle manufacturers around the world. Just like vehicles

with a combustion engine, electric vehicles also need components to reduce noise from new or hitherto masked sources such as high-frequency sounds or rolling and wind noise. There are thermal challenges as well: Without heat deriving from the engine, the passenger cabin of an electric vehicle is lacking a heating source – as opposed to vehicles powered by a combustion engine. Here too, Autoneum will support customers with thermal management solutions. Today, we already offer development services and supply electric vehicles, such as the BMW i3 and i8, Chevrolet Volt and Bolt, Nissan Leaf and Renault Zoe with innovative lightweight components on a global basis.

Autonomous Driving

Autonomous driving is a trend that could potentially cause a paradigm shift in our mobility landscape. Although there are still challenges – such as the ability of vehicles to evaluate traffic conditions, or ethical aspects –, the technology is mature enough to be tested by vehicle manufacturers on the road. This trend has business potential for Autoneum: Our sound and heat reducing components could make an important contribution to the perceived vehicle quality of self-driving cars, where driving comfort and optimal acoustics in the passenger cabin are of major importance. However, it remains to be seen how this trend will evolve in the coming years.

Compliance

Autoneum aims to act in an exemplary and ethically unimpeachable manner at all levels: Within our Company boundaries as well as in all our business relations. Maintaining the highest legal and ethical standards helps us preserve our credibility, trustworthiness and reputation as a reliable partner, which is essential for our business success.

For Autoneum this means that we not only abide by the laws and regulations of the countries we operate in, but also act in line with our Company’s Values, Principles and the Code of Conduct as well as other internal regulations and directives. In this sense, every employee at Autoneum has to comply with the provisions stipulated in the Company’s Code of Conduct. It prescribes, among others, that Autoneum employees are aware of their personal responsibility and avoid legal, ethical and reputation risks at all times.

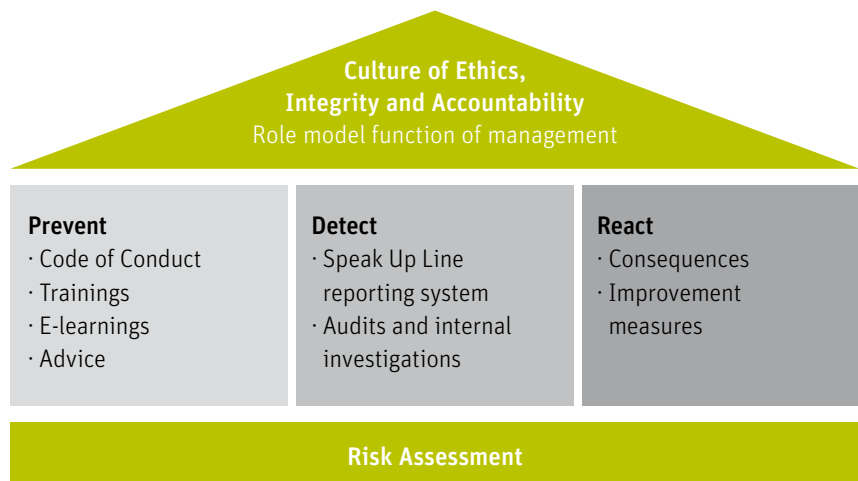
Apart from the principles defined in our Code of Conduct, we respect in particular the UN Declaration on Human Rights, the International Labor Organization’s (ILO) fundamental conventions and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Companies.

Our Compliance Program builds on international guidance provided by the International Standards Organization (ISO 19 600, Compliance Management Systems) and is aligned with the “Swiss Code of Best Practice for Corporate Governance” issued by Economiesuisse, the federation of Swiss businesses.

Governance

The Board of Directors of Autoneum is the Company’s highest governance body, which defines and adopts the Group’s Compliance strategy and addresses key compliance risks. The Group Executive Board carries overall responsibility for operational compliance, assessment of compliance risks and implementation of the Group’s Compliance strategy. The Compliance Council – consisting of the CEO, the CFO, the Head Legal &

The Compliance Program of Autoneum is based on three pillars: We strive to prevent, detect and, if necessary, react to any violations of the law or the Code of Conduct.



Compliance, the Head Internal Audit and the Head Human Resources – develops the Compliance Program, monitors progress and evaluates compliance incidents. Finally, the Legal & Compliance department manages the implementation of the Compliance Program: It sets the compliance policy framework, develops internal processes, coordinates initiatives, manages training and learning programs and ensures that the organization is compliant with internal and external laws, regulations and directives.

Policy Framework

The Code of Conduct is the centerpiece of Autoneum's Compliance policy framework. It describes our commitment to comply with relevant international and local laws and regulations, defines the fundamental rules of employee conduct and helps cultivate business relationships that are based on the principles of truth and honesty. It is essential that Autoneum's employees act in accordance with the Code of Conduct at all times, because non-compliance can jeopardize business relationships, lead to financial loss, fines, reputation damage and have severe personal consequences. The Code of Conduct, revised, updated and translated into eleven languages in 2016, applies to all managers and employees under the management control of Autoneum and is an integral part of every employment contract. The Code of Conduct is complemented by a range of specific internal directives. In 2016, no cases of corruption, bribery and anti-competitive practices were identified at Autoneum.

Suppliers have to abide by the Code of Conduct for Suppliers which contains rules of conduct in terms of Labor and Human Rights, Health and Safety, Environment, Material Compliance and Business Ethics.

Speak Up Line

In 2016, we have launched our global Speak Up Line, a web-based application which enables employees, customers and suppliers of Autoneum, as well as all other external stakeholders of the Company throughout the world, to report violations of the Code of Conduct and other regulations securely, confidentially and, on request, anonymously. The hotline constitutes an additional option to Autoneum's existing internal communication channels (i.e. superior, HR or Legal & Compliance department) to report such violations.



