



Sustainability Report 2015/2016

WINCOR
NIXDORF
EXPERIENCE MEETS VISION.

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Preface



Dear Ladies and gentlemen,

Wincor Nixdorf considers sustainability to be a key success factor. We are of the firm belief that enduring success in business can only be achieved by embracing economic, ecological, and social responsibilities. We view sustainability not merely within the context of environmental protection and the sparing use of natural resources. In our opinion, it also includes the aspect of assuming responsibility for the company's social environment, fostering staff development, and committing ourselves to fair competition. Our understanding of sustainability and the measures we derive from it for our daily business are based on our **management commitment** to sustainability.

Strengthening our sustainability strategy

The continuous refinement of our Group-wide sustainability strategy is to be seen as an integral part of our ongoing activities in the field of sustainability management. This strategy is based to a large extent on our fundamental understanding of corporate values, as expressed through our vision and mission statement as well as the actual values formulated by our company. Against this backdrop, we regularly review the respective elements of our sustainability agenda for the purpose of assessing and adjusting them accordingly: products and suppliers, environmental protection, employees, and social responsibility.

Focusing on key aspects

Our sustainability report for fiscal 2015/2016 is again based on the globally recognized G4 standard drawn up by the Global Reporting Initiative (GRI). In this context, the so-called materiality analysis is of particular importance. It provides information as to which sustainability aspects are of significance to us and our stakeholders. For this purpose, we conducted internal workshops in which relevant aspects and indicators were identified. Furthermore, the materiality of aspects deemed to be of particular relevance were assessed over the course of the fiscal year not only from our own perspective but also from that of our stakeholders. We consider it desirable that our stakeholders assign the same level of importance to a sustainability aspect as we do.

More extensive dialogue

We maintained and extended our close dialogue with stakeholders over the course of the year, as evidenced by a customer survey and our international Partner and Supplier Days. In the context of this dialogue, the primary goal is to discuss opportunities and risks associated with the market and to optimize mutual relationships. We are of the opinion that these and similar activities are essential, because an open and frank exchange with our stakeholders as to their expectations, complemented by possible suggestions as to how we can evolve, is of key importance to refining the sustainability processes adopted by Wincor Nixdorf.

Takeover of Wincor Nixdorf AG by Diebold Incorporated USA

The period under review was dominated by the takeover of Wincor Nixdorf AG by Diebold Inc. In February 2016, Diebold presented a voluntary public takeover offer to the shareholders of Wincor Nixdorf AG. On expiry of the specified acceptance period this takeover offer was accepted by shareholders representing more than 69% of the share capital of Wincor Nixdorf AG. Following official approval by various antitrust authorities, the business combination of the two companies was finally announced on August 15, 2016. Since then, teams on both sides of the Atlantic have been busy with a range of measures aimed at supporting the integration plans of both companies and their business activities. The issue of sustainability plays an important role in this context. After all, one of the key goals is for the new company to thrive and endure well into the future.

You as readers are also welcome to comment or request further information on this report or, indeed, on Wincor Nixdorf's sustainability program in general. We look forward to embracing your suggestions, ideas, and constructive criticism. Working in a concerted effort, we hope to take our sustainability efforts to the next level.



Eckard Heidloff
President and Chief Executive Officer Wincor Nixdorf AG

About Wincor Nixdorf



Wincor Nixdorf is one of the world's leading providers of IT solutions and services tailored to the requirements of retail banks and retailers. We also serve customers with similar business structures, such as postal companies and service station operators. Our comprehensive portfolio is designed to support our customers' business operations – especially at branch and store level – in both of the sectors outlined above. Wincor Nixdorf's core business involves optimizing and redesigning processes with the help of information technology.

The Group's global headcount totals some 9,100 people. Over half are employed outside Germany. Around two-thirds of the Group's net sales are generated by its retail banking products and services and roughly one-third comes from its retail industry business. Software and Services account for over half of the Group's business, while the rest is attributable to Hardware sales.

Europe continues to form the basis of our home market. This region generates 70% of the Group's net sales. The Asia/Pacific/Africa region contributes 18% of total net sales, while the Americas make up a further 12%. Wincor Nixdorf is represented – either directly or through its partners – in around 130 countries all over the world. We have established our own local subsidiaries in 42 countries. Additionally, we collaborate with experienced sales partners that have an excellent knowledge of local requirements and conditions on the customer side. This gives us unrivaled proximity to our customers wherever we do business.

Our global presence is particularly evident within the area of IT Services. To ensure the maximum possible availability and reach of all the systems we install, our high-caliber Services organization works with a network of certified partners. This allows us to provide consistently high quality worldwide.

For detailed information about our company, please refer to our latest [annual report](#).

Corporate Values and Goals

Principles of corporate governance

The Board of Directors and Supervisory Board of Wincor Nixdorf are committed to responsible business management and control aimed at the sustained creation of value. The principles of corporate governance serve as a basis and guide for employees' conduct in respect of day-to-day management and business operations.

Good corporate governance strengthens the trust of shareholders, business partners, employees, and the general public in our company. It enhances corporate transparency and underpins the credibility of our organization. In embracing a well-balanced form of corporate governance, the Board of Directors and Supervisory Board endeavor to secure the overall competitiveness of Wincor Nixdorf, reinforce the level of confidence extended by the capital markets and the public in the company, and raise enterprise value in the long term.

The Corporate Governance Statement and the Corporate Governance Report have been made publicly available on our website at www.wincor-nixdorf.com under the [Investor Relations](#) section.

Business model

Wincor Nixdorf effectively supports the efforts of banks and retailers to gear their operations to the requirements of the digital age. Accordingly, one of our core tasks is to link digital and stationary sales channels together in a way that promotes new business.

There are two factors that our clients now have to take into account if they wish to remain competitive. Firstly, they have to adapt to the changing behavior patterns and changing expectations of consumers who are increasingly turning to electronic and mobile communication channels. The challenge here is to enhance the customer experience across the whole range of sales channels. Secondly, the general business environment – characterized by growing competition, low interest rates, and tighter regulation – means they have to continue streamlining their cost structures. One way in which they can achieve this is through further process automation and optimization.

Our company supplies the information technology – Software, Hardware, and Services – that our customers need in order to overcome these challenges and seize new market opportunities as they arise. In line with the rapid advance of digitalization, we are keen to push software and software-related services to the forefront as the main engine of growth within the Wincor Nixdorf Group. Additionally, we will be looking to harness future business opportunities with the help of innovative hardware. To this end, we are adapting our resources in this area so that we can operate more cost-effectively and even more competitively. To find out about what our IT solutions encompass, please visit the [portfolio section](#) of our website.

Our success depends on our ability to develop leading technologies and solutions that simplify the interfaces between our clients' processes and their customers and help our clients to work more efficiently and productively. In order to support this ongoing transformation of our clients' operations and establish ourselves as a successful innovation partner, we make it our business to develop a thorough understanding of their processes. In this context, one of our key strengths is the fact that our customers can find all the products, services, and know-how they require from a single provider. From their perspective, that reduces the complexity of the transformation process. At the same time, we can apply our strengths in a fully integrated form. To this end, we continue to systematically expand our skills base, and develop new and highly competitive services directly within the market. What is more, we are in a strong position to retain the loyalty of our customers in the long term by providing support across the full spectrum. Within the framework of our business model, we act at all times in accordance with the [principles of sustainability](#).

Corporate goals

Wincor Nixdorf's primary objective is that of achieving sustained growth in enterprise value. The criteria we use to measure whether we have achieved this goal are as follows: contented shareholders; a high level of profitability; innovative solutions consisting of hardware, software, and services; realized returns; and secure jobs. All our actions are geared towards achieving profitable growth at Group level along with increases in net sales and profits that exceed the industry average as far as possible.

For detailed information on the strategic fields in which Wincor Nixdorf is pursuing its corporate goals and the latest market trends and developments that are of interest to the company, readers are kindly requested to refer to Wincor Nixdorf's [annual report](#).

Economic performance

One of the aims of our sustainability agenda is to unlock additional business advantages, e.g., by using materials in a resource-friendly manner.

The following statement of value added outlines direct value generated and distributed to the company's stakeholders. For more detailed information on the individual items, please refer to our [annual report](#).

Statement of value added – Generation		(€ millions)					
	2015/2016		2014/2015		2013/2014		
Net sales	2,579		2,427		2,469		
Other operating revenue	40		-8		37		
Total sales and operating revenue	2,618		2,419		2,506		
Cost of raw materials and supplies + purchased services	-1,494		-1,472		-1,427		
Depreciation/amortization and write-downs, incl. carve-out	-63		-54		-61		
Other expenditure (net)	-172		-189		-216		
Value added	889		704		802		
Per employee	0.094		0.077		0.089		
Distribution	(€ millions)	in %	(€ millions)	in %	(€ millions)	in %	
– Employees	744	83.7%	683	97.0%	649	80.9%	
– Company	50	5.6%	7	1.0%	49	6.1%	
– Shareholders	51	5.7%	0	0.0%	52	6.5%	
– Public sector	37	4.2%	7	1.0%	42	5.2%	
– Lenders	6	0.7%	6	0.9%	7	0.9%	
– Non-controlling interests	2	0.2%	1	0.1%	3	0.4%	

Impact of climate change

We consider [climate change](#) to be one of the most significant challenges facing the world's population at present and in the future – which includes us and our stakeholders. As a technology company, we believe that we have a responsibility – as well as the capability – to counter the process of climate change in a proactive manner.

Against this background, Wincor Nixdorf has made efforts to structure both the company and its products in such a way as to conserve resources. The use of new, energy-saving technologies in our products delivers both economic and environmental benefits for our customers. For details of such technologies and products, please refer to the [sustainable products](#) section.

Compliance and Code of Conduct

Corporate values and culture

For Wincor Nixdorf, a corporate and management culture that not only acknowledges the need to abide by statutory regulations but also embraces values such as integrity and fair competition is an essential prerequisite for a fully functioning compliance management system. Lawful conduct is a precondition for stable and enduring business relationships as well as sustained success with regard to the company's commercial performance. The Board of Directors therefore regards compliance as a fundamental management task and has pledged in its [compliance statement](#) to respect the law, while expressly acknowledging the importance of lawful, social, and ethical conduct. For the company's employees, a functioning compliance management system offers a framework within which they can act and operate even in difficult situations. It thus helps not only to protect our company against the detrimental effects of unlawful or non-compliant behavior but also to cement its reputation and enhance its long-term competitiveness.

With this in mind, Wincor Nixdorf is committed to refining its compliance management system on a continual basis in order to adapt it to the changing statutory and commercial factors that are of relevance to its global business activities.

Prevention through education

Building on its understanding of compliance, Wincor Nixdorf has established a compliance management system tailored to the requirements of a Group operating at an international level. This system encompasses prevention, detection/control, and response. The focus of compliance management is on a preventative approach in support of a corporate culture that addresses the issue of potential misconduct before it arises by sensitizing and educating employees.

Against this background, considerable importance is attached to regular compliance training, which is conducted in the form of attended seminars as well as online sessions. Additionally, the compliance communication program, which includes a quarterly compliance newsletter, an updated compliance portal on the intranet, and personal support provided by the Corporate Compliance Office, helps to build awareness among the workforce of the issue of compliance and any associated risks.

