



SUSTAINABILITY REPORT

JOST

TRIDEC

ROCKINGER

Edbro

Quicke

SUSTAINABILITY REPORT

Corporate social responsibility is a prerequisite for achieving sustained commercial success against international competition. This means that both the Company and its managers and employees must comply with the laws applicable in their part of the world, respect fundamental ethical values, use ecological resources responsibly and demonstrate a high standard of conduct at all times. Maintaining a link between economic value creation and ecological and social responsibility is therefore vital. We expect sustainability to help us stay competitive, drive innovation and, as a result, keep evolving in the future.

Operating a commercially viable business while taking responsibility for our employees, society and environment has been at the heart of the JOST Werke Group's philosophy for more than 60 years. We are conscious of the impact that our business activity has on the environment and on society. We use our values and governance structures to steer the Group so that we can implement our growth strategy in a sustainable way. We are convinced that our focus on sustainability issues not only serves society and the environment but also makes a decisive contribution to JOST's long-term commercial success.

In this Sustainability Report, we would like to explain what effect we have on the economy, people and the environment and which role JOST plays in society.

In accordance with Section 289d of the Handelsgesetzbuch (German Commercial Code – HGB), we have examined the national, European and international frameworks for the preparation of this non-financial report and have chosen to base our sustainability report on the German Sustainability Code (DNK). This report supplements and enhances our non-financial reporting, and includes all Group companies over which JOST exercises control – in other words, 100% of consolidated sales. We therefore collect and report key figures in such a way that they are representative of the JOST Werke Group as a whole. We make mention of special circumstances and exceptions. This report covers the 2019 fiscal year, which is the same as the calendar year.

We have only been able to include the upstream and downstream parts of our value chain and outsourcing activities to a limited extent because our influence over these areas is limited. We exercise control when we maintain influence over a company's financial and operating decisions and receive services.

BUSINESS MODEL

JOST is a leading global producer and supplier of safety-critical systems for the commercial vehicle industry. Our significant position in international markets is driven by strong brands, long-standing client relationships and a flexible and capital-efficient business model. The product portfolio is divided into Vehicle Interface, Handling Solutions and Maneuvering systems. Further information about the business model can be found in the 2019 combined management report of JOST Werke AG in the section entitled "Fundamental information about the Group".

Our value chain requires us to purchase mostly prefabricated steel and iron products from foundries and forges, which we then process in our own production facilities to strict quality and safety standards. We focus on machining and assembling quality-critical parts while outsourcing standard upstream processes. Different versions of our products therefore emerge at a relatively late stage in our production process. Our finished products are sold to manufacturers of trucks and trailers for the heavy vehicle industry and agriculture, and to wholesalers servicing the spare parts market. JOST has an extensive worldwide distribution network that supports original equipment manufacturers (OEMs), spare parts companies and wholesalers. JOST products are installed in both trucks and trailers and are used mainly by logistics companies and fleet operators. After having acquired the Quicke brand, JOST will supply even more manufacturers and dealers in the agricultural sector going forward.

SUSTAINABILITY STRATEGY AND GOALS

More and more of our OEM customers and the end users of our products, the fleets, are insisting on sustainable operations and sustainable products. It is becoming increasingly important to make logistics services more sustainable as worldwide demand for transport continues to grow as a result of globalization. With its sustainability strategy, JOST therefore aims to configure and develop its business operations and products in such a way that they contribute to sustainable value creation in the heavy goods transport industry.

Our production has set itself the target of minimizing the use of energy and resources. This enables us not only to generate cost advantages but also to make our production processes more environmentally friendly. When it comes to the various possible applications of our products, our product development efforts also aim to create new solutions that minimize their environmental impact when in use. And when we select our direct suppliers, we pay attention not only to commercial and quality factors but also to compliance with human rights, social and ecological standards and the existence of mechanisms for the strict exclusion of child and forced labor.

In 2019 we carried out a review of sustainability issues (environmental, social, compliance) by sending out a survey to our production sites. The aim of this analysis was to recognize the sites' individual strengths and weaknesses in order to identify potential areas requiring action. Next year, we want to bring all sites up to the same level by way of best practice examples.

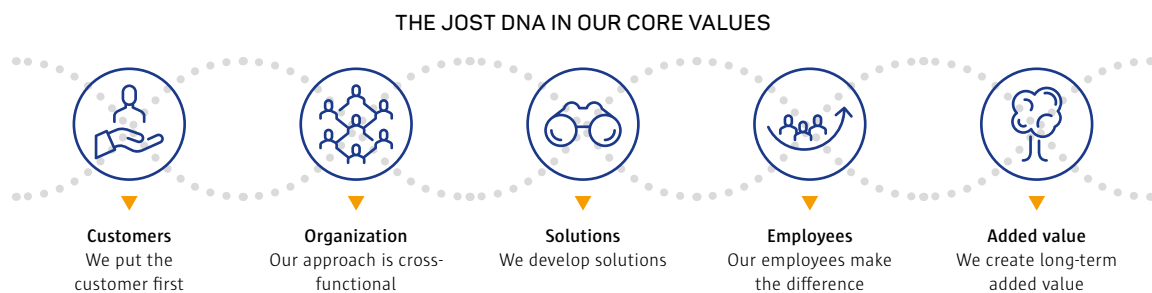
Internally, our goal is to ensure that our employees are satisfied and feel a strong bond with JOST. To ensure employee satisfaction, we continue to invest in our workforce by introducing and maintaining

high standards of occupational health and safety and in promoting employee health. We ensure compliance with human rights and the avoidance of all forms of discrimination in all our subsidiaries and investees. The details of our concrete goals and measures will be explained in detail over the course of the Sustainability Report.