Compliance Trainings

In order to sensitize our employees and ensure their compliance with Autoneum's key policies, a worldwide e-learning and face-to-face training program focused on "Preventing Anti-Bribery and Corruption" and on "Preventing Anti-Competitive Practices" was put in place in 2016. Furthermore, a Code of Conduct e-learning program for all employees will be launched in 2017, explaining the key elements of compliant behavior and the consequences of misconduct.

The Code of Conduct is the centerpiece of Autoneum's Compliance policy framework. It describes our commitment to comply with relevant laws and regulations, defines the fundamental rules of employee conduct and helps cultivate business relationships based on truth and honesty.

Our Supply Chain

As a company with a broad product range, we source a large variety of materials through complex supply chains. In order to avoid supply chain risks, we expect all our suppliers to comply with our Code of Conduct for Suppliers and make sure that all materials obtained are compliant with legal and customer requirements.

Autoneum supplies automotive manufacturers globally with components and technologies subsumed under the four product lines Engine Bay, Interior Floor, Underbody and Body Treatment. We produce at more than 50 locations in over 20 countries worldwide, creating substantial demand in direct spend (materials that are directly incorporated into a product) and indirect spend (goods and services supporting the production process, such as machinery, energy or travel services). Autoneum's total spend in 2016 amounted to CHF 1 146 million. Our supplier universe currently consists of approximately 1 000 direct spend suppliers and several thousand indirect spend suppliers. Depending on their distance to Autoneum locations, we differentiate between global, regional and local suppliers. Within the direct spend category, we source materials from a total of 49 material families. From these we have identified nine Global Material Families which are of strategic importance to Autoneum, as they contain materials which are used by most of our operations globally. These include yarn, aluminum, fibers, cotton shoddy, phenolic resins and others.

Autoneum requires all suppliers to sign, and operate in accordance with, its Code of Conduct for Suppliers, and to comply with all applicable laws and regulations. The Code of Conduct for Suppliers defines key principles in the following areas: Labor and Human Rights, Health and Safety, Environment, Material Compliance and Business Ethics. The Global Procurement department is responsible for the analysis of global supply chain risks, implementation of standards and specifications, improving transparency and forecasting volatile market requirements. In case of its most business-critical suppliers, Autoneum conducts Supplier Quality Assessments (SQA), which is an internal audit mechanism containing, besides a variety of quality-related topics, environmental and health & safety aspects.

Material Compliance

Autoneum's Material Compliance team is responsible for developing processes and tools that ensure the materials purchased and used in our products conform with both legal and customer requirements. Material Compliance is essential to protect the health and safety of the final consumers who drive cars equipped with Autoneum components. In 2016, Autoneum recorded no incidents concerning the health and safety impacts of our products.

In 2016, the roll-out of a new Compliance Process Manager tool was prepared, which is a best practice instrument for ensuring compliance with material specifications and thresholds defined by legal regulatory frameworks as well as automobile manufacturers, such as REACH⁵ and GADSL⁶. This essential tool builds on Autoneum's existing databases and helps us and our suppliers monitor regulatory changes in a single platform and adapt to them in a synchronized and timely manner.

The purchased materials also have to comply with the so-called Dodd-Frank Act, which requires all companies producing in the USA to ensure that the raw materials they use are not so-called "conflict minerals" – i.e. gold or ores used for the production of tin, tantalum or tungsten –, tied in any way to the armed conflict in the Democratic Republic of Congo (DRC). To this end, all our suppliers whose materials are utilized in products sold to US-American companies are obliged to audit their mineral supply chains on an annual basis and to disclose whether any of the minerals originated in the DRC or an adjoining country.

⁵Registration, Evaluation, Authorization and Restriction of Chemicals (EC 1907/2006).

⁶Global Automotive Declarable Substance List.

Community Engagement

At our sites, we have a significant economic impact on the surrounding communities in the form of employment, revenue, tax and infrastructure investments. At the same time, we are building lasting ties with local stakeholders in order to understand their needs and to support them with targeted engagement programs.



Autoneum aims to act as a responsible corporate citizen and engage with local communities in a meaningful and effective manner. For this purpose, we have launched our “Guideline for Contributions” in 2016. The Guideline defines the rules and procedures for donations, sponsoring and community engagement activities on a global level. As of 2016, it is mandatory for each site to define and engage in at least one community engagement project a year. Projects are developed based on the proposals of sites or on grassroots ideas identified in interaction with the local community.

In 2016, Autoneum has implemented more than 50 community engagement projects across all four Business Groups worldwide. For example, employees at the French Autoneum sites have collected bottle caps and aluminum cans to support the purchase of new wheelchairs for handicapped children. Special collection points for caps and cans have been installed at the locations to make it as easy as possible for employees to participate. In Tillsonburg, Canada, more than 50 employees of Autoneum rode the “Big Bike”, an oversized bicycle with thirty seats through the inner city of Tillsonburg, raising more than 6 000 Canadian dollars to support the Heart & Stroke Foundation, one of Canada’s largest health charities. Further

examples include China, where employees of five Autoneum sites have supported a primary school, located in a remote area in Yunnan Province, by collecting 1 000 new and secondhand books from various genres including history, encyclopedic knowledge and classic literature. Finally, in Argentina, our colleagues honored World Environment Day (WED), established by the United Nations in 1974, by taking the opportunity to plant indigenous jacaranda and lapacho trees close to the Autoneum plant in Córdoba. As a contribution toward maintaining indigenous species, the program is to be regularly repeated in the future.

On a global level, we started the preparation process of our first global social engagement project “Bookbridge” in 2016. The target of this project is to co-create community-based learning centers in Khvod, Mongolia and Siem Reap, Cambodia. Within a six-month part-time business skills and leadership development program, our employees will support the establishment of these centers. The program will be organized by our external partner Bookbridge, a social enterprise specialized in combining capability building and experiential learning with creating sustainable social impact. The project was launched in the first quarter of 2017.

Environment

We are firmly committed to protecting the natural environment and reducing our environmental footprint. In line with our Strategic Priority of practicing operational excellence, we invest in sustainable production processes and implement waste, water and energy efficiency projects across our worldwide operations.