Compliance organization

Wincor Nixdorf's compliance organization is headed by the Chief Compliance Officer (CCO), who reports directly to the Board of Directors and the Audit Committee of the Supervisory Board. The CCO is responsible for implementing and evolving the compliance management system throughout the Group. He is supported by a Group-wide compliance officer system that consists of Regional Compliance Officers, Area Compliance Officers, and Local Compliance Officers. They ensure that the compliance management system is applied correctly in their respective areas of responsibility. A central Compliance Office coordinates all compliance activities throughout the Group and advises employees on key issues.

The business combination agreement concluded between Diebold Inc. and Wincor Nixdorf AG includes provisions relating to integration activities, the aim being to identify and realign possible differences within the two compliance systems and introduce a compliance system tailored to US requirements in a timely manner for the combined Diebold Nixdorf Group.

Code of conduct

At the heart of Wincor Nixdorf's compliance management system is the **Code of Conduct**. Reflecting the values-led corporate culture embraced by the Group, it is binding for all employees. It is complemented by various guidelines such as the corporate hospitality guide, which provides personnel with an overview of how to deal with gifts, invitations, and corporate hospitality in general. Wincor Nixdorf has also issued a new guideline on the prevention of and appropriate response to conflicts of interest. It is aimed at raising awareness of this topic within the workforce and offering help and advice on how to deal with such instances.

Another key element is the **Code of Conduct for Wincor Nixdorf Suppliers**. It forms an integral part of the purchasing process and is fully incorporated in the purchase agreements.

Strategy and management



In the view of the Board of Directors at Wincor Nixdorf AG, any commitment to sustainable business practices involves giving equal weight to social, environmental, and economic factors. Our goal is to offer our customers solutions that meet the very highest environmental and economic standards. In this context, we believe that information technology presents us with tremendous opportunities, and we want to harness IT in a way that minimizes our impact on the environment and our use of resources. We see these principles as guidelines that underpin our commitment to being a trusted partner to our customers and an attractive employer to our workforce.

We are aware of our responsibility and over the years have made an important contribution in respect of continuous improvement. Our actions reflect our corporate culture – a culture based on trust, transparency, reliability, and fairness in our dealings with customers, business partners, employees, and the public.

As early as 2011/2012 we defined our fundamental approach toward sustainability in the form of a "Management Commitment" that was disseminated throughout the Group and has since been extended and widely implemented. We are committed to sustainable business practices by exercising social, environmental, and economic responsibility. The same applies to the further expansion of our sustainability system across the Group.

The sustainability program put in place by Wincor Nixdorf should be seen as a dynamic process that is firmly enshrined in our corporate and management culture and will continue to evolve as we move forward. It involves continuously monitoring the progress we make toward our objectives (see [Sustainability targets](#)), maintaining a dialogue with our stakeholders to help us identify relevant issues (see [Materiality analysis](#)), holding events to exchange views, obtaining feedback on the resulting developments (see [Stakeholder dialogue](#)), and clearly observing the sustainability strategy embedded in our corporate values (see [Sustainability strategy](#)).

Sustainability strategy – in harmony with our values

Our sustainability management system and the resulting measures we take are based on the company's sustainability strategy, which was defined and introduced in fiscal 2014/2015. In turn, this strategy is crucially underpinned and guided by Wincor Nixdorf's fundamental values, which are expressed in our vision, mission statement, and corporate values.

In this context, we have reviewed, evaluated, and modified each aspect of our sustainability agenda – products and suppliers, environmental protection, employees, and social responsibility.

Our management approaches are derived from our sustainability strategy and provide for its detailed implementation. With regard to products and suppliers, environmental protection, human resources, and corporate responsibility, we highlight why certain aspects and their impacts are of fundamental importance for Wincor Nixdorf and its stakeholders. We focus on these key aspects in our sustainability reports.



Sustainability management

- We engage in an intensive dialogue on sustainability with all of our stakeholders.
- Our sustainability management policy sets down compulsory rules and objectives for all our employees.

Products and suppliers

- Through the restrictions on hazardous substances in our products and their energy efficiency, recyclability, and reliability, we ensure significant benefits for our customers.
- We maintain a fair and trusting spirit of cooperation with our suppliers. In dealing with our network of suppliers, we set clearly defined social, ethical, and ecological standards, which we regularly review.

Environmental protection

- Ecological responsibility is firmly anchored within our company. That responsibility is delivered with the help of our committed workforce and an environmental management system embraced by us all.
- Energy efficiency and resource conservation are important guiding factors for both our production activities and our infrastructure.

Employees

- We develop and strengthen the skills and motivation of our employees throughout their careers by means of carefully planned apprenticeships and training opportunities.
- Thanks to an attractive work environment, we are able to recruit and retain talented people whose expertise and diverse experience and backgrounds enrich the company and lay the foundations for ongoing innovation.
- Our corporate culture is characterized by openness, fairness, and respect, while discrimination of any kind is not tolerated.
- We have a stated commitment to uphold human rights and to adhere to social and ethical standards with regard to all our stakeholders.
- In line with the principle of "safety first," we prioritize the health and safety of our workforce in our day-to-day actions.

Social responsibility

- We take our social responsibility toward our local communities very seriously. This social commitment is fully embraced both by our managers and by our workforce.

Sustainability Management

Sustainability report

This is our sixth sustainability report, corresponding to the fiscal year 2015/2016. Its main purpose is to supplement our annual report and other key reports published by the company. The report takes stock of the economic, environmental, and social impacts of our business activities. As well as highlighting what we have achieved, we draw attention to our future plans and the objectives we have set ourselves.

The reporting period covered by the sustainability report is the same as our fiscal year, from October 1, 2015, to September 30, 2016. Any information not attributable to this period is specified as such. Any potential discrepancies in the data used in relation to the reporting period are also marked accordingly. The information provided in the sustainability report covers the entire Wincor Nixdorf Group, including all production sites and sales companies. All the fully consolidated companies that make up the Group are covered by the report. Minority holdings are not included.

The sustainability report is published on an annual basis, in German and as an English translation. As in 2014/2015, it is also available online. Anyone with an interest in the report can download electronic (PDF) versions of either certain chapters or of the entire report. The corresponding PDF files can be found in the [Download list](#).

Reporting standard

Our report complies with the internationally recognized guidelines of the Global Reporting Initiative (GRI) and therefore fulfills the highest transparency requirements applicable to sustainability reports. The sustainability report for fiscal 2015/2016 is based, just like its predecessors, on the latest G4 standard set by the GRI in accordance with the "Core" option. This means that all key sustainability aspects required by the GRI are considered in the report and that at least one indicator for each of the aspects is included. The G4 standard requires that organizations concentrate in their reporting process and final report on those topics that are "material" – in other words, relevant or critical – to their business and their stakeholders.

Alongside the aspect of materiality, our focus in the year under review was on **stakeholder inclusiveness** and open dialogue with stakeholders. The GRI considers materiality and stakeholder inclusiveness, together with the principles of completeness and the sustainability context (including an organization's possibilities and limitations), as crucial elements in terms of the report's scope.

The GRI guidelines include the **key issues and challenges for our company** that we need to address on our path towards greater sustainability. They also take full account of the requirements of individual stakeholder groups.

Materiality analysis

For us, one particularly important aspect of the guidelines is the emphasis on making continuous improvements to our sustainability management system. In order to make those improvements, we examine first of all the demands that we make of ourselves. We also invite our stakeholders to tell us what they expect of our company. The materiality analysis serves to highlight the importance of various aspects of sustainability, and in this context equal weight is given to our own perspective within the company and the views of our stakeholders. Overall, the materiality analysis consists of two main elements.

In the first stage, we undertake a relevance analysis in a series of internal workshops, in which relevant aspects and indicators, as well as supplementary (GRI-independent) topics, are identified. One such topic that we regard as very important, even though it is not prescribed by the GRI, is "work-life balance." Accordingly, we include and evaluate it as a relevant aspect in our report. After this point, any GRI sustainability criteria that are clearly of less significance in Wincor Nixdorf's case are excluded from further consideration.

In the second stage, the materiality, or importance, of the relevant topics over the corresponding reporting year is assessed from our stakeholders' and from the company's perspective. For us, the ideal scenario is where stakeholders assign the same level of importance to a sustainability aspect as does Wincor Nixdorf itself.

The stakeholders' rating of the topics grow out of the results of the regular dialogues, workshops, and conferences. Our experts analyzed the results obtained from the stakeholder dialogue, evaluated the level of materiality (in other words the importance), and rated the sustainability aspects accordingly.

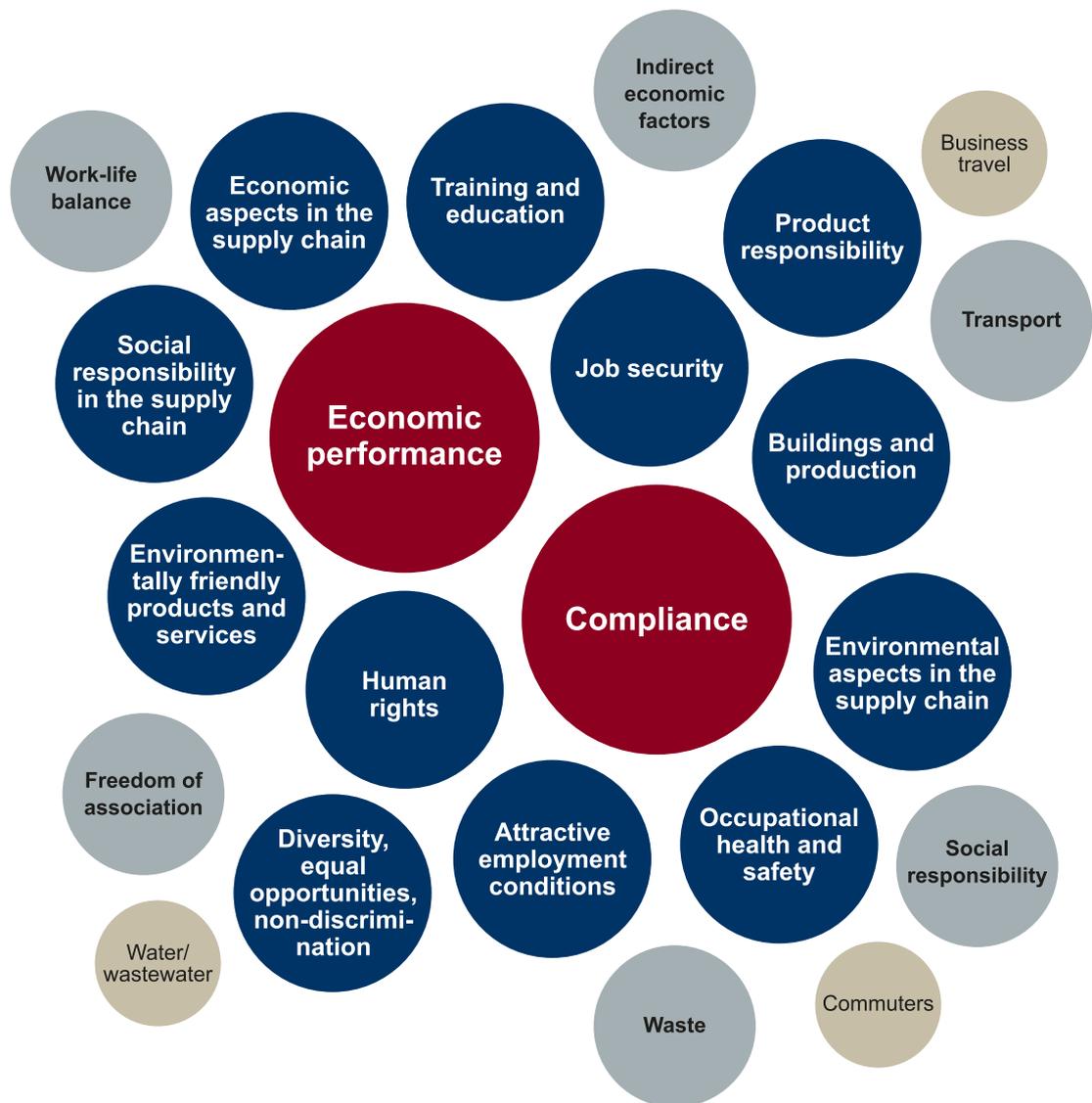
List of our stakeholders in alphabetical order