VALUES

During the 2019 fiscal year, JOST identified and specified our company's core values in a dialog between employees and managers. As part of a future-focused program, employees linked these values with JOST's vision and mission in group discussions with managers and used this to identify specific action areas for their respective areas of work. The following core values guide our conduct within the JOST Werke Group and form the DNA of our corporate culture:

The JOST DNA



The identified core values, vision and mission were discussed with employees at 26 of our 33 sites in 2019. This process is set to be rolled out across the remaining sites in 2020 and will also continue in the future. Our values are designed to help employees to make decisions, prioritize appropriately and carry out their roles for the benefit of the Company. We want our employees to understand what motivates us worldwide and where we want to go as a company in the future.

KEY SUSTAINABILITY ISSUES

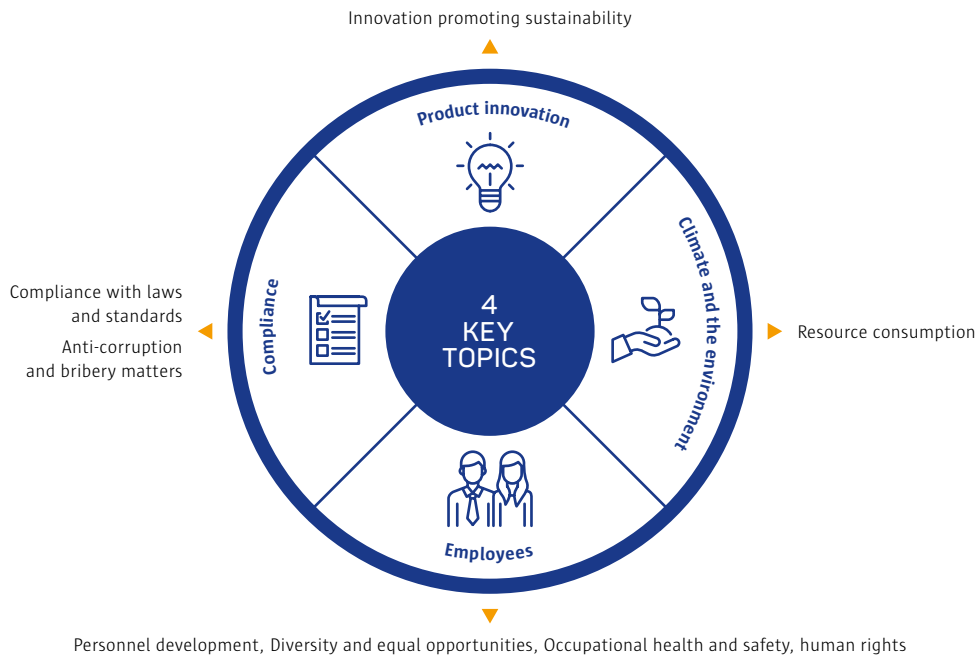
We see it as our corporate responsibility to strengthen the trust of our stakeholders by creating sustainable values and dealing proactively with the impact of our actions. To do this, we need to identify, evaluate and actively manage the positive and negative effects as well as the opportunities and risks of our business activities.

We carry out a materiality analysis once every two years that lays the groundwork for our sustainability reporting. This analysis is based on interviews with specialists and those in positions of responsibility within Environmental and Quality Management, Sales, Purchasing, Human Resources, the Works Council, Product Management, PR,

Investor Relations, and Legal and Compliance. As these individuals are in close contact with JOST’s relevant stakeholders, they can report on their priorities and concerns. At the same time, questions and feedback from our dialog with external stakeholders are continually being incorporated into the analysis. The ecological, economic and social issues confronting JOST in the course of its business activities were analyzed and evaluated and prioritized according to their relevance.

The key topics for the Sustainability Report that according to the experts are particularly important to our stakeholders were derived from this materiality analysis. The Management Board and the Supervisory Board subsequently confirmed the key non-financial issues selected for inclusion in the report. The key topics identified are:

Core sustainability topics at JOST



INTEGRATING SUSTAINABILITY INTO CORPORATE GOVERNANCE

In order to act sustainably, the right values, action guidelines and organizational structures must be firmly embedded within the Group. This will enable JOST to help its employees and managers to act responsibly in the interests of a values-based and safety-conscious corporate management. If our business is to be sustainable, our strategy must successfully balance the requirements of business, ecology and society.

The Management Board has overall responsibility for all matters relating to sustainability in the Group. To ensure that our strategy as well as our policies and standards are both maintained and further developed, the Management Board has delegated certain tasks to a number of functional areas within the Group, as in previous years.

Environment and quality

Our quality and environmental management system is responsible for compliance with and continual improvement of the environmental, safety and quality standards within JOST. Our strategy is to create an integrated quality and environmental management system world-wide. QHSE departments have been set up at local level to support all our production sites and assist them with implementation. It is also

responsible for the environmental, safety and quality certification of all JOST sites. We rely on internationally accepted standards and certifications to help us develop consistent corporate policies and directives and to maximize the standardization levels of processes and action guidelines at our various sites.

Employees

Human Resources is responsible, among other things, for personnel strategy, employee development and compliance with regulations on employee rights at JOST. The management of Human Resources Global organizes, manages and coordinates our strategic objectives globally, with responsibility for local implementation delegated to each individual site. The Group currently has no financial incentive systems in place for achieving sustainability targets.

Compliance

In addition to the Chief Compliance Officer (CCO), who is appointed by the Management Board, all subsidiaries have local compliance officers who help the CCO to communicate compliance-related matters at the local level and to implement and execute particular compliance measures in the subsidiaries. Our compliance program allows for the timely development and implementation of measures to counteract unlawful or unethical activities within the Group and thereby prevent improper conduct. Details of our compliance organization are provided in the "Compliance" section of this Sustainability Report.

Risk management

Direct responsibility for identifying and managing business risks at an early stage lies with the risk owners in each of our operating areas. Their responsibility also extends to risks in the areas of the environment, human resources, products and compliance. Each risk owner is responsible for carrying out risk monitoring on a decentralized basis. The general control and consolidation of information is handled by central risk management. The Management Board will be informed promptly of any acute risks and opportunities. Details can be found in the section "Report on opportunities and risks" of the combined management report.