Policy Framework

Autoneum defines the key principles of its environmental management – alongside with quality, health and safety and operational excellence aspects – in the Autoneum Management Policy, updated in 2016. With this policy, we commit ourselves to prevent environmental impact, to manage risks in respect of natural hazards and business interruption, to use all resources over the entire life cycle efficiently, to focus on sustainable actions within all business areas and to be compliant with laws, provisions, regulations and internal guidelines.

The Management Policy is complemented by a range of issue-specific internal policies addressing the management of emissions, waste, waste water, chemicals and hazardous substances. Furthermore, we expect all our employees to behave in an environmentally friendly and safe manner. Our approach is defined by the “15 Principles for Good Environment, Health and Safety Behavior”, with five principles addressing manager behavior and ten principles applying to all employees. Individuals who do not comply must reckon with disciplinary consequences.

Governance

Autoneum’s environmental policies and processes are governed by the Group Manufacturing department. Global activities are coordinated by the Environment, Health & Safety (EHS) Steering Committee, consisting of the Head of Group EHS, the Group EHS Team and EHS representatives from all four Business Groups of Autoneum. Eco-efficiency projects are rolled out under the supervision of the Head Environmental Optimization of Processes, in cooperation with plant managers and EHS representatives at the respective locations.

**As a manufacturing company
Autoneum is continuously
working on reducing its environmental
footprint by investing in
eco-efficient production processes.**

Eco-Efficiency in Manufacturing

As a manufacturing company Autoneum is continuously working on reducing its environmental footprint by investing in eco-efficient production processes. In 2015 we launched the Group-wide initiative “Improve Sustainability”. The aim of this initiative is to reduce landfill waste, to reclaim or recycle production waste and to reduce energy and water consumption at our sites. In 2016 we implemented at over 20 production sites 24 new eco-efficiency pilot projects developed in collaboration with local teams. The implementation is preceded by a detailed analysis of environmental impacts, investment costs, payback time and savings. The piloting phase will end in 2017.

After that, the best practice projects will be standardized at the Group level and rolled out globally.

Furthermore, as part of our company-wide Manufacturing Excellence Program, we are implementing three initiatives containing specific sustainability aspects. Firstly, we install automatic waste exhaust systems and Mizusumashi trains. Waste exhaust systems eliminate the manual handling of waste, thereby increasing the efficiency of waste collection and improving ergonomic conditions for employees. Mizusumashi trains are electrically driven tuggers that ensure optimal distribution of material on the shop floor. As an efficient substitute for forklifts, they reduce energy consumption and increase production safety. In 2016, almost 50% of Autoneum plants were equipped with waste exhaust systems and Mizusumashi trains. Our target is to have these technologies fully implemented at all plants. Furthermore, we work on reducing landfill waste by implementing new recycling channels and technologies. Finally, we focus on the implementation of a comprehensive energy monitoring system which enables us to identify energy inefficiencies and consequently introduce reduction measures.

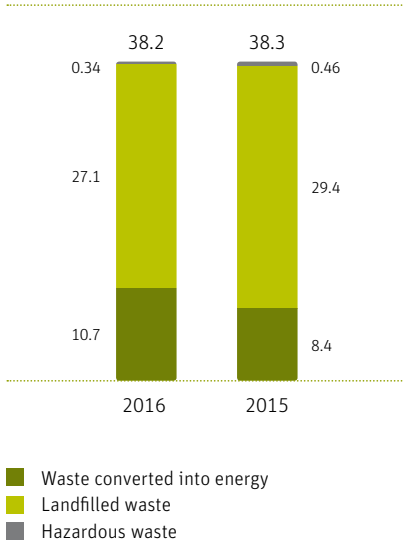
Management System for Environment, Health & Safety

The aim of Autoneum’s Environment, Health & Safety Management System (MEHS), launched in 2014, is to implement consistent EHS standards and requirements at all Autoneum locations worldwide. To ensure comparability on a global level, the MEHS is based on international and national laws and regulations as well as environmental management system (ISO 14 001) and occupational health and safety management system standards (OHSAS 18 001). At the end of 2016, more than 90% of the plants have been audited against MEHS requirements. One case of non-compliance with environmental legislation was discovered at a production site in China, resulting in a fine of 10 000 US dollars. The remaining locations will be audited in 2017. In addition, with the exception of three locations, all our plants were externally certified according to ISO 14 001 at the end of 2016. Our target is to reach full certification by 2020.

In order to support the implementation of MEHS worldwide, Autoneum has developed a specialized MEHS training program for EHS functions. The trainings cover environmental topics such as emission, water, waste and energy management as well as overall sustainability management. We made substantial progress in 2016: In Business Group Asia, all EHS staff has been trained, while the other three Business Groups are currently at 80% completion. Simultaneously, we are working on a comprehensive EHS e-learning program which will be mandatory for all employees and will be piloted in 2017.

Waste Intensity

(metric tons per CHF million net sales)



Waste and Recycling

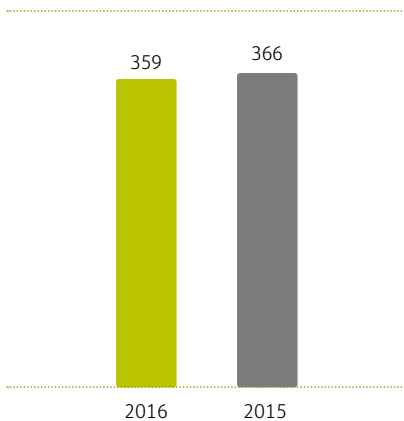


Autoneum’s overall waste intensity⁷ has further decreased by 0.3% compared to last year. We have reached impressive results in individual waste categories: Hazardous waste intensity has been reduced by 24.8%, which is a result of various improvements in our waste stream management, such as the efficient separation of hazardous and non-hazardous waste. Landfilled waste intensity has decreased by 7.9%, due to the expansion of recycling and reclaiming capacities. Finally, the Company has increased the intensity of waste converted into energy by 27.9%. This improvement is a result of the efforts of five plants, which now send part of their waste to external incineration instead of landfilling it.