- General public
- Analysts
- Investors
- Customers
- Suppliers
- Local community
- Employees
- Partners
- Competitors

The adjacent diagram summarizes the results from both the stakeholders' and the company's points of view regarding the materiality of the sustainability issues identified. For Wincor Nixdorf, there was no significant change in the importance or materiality of the various issues compared with the **previous year**. Minor fluctuations, e.g., with regard to the issue of water, can arise due to different perceptions of what is or is not material. The topics have been assigned to one of four different levels of materiality:

high significance – **significance** – **medium significance** – **low significance**

Results of the materiality analysis



Independent audit

Independent feedback on our sustainability report is of particular importance to us. For this reason, we regularly commission a respected consulting firm that specializes in sustainability reporting to audit our report with an emphasis on the quality of our sustainability system and of the data used. For this fiscal year, however, we did not commission an independent audit since the scope and focus of our report will change following the business combination with Diebold Inc. We will of course arrange for independent audits of our future reports. The detailed results of the last audit certification process can be found in the [download area](#).

Data collection

The Group entities apply national rules and regulations when it comes to defining and measuring their key indicators. Any significant limitations in the information presented in the report are highlighted. Moreover, the legislation adopted by different countries with regard to the type of data that may be collected varies considerably. Consequently, the data published by us may not be comparable with that published under the same or similar designations by other companies.

The data published in the Sustainability Report is obtained from different internal reporting systems. In some cases, these may not be the same as those used to provide financial information for the consolidated annual report. Irrespective of this, the overall quality of data on which this sustainability report is based has further improved in many areas due to learning effects over the years, continued professionalization, and a stronger focus on the key aspects of sustainability. For this reason, there may be minor differences compared with the data presented in the last report.

As Wincor Nixdorf's fiscal year does not coincide with the calendar year, some of the figures relating to data presented in the previous Sustainability Report have been adjusted; this applies to data that had been extrapolated or estimated. The aforementioned prior-year figures presented in this year's report were replaced by the actual figures applicable to the data in question.

Disclaimer

We have exercised extreme care in the compilation of the data in this report. Insofar as this report contains forward-looking statements, these are based on the data and forecasts available at the time of publication. Although such projections are drawn up with great care, a variety of factors that were unforeseeable at the time of publication may lead to deviations. The contents of the report were examined extensively by the staff members responsible. The report is published in German and as an English translation. Only the German original of this report shall be binding.

Sustainability targets

Our focus is on measuring the degree to which we have implemented and achieved our existing environmental, economic, and social objectives. A number of other specific targets were also adopted. The following summary provides a description of selected targets for the coming reporting period, the emphasis being on the aspect of sustainability under consideration.

Aspect	Measure	Status quo
Occupational health and safety	Assess workplace-related threat to employees from psychological stress by means of staff survey and introduce measures to avoid associated risks.	ongoing
	Use coaching for burnout prevention as part of management training.	currently suspended*
	Create a modular system for training and instruction on various topics relating to occupational safety, using a range of media.	new
Education and training	Implement qualification and training initiatives as well as staff development programs.	ongoing
Conditions of employment	Introduce idea management in other countries.	ongoing
Sustainable products	Replace 20% of the plastics used in our products with recycled polymers by 2019.	ongoing
	Calculate carbon footprint of our products on a regular basis as part of an environmental impact assessment and take results into account in early stages of product development.	ongoing
Dialogue with stakeholders	Further extend and intensify our ongoing, personal, and topic-specific dialogue with stakeholders in respect of sustainability issues.	ongoing
Strategy and management	Combine Diebold and Nixdorf sustainability organizations, in addition to preparing and publishing a uniform sustainability report in accordance with GRI G4.	new
Environmental management at company sites	Conduct regular energy audits at European sites and draw up measures to optimize energy efficiency.	ongoing
	Implement ongoing energy conservation measures relating to company facilities operated around the globe.	ongoing
Responsibility within the supply chain	Intensify all-embracing supplier assessment, while taking into account aspects relating to sustainability.	ongoing

* This project will be continued as soon as a suitable external partner has been found

Sustainability organization

Competence Centers as central control bodies

Appropriate structures need to be put in place if sustainability is to be systematically integrated into business practices. With this in mind, Wincor Nixdorf began to develop a set of structures for sustainability a full four years ago. Three central Competence Centers were established at Group level with active remits for the environment and occupational safety as well as health and social issues. As central control bodies, their role is to make ongoing improvements in our efforts to achieve sustainability.

In addition, they act as partners and advisers to the relevant Officers located in all of the "Areas" (groups of countries) into which our Group companies are divided. The heads of the Competence Centers remain in regular contact with the Area Officers, in person, by telephone, and by taking part in workshops.

Competence Center

Specific responsibilities



Social

- Implementing sustainable HR management
- Attending to employees' health and well-being
- Fostering social and community programs



Safety

- Improving workplace health and safety
- Creating a worldwide accident log
- Setting workplace health and safety targets



Environmental

- Improving our environmental performance
- Auditing our carbon footprint
- Setting environmental targets

General responsibilities

- Strengthening and refining the Wincor Nixdorf sustainability system at a functional level
- Liaising with the Sustainability Officers in the company Areas
- Compiling the sustainability report
- Stakeholder dialogue

The Sustainability Steering Board – setting the strategy

The heads of the Competence Centers work closely with the overall Sustainability Steering Board, which includes representatives from the Board of Directors, other core areas of the business, Production, and our "Field Service" organization (the technical customer service team). The Sustainability Steering Board defines the general strategic sustainability guidelines and the corresponding targets for the Group.



The role of our local Officers

In all of our geographical Areas and at our production sites worldwide, Officers with specific responsibility for workplace health and safety, the environment, and social issues and employee healthcare have been appointed and trained. Their task is to monitor and manage sustainability issues at a local level. Key functions include:

- Promoting the sustainability system in a proactive and far-sighted manner
- Providing legal certainty at local level
- Advising and training employees
- Calculating local key performance figures for the sustainability report

Specialist responsibility for workplace safety and environmental issues

At an operational level, we have established a "specialist level" with standardized functions throughout the Group. Accordingly, it is now mandatory for qualified fire marshals, first aiders, evacuation assistants, environmental officers, and health and safety officers to be designated in writing at all locations.

Central documents

The rules, instructions, and processes derived from our sustainability criteria have been integrated into our management system in the form of guidelines, process descriptions, and work instructions. They are also a firmly established component of Wincor Nixdorf's global business processes. This system ensures that the requisite procedures are implemented across all levels of the company and in all its processes.

Stakeholder Dialog

International customer satisfaction survey

Our customers are one of our most important stakeholder groups. Keeping them satisfied is a key element in maintaining our long-term success as a business. In addition to the ongoing dialogue we have already established with our customers, we also undertake regular international customer satisfaction surveys. These are an integral part of our global sales and marketing activities. Our aim here is to find out what our customers themselves think about our services, and based on the results to identify concrete and measurable opportunities for improvement.

These annual surveys of our banking and retail customers are designed to help us measure and evaluate our specific "performance areas" and obtain ratings for attributes such as innovative, professional, customer-oriented, and strong partner. Our net promoter score (NPS) is calculated by asking "What is the probability that you would recommend our company to your colleagues or business partners?" The NPS tells us whether a customer is likely to recommend us. The results are analysed by Region and Area to help us identify weaknesses within the organization and take specific remedial action.

In the surveys, each performance area is assessed at defined measuring points. These "Customer Touch Points" are the points at which customers come into contact with our services. The measurements provide us with a very precise and nuanced understanding of how satisfied our customers are with all aspects of our business relationship.

Customer interfaces



Performance areas

Overall customer satisfaction	
▪	Sales and purchase experience
▪	Solution and service portfolio
▪	Supply quality
▪	Use and operation of solutions
▪	Value for money
▪	Service quality

As well as the actual results, we attach great importance to the task of identifying appropriate measures based on those results. This involves not only drawing attention to possible improvements but also harnessing that potential in a targeted manner. The results and the measures we adopt are embedded in "account plans" and reviewed on a regular basis.

Let us take one example of a specific measure. During the survey, a customer expresses dissatisfaction with the operation of a CINEO model. The account manager follows up this survey response and contacts the customer directly to identify the actual problem. It turns out that the bank's staff cannot remove jammed banknotes on their own without a considerable amount of prior training. The solution is very simple: Instructions on how to deal with jammed banknotes are now stuck on to the ATM. As a result, every member of the bank's staff can rectify a jam without the need for training.

This approach to customer service has paid off. A series of targeted measures led to a significant improvement in customer satisfaction in some of our most important regions.

Compared with the previous year, the NPS for our Banking segment rose by a substantial margin among those companies which again took part in the survey. The results achieved by Wincor Nixdorf were excellent, as confirmed by means of benchmarking with other leading companies.

In dialogue with our partners and suppliers

Other examples of the close dialogue we maintain with our stakeholders include regularly held international Partner and Supplier Days. The main purpose of this stakeholder dialogue is to collectively discuss the opportunities and risks in the market and make further mutually beneficial improvements to our business relationships. As well as giving our partners the opportunity to discuss strategies and portfolios with Wincor Nixdorf representatives, these events strengthen the ties between partners and suppliers, who as a result can share experiences with one another more easily.

Investor relations

During the period covered by this report, the Investor Relations team has been continuously engaged in the task of involving our investors and exchanging views with them. Maintaining an open dialogue with investors is a crucial part of our financial communications work. To this end, in addition to the Annual General Meeting, we held regular investor conferences and road shows at which we regularly updated investors and financial analysts on the latest developments and the strategic direction taken by the Group. These discussions focused not just on issues of commercial relevance during the financial year but also on topics relating to sustainability, such as ensuring equal opportunities with regard to appointments to the Supervisory Board and the Board of Directors. We also held regular analysts' conferences to coincide with the release of our quarterly and annual reports.