INNOVATION AND PRODUCT MANAGEMENT

JOST produces and supplies safety-relevant systems for the heavy goods transport industry. We generate 75% of our sales from truck-trailer interfaces such as fifth wheels, king pins, landing gear and towing hitches. JOST also offers systems for handling different goods in transport, including container technology and hydraulic cylinders that belong to the Handling Solutions product category and make up around 10% of consolidated sales. JOST's portfolio also includes products for commercial vehicles on the move, including forced steering systems and modular axle systems that comprise the remaining 15% of sales.

With all of our products, we place considerable emphasis on product safety, quality and reliability, as connecting devices such as fifth wheels and towing hitches are safety components subject to maximum stress. The failure of any of our products in service could result in a traffic accident. Depending on the cargo, an accident could not only cause personal injury, but it could also seriously affect the environment if hazardous goods are involved. In addition to ensuring the high levels of quality and reliability of our products, our innovation and product management also aims at enhancing JOST's competitiveness. To ensure that we remain competitive, we are continually developing our products and expanding our product portfolio with innovations and acquisitions. We introduced 21 product innovations to the market during the past fiscal year.

An important aspect of our product innovation efforts is to make the production and use of our systems and solutions more sustainable. We involve our customers in our innovation processes at an early stage so that we can develop products that address their needs. This approach helps them to make their businesses more sustainable too.

We were able to market our bio-lubricant, which we developed in-house, for the first time during the 2019 fiscal year. This product is a high-performance lubricant that biodegrades quickly in accordance with the OECD 301 B development test and is thus classified as "readily biodegradable". Our goal is to convert our lubricant portfolio to sustainable alternatives within two years. We have already been able to fully convert the LubeTronic 5-Point lubrication system to the new product within the first year.

Significantly reduced grease pollution of roads and the environment



- ▶ **Reduction to 1.6 KG instead of 10 KG grease per year** for lubricating fifth wheels and towing hitches by developing and marketing the LubeTronic® minimum lubrication system



- ▶ **0.0 KG residues – Development of a fully biodegradable high performance lubricant in 2018**

Another environmentally-friendly development is the introduction of our new tire inflation system. This system is used to control the pressure of tires and can top them up to maintain a constant pressure. This reduces fuel consumption when driving, which has a positive effect on CO₂ emissions.

We also contribute to improving sustainability in the agricultural sector. We have launched a lubrication-free calotte with a replaceable plastic insert, which eliminates the need for manual lubrication and significantly reduces maintenance times. This innovation also reduces wear and tear, considerably extending the products' useful lives.

Our research and development activities are also focused on reducing the carbon footprint and weight of our products. This includes the development of the OPTIMA weight-optimized landing gear for long-distance transport during the 2019 fiscal year.

Another important objective of our research effort is improving the safety and speed of the coupling process, with innovations like the KKS automatic coupling system, for example. Automating the coupling process not only increases the safety of drivers and the efficiency of the fleet; it also greatly reduces the physical effort needed to carry out the coupling operation and therefore has a beneficial effect on the health of the drivers. The project is at the end of its development phase in the 2019 fiscal year. Trials and validation have started and first field tests with different freight forwarders are being carried out.

Climate and the environment

We are keen to keep our environmental impact as low as possible and avoid it where possible in the course of our business activities. As a result, integrated quality and environmental management is part and parcel of the culture of JOST. It is our goal to make our production sites safe and sustainable. Our quality and environmental management teams are responsible for making sure that this goal is met.

JOST operates a total of 19 production plants worldwide and is represented in 21 countries. A structured program of employee training, combined with regular appraisals of health, safety, quality and environmental management, supports the implementation of established standards and policies and helps with the early identification of any areas in need of intervention. As part of our risk management system, we systematically identify and seek to minimize risks and potential hazards. On-site experts check compliance with local standards and the regulations that govern the safe operation of the plant. In addition, regular external audits are carried out for the purposes of certification in accordance with the DIN ISO 9001 quality management standard, the DIN ISO 14001 environmental management standard, the OHSAS 18001 occupational health and safety management standard and the IATF 16949 automotive industry standard. If the results of the audits show potential for improvement, we implement the appropriate measures.

We are committed to increasing the scope of certification in our plants and we plan to certify all our production sites in accordance with the ISO 14001 environmental management standard. At least one new plant will be added each year. At present, 68% of our production plants are currently ISO 14001-certified, which equates to 13 of our 19 sites (2018: 63%). TRIDEC BV in the Netherlands was ISO 14001-certified for the first time during the 2019 fiscal year, which meant that we reached our target for the year under review.

We again received no environmental complaints related to our activities during the 2019 fiscal year (2018: 0). There were no environmental offenses and no sanctions.

Materials used

Because the commercial and environmental impacts of resource consumption are closely linked, they often point in the same direction. For example, efficiency measures often have a positive impact on the environment by minimizing the consumption of resources. The greatest environmental risks in the production of our products are to be found in the upstream value chain, in iron smelting or in forges and foundries that generate high climate-relevant emissions during the production of steel products.

Approximately 64 percent of the materials we use are pre-processed steel and iron products. A detailed study carried out in 2018 by "Drive Sustainability, the Responsible Minerals Initiative" on the sustainability risks of various raw materials assessed the environmental damage from the introduction of hazardous chemicals or acids into the environment during steel extraction and processing as low. In contrast, it judged the environmental damage from carbon emissions to be high. It also rated the risk of endangering nature reserves during iron smelting as high.

JOST has only limited control over these risks, as our influence is restricted to our choice of direct suppliers and we have no reliable overview of and only limited control over the suppliers of our suppliers. However, our Code of Conduct for suppliers does require them to uphold sustainability standards and to exercise control over their own supply chain. We also visit our top 5 suppliers at regular intervals.

Ecological indicators

The general goal of our climate and environmental responsibilities is to continually improve our environmental performance indicators.