Autoneum has reached an impressive 26% increase of recycled waste intensity. This is due to the ongoing expansion of reclaiming and recycling capacities at our plants: In 2016 we implemented twelve recycling projects at seven locations in total. As an example, at our Swiss plant in Sevelen, we installed a recycling facility for reuse of production waste from the manufacture of the PET-based material Ultra-Silent. The waste is now almost entirely returned to the production process.

Energy Intensity

(MWh per CHF million net sales)



Energy



Autoneum’s overall energy intensity⁸ further decreased by 2% in 2016. Within the energy mix, fossil fuel intensity decreased by 5.2% due to a broad range of energy efficiency projects implemented at our plants. On the other hand, electricity intensity increased by 0.8%. This is a result of the progress we are making in vertical integration: As an example, in several plants we now produce felt ourselves instead of sourcing it from external suppliers, which means we internalize the electricity consumption costs. In addition, the installation of waste exhaust systems and recycling and

reclaiming technologies also contribute to higher electricity consumption. In 2016 we continued to make substantial investments in the reduction of energy consumption: We implemented twelve energy-saving projects at nine locations. For instance, at our plant in A Rúa, Spain, we have for the first time utilized heat recovered from the thermoplastic hot molding process (THM) to heat water for the foaming processes – rendering use of electricity for this purpose practically obsolete. We are now taking this technology into consideration in the layout process of new plants.

⁷“Intensity” refers to the volume of waste in metric tons per CHF million net sales.
⁸“Intensity” refers to energy consumption in MWh per CHF million net sales.

Emissions

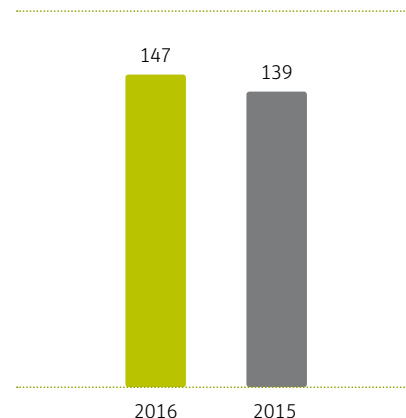


Autoneum's overall CO₂ intensity⁹ has increased by 5.3% this year. The intensity of Scope 1 CO₂ emissions – a direct result of the Company's production processes, gas consumption of ovens or steam production in boilers – has decreased by 3.7%. This is due mainly to the implementation of energy efficiency initiatives. At the same time, the intensity of Scope 2 CO₂ emissions – resulting from the Company's electricity consumption – has increased by 8.7%. The increase in electricity consumption is a result of higher production volumes, increasing vertical integration and the progressive roll-out of waste exhaust, recycling and reclaiming technologies (see description under 'Energy').

Scope 3 CO₂ emissions are a consequence of an organization's activities, but occur from sources not owned or controlled by the organization. Some examples of Scope 3 activities include extracting and producing purchased materials, business travels or the end use of products and services. In 2016, in order to map the footprint of our value chain, we have conducted an impact assessment of purchased materials and calculated the CO₂ emissions resulting from air travel for our Business Groups Europe and North America¹⁰. We are going to further refine our data basis and calculation framework, extend the scope and intend to present more differentiated results in the future.

CO₂ Intensity

(metric tons CO₂e per CHF million net sales)



Acidification Potential

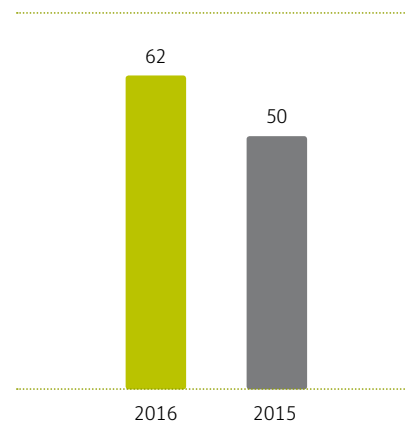


Acidification potential is expressed in sulfur dioxide equivalents, which result from burning fossil fuels in production processes. These emissions, interacting with atmospheric water, produce acid rain. In 2016, Autoneum's acidification potential intensity¹¹ has increased by 23.6%. This is due to a 50% increase in coal consumption at our US plant in Bloomsburg, where this energy source is currently used for generating steam for heating and production processes, temporarily replacing natural gas.

We are currently evaluating alternatives how to diversify the energy mix of this plant, so that we can reduce its coal consumption and the overall acidification potential of the Company.

Acidification Potential Intensity

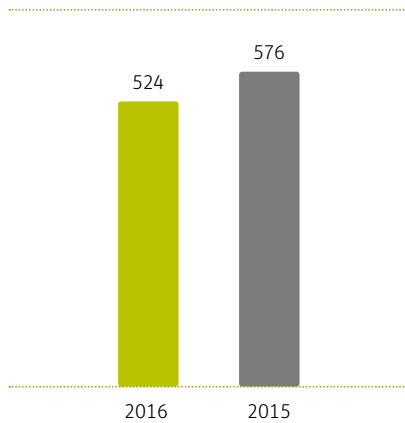
(metric tons SO₂e per CHF billion net sales)



⁹"Intensity" refers to emissions in metric tons of CO₂ equivalents per CHF million net sales.

¹⁰Excluding UGN.

¹¹Expressed in metric tons of SO₂ equivalents per CHF billion net sales.

Water Intensity(m³ per CHF million net sales)**Water**

Most of Autoneum's manufacturing processes are not water-intensive; water is mainly needed for cooling, steam generation, carpet dyeing and water jet cutting purposes. However, we consider reducing water consumption to be part of our overall manufacturing excellence and therefore invest in water efficiency projects. In 2016, the overall water

intensity¹² of Autoneum has decreased by 9.9%. This substantial drop is a result of a broad range of water-saving initiatives implemented across Autoneum operations. The most significant reduction was achieved at our US-American Bloomsburg plant by optimizing the water consumption of water-sealed vacuum pumps and the water washing bath used for carpet dyeing.