Products and suppliers



When it comes to assessing the sustainability of our products and solutions we look at the whole picture, i.e., the entire life-cycle – from the initial development concept through to the manufacturing process, the product's operational life, ongoing support, and finally product recycling and reuse at the end of the loop. Furthermore, our assessment is not limited to the products made by Wincor Nixdorf. It spans all the materials, products, and services involved in the procurement process.

As part of our focus on safety, we screen products at every stage of the process chain to identify any health and safety issues as well as potential improvements.

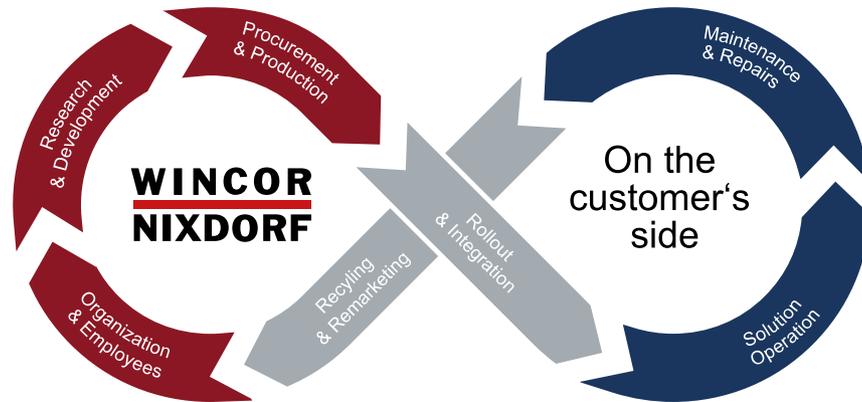
Reflecting the ever-increasing volume of communications and the constant expansion of virtual links, data now account for a growing share of our total enterprise value. We therefore do everything we can to protect our data assets against loss and unauthorized access.

Sustainable products

We have established clear rules and structures to firmly embed the principle of closed product cycles (see diagram below) in our company. Thanks above all to our focus on emissions reduction, energy efficiency, recyclability, and reliability, our products deliver exceptional customer value.

For more information about the products and services we offer, please see our annual report, especially the sections entitled **Fundamental Information about the Group** and **Research and Development**.

Closed product cycle



Research and development

Innovation



Making the future comprehensible and accessible

Why companies must innovate to remain successful. Bringing new ideas and strategies to life in our Innovation Lab.



Eco-friendly product development

We define the fundamental technical properties of a product early on at the initial design stage. On this basis, in the subsequent development phase we then define a series of environmental criteria that govern, for example, our choice of materials, energy efficiency standards, component life span, recyclability, and low-impact disposal. Our Group-wide policy of "environmentally sound and recycling-conscious product development" and the associated checklist provide not only a binding standard but also a compilation of best practices. This takes into account the entire range of international statutory provisions and standards.

Product carbon footprint

Another step towards the goal of optimizing our products from an environmental perspective involves conducting and evaluating environmental impact tests, e.g., by calculating individual product carbon footprints. The environmental impact of each product is analyzed over its entire life cycle (production, use, and disposal) and presented in terms of climate-damaging CO₂ emissions. These analyses give use precise

information about which elements of a product have to be altered in order to optimize its environmental footprint. In our view, the process of determining, evaluating, and incorporating these aspects results in improved products.

For this reason, in fiscal 2014/2015 we set up a central carbon footprint unit at our Competence Center Environmental. Its role is to measure the carbon footprint of our entire product portfolio, analyze the results, and feed them into our production system. This helps us to build sustainability into our products at the early development stage.

Over the same period, we analyzed the carbon footprints of our information terminals and reverse vending systems in order to firmly establish the concept of product carbon footprints in our day-to-day operations.

In fiscal 2015/2016 our Competence Center Environmental received a large number of inquiries from customers about the environmental impact of our products. This shows that the issue is of growing importance not only to companies. We see this as confirmation that we are on the right path; we have now started work on analyses of other products, including one of our checkout systems.



Increasing transparency in the value chain

Producing shiny new aluminum cans from used cans out of the trash or recycling container. Through melting or recycling. The difference lies in the environmental impact.



Spotlight on checkout systems

Increasing focus on energy-efficient business practices. Retail industry also striving to cut energy use, especially in area of checkout systems. But where to start?

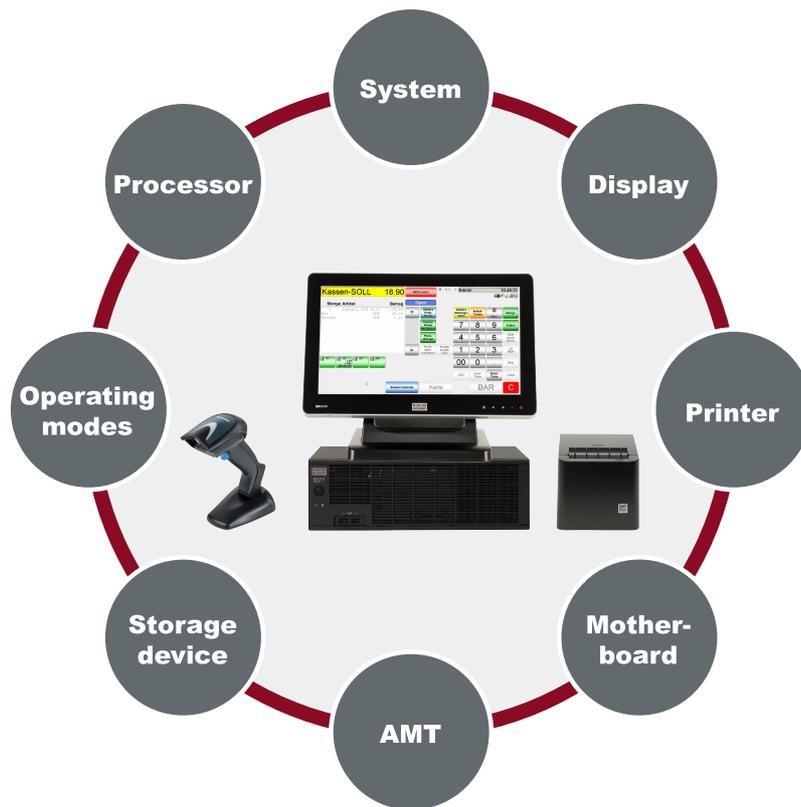


Energy calculator to facilitate comparisons of electricity, costs, and emissions

The energy calculator for our retail products is the ideal way for our customers to work out the total cost of ownership (TCO). It consists of a database that can simply be adapted to work with new models. The first step is to enter the basic operating data in the consumption profile, i.e., the device's operating times and idle mode, the corresponding price of electricity per kilowatt hour, and a CO₂ rating for the country in question.

Once these settings have been entered, the user can compare systems with different features. The tool calculates each product's costs, electricity consumption, and emissions, either on a yearly basis or for the entire period of deployment. As well as comparing various systems and components, it can be used to test the impact of switching to different operating modes (e.g., whether to close the device down overnight or leave it in idle mode), to identify potential cost savings (when, where, and how?), and to measure the resulting environmental footprints. As you can see, the energy calculator used by our sales teams is a very handy tool. We also make it available to our customers so that they can perform their own calculations. This gives them a better idea of their energy use and its consequences and helps them to select the most appropriate device.

Defining the specifications for individual components



The calculator works out:

- electricity consumption
- energy costs
- carbon footprint for each year and over the product's entire life cycle

Procurement and production

Avoiding hazardous substances

Based on international and legally binding rules, e.g., REACH and RoHS (for details, see below and the section entitled **Category management**), we have drawn up specific lists with the aim of reducing and avoiding certain materials. These lists are incorporated into the contracts we sign with our suppliers. All our suppliers are obliged to observe and comply with these rules. In taking this approach, we exceed the minimum statutory requirements relating to product safety, as the aforementioned lists also include substances that are not prohibited by law but are nevertheless considered to be of concern, e.g., "substances of very high concern."

By consistently avoiding substances that are of concern or hazardous in our products, we are able to prevent pollutants from entering the environment. At the same time, we are protecting the health of our employees during the production process and improving the recyclability of our products.

Selection of relevant international standards and guidelines for Wincor Nixdorf

REACH stands for Registration, Evaluation, Authorisation and Restriction of Chemicals Compliance with restrictions relating to substances in products; EU regulation on the use of chemical substances

RoHS stands for Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Compliance with restrictions relating to substances in electrical equipment and in electronic assemblies

EU-WEEE stands for: **Waste Electrical and Electronic Equipment Directive** In particular, the return of used electrical equipment, eco-compliant processing of such equipment, and definition of targets relating to product recovery rates

Conserving resources through recycled plastics

In our last Sustainability Report we examined a new form of recycled plastic that we played a key role in developing. The material's technical properties are comparable to those of new plastic and therefore meet all our strict quality requirements. It also had to fulfill numerous criteria set by the organization **Underwriters Laboratories (UL)** since this is a prerequisite for use in our products.

The main advantage of using recycled plastics is that a significant proportion of the energy can be saved in comparison to the conventional manufacture of new products based on crude oil. This leads to a substantial reduction in CO₂ emissions. In addition, it helps to minimize the rate of waste, as recycled plastics can pass through more than one life cycle. Therefore, hardly any raw materials associated with new product manufacture are required – a valuable saving of resources. As a pioneer in our industry, we are now a standard-bearer when it comes to showing that quality and the environment complement each other rather than being mutually exclusive.

Our long-term objective is to expand the use of this recycled material as much as possible in our products. That will help us to maintain our progress towards the five-year target we set ourselves in last year's report of replacing 20% of the plastics used in our products with recycled plastics.

Further details of this strategy will emerge as we establish a joint product portfolio with Diebold. Using recycled plastics is one way of harnessing the potential for greater sustainability referred to above. With this in mind, we check the suitability of such materials right at the beginning of the product life cycle, i.e., at the product development stage. If we are satisfied, we then push ahead and keep them under review.

Operations at client companies

Reducing paper consumption

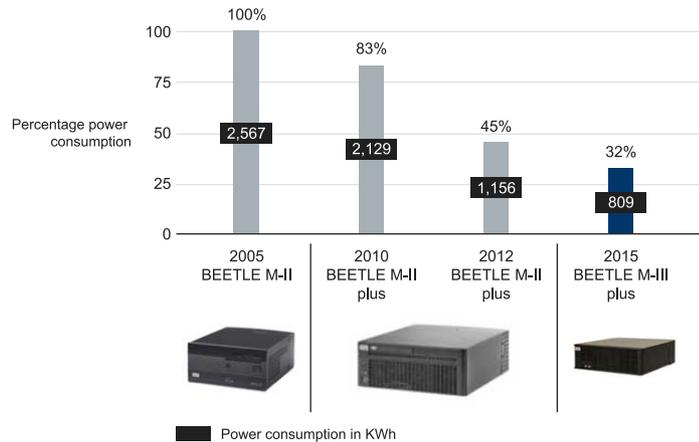
Wherever possible, we endeavor to reduce our consumption of paper and therefore save the resources needed to make it. One way in which we achieve this is by making all the manuals for our solutions available to customers in digital form. Paper copies are supplied only if specifically requested. Our service engineers use only the manuals provided on our company intranet. This avoids the need for a huge amount of printed material. For example, each year we send out thousands of digital copies of the file containing our operating manual for the CINEO C4060 product, which comes to around 500 pages. By delivering it in this form, we save about 3.5 kg of CO₂ emissions per manual on the paper production process alone (source: www.initiative-papier.de).