Our environmental management system tracks and monitors our performance with regard to energy consumption, waste volume, water consumption and climate-relevant emissions on an annual basis. In doing so, we focus on the following core indicators:

Core ecological indicators

5 CORE INDICATORS OF ENVIRONMENTAL MANAGEMENT



Our relevant key figures have developed as follows:

The emission of greenhouse gases when manufacturing JOST’s two key products, fifth wheels and landing gears, is primarily due to the materials used. These materials are necessary to fulfill requirements concerning the stability, safety and durability of our products.

Indicator	Unit	2019 figure*	2018 figure	Change vs. previous year (2018)
Total electricity consumption	kWh/production hour	7.47	8.43	-11.4%
Total natural gas consumption	kWh/production hour	7.03	7.10	-1.0%
Total water consumption	m ³ /production hour	0.03	0.02	50.0%
CO ₂ – total emissions	Kg CO ₂ eq/production hour	6.20	7.60	-18.4%
Total waste	t	17,402.8	20,074	-13.3%
Scrap	% of total waste	73.3	77.0	-4.8%
Hazardous waste	% of total waste	8.1	7.4	9.5%
Non-hazardous waste	% of total waste	18.6	15.6	19.2%

* Direct comparison with the figures in the previous years’ reports is not possible as the group of consolidated companies changed slightly in 2018 and 2019. In 2019, the new production company in Turkey has been added.

CO₂-emissions 2019



▶ Carbon emissions of 0.23 KG CO₂eq per production unit for fifth wheels



▶ Carbon emissions of 0.09 KG CO₂eq per production unit for landing gears

On average, direct and indirect greenhouse gases emissions for the production of one fifth wheel totaled 0.23 kg CO₂eq (2018: 0.23 kg CO₂eq) in 2019, while for one landing gear this figure was 0.09 kg CO₂eq (2018: 0.09 kg CO₂eq). The greenhouse gas emissions of the German production plants in Neu-Isenburg and Wolframs-Eschenbach were used for the calculation, as these plants exclusively manufacture fifth wheels and landing gears, so that the greenhouse gases emitted can be allocated to the individual products.

Certifications

The high priority attached to sustainable business operations at JOST is also reflected in the various certifications obtained by the international locations and national Group companies.

Overview of certifications worldwide

		ISO 9001: 2015	IATF 16949: 2016	ISO 14001: 2015	KBA Confirmation	OHSAS 18001*: 2007
Europe	JOST-Werke Deutschland GmbH, Neu Isenburg	✓	✓	✓	✓	
	JOST-Werke Deutschland GmbH, Wolframs-Eschenbach	✓	✓	✓		
	ROCKINGER Agriculture GmbH	✓		✓	✓	
	JOST – Hungária Kft	✓	✓	✓	✓	
	JOST Iberica S.A.		✓	✓		
	JOST Polska Sp. z o.o	✓	✓	✓	✓	
	JOST TAT OOO	✓		✓		
	JOST UK Limited	✓				
	TRIDEC BV	✓		✓		
	TRIDEC – Sistemas Direccionais para Semi-Reboques, Lda.	✓		✓		
JOST OTOMOTIV SANAYI TICARET ANONIM SIRKETI	✓					
North- and South America	JOST Brasil Sistemas Automotivos Ltda.	✓	✓	✓		✓
	JOST International Corporation, Grand Haven, Michigan	✓				
	JOST International Corporation, Greeneville, Tennessee		✓	✓		
Asia, Pacific and Africa	JOST Australia Pty Ltd	✓				
	JOST (China) Auto Component Co., Ltd., Economic & Technological Development Zone, Wuhan	✓	✓	✓		✓
	JOST India Auto Component Pvt. Ltd.		✓	✓		
	JOST (Thailand) Co., Ltd	✓			✓	
	JOST South Africa (Pty) Ltd	✓				

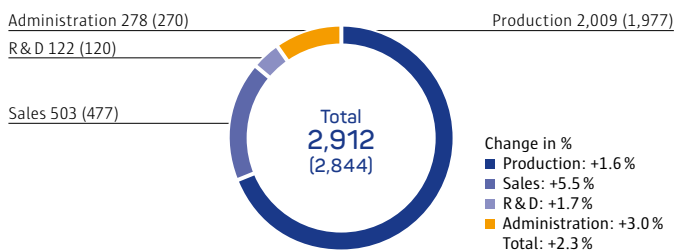
* We have refrained from obtaining additional OHSAS 18001 certification in countries that already have stringent statutory occupational health and safety requirements such as those in Europe and North America.

EMPLOYEES

Treating all employees responsibly and respectfully is a key aspect of our business operations. Dedicated employees are the key to strong company performance, successful change and ultimately sustainable corporate success. As a result, employee recruitment and retention is very important at JOST. We want to be an attractive employer to employees and young talent. JOST believes in the importance of having employees with a long-term commitment to the Company. Our mission is to motivate our workforce, to treat them fairly and to help them develop professionally.

In the 2019 fiscal year, we employed an average of 2,912 employees worldwide – a year-over-year increase of 2.4% (2018: 2,844). The strongest growth was recorded in sales, while the number of production and R&D employees increased only slightly year-over-year. The Group-wide employee turnover rate was 14.4% (previous year: 8.7%).

Average number of employees by function 2019 (2018)



Personnel development

One of JOST's aims is to position the Group as an attractive employer to help us to rapidly recruit skilled employees in every area. By doing this we can ensure that open positions are filled effectively with suitably qualified staff. Our corporate values help us to go beyond professional qualifications to find the right employees and identify, develop and make optimum use of the talent within the Group. We firmly believe that an attractive, respectful corporate culture boosts our staff's commitment and sense of loyalty to the Company, as only enthusiastic and inquisitive people can achieve great things.

Long-term employee development is a vital part of this. To promote our employee's development, we place significant emphasis on providing our staff with opportunities for continuing professional development, as their knowledge is a key building block for JOST's lasting success. In 2019, 64% of staff members working in Germany received training.