Environmental Key Performance Indicators**Absolute Figures****Intensity Figures**

	Absolute Figures			Intensity Figures		
	2016	2015	difference in %	2016	2015	difference in %
Energy (MWh)	771 923	763 063	1.2%			
Fossil fuels	345 367	353 136	-2.2%	160.4	169.3	-5.2%
Electricity	426 556	409 927	4.1%	198.2	196.5	0.8%
Energy Intensity (MWh per CHF million net sales)				358.6	365.8	-2.0%
Water (m³)	1 127 079	1 200 631	-6.1%			
Municipal water	993 557	1 070 782	-7.2%	461.6	513.3	-10.1%
Ground water	120 596	109 199	10.4%	56.0	52.4	7.0%
Other	12 926	20 650	-37.4%	6.0	9.9	-39.3%
Water Intensity (m³ per CHF million net sales)				523.6	575.6	-9.0%
Recycling (metric tons)	37 565	28 884	30.1%			
Internal recycling (reclaiming)	28 023	22 497	24.6%	13.0	10.8	20.7%
External recycling	9 542	6 387	49.4%	4.4	3.1	44.8%
Recycling Intensity (metric tons per CHF million net sales)				17.5	13.8	26.0%
Waste (metric tons)	82 171	79 850	2.9%			
Waste converted into energy	23 120	17 519	32.0%	10.7	8.4	27.9%
Landfilled waste	58 311	61 377	-5.0%	27.1	29.4	-7.9%
Hazardous waste	740	954	-22.4%	0.34	0.46	-24.8%
Waste Intensity (metric tons per CHF million net sales)				38.2	38.3	-0.3%
CO₂ Emissions (metric tons CO₂ equivalents)^{13, 14}	315 464	290 316	8.7%			
Scope 1	78 705	79 181	-0.6%	36.6	38.0	-3.7%
Scope 2 ¹⁵	236 759	211 135	12.1%	110.0	101.2	8.7%
CO₂ Intensity (metric tons CO₂ equivalents per CHF million net sales)				146.6	139.2	5.3%
Acidification Potential (metric tons SO₂ equivalents)	133.0	105.0	26.7%			
Acidification Potential Intensity (metric tons SO₂ equivalents per CHF billion net sales)				61.8	50.0	23.6%

¹²"Intensity" refers to the volume of water in cubic meters per CHF million net sales.¹³Calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol. Scope 1: emissions from heating boilers and fuels. Scope 2: emissions associated with electricity and district heat production.¹⁴Emission factor sources: ecoinvent, IEA and Defra.¹⁵Emissions calculated using the 'location-based' approach in accordance with the Greenhouse Gas Protocol Scope 2 Guidance. Value used as an approximation for the 'market-based' emissions.



Production of an underbody shield made of Ultra-Silent, a lightweight, noise-absorbing and fully recyclable material developed by Autoneum. Location: Sevelen, Switzerland.

Employees

Employees are Autoneum's most important asset. An engaged, motivated and diverse workforce helps us to uphold our position as market and technology leader, to efficiently fulfill the expectations of our customers and to achieve sustainable business success.



Employee Satisfaction

After its first implementation in 2014, a second Global Employee Satisfaction Survey was conducted in November 2016. The aim of this survey was to keep a finger on the pulse of Autoneum's workforce in order to understand where we stand in terms of employee well-being and work satisfaction. It was reassuring to see that the survey was perceived as important by our employees: The participation rate rose to 72%, which equals an increase of ten percentage points compared to 2014. The results show that within the last two years Autoneum has improved in all eight dimensions of the survey. Thus, the global measures taken based on the results of the 2014 survey are meanwhile bearing fruit. The most important drivers for employee satisfaction were discovered in the dimensions "tasks/work", "work conditions" and "personal development/compensation". But we believe we can still do better, that's why we have declared improving our workplace conditions, particularly in production, as a global focus field of action for 2017. As a next step, the findings in this context will be discussed in focus groups on site level. Subsequently, each site will work individually on three location-specific key improvement areas and identify short-, mid- and long-term actions.

Training and Education

We are committed to a High Performance Culture underpinned by our corporate Values and Principles. Our employees are required to contribute to this culture in all their decisions and actions. At the same time, we continuously invest in their professional qualifications, know-how, capacities and soft skills, which are essential for our business success. Autoneum's training and education policies and processes are governed by the Human Resources department. We address the training needs of each employee on an individual basis and formulate individual development plans. Besides on-the-job training and locally organized courses, we have set up a People Development curriculum defining courses for Autoneum's five employee bands, ranging from operators and technicians to management. In 2016, Autoneum employees completed on average 3.8 days of training.¹⁶

Autoneum offers targeted training and development programs for exceptional talents from all over the world. The International Learning Program (ILP) is our global training concept for employees with at least two years of experience within our Company, a strong performance record at a relatively early career stage as well as first intercultural experiences. ILP provides employees with intercultural training applying the so-called "action learning process", facilitated by teamwork on ILP projects. For participants, the ILP is a unique chance to learn and grow with Autoneum: to exchange professional experiences, develop intercultural competence, establish connections with senior management and build a global network within the Company. In 2016, 21 employees completed the ILP.

For senior managers across all our operations, Autoneum offers a High Performance Leadership Training (HPL). The training helps them reflect on and further develop their leadership style in order to fulfill the requirements of the Autoneum Leadership Profile. Senior managers acquire the necessary skills and competencies to become a role model in living Autoneum's Values and Principles, thereby creating the foundation on which our High Performance Culture can grow. We are proud to run HPL in close cooperation with a faculty of coaches who are among the world's leading experts in leadership development.