Energy-efficient products

One example of Wincor Nixdorf's drive to produce more energy-efficient systems is the BEETLE /M POS line – our best-selling modular checkout system. Over the last ten years we have reduced the amount of energy required to operate the system by two-thirds. At the same time we have improved the performance of the individual systems several times over. This was achieved by maintaining a clear focus on the use of advanced and energy-efficient technologies, e.g.,

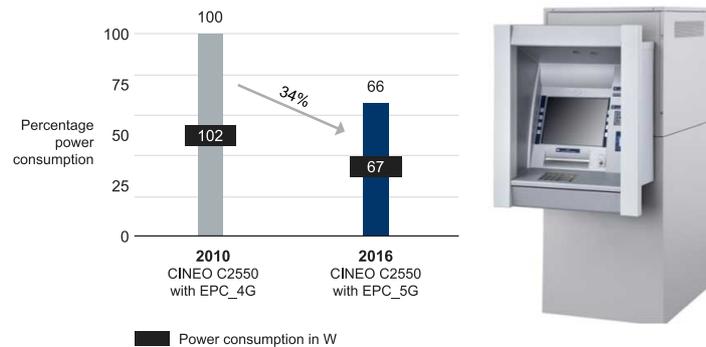
- low-energy processors
- 80PLUS power supply units
- solid state disks instead of conventional hard disks
- standby/sleep functions

Chart showing energy consumption for the BEETLE /M POS line from 2005 - 2016



Another example of energy efficiency is our CINEO C2550 ATM. Thanks to technical improvements in the PC platform, we have reduced the device's energy consumption by approximately 34% over the last five years. Over the same period the performance of the PC has improved substantially.

Chart showing energy consumption for the CINEO C2550 in idle* mode



*Idle Mode: end devices such as CINEO C2550 remain in idle mode for more than 90% of the time

User-friendly energy-saving mode

ATMs and other self-service systems often remain operational 24 hours a day. However, statistical analysis of usage data shows that at some sites they are not actually used during certain periods. In response to these findings, the latest version of Wincor Nixdorf's PC/E Server 2.4 automatically enters energy-saving mode if it remains unused.

One Wincor PC designed to save energy

Another example of how we have optimized the energy efficiency of our products is the new PC platform One Wincor PC, which is based on the fourth generation of Core i processors (Haswell) supplied by Intel. The new PC platform is used in both banking (EPC_5G) and retail products (BEETLE /M-III) and can deliver energy savings of up to 35% depending on the field of application. With regard to our banking products, another advantage is the platform's optional upgrade capability. This means that systems already in operation can be retrofitted with the new PC platform. For each of our CINEO, ProCash xe / xe USB, ProConsult, ProInfo, and ProPrint systems, this translates into a potential electricity saving of up to 35%.

Use of LED technology

All of the latest Wincor Nixdorf products are equipped with state-of-the-art LED lighting technology – from the LED back-light in the display and LED spot lighting to LED edge lighting. This form of lighting offers significant benefits in the field. It considerably reduces the power draw associated with lighting, while also extending the service life from 30,000 to 100,000 hours. Simply by installing modern LED technology instead of fluorescent tubes for background lighting, it is possible for example to reduce energy consumption by around 30%. As well as saving energy and therefore money, this reduces the need for raw materials. Furthermore, since LEDs last longer, it also reduces downtime and the need for servicing. The benefits are felt not only by our customers but also by the environment.

Servicing and repairs

Protection against unauthorized access



Nipping crime in the bud

Prioritizing ATM security Wincor Nixdorf offers a range of solutions to protect against outside attacks and internal risks. Our motto: Close every door to criminals.



Reducing service engineer callouts

To achieve the best possible economic and environmental benefits for our customers and the environment at a service level, too, we take various measures to avoid or reduce the number of engineer callouts. Thanks to the clear technical layout of the entire system and consistent labeling of all components, for example, any faults can be rectified by our customers themselves, thus avoiding the need to call out an engineer. In the area of IT operations, we offer customers the option of linking their systems to our support resources via our state-of-the-art online services platform. We can then identify events and errors by undertaking automatic and preventive remote maintenance measures via an online connection, and often remedy them before they result in a system failure. We are already capable of resolving a large proportion of such faults remotely, i.e., by analyzing and electronically rectifying faults from a remote location via an online platform. Moreover, our

own service desks enable us to clarify and resolve any further issues customers wish to discuss by phone. What is more, through our remote software maintenance service, we are able to upload and monitor new applications on their behalf via an automatic software distributor.

Smart network for engineer callouts

If an engineer is still required, we make every effort to ensure that the callout process is efficient. To ensure that our engineers always have access to the right service parts, we have set up a global logistics network with numerous local supply centers. This means our engineers can be on site very quickly with the required replacement parts. It also avoids the need to ship those parts over long distances and therefore saves fuel and reduces CO₂ emissions. Furthermore, by maintaining a high proportion of reworkable service parts and a global repair network, we are able to reduce the need for new parts by a significant margin.

We are also taking steps to optimize our engineer callouts. In the Czech Republic, for example, the controller is responsible according to ISO 50001 for sending out the nearest available service engineer. This approach has both environmental and economic benefits.

Environmentally-friendly vehicles

Most of the vehicles driven by our engineers are equipped with environmentally-friendly technology. In Germany, all our vehicles run on diesel engines fitted with particulate filters. Furthermore, in 2013 we began the process of replacing our existing vehicle fleet for service engineers in Germany (a total of 319 vehicles) with new, more environmentally-friendly models. The CO₂ emissions of our new vehicles are between 99-104 g/km, relatively low compared to the range of 119-124 g/km for older vehicles. By 2015/2016 we had already replaced 288 vehicles, around 92% of our total fleet. We plan to complete this process for all our service engineer vehicles in Germany over the course of 2017.

Recycling and remarketing

Reuse of Wincor Nixdorf products

Given the growing scarcity of commodities and goods, and thus the greater expense associated with such items, our aim is to reuse existing products wherever possible. Where required, (old) models returned by our customers are refurbished and remarketed. Additionally, specific modules can be extracted from used products as replacement parts for existing customer devices (Reuse; see section entitled **Remarketing Concept**). A key prerequisite for the recyclability of products is the optimal choice of materials at the manufacturing stage. This is achieved by only using standard plastics and generally avoiding any composites, such as metal-plastic compounds, which would prevent optimal recycling. Our proven product recovery rate (materials and energy used) lies at over 95%. Operating in accordance with the national provisions of the European WEEE Regulation (see above table under "**Avoiding substances of concern**"), we accept used equipment back at the end of its service life and arrange for it to be recycled.

Product safety

Product safety has top priority throughout our portfolio. As part of its product liability obligations, Wincor Nixdorf has established an integrated management system covering the full range of product safety procedures. This system specifies how we ensure compliance with the product safety requirements set out in legislation and our own standards. These rules are intended to make sure that our products operate according to their intended purpose and do not pose a risk to life, property, or the environment. The key here is to put in place optimized and coordinated business processes to control the quality and safety of all the products that we develop, manufacture, and sell.

Over the entire process chain, from drawing up an initial product concept through to disposal or recycling, we monitor the effects of each device on health and safety and look for potential improvements. These tasks are performed by experts from Wincor Nixdorf's internal Approvals unit together with employees from Quality Assurance and independent inspection and certification bodies.

Responsibilities for all product safety tasks are clearly defined and documented – from management level all the way down to individual tests. After completion, each task is signed off by the corresponding employee and his/her line manager.

Product safety provisions

Each process is defined and documented in the management system to ensure that all product safety information follows the correct channels. All standards, lessons learned, faults, and findings of a technical nature are regularly evaluated by the Approvals unit. Remedial measures are initiated where necessary. By documenting individual responsibilities, we can log all cases of potential damage very rapidly, analyze their causes and effects, and quickly implement remedial measures. At the same time, this helps to avoid any recurrence. Finally, all the relevant data is documented and filed by the Approvals unit as prescribed by law. As part of our internal audit and reporting procedures, the system is regularly checked to ensure that it remains efficient and to identify any scope for ongoing improvements.

Labeling of products and services

Our integrated management system includes a series of rules and internal standards designed to ensure that our products meet statutory disclosure and labeling requirements. The respective specialist departments monitor these constantly evolving requirements and rules, assess their relevance to Wincor Nixdorf, and incorporate any changes into the required processes, documents, and standards.

During the period covered by this report, we complied with all the regulations and voluntary codes concerning product and service information.

Taken as a whole, these procedures helped us to avoid any relevant cases of damage or regulatory infringements involving our products in the area of health and safety.

Data and Information Security

Protecting our customers' data

Alongside the items traditionally considered to be of value to an enterprise, data and information are also deemed to be important company assets. Given the ever-increasing volume of communications and the constant expansion of virtual links, it is more and more important that we do everything we can to protect our data assets against loss and unauthorized access. The rules and guidelines provided by Wincor Nixdorf help our personnel to implement the required high standards of security in their day-to-day work, especially when dealing with customer data and information. Compliance with these rules and guidelines is ensured by means of our information security management system, which is certified in accordance with ISO 27001.

Information security

Our information security management system guarantees the confidentiality, availability, integrity, and authenticity of data and information in line with legislation and by means of organizational and technical mechanisms. Its specific objectives are:

- to safeguard data and information, particularly customer and employee data, against risks and threats;
- to protect our business processes and ensure uninterrupted business operations;
- to mitigate risks to an acceptable level;
- to avert material and non-material loss or damage to the company.

The purpose of all these measures is either to avert known or perceived risks, to reduce the likelihood of them occurring, or to transfer the risk to other parties in order to avoid damage to Wincor Nixdorf. When the term "security" is used in the context of information, this means that the following attributes must be safeguarded:

- **Confidentiality** – ensuring that data and information are only accessible to authorized parties in the manner permitted.
- **Integrity** – intactness of information and data; in the case of electronic communications this means that the data have not been altered during transfer.
- **Availability** – ensuring that information and services can be retrieved and utilized at any time and at the intended speed.
- **Authenticity** – ensuring that the communicating party actually is who he/she claims to be, or that the information available has actually been compiled by the specified source.

Data security

Documents and (electronic) storage media are kept under lock and key or in a secure place. This applies particularly to sensitive data concerning customers, employees, or trade secrets. Access to computers by third parties is prevented by regular password changes. Except for operational purposes, it is not permitted to make transcripts or copies of data files. Employees are not authorized to access information unless it is relevant to their own activities. The confidentiality of postal correspondence and telecommunications is also assured.