These development needs are identified in detail as part of regular performance reviews to ensure that we can support the potential and interests of our employees appropriately. With this in mind, we improved the annual appraisal process and made it easier to understand in staff training sessions during 2019. As a result, 66.8% of our employees in Germany had a personal appraisal during 2019.

International JOST training modules



- ▶ **The average amount spent on continued professional development** per employee in 2019 increased from €248 to €388 year-over-year across the Group.
- ▶ **The JOST International Talent Program** has established itself as a permanent fixture in the Group's potential development efforts.

The amount spent on continued professional development per employee increased to €388 across the Group during the 2019 fiscal year (previous year: €248).

We also actively developed our high performers. The international JOST Talent Program has established itself as a permanent fixture in the Group's potential development efforts. The program runs once every two years. The first intake of young talent will complete the JOST Talent Program in spring 2020. The last 12 months of the JOST Talent Program have focused on strategic and entrepreneurial thinking, leadership and conflict and change management across three modules. The final module in January 2020 focused on intercultural communication skills and ended with a Leadership Summit. At the same time, the application phase for the start of the next program began in winter 2019. The second intake will begin the 24-month Talent Program in summer 2020, when 15 talented youngsters will be individually supported by JOST's experienced managers as part of a mentor program and by Talent Program alumni.

In 2019, a new development program was launched in the United States while local programs based on Group-wide management development guidelines continued in the Netherlands, Portugal and Poland. Additional local developments programs are currently being planned.

In the 2019 fiscal year, our German sites trained eleven commercial apprentices and two industrial apprentices. In keeping with our target of offering an additional training role in 2019, there has been an IT apprentice specializing in system integration at JOST since August 2019. We continue to pursue the goal of eventually offering our commercial and industrial apprentices permanent jobs upon completion of their training. Three of the four apprentices who completed their training in 2019 were then employed by the Group (75%).

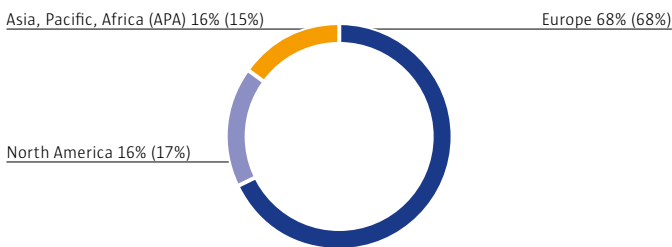
Diversity and equal opportunities

Our present society is a mix of different backgrounds and lifestyles. As a company operating internationally, we have instilled a culture that respects the individuality of every person and promotes equal opportunities irrespective of age, gender, disability, ethnocultural origin, religion, ideology or sexual identity.

In Germany alone, the site of our headquarters, we employed staff from more than 33 different nationalities in 2019 (previous year: 30), which demonstrates the rich diversity of our workforce. The average age of these employees is 44.3 years. The average length of service in Germany is 12.6 years (previous year: 11), which highlights our employees' strong sense of loyalty to the JOST Werke Group. Our large diversity is also reflected by the fact that we employ people in 124 different professions in Germany (previous year: 121).

On a worldwide basis, the average age of our employees is 41 years and the average length of service is 8 years.

Average number of employees by region as of December 31, 2019 (December 31, 2018)



We are particularly committed to gender equality. It is important to us that we offer women and men in our company the same opportunities. We are striving to achieve a balance between genders at all employee levels. However, increasing the number of women employed in the Group is a challenge as JOST's business focuses heavily on technical professions, in which women are still underrepresented in both higher education and the application process. In fiscal year 2019, the Group-wide share of women was 13.2% (previous year: 12.4%).

Women in management positions in 2019 (2018)



- ▶ **10.5% (10%) share of women in the Group** in management roles at the two levels below the Management Board
- ▶ **25% (50%) share of women** in management positions at **JOST Werke AG**

We increased the Group-wide proportion of women in management roles at the two management levels below the Management Board to 10.5% (previous year: 10%). As a result, we again achieved our goal in 2019 of increasing the proportion of women in management positions to at least 10%. Going forward, the Management Board will continue to take diversity into account when hiring senior management and, in doing so, consider female candidates in particular. However, the professional and personal qualifications of each candidate remain our primary focus when making the final selection.

As of the reporting date of December 31, 2019, the proportion of women in management positions at JOST Werke AG fell to 25% (previous year: 50%). This means that JOST Werke AG has slightly missed its target of at least 30%.

Having successfully conducted a workshop on group-related misanthropy and discrimination in Germany in the previous year, we held training sessions on tackling workplace bullying and discrimination at our Polish site during the 2019 fiscal year. More than 200 employees were trained by lawyers in two-hour interactive workshops. Line managers also took part in an additional three-hour training session.

Occupational health and safety

Occupational health and safety are essential elements of our business activities. As a manufacturing company in which production and warehouse staff are exposed to an increased health risk, we have a responsibility to provide a safe working environment for our entire workforce.

Prevention – stopping workplace accidents from happening in the first place – is particularly important to JOST. We therefore set high safety standards across the Group when dealing with dangerous substances and other potential hazards. We also believe in the importance of raising the safety awareness of our employees and adding to their skills. Regular information, instruction, training and further education courses, whether legally required or voluntary, help us to achieve high safety standards and enable us to maintain and encourage safe working practices in all areas of the Group, both industrial and commercial, and in all of our sites.

In addition to statutory first aid courses for all employees and annual forklift training for individuals working with this machinery, JOST also offers training on pedestrian-controlled 'walkie' pallet trucks that is not required by law in order to improve safety across the entire plant. This training was conducted for the first time in 2019 and will also take place at regular intervals in 2020. The Group also expects to offer crane operation training in 2020.

In order to identify hazards, we carry out regular workplace inspections, which also include risk assessments, at our production sites. These inspections are conducted by the head of the department, the works council, the company doctor, the safety officer and an employee from the operational area being inspected. Various types of risk, such as mechanical or physical hazards, are identified and evaluated during the inspection. If a potential hazard is discovered, the same group carries out a joint risk assessment and initiates effective preventative or remedial action.