Performance Management Process (PMP)

Strong performance and self-motivation is the prerequisite for career advancement and development at Autoneum. The Performance Management Process (PMP) is our key tool to assure that our people are dedicated to Autoneum's Values, Principles and its High Performance Culture. The PMP consists of regular feedback loops and structured development interviews. At the beginning of the annual cycle, managers and employees agree on individual goals aligned with the overall strategy of Autoneum. In the annual appraisal discussion, the performance of employees is evaluated by their managers; one of the key criteria is whether the employees act in accordance with Autoneum's Values and Principles and whether they actively contribute to building and maintaining our High Performance Culture. In the case of managers, this criterion is part of the bonus evaluation process. In 2016, 72%¹⁶ of Autoneum employees underwent a performance and career development review.

We are committed to a High Performance Culture underpinned by our corporate Values and Principles. Our employees are required to contribute to this culture in all their decisions and actions.

Health and Safety

As a manufacturing company, employee health and safety is of critical importance for Autoneum. We are committed to provide and maintain a safe and healthy work environment for employees as well as customers, suppliers and visitors to Company sites. Our approach in this area is defined by "The 15 Principles for Good Environment, Health and Safety Behavior". Autoneum's health and safety policies and processes are governed by the global Environment, Health & Safety (EHS) Steering Committee.

¹⁶Figures exclude temporary employees.

Autoneum’s Environment, Health & Safety Management System (MEHS) is a framework integrating international and national laws and regulations and the requirements of the occupational health and safety management system OHSAS 18 001. The MEHS guarantees that the same standards are implemented consistently at all Autoneum locations. At the end of 2016, 90% of Autoneum plants had been audited against MEHS requirements, reaching a Group average compliance of 75% (2015: 67%). Furthermore, 23 of our 41 plants were certified according to OHSAS 18 001. Our goal is to have all plants certified according to ISO 45 001 – the standard that will be replacing OHSAS 18 001 – by 2020 (for more information on Autoneum’s EHS activities see also page 19).

Training Activities

The Company-wide implementation of MEHS is supported by a specialized training program for EHS functions. The program covers key health and safety topics such as contractor management, machine guarding, accident investigation and reporting, lockout-tagout (LOTO) and work permit issues.

Furthermore, to enhance our EHS leadership, we launched two behavior-based safety (BBS) leadership training programs dedicated to work safety in 2016. One training program introduced as a pilot project at Business Group Europe aims to enhance leadership management expertise, to show managers how to set an example in terms of appropriate behavior and, in doing so, to contribute to changing the behavior of employees. In North America, we have launched the “SafeStart” training program aiming explicitly at production staff. The focus here is on four types of at-risk behavior (rushing, frustration, fatigue, complacency) and four core types of safe behavior (eyes on the task, mind on the task, line of fire, balance-traction-grip) that decisively influence work safety in production. As part of the program, employees learn to become aware of these behaviors and develop appropriate reflex actions. Both training programs are to be gradually introduced at all the Company’s locations in 2017.

Health & Safety Key Performance Indicators

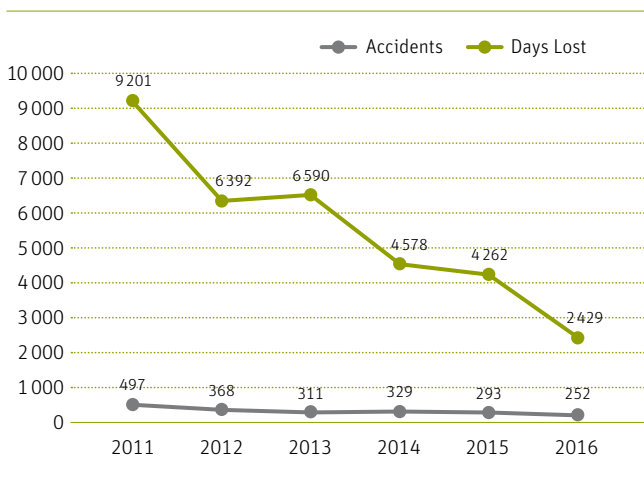
	2016	2015
Number of accidents	252	293
Number of days lost ¹⁷	2 429	4 262
Accident Frequency Rate (AFR) ¹⁸	13	16
Accident Severity Rate (ASR) ¹⁹	25	47
Absenteeism ²⁰	2.3%	2.4%
Work-related fatalities	0	1
% of workers represented by formal joint management-worker health and safety committees	100%	100%

¹⁷ In case of accidents involving contractors, no days lost are reported in the KPI.
¹⁸ Calculated with the following formula: Accident Frequency Rate = number of accidents / planned working hours *10⁶.
¹⁹ Calculated with the following formula: Accident Severity Rate = number of days lost / planned working hours *200 000.
²⁰ Calculated with the following formula: Absenteeism = total absent hours / planned working hours *100.

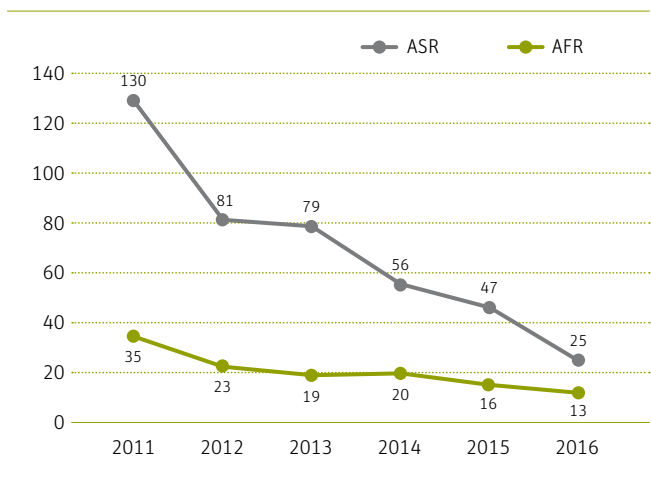
The continuous improvement of health and safety performance is essential for Autoneum. Therefore, we strive to avoid accidents at all times. Small cuts, stab wounds and contusions remained the primary type of accident at Autoneum plants in 2016. The body parts mainly affected were hands and fingers. Our two central health and safety KPIs – Accident Frequency Rate and Accident Severity Rate – have improved again this year. In fact, they have been continuously improving since 2011, with the number of accidents decreasing by almost 50%, the Accident Frequency Rate decreasing by more than 60%

The continuous improvement of health and safety performance is essential for Autoneum. Therefore, we strive to avoid accidents at all times.