All files and records, including electronic copies, are efficiently organized so that they can be readily accessed by a deputizing colleague. Accordingly, all employees must ensure that their files are complete, clearly laid out, and easy to follow.

As a result of these rules and measures, there were no reports of warranted complaints regarding possible violations of customer privacy or the loss of customer data in the reporting period.

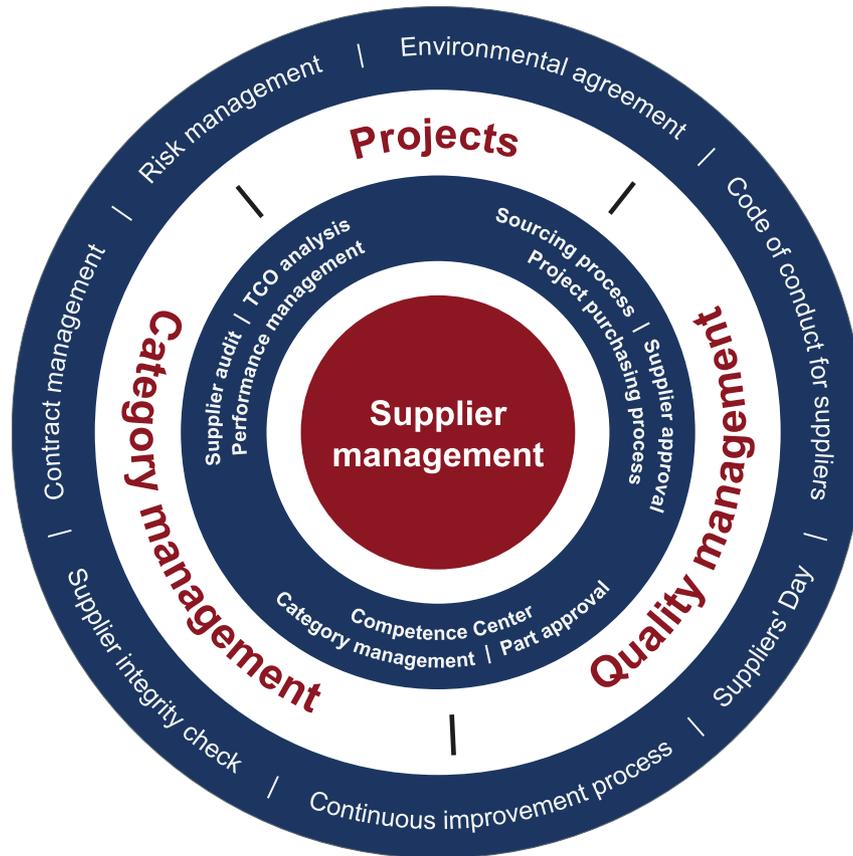
Supply chain responsibility

We believe that sustainability extends to the entire process of procuring materials, products, and services. Reflecting the company's holistic approach, decisions on the selection, evaluation, and development of our suppliers are made with due regard for sustainability criteria in areas such as environmental protection, occupational safety, and compliance with human rights. We work with our partners in the supply chain to achieve best-in-class quality for Wincor Nixdorf and thus also for our customers.

Global supplier network

Our customers operate all over the world. As such, they want to be sure that they can source products and services of a consistently high quality wherever they are. In response, we have established our own global network of suppliers. In fiscal 2015/2016 this network comprised several thousands of suppliers with a total purchasing volume of approx. €1.7 billion. Around 80% of this figure is attributable to our top 400 suppliers. Our procurement activities extend to more than 80 countries, with 50% of all purchases being made in Europe.

One of the main tasks of our Global Purchasing division is to facilitate the ongoing expansion and development of the company's supplier network. In this context, we have a responsibility only to work with suppliers that meet our social, ethical, and environmental criteria. These are defined in our [Supplier Code of Conduct – ScoC](#).



Our global supplier management system focuses on three main areas:

- Careful selection of suppliers
- Category management
- Supplier quality management

We assess business opportunities and potential risks in each of these priority areas. In addition, we strive for continuous improvement in our processes. To this end, we regularly subject those processes to a series of checks.

Careful selection of suppliers

In order to ensure consistent standards with regard to the selection of suppliers, we have defined mandatory purchasing processes for the entire Group. We have reached a level of standardization that allows us to ensure that all our global suppliers meet the same demanding criteria.

Before doing business with new suppliers, we check that their compliance, financial, quality, and environmental management systems meet the relevant standards (e.g., ISO 9001 and 14001). This procedure is designed to check the extent to which suppliers are able to meet our sustainability requirements. We do not place orders with new suppliers until we have checked that they meet the specified criteria and have been awarded a positive rating.

Category management

We employ purchasing experts for certain categories of input materials. Their task is to draw up purchasing strategies that take account of market information on technology trends as well as assessments of supplier capacity and performance. During the year under review, we made further improvements to the purchasing process by assigning clear roles and responsibilities to those involved. Accordingly, we now distinguish between employees with specific responsibilities, those providing information and those whose function is to approve purchases. We also refined the procedures for coordination between the various divisions.

In addition, we made further changes to our contract management system in order to increase the level of standardization. Our suppliers have to accept certain legally binding responsibilities, e.g., to comply with our Code of Conduct, the specifications imposed by certified management systems (quality and environmental), and the environmental agreement they sign with Wincor Nixdorf.

Supplier quality management

Supplier audits are a key element of our quality management system. Among other aspects, these include an evaluation of production processes, quality management, and handling of core compliance issues relating to work, health and safety, the environment, ethics, and management. To date, none of our suppliers has breached our Code of Conduct. In large part, this is because we take a very responsible and well-informed approach to selection, while nurturing established business relationships, and ensuring that information is exchanged transparently.

Quality management begins with the components that make up our products, i.e., at supplier level. The aim here is to avoid defective materials or components going on to create faults at a later stage in the production chain. Before we place any orders, our quality engineers hold talks with suppliers to coordinate on technical issues as a way of further improving the quality of the components and materials we use in our products.

Every year, staff from our Logistics, Quality, Finance, Technology, and Service units come together for a series of joint workshops in order to rate our suppliers. Together they examine every aspect of our suppliers' performance and agree on specific measures for improvement. The results of this supplier rating process are incorporated into our category strategy and risk management system. We believe that comprehensible and transparent criteria are an important aspect of sustainability.

Environmental protection



As a company that operates at an international level, we have far-reaching responsibilities concerning the impact that our business activities have on the environment. We fully accept this responsibility and actively promote environmentally aware behavior at a number of levels.

Our staff and partners around the world play a key role in this: it is only by each individual taking action that we as a company can fulfill our environmental obligations. We have been meeting this challenge for many years now through our **Environmental & Sustainability Management System**, which sets out the binding responsibilities of each employee and specific functions (such as Environmental Officer and Environmental Commissioner).

We are committed to delivering the very best in customer value thanks to a **closed product cycle** in conjunction with low emissions, energy efficiency, and recyclability – and by manufacturing reliable products.

Our infrastructure and production are another key pillar in our approach. In this respect, key factors are energy efficiency and the careful use of resources. For example, we assess our buildings, machinery and processes in terms of their environmental impact, and undertake improvements wherever possible.

Environmental management at company sites

During the period under review we had subsidiaries in 42 countries. We operate a number of sites in these countries, with offices and production facilities that are either rented or owned by Wincor Nixdorf. Our global sustainability organization (see chapter on **Sustainability Structures**) sets out local responsibilities relating to environmental protection, occupational safety, and social responsibility in a transparent and uniform way. For instance, the Environmental Officer, as a member of the regional management team, is responsible for the full range of issues relating to environmental protection at a local level, and is assisted by the Competence Center Environment. In addition, processes of relevance to the environment are guided by a management system certified in accordance with ISO 14001. This structure allows us to guarantee a high standard of environmental protection worldwide.

This approach presents tangible opportunities, particularly in situations where we as owners can exert direct influence on decisions of environmental significance with regard to buildings. For example, energy efficiency is an issue that is a priority at sites owned by Wincor Nixdorf. We are continuously optimizing our buildings, machinery, and processes in order to achieve maximum energy efficiency. In order to pursue this goal as effectively as possible, local management is advised and supported by competent experts from **Wincor Nixdorf Facility Services GmbH** and the Competence Center Environment.

At all locations where Wincor Nixdorf rents its premises, the company has little influence over the choice of energy carriers, the execution of refurbishment work, or the disposal of waste materials. However, in these cases we focus on selecting suitable sites and take into account the environmental aspects of rented premises. To this end, we use a standardized checklist throughout the Group; it includes points such as possible certification of buildings, types of heating system, as well as condition and design of windows. Where applicable, energy performance certificates are included in this assessment.

Energy audit

Energy audit completed

At Wincor Nixdorf we place great importance on optimizing energy efficiency at our company locations and we are working hard in this respect. Our last report covered the launch of the Energy Audit project, which was designed to ensure compliance with the **EU's Energy Efficiency Directive (2012/27/EU)**. With an eye on the future, we took the initiative and held our first kick-off meetings before the Directive even came into force. This made it possible for the various energy teams to work together efficiently. The project mainly served to promote coordination, as the Directive affects Wincor Nixdorf AG, Wincor Nixdorf International GmbH, and our 24 subsidiaries at 14 locations. By taking these early steps and ensuring excellent coordination, we were able to meet the deadline of December 5, 2015.

After a thorough selection process, we chose Gildemeister Energy Efficiency GmbH to act as auditors. The contract discussions were held in Paderborn in July 2015 after carrying out data collection, plausibility checks, and data analysis. The energy audit permits the use of the multi-site process, which allows sites with the same conditions to form a cluster, so we carried out audits at five locations. The external energy auditors checked relevant equipment and processes such as computer centers, production machinery and energy supply. At other sites the focus was on auditing running costs and the use of traditional forms of energy and heating.

We then carried out a feasibility study to identify which energy-saving measures could be implemented. These proposals were evaluated for each site and where appropriate integrated and implemented in the environmental management system. For Paderborn this means continuing to install **LED lighting**, planning improvements to the compressed air supply, expanding free cooling in cooling systems, and the introduction of energy monitoring. For the sites, it was decided to optimize energy procurement and centralize energy monitoring. The objective is to achieve transparency with regard to overall energy consumption. The results of the feasibility study will determine the actions to be taken in the next financial years.



Project Manager Thomas Konerding and Jörg te Kaat, Head of Energy Supply and Building Technology, from Wincor Nixdorf with Maximilian Heindl, Managing Director of GILDEMEISTER energy efficiency GmbH.

Proof of the energy audit has been submitted to the Federal Office for Economic Affairs and Export Control (BAFA). The provisions of the EU Energy Efficiency Directive have also been implemented at Wincor Nixdorf companies that are based in the EU in line with national laws.

Energy conservation at our sites

In 2013 we initiated an extensive program aimed at conserving energy in some of the buildings at our Paderborn production facilities. During the period under review, this was one of the key steps taken to optimize energy efficiency. Individual measures such as the installation of thermal windows and efficient small and large heat pumps, and the modernization of air-conditioning systems are being undertaken on an ongoing basis. In parallel, we have been introducing efficient drive units in pumps and ventilators, modernizing our facility control systems, and implementing far-reaching procedures to track energy consumption.