Near-accidents must also be reported to a line manager in order to enable an immediate direct response, such as providing additional sensitization training for employees. In the event of an accident, JOST produces an accident analysis immediately and initiates measures designed to prevent a future re-occurrence. Guidelines are often re-drafted and re-issued for the specific purpose of preventing another similar accident. These procedures rely on active communication and discussion between our employees and the divisional managers.

External audits are also conducted as part of the certification of our management systems. We are certified in accordance with DIN ISO 9001 (quality), DIN ISO 14001 (environment) and 18001 (occupational safety). We have refrained from obtaining additional OHSAS 18001 certification in countries that already have stringent statutory occupational health and safety requirements such as those in Europe and North America. We have obtained OHSAS 18001 certification at our sites in China and Brazil in order to establish comparable occupational health and safety standards across the Group. More detailed information is available on our website under → <https://www.jost-world.com/en/corporate/responsibility/certificates.html>

Workplace accidents 2019 (2018)



▶ **18.4 / 1,000 (20 / 1,000)**
Improved Group-wide rate of reportable accidents per 1,000 employees.

We record and evaluate work-related accident figures at regular intervals. In the 2019 reporting year, the Group-wide rate of reportable accidents per 1,000 employees again improved to 18.4 (2018: 20). Our aim is to continually reduce the number of accidents at work.

During the 2019 fiscal year, examples of innovations and activities in the area of occupational health and safety included:

- monthly safety inspections in the plant logistics department to identify and rectify any shortcomings in a timely manner
- external support from an occupational safety expert in the area of risk assessments in order to optimize our risk assessments and train employees
- optimizing workplace lighting, which is designed to have a positive impact on the health of our employees while also saving energy. We are planning to forge ahead with these efforts in 2020
- training from the company doctor and plant manager on lifting correctly to minimize or completely avoid back problems

Occupational health management

Occupational health management is also a key issue for JOST. A company doctor visits all of our German sites at regular intervals to offer medical check-ups and prescribed examinations as well as additional benefits such as vaccinations. An ergometer will be purchased for the Neu-Isenburg site so that examinations can be carried out on site.

The Neu-Isenburg site also offers all of its employees pilates courses that are held twice a week. We also have a cooperation with a fitness studio that applies to all studios across Germany and for which memberships are subsidized. A time management training was offered this year again to help prevent mental illness. The aim is to offer these training courses regularly.

Fostering a good working environment

Skip level meetings have helped us to create a platform where employees can interact with the CEO directly. In these meetings, both parties can ask and answer questions in a friendly atmosphere.

To improve interdepartmental contact among employees, a new format called 'Mystery Lunches' was introduced in 2019 alongside the existing after-work activities that have been offered for the past two years. On a voluntary basis, employees can get to know randomly selected colleagues from other departments in person over lunch for two. Initiatives like these are designed to promote better cross-functional collaboration.

Once a year, colleagues from sales, purchasing and finance from all around the world meet as part of a workshop to share experiences and ideas, set new targets and inspiration for the coming year, recognize sector trends at an early stage and identify best practice examples at different sites.

The aim of this program is to further enhance mutual understanding and create additional platforms that encourage dialog. After all, we firmly believe that international and interdepartmental collaboration gives JOST a crucial competitive edge. With this in mind, we want to offer job shadowing in 2020 to give our employees a chance to spend a day in another department.

Human rights

Our materiality analysis has emphasized the importance of the observance of human rights and the prevention of forced and child labor. We comply with national and international human and labor rights as a matter of course. Protecting and respecting every human being is of the utmost importance for JOST and becomes an essential aspect of our responsibility as a company with global operations.

We condemn all forms of discrimination for any reason including ethnic origin, religion, political views, gender, physical constitution, appearance, age or sexual orientation. To underline our commitment, clear anti-discrimination rules are included in our JOST Code of Conduct, which is applicable worldwide. Our employees as well as customers, suppliers and other external stakeholders can anonymously report violations of human and employee rights using our whistleblowing system (for more information, see "Compliance").

In addition to monitoring compliance at our own sites, we are also keen for our suppliers to comply with sustainability standards and human rights. In 2018, we prepared a comparable code of conduct for our suppliers.

Overall, we wish to point out that, according to the analysis of the sustainability risks of raw materials carried out by "Drive Sustainability, the Responsible Minerals Initiative" in 2018, the risks of child labor, forced labor or human rights violations in connection with the production and processing of steel – our principle raw material – are considered to be low.

COMPLIANCE

In the structure of a German stock corporation (Aktiengesellschaft – AG), the Supervisory Board supervises the Management Board, which in turn is responsible for the strategic and operational management of the Company. In line with the underlying concept of the German Corporate Governance Code, the JOST Werke AG Executive Board and Supervisory Board are responsible for ensuring the continued existence of the Company and sustainable value creation in line with the principles of the social market economy. As a result, good corporate governance, integrity, comprehensive compliance and the ethical conduct of every manager and employee are firmly established elements of JOST's corporate management.

Our compliance management efforts are aimed at ensuring that all of the Group's activities comply with the law. Both lawful and responsible conduct and respect for human rights are firmly rooted within our company. By living out our corporate values, we create trust among our customers, business partners, shareholders and the general public. This is vital for the long-term success of our company.

Compliance with laws and standards

Overall responsibility for the Group's compliance with laws, standards and policies rests with the Management Board, who reports to the Supervisory Board in this context. In order to perform its duties, the Management Board has delegated certain relevant tasks to various functional areas within the JOST Werke Group.