Number of Accidents and Number of Days Lost



Accident Severity Rate and Accident Frequency Rate



and the Accident Severity Rate decreasing by more than 80%. Fortunately, no fatalities occurred in 2016.

Diversity and Non-Discrimination

As a company with operations spanning four continents, Autoneum employs people from a large variety of national, ethnic, cultural and personal backgrounds. Diversity goes hand in hand with our corporate Value of “living a global spirit”, and is also part of our everyday reality as a multinational company. Diversity is key for us as a technology leader as well: Diverse teams with an open-minded culture tend to be more agile, creative and successful in developing new, disruptive ideas.

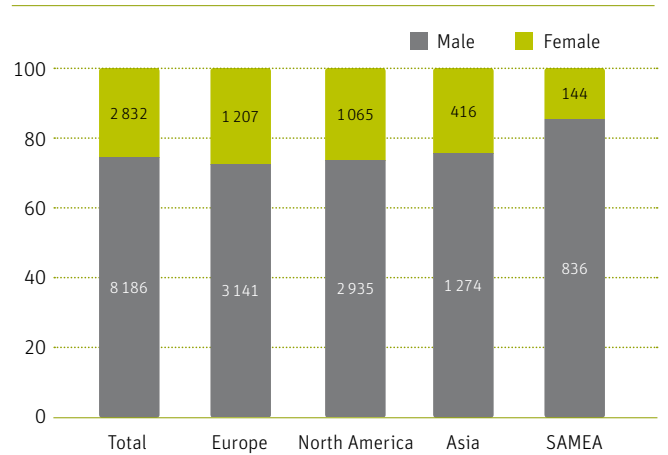
Therefore, it is essential for Autoneum to maintain a working environment where everyone is treated equally. We follow a zero tolerance approach against any type of harassment or discrimination based on race, gender, age, religion, political or sexual orientation. The key principles of anti-discrimination are described in our Code of Conduct, which is signed by every new employee upon his/her entry at Autoneum. Furthermore, in 2016 we have launched a global Speak Up Line which enables employees of Autoneum as well as external parties to anonymously report violations of the Code of Conduct, including cases of discrimination or harassment. In 2016, no such cases were identified at Autoneum.

Employee Participation

Autoneum recognizes freedom of association and collective bargaining as a fundamental human right. Employees are allowed to form, join and run employee organizations or works councils, to join labor unions and to collectively bargain or seek representation in accordance with local laws. In 2016, 56% of our employees were covered by collective bargaining agreements.²¹ In some locations – such as Switzerland, the United Kingdom, Poland, Russia and some US-American states – collective bargaining agreements between employer and employee organizations are not part of the legal framework.

Employees by Business Group and Gender

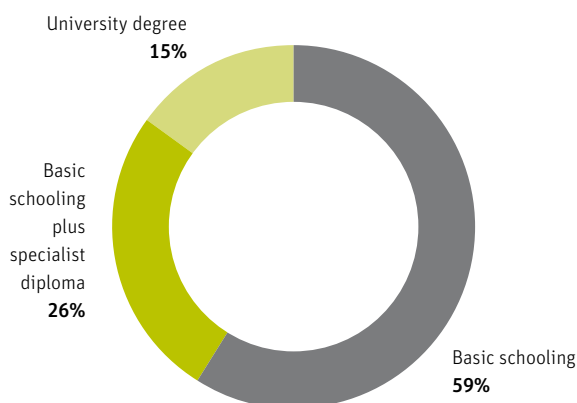
(2016, Headcount in %)²²



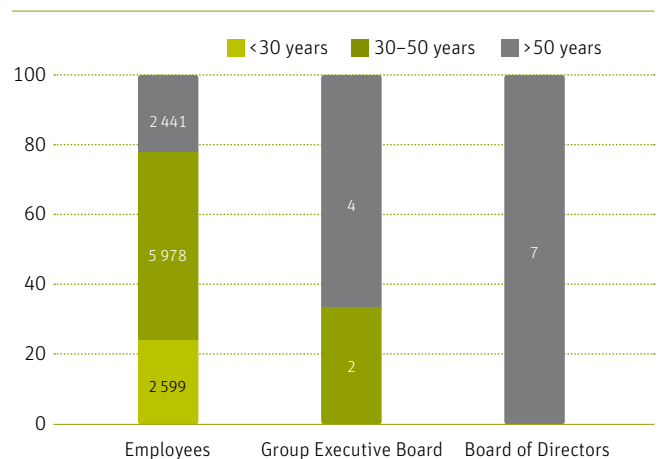
Diverse teams with an open-minded culture tend to be more agile, creative and successful in developing new, disruptive ideas.

In the European Union, worker participation is delegated to European Works Councils (EWCs). EWCs are bodies representing the European employees of a company. Besides common internal communication channels, EWCs are platforms through which employees are informed by a company’s management about business developments and significant decisions that could affect employment or working conditions. They are also consulted on decisions at a regional level that are subject to codetermination rights.

Employees by Highest Level of Education (2016, Headcount in %)²²



Employees by Age (2016, Headcount in %)²²



²¹Covering the disclosure GRI 102-41.
²²Figures exclude temporary employees.