We are also gradually switching the lighting at our production facilities and offices to modern, energy-efficient LED systems. This process is part of our ongoing modification and renovation efforts. In Paderborn the installation of LED lighting in the car parks that was planned during the 2014/2015 financial year has been completed. The next step is to modernize all exterior lighting. This will allow us to cut electricity consumption by around 70% and save approx. 100,000 kilowatt hours of electricity a year, which corresponds to the annual electricity consumption of sixteen four-person households in Germany.

Our production plant in Ilmenau (Germany) is heated via a district heating network. This form of energy is particularly eco-friendly, as it is generated using **combined heat and power** and renewable resources.

The use of underfloor heating systems in production areas also increases energy efficiency because – compared to conventional radiators – it can create the required indoor climate while running at relatively low temperatures. This means less energy is required to provide heating.

High-efficiency cogeneration plant

Wincor Nixdorf is making great efforts to reduce greenhouse gas emissions. We have been operating an energy-efficient cogeneration plant with combined heat and power (CHP) since as early as 1983. This plant provides electricity, heat, and air-conditioning for our German production site in Paderborn.

The new plant that was refurbished in the 2013/2014 financial year is able to achieve overall efficiency levels in excess of 80%, compared to the 35-40% generally associated with conventional coal or gas-generated power. Our CHP plant is rated as very efficient (according to Directive 2012/27/EU) and supplies our production site in Paderborn with around 60% of its energy requirements.



Delivery of the new CHP generators in 2013

Along with generating electricity, the plant also provides 20 million kWh of heat, which is used as process heat to heat the buildings in winter, as process cooling, and to air-condition our premises during the summer months by means of an absorption cooling system.

However, it is becoming increasingly difficult to operate CHP generators for legal and economic reasons. Following the Renewable Energy Act, operators now have to pay a levy on electricity that is not for own consumption. The Act states that the operator and the consumer must be one and the same. It also requires proof of a direct spatial link between generation and consumption. The power may not be transmitted via a public grid and it must be possible to prove that generation and consumption occur simultaneously.

As the operator of the CHP is Wincor Nixdorf International (WNI) only electricity that is used by WNI is exempt from the levy under the Renewable Energy Act. If the other eleven companies that are based in Paderborn use the electricity that is generated by the CHP, they have to pay the levy. The complexity of measuring and calculating separate amounts of electricity means that it is not economically viable. Therefore, the CHP is currently only producing electricity to meet the needs of WNI, so it is not being fully utilized and is operating below capacity in economic and environmental terms.

Wincor Nixdorf also actively participates in the electricity balancing market. This means that our CHP is switched on or off according to external demand from the energy industry. In this way we contribute to maintaining grid voltage in Germany at a constant level of 50 Hz, thus helping to ensure that the power supply is secure and available.

Energy-efficient data centers

For some of our customers we plan, build, maintain, and operate complete high-availability data centers. In this area, we favor the use of innovative technologies and processes to optimize the benefits to customers, in addition to cutting costs and reducing the negative effects on the environment. A team of experts is responsible for establishing and operating our data centers around the globe. This team regularly assesses our data centers with regard to energy efficiency and implements optimization measures where required. We also tap into lessons learned in past projects when planning and constructing new data centers. Two new data centers were commissioned in the 2013/2014 financial year. In order to maximize availability, these centers were duplicated on two independent sites so that one center can take over the work of the other. In the planning stage we focused strongly on energy-efficient operations, taking the following criteria into consideration:

- Modular design
- Variable-speed pumps and fans
- Electricity feed-in with minimized power dissipation
- Best possible use of free cooling by means of external air
- Use of highly efficient air-conditioning units
- Separation of warm and cold zones for air-conditioning
- Deployment of energy-efficient server technology
- Virtualization of server resources
- Continuous consumption and needs analyses

Business travel and work-related trips

As an international corporation, Wincor Nixdorf operates in more than 130 countries. This close contact to our customers and partners is very important to us and is reflected in many international projects. This calls for high levels of coordination between everyone involved, and face-to-face meetings are an important tool for securing our success.

The company car fleet, with a total of 822 vehicles in Germany, has now almost completely been converted from petrol to diesel with particulate filters. Furthermore, our Travel Management team is committed to optimizing our travel activities and seeks out alternatives to business travel.

Global business travel at Wincor Nixdorf

(in million km)

	2015/2016	2014/2015	2013/2014
Total	80.6	77.8	106.5
Car	4.3	4.4	6.2
Rail	1.4	2.7	3.2
Air	75.0	70.8	97.1

Extrapolation of trips via a company-specific standard value per employee. To determine this standard value, the business travel of approx. 70% of all employees was evaluated.

Trips made using company-owned vehicles are recorded under fuel consumption rather than business travel. Business travel by car only includes rental vehicles.

Real-time communication

Nowadays our colleagues at various locations need to come together in virtual groups for international conferences, training courses, and meetings, so video-conferencing and e-meetings play an increasingly vital role. Special real-time communication technology allows us to create the best possible working atmosphere for our staff. In Paderborn we have had ten different-sized videoconferencing/telepresence rooms since 2016. This means we can conduct virtual meetings worldwide, thereby reducing the number of business trips and their associated expenses and greenhouse gas emissions. This has become a key element of our daily work. Compared to previous videoconferencing systems, telepresence technology has a number of key benefits, as it allows staff to hold meetings with colleagues all over the world in very realistic conditions. This is aided by the technology's uniform method of setting up the meeting, first-class sound quality and HD images, which all help to ensure a successful meeting. The volume is also adjusted to suit the room. The camera automatically focuses on the person who is speaking, so it gives the impression of true face-to-face contact.



Wincor Nixdorf employees in a telepresence conference

The study of carbon disclosure projects (CDP) "[The telepresence revolution](#)" has already shown the enormous effect that videoconferencing has on travel costs, travel times, and the carbon footprint, particularly for large companies. Studies show that increased productivity and accelerated decision-making are other benefits, and a reduction in business travel also improves work-life balance.

Reducing electricity and fuel consumption

The measures described in the section "[Environmental management at company sites](#)" such as the energy audit, energy conservation measures, avoidance of business trips where possible, operation of a high-efficiency cogeneration plant, and the energy-efficient operation of data centers have all paid off for Wincor Nixdorf – and hence also for the environment. In the year under review, we recorded an encouraging decline in power consumption compared to the previous reporting periods.

Global Wincor Nixdorf energy consumption*			
	(Terajoules)		
	2015/2016	2014/2015	2013/2014
Total	554.7	588.8	574.6
Electricity	114.8	118.0	134.4
Natural gas ²⁾	172.9	174.9	145.1
District heating ²⁾	1.4	1.4	1.3
Thermal energy ¹⁾³⁾	19.5	20.9	17.6
Fuel ⁴⁾	246.1	273.6	276.3

1) Taking into account only the non-manufacturing locations.

2) Taking into account only the manufacturing locations.

3) Collective category for all types of heating energy.

4) In this case, the actual fuel consumption of company cars was determined on the basis of a fuel mix of 50% diesel and 50% petrol/gasoline.

* As Wincor Nixdorf's fiscal year does not coincide with the calendar year, some of the figures in the last Sustainability Report were extrapolated or estimated. These extrapolated or estimated figures have been replaced with the actual figures in this year's report.

Global Wincor Nixdorf emissions*			
	(metric tons)		
	2015/2016	2014/2015	2013/2014
CO ₂ emissions ¹⁾²⁾⁶⁾	76,600	75,800	89,400
NO _x emissions ³⁾⁴⁾	18.87	21.25	10.94
SO _x emissions ³⁾⁴⁾	0.10	0.10	0.14

1) Determination of CO₂ emissions occurs via standard values per emission source. The analysis focused solely on CO₂ emissions (no equivalents). The sources used include the Federal Environmental Agency for calculations relating to energy carriers and the IFEU Institute for calculations pertaining to modes of transport.

2) Among the data analyzed were direct energy usage as well as fuel consumption of company cars (direct emissions), electricity consumption and district heating (indirect emissions – energy-related), and business travel (indirect emissions). Product transportation is taken into account in a different area.

3) The figures relate to our own direct combustion processes (CHP, heating, etc.) at our production sites.

4) All non-production sites are leased. No Wincor Nixdorf combustion processes are located at these sites.

5) The significant reduction in NO_x and SO_x emissions in fiscal 2013/2014 is attributable to CHP plant downtime as part of the modernization project.

6) The CO₂ emissions in respect of 2013/2014 and 2014/2015 were corrected retrospectively; the changes are minuscule.

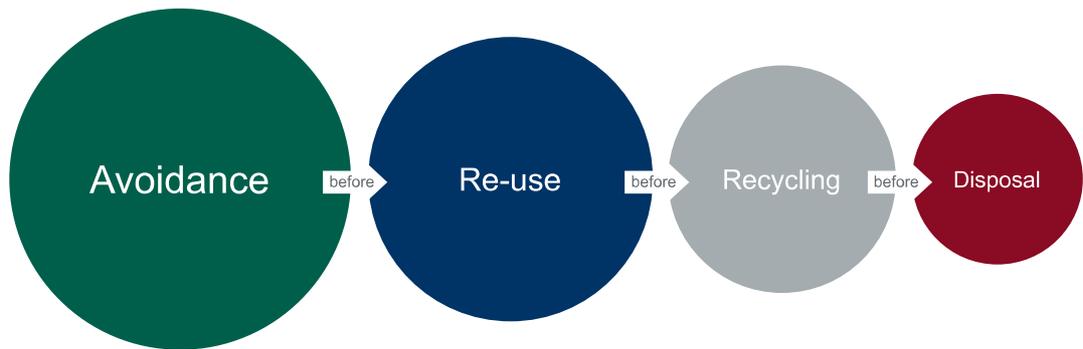
* As Wincor Nixdorf's fiscal year does not coincide with the calendar year, some of the figures in the last Sustainability Report were extrapolated or estimated. These extrapolated or estimated figures have been replaced with the actual figures in this year's report.

Responsible handling of waste

From our production areas to our offices, we have been systematically separating our waste for years.

Wincor Nixdorf has direct influence on waste management at its respective production sites. This follows the principle of "avoid before reuse before recycle, and only then dispose of it". Accordingly, 89% of hazardous waste produced by the company and almost 98% of non-hazardous waste materials were recycled during the period under review. Thus, the remaining waste to be disposed of by the company was minuscule in percentage terms (see table of global waste data for Wincor Nixdorf).