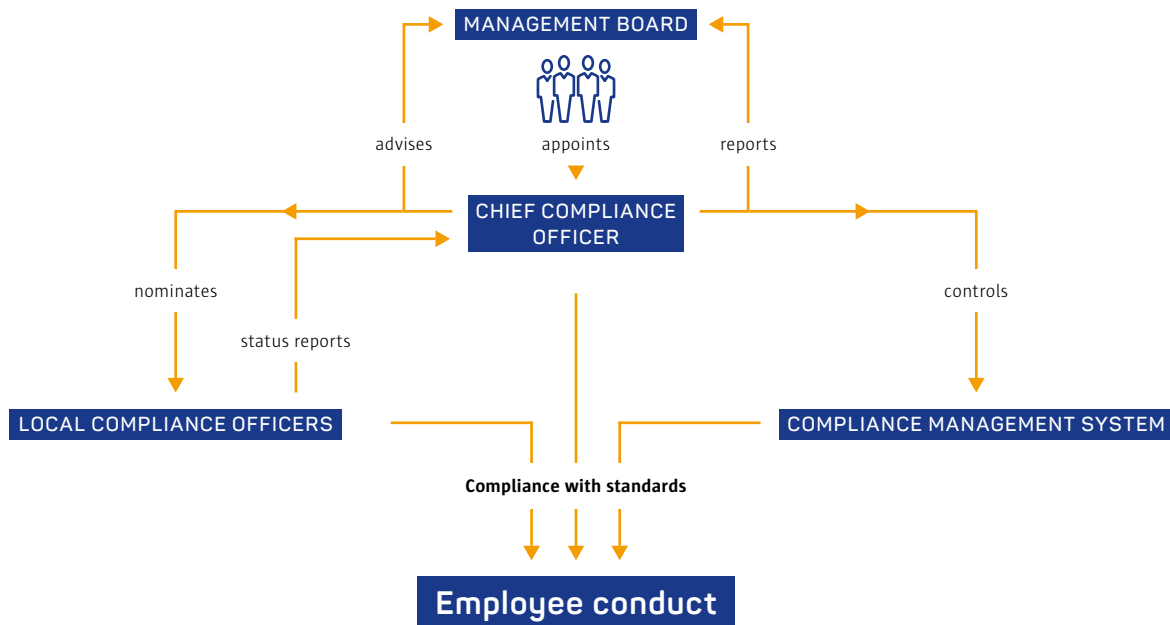
The Chief Compliance Officer (CCO) monitors and controls compliance with laws, standards and internal Group policies and, with the aid of our compliance management system, supports employees in their efforts to maintain regulatory compliance. The CCO is appointed by the Management Board and reports directly to the Chief Financial Officer. He is also responsible for the compliance management system and advises the Management Board on all matters related to compliance.

The CCO recommends compliance officers for the subsidiaries, continuously reviews compliance at JOST and advises the Management Board on general compliance goals as well as specific compliance measures that need to be implemented at JOST and the subsidiaries. If potential compliance incidents are reported or detected, he also supervises the procedure and any possible investigative measures.

The local compliance officers support the CCO in all compliance-related communications carried out at the local level and in the introduction of specific compliance measures in the subsidiaries. The local compliance officers report regularly to the CCO on the status and progress of compliance measures introduced in their subsidiaries and on the

occurrence of any compliance incidents. An important responsibility of the local compliance officers and the CCO is advising employees in the respective local unit on compliance-related issues.

Compliance with laws and standards



Anti-corruption and bribery matters

The JOST Werke Group's internal Code of Conduct, and the legal requirements and ethical principles it contains, are key components of the compliance management system. The Code provides an essential basis for the day-to-day actions of our employees and executives.

Eight reports were filed in the 2019 fiscal year (2018: 2) primarily relating to the conduct of staff or line managers. All of these cases were investigated by the Compliance department and local (HR) departments within a reasonable period of time and either clarified or resolved. One case reported shortly before the end of the year was still being investigated as of the December 31, 2019 reporting date.

JOST Supplier Code



Available on the Internet at:
<https://www.jost-world.com/en/corporate/responsibility/compliance.html>

We expect all of our business partners along the entire value chain to comply with the law and act with integrity and consider this to be a prerequisite for successful, long-lasting business relationships. With this in mind, we developed a code of conduct for suppliers in 2018 that is now mandatory as standard for all new contractual relationships and is increasingly being introduced to existing relationships. This

is particularly important for JOST as a steel processing company, as corruption in iron smelting presents a high risk to sustainability according to analysis from “Drive Sustainability - the Responsible Minerals Initiative”. This is because many steel-producing countries have weak governmental structures and exhibit shortcomings when it comes to the rule of law and/or suffer from high levels of corruption. Our suppliers are therefore also exposed to this risk. The Supplier Code was distributed to other suppliers in 2019. The proportion of signed and returned Supplier Codes worldwide was 44.4% (as of October 2019). JOST also visits its top 5 suppliers at regular three-year intervals.

Prevention of corruption



▶ **19.2% of consolidated sales produced to countries with a corruption index of <60%** (previous year: 17.9%)

JOST’s share of consolidated sales generated in countries with a corruption index of <60% was 19.2% in the 2019 fiscal year (2018: 17.9%). Initiatives for the early detection and prevention of corruption are therefore particularly important.

In 2019, e-learning courses on the topics of compliance and data protection/IT security were conducted and plans made for their further rollout across European sites. Local compliance officers around the world also conducted classroom training sessions about the Code of Conduct and distributed information cards about JOST’s existing whistleblower system. Our aim was to refamiliarize salaried employees and hourly paid workers with the Code of Conduct and whistleblower system and increase their awareness of this issue. Important questions on issues such as the protection and anonymity of whistleblowers were also addressed directly as part of these training sessions. These initiatives made a greater effort to address employees who do not have computer access as part of their role.

A classroom training session on competition law was held in 2019 as part of an annual global meeting attended by various managers and employees from sales.

POLITICS AND COMMUNITY

The JOST Werke Group or its local units again did not exercise political influence in fiscal year 2019. The expenditure for this was €0 (2018: €0).