GRI Content Index

General Disclosures

Disclosure	Description	Reference
1. Organizational Profile		
102-1	Name of the organization	About Autoneum, p. 2
102-2	Activities, brands, products, and services	Customers and Products, p. 10
102-3	Location of headquarters	About Autoneum, p. 3
102-4	Location of operations	About Autoneum, p. 3
102-5	Ownership and legal form	Annual Report 2016, p. 48-50
102-6	Markets served	Annual Report 2016, p. 2-9
102-7	Scale of the organization	About Autoneum, p. 3; Economic Performance, p. 9
102-8	Information on employees and other workers	Employees, p. 27
102-9	Supply chain	Our Supply Chain, p. 16
102-10	Significant changes to the organization and its supply chain	Annual Report 2016, p. 84
102-11	Precautionary Principle or approach	Corporate Responsibility at Autoneum, p. 7
102-12	External initiatives	Community Engagement, p. 17
102-13	Membership of associations	Corporate Responsibility at Autoneum, p. 7
2. Strategy		
102-14	Statement from senior decision-maker	Interview with the CEO, p. 4
3. Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Corporate Responsibility at Autoneum, p. 6
4. Governance		
102-18	Governance structure	Annual Report 2016, p. 49 Corporate Responsibility at Autoneum, p. 6
5. Stakeholder Engagement		
102-40	List of stakeholder groups	Corporate Responsibility at Autoneum, p. 7
102-41	Collective bargaining agreements	Employees, p. 27
102-42	Identifying and selecting stakeholders	Corporate Responsibility at Autoneum, p. 7
102-43	Approach to stakeholder engagement	Corporate Responsibility at Autoneum, p. 7
102-44	Key topics and concerns raised	Corporate Responsibility at Autoneum, p. 7

Disclosure	Description	Reference
6. Reporting Practice		
102-45	Entities included in the consolidated financial statements	The consolidated financial statements of Autoneum Holding Ltd. include the Company and its subsidiaries. See Annual Report, p. 71 (1.3 Scope and methods of consolidation).
102-46	Defining report content and topic Boundaries	Corporate Responsibility at Autoneum, p. 7
102-47	List of material topics	Corporate Responsibility at Autoneum, p. 7
102-48	Restatements of information	None. This is Autoneum's first report in accordance with GRI Standards.
102-49	Changes in reporting	None
102-50	Reporting period	2016
102-51	Date of most recent report	July 2016
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Imprint, back cover
102-54	Claims of reporting in accordance with the GRI Standards	Corporate Responsibility at Autoneum, p. 7
102-55	GRI content index	GRI Content Index, p. 28
102-56	External assurance	No external assurance has been carried out.

Material Topics

Disclosure	Description	Reference	Reasons for omission
Economic Topics			
Economic Performance			
103	Management Approach	Strategy & Management Approach, p. 8	
201-1	Creation and distribution of economic value	Annual Report, p. 5	
201-3	Pension plan obligations	Annual Report, p. 75 and 101	
Indirect Economic Impacts			
103	Management Approach	Community Engagement, p. 17	
203-1	Infrastructure investments and services supported, including sponsoring and community engagement	Community Engagement, p. 17	
Anti-Corruption			
103	Management Approach	Compliance, p. 14	
205-2	Information and training on corruption risks	Compliance, p. 15	
205-3	Incidents of corruption	Compliance, p. 15	
Anti-Competitive Behavior			
103	Management Approach	Compliance p. 14, Interview with the CEO, p. 4	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Compliance, p. 15	

Disclosure	Description	Reference	Reasons for omission
Environmental Topics			
Materials			
103	Management Approach	Environment, p. 19	
301-2	Proportion recycled materials used	Environment, p. 19, 22	
Energy			
103	Management Approach	Environment, p. 19, 20	
302-1	Energy consumption within the organization	Environment, p. 22	
302-3	Energy intensity	Environment, p. 22	
302-4	Reduction of energy consumption	Environment, p. 19, 20	
302-5	Energy efficient products and services	Innovation and Sustainability, p. 13	
Water			
103	Management Approach	Environment, p. 22	
303-1	Water consumption	Environment, p. 22	
Emissions			
103	Management Approach	Environment, p. 21	
305-1	Direct GHG emissions (Scope 1)	Environment, p. 22	
305-2	Energy-based indirect GHG emissions (Scope 2)	Environment, p. 22	
305-4	GHG emissions intensity	Environment, p. 22	
305-5	Reduction of GHG emissions	Environment, p. 21	
305-7	Nitrogen oxides, sulfur oxides and other air emissions	Environment, p. 22	Only sulfur oxide emissions (acidification potential) have been identified as material for Autoneum.
Effluents and Waste			
103	Management Approach	Environment, p. 19, 20	
306-2	Waste	Environment, p. 22	
Environmental Compliance			
103	Management Approach	Environment, p. 19	
307-1	Sanctions for environmental non-compliance	Environment, p. 19	

Disclosure	Description	Reference	Reasons for omission
Social Topics			
Occupational Health and Safety			
103	Management Approach	Employees, p. 25	
403-1	Staff representation in health and safety committees	Employees, p. 26	
403-2	Accidents, illnesses and lost days	Employees, p. 26	
Training and Education			
103	Management Approach	Employees, p. 25	
404-1	Extent of training and education	Employees, p. 25	
404-2	Programs for skills management and life-long learning	Employees, p. 25	
404-3	Performance reviews and career planning	Employees, p. 25	
Diversity and Equal Opportunity			
103	Management Approach	Employees, p. 27	
405-1	Diversity of governance bodies and employees	Employees, p. 27	
Non-Discrimination			
103	Management Approach	Employees, p. 27	
406-1	Incidents of discrimination	Employees, p. 27	
Human Rights Assessment			
103	Management Approach	Compliance, p. 14	
412-2	Employee training on human rights	Compliance, p. 15	
Local Communities			
103	Management Approach	Community Engagement, p. 17	
413-1	Local community engagement, impact assessments and development programs	Community Engagement, p. 17	
Customer Health and Safety			
103	Management Approach	Our Supply Chain, p. 16	
416-1	Executed health and safety assessments	Our Supply Chain, p. 16	
416-2	Non-compliance concerning health and safety	Our Supply Chain, p. 16	
Socioeconomic Compliance			
103	Management Approach	Compliance, p. 14	
419-1	Sanctions concerning non-compliance	Compliance, p. 15	

Autoneum. Mastering sound and heat.

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