JOST is involved in voluntary social projects at local level to strengthen communities. However, our social activities are not subject to any overarching central management process and there is no integrated Group-wide approach to actively manage dialog at a local and regional level. Instead, activities are organized locally on a case-by-case basis and implemented by our sites. As an employer, we make an indirect contribution to the positive economic development of the communities where we operate by creating local jobs.

Our site in Poland was particularly active in terms of community and social activities during the 2019 fiscal year. Donations were made to local institutions such as the local hospital, fire department and cultural center, as well as to sports clubs attended by our employees’ children. JOST employees were also able to participate in local sport and cultural events and received support from the Company to do so.

Our subsidiary in Australia also engaged in community activities in 2019 and made donations to community groups and local charitable organizations. This site also enabled one of its staff to take part in a charity event. The employee in question participated in a fund-raiser for disadvantaged children called the Postie Bike Ride 2019. He was given the time off work needed to complete the ride by JOST Australia.

JOST Goes Green – the Neu-Isenburg site becomes more environmentally friendly

JOST employees have also been active in the area of environmental sustainability. Within Germany, they have taken care to use trains instead of planes and cars to get to various appointments.

The JOST Goes Green initiative introduced in summer 2019 aims to make the Neu-Isenburg site greener – or to put it another way, more sustainable. Employees were called upon to contribute their ideas to further reduce the ecological footprint at the Neu-Isenburg site. The appeal looked at ways in which environmental, sustainability and health issues could be further improved at the site.

The collected ideas were then discussed with employees who voluntarily formed a working group, and decisions were then made about which proposals they could implement. This initiative took the form of a pilot project and was assessed to determine whether the same thing could be rolled out at the Group's other sites in future.

NEGATIVE IMPACT AND RISKS ARISING FROM BUSINESS ACTIVITIES

As part of the reporting process, we have checked whether there are any risks associated with our own business activities, relationships, products and services that are highly likely to have serious negative consequences for non-financial aspects stipulated by law, either now or in the future. We have not identified any risks as defined by the German CSR Directive Implementation Act (CSR RUG) based on this net risk assessment as well as general legal regulations relating to the selection of significant report contents.

As this assessment forms part of the Company's risk reporting, a more detailed description of the non-financial risks can be found in the "Risk Report" section of the Annual Report.

The Management Board of JOST Werke AG

Neu-Isenburg, March 13, 2020

INDEPENDENT ASSURANCE REPORT ON THE SUSTAINABILITY REPORT

INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT

To JOST Werke AG, Neu-Isenburg

We have been engaged to perform a limited assurance engagement on the non-financial report of JOST Werke AG, Neu-Isenburg (hereinafter the "Company") in accordance with Section 315b Para. 3 HGB et sqq. (German Commercial Code), which is integrated in the non-financial report of the parent company in accordance with Section 289b Para. 3 HGB, for the period 1 January to 31 December 2019.

Management's responsibility

The officers of the company are responsible for the preparation of the non-financial report in dependence on the German Sustainability Code (Deutscher Nachhaltigkeitskodex, hereinafter the "DNK") and in accordance with Section 315b and 315c in conjunction with 289c to 289e of the HGB.

This responsibility of Company's officers includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual sustainability disclosures, which are reasonable in the circumstances. Furthermore, the officers are responsible for such internal control as they have considered necessary to enable the preparation of the non-financial report that is free from material misstatement, whether due to fraud or error.

Audit firm's independence and quality control

We are independent of the company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with the relevant provisions within these requirements.

Our audit firm applies the German national legal requirements and the German profession's pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in Audit Firms [IDW Qualitätssicherungsstandards 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Practitioners' responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial report, based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the non-financial report.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform the engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that

- the non-financial report of the Company for the period 1 January to 31 December 2019 has not been prepared, in all material respects, in dependence on the DNK, and

- the non-financial report of the Company for the period 1 January to 31 December 2019 has not been prepared, in all material respects, in accordance with Section 315b and 315c in conjunction with 289c to 289e of the HGB.

We do not, however, issue a separate conclusion for each disclosure. In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The auditing firm is responsible for the selection of evidence-gathering procedures, according to their reasonable discretion.

Within the scope of our engagement we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organisation and of the stakeholder engagement;
- Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation,
- Inquiries of personnel involved in the preparation of the non-financial report regarding the preparation process, the internal control system relating to this process and selected sustainability information;
- Evaluation of selected internal and external documents,
- Identification of the likely risks of material misstatements of the non-financial report;
- Analytical evaluation of selected sustainability information of the non-financial report;
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report;
- Assessment of the presentation of selected sustainability information.

Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that

- the non-financial report of the Company for the period 1 January to 31 December 2019 has not been prepared, in all material respects, in dependence on the DNK,
- and
- the non-financial report of the Company for the period 1 January to 31 December 2019 has not been prepared, in all material respects, in accordance with Section 315b and 315c in conjunction with 289c to 289e of the HGB.

Intended use of the Assurance Report

We issue this report on the basis of the engagement agreed with JOST Werke AG, Neu-Isenburg. The assurance engagement has been performed for the purpose of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The “General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften)” dated January 1, 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement. In addition, please refer to the liability provisions contained in No. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Kronberg, March 13, 2020

Spall & Kölsch GmbH
Wirtschaftsprüfungsgesellschaft (Auditing firm)

[Original German Version signed by:]

Christian Spall	Ralph Becker
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Publishing Information

Contact

JOST Werke AG
Siemensstraße 2
63263 Neu-Isenburg
Germany
Phone: 0049-6102-295-0
Fax: 0049-6102-295-661
www.jost-world.com

Investor Relations

Romy Acosta
Investor Relations
Phone: 0049-6102-295-379
Fax: 0049-6102-295-661
romy.acosta@jost-world.com

Consulting, Concept & Design

Silvester Group
www.silvestergroup.com



JOST Werke AG
SIEMENSSTRASSE 2
63263 NEU-ISENBURG
GERMANY

PHONE: 0049-6102-295-0
FAX: 0049-6102-295-661

WWW.JOST-WORLD.COM