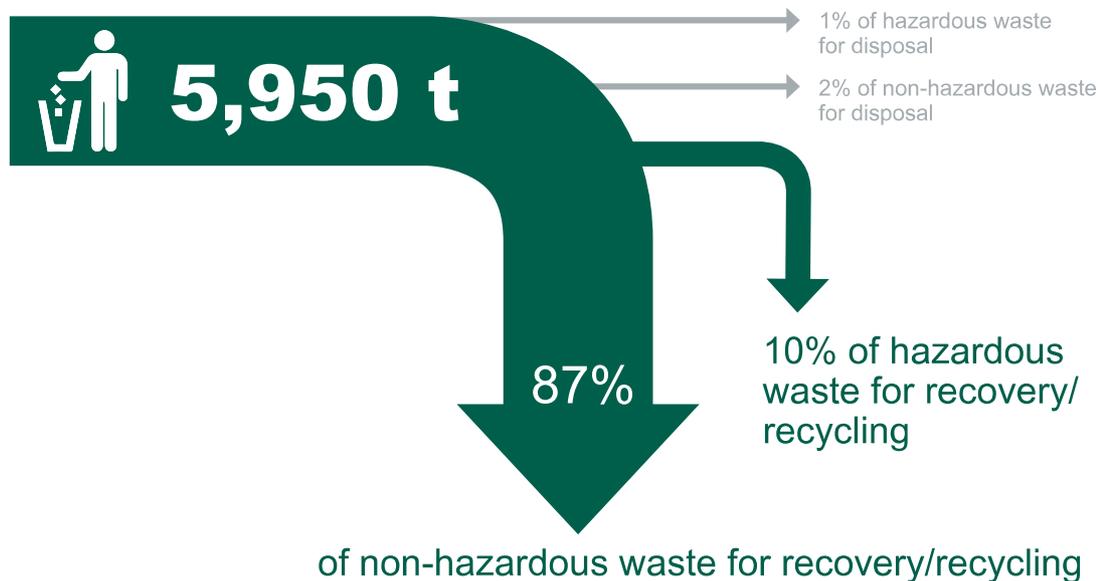
Wincor Nixdorf's approach to waste management:



Recognizing our special responsibilities, we ensure that all waste materials, **both hazardous and non-hazardous**, are disposed of in the country of origin via qualified waste disposal companies in accordance with the relevant statutory regulations. We do not export waste to other countries.

Our packaging specifications for deliveries of outsourced parts are indicative of how we work to avoid waste. We operate a multi-cycle system where individual components or entire assemblies are delivered in standardized, stackable crates. In line with the exchange principle, empty containers are returned and given back full, so that there are no packaging materials for disposal. This also reduces materials handling.

Total waste increased slightly by 10% compared to the previous reporting period. The reason for this is the increase in hazardous waste for recycling, particularly electronic waste. During the reporting period we cleared out used systems that can no longer be marketed and disposed of used systems after removing service parts.



Global Wincor Nixdorf waste*

in 1,000 t

	2015/2016	2014/2015	2013/2014
Total	5.95	5.34	6.29
Hazardous waste for recycling ¹⁾	0.58	0.42	0.39
Hazardous waste for disposal ¹⁾	0.07	0.07	0.03
Non-hazardous waste for recycling ²⁾	5.20	4.81	5.76
Non-hazardous waste for disposal ²⁾	0.09	0.05	0.10

1) All non-manufacturing locations essentially consist of office and development departments where no significant volume of hazardous waste is produced.

2) At all non-manufacturing locations, Wincor Nixdorf rents premises, frequently occupying only part of larger rental properties. Waste disposal is not documented on an itemized basis in these cases.

* These figures relate solely to our production sites.

Remarketing concept

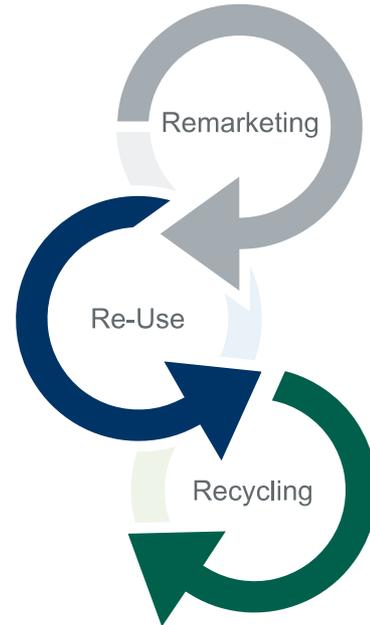
Used Wincor Nixdorf systems are highly sought after around the globe. As well as being repurchased by Wincor Nixdorf, they are often acquired by third parties (so-called brokers) directly from our customers. Demand is driven to a large extent by the intrinsic value of our systems and components. Similar to our remarketing concept, they are used by brokers as a source of replacement parts. This concept can be broken down into three elements: remarketing, re-use, and recycling. In the period under review, 2,351 metric tons (2014/2015: 2,259 metric tons) of used devices were fed into the remarketing concept at our Paderborn site.

Remarketing. The first stage of the concept involves the repurchase, refurbishment, and remarketing of used Wincor Nixdorf products from corporate customers. In the 2015/2016 financial year, around 500 second-hand systems were remarketed in this way.

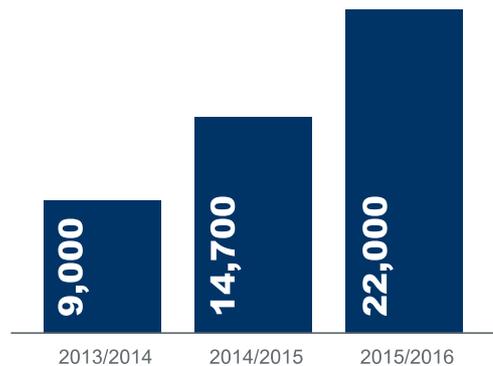
Re-use. During this stage service parts and components are reused, thereby reducing the volume of waste. Other advantages include the extended availability of service parts and components as well as cost savings for customers compared to the approach of downstream reproduction of service parts and components – often an expensive undertaking – for units from previous generations. By applying this re-use concept, in the 2015/2016 financial year we were able to redeploy some 22,000 service part modules, such as payout mechanisms and input units as part of the recycling process.

Recycling. The third stage involves the disassembly of systems and subsequent sorting of parts into more than fifty material types. This potentially reduces the proportion of waste that can no longer be recycled to less than 1%. In taking this approach, we are facing up to our responsibilities as a manufacturer and ensuring fully compliant, high-quality recycling.

Re-use concept



Re-use concept: number of re-used service part modules



Sparing use of water

Global Wincor Nixdorf water data

in 1,000 m³

	2015/2016	2014/2015	2013/2014
Consumption of drinking water	74.3	79.8	90.3
Consumption of ground water ¹⁾	89.6	86.5	96.6
Direct discharge of wastewater ²⁾	32.8	33.6	54.7
Indirect discharge of wastewater	78.4	86.8	99.9

The difference between water consumption (drinking water and groundwater) and wastewater discharge (direct and indirect) arises from water loss due to the evaporation of cooling and process water.

1) Groundwater is only extracted at the Paderborn production site. The groundwater extracted in this way is used as cooling water in an ecologically sound manner. We hold an official permit for this purpose.

2) Direct discharge into wastewater systems only occurs at the Paderborn site in the form of cooling water.

As Wincor Nixdorf's fiscal year does not coincide with the calendar year, some of the figures in the last Sustainability Report were extrapolated or estimated. These extrapolated or estimated figures have been replaced with the actual figures in this year's report.

For us, it goes without saying that we have to avoid polluting our waterways and keep our consumption of water, as a natural resource, to an absolute minimum. We are committed to the sparing use of resources, so we cut our consumption of valuable drinking water wherever possible and utilize ground water for our manufacturing operations in Paderborn. We also reuse the process water that is required or used for manufacturing products with the help of industrial machinery, which also reduces our drinking water consumption.

In addition to the use of cooling water, we generate sewage and industrial wastewater at our manufacturing sites. At sites without manufacturing operations this is limited solely to sewage. Sewage and industrial wastewater are discharged into municipal treatment plants via public sewage systems. Industrial wastewater is pre-treated at our own wastewater facilities before being discharged into the municipal sewage treatment systems.

We regularly analyze the wastewater generated by our company to ensure it complies with all legal requirements and does not include any prohibited pollutants. We make the results of these analyses available to the supervisory authorities and engage in open, transparent dialogue.

We have managed to reduce the consumption of drinking water and the volume of wastewater emitted by the company compared to previous reporting periods.

Eco-friendly logistics

A holistic approach to environmental protection means sustainable business activity does not end with production but includes the entire shipping process. An international company with production facilities around the globe is particularly dependent on shipping arrangements that are cost-effective and environmentally sound. After all, significant resources can be saved at the transportation stage: through having production sites in close proximity to customers, efficient logistics, the right packaging, and choosing the most appropriate means of transport.

Local for Local

"Local for Local" denotes the principle of producing customer goods locally wherever possible. As a result, transport routes can be optimized, time and cost savings achieved to the benefit of the customer, and the impact on the environment kept to a minimum. For instance, we already produce around 95% of the products delivered to our Asian customers in Asia itself.

Eco-friendly product packaging

Regardless of the means by which the products reach our customers, environmental protection starts with the packaging. For all our product packaging requirements, we choose recyclable, single-material packaging, such as cardboard made from recycled paper or reconstituted wood pulp. The following target figures apply to the materials used by the company:

- System packaging: approx. 95 weight percent corrugated cardboard with a high proportion of recycled paper and 5 weight percent plastic (PE film).
- Single packages and service parts packaging: up to 100 percent corrugated cardboard with a high proportion of recycled paper.
- Reusable packaging for service parts: exterior packaging made of corrugated cardboard with a high proportion of recycled paper, approx. 75 weight percent; plastic (PE foam) approx. 25 weight percent.

On request, we also take back product packaging from our customers.

For our land shipments, we almost invariably use packaging that consists of cardboard with a high proportion of recycled paper as well as recyclable PE film (polyethylene). Alongside the above-mentioned materials, we primarily use packaging made of environmentally sound wooden materials for sea and air freight.

Environmentally-friendly transportation

Wincor Nixdorf sets great store by the use of safe and environmentally-friendly modes of transport. It is with this in mind that we only use reputable German freight forwarders with modern vehicle fleets for transportation within Europe. In the case of intercontinental consignments, we tend to prefer eco-friendly sea transportation rather than air freight services. At present, more than 95% of all consignments are handled by sea transportation.

Efficient logistics also includes the best possible use of loading units. At Wincor Nixdorf, we take great care to ensure that all loading space is used to optimum effect when our products are placed in shipping containers; only fully utilized containers make economic and ecological sense.

Global Wincor Nixdorf product transportation	(million t x km)		
	2015/2016	2014/2015	2013/2014
Total	189.0	202.8	210.9
Product transportation by truck	26.7	20.3	30.6
Product transportation by rail	0.0	0.0	0.0
Product transportation by ship	155.0	175.5	171.5
Product transportation by air	7.3	7.0	8.7
Share of product transportation by air	3.9	3.5%	4.1%

These figures relate solely to our production sites. Only the transportation for which Wincor Nixdorf bears responsibility was taken into account. The transport route was determined as the straight-line distance between the respective production site and the geographical center of the destination country.

Employees



Our vision is to establish Wincor Nixdorf as a leading supplier of IT solutions and services centered around the branch and store operations of banks and retailers. That is only possible with a team that works together and pulls together. The emphasis is on people who pursue the Group's goals with motivation and commitment – employees who identify with their company and are proud of their work.

To achieve this, we have focused our corporate culture on the values of nurture and challenge. We nurture talent by empowering people, by offering staff training for the purpose of taking on future tasks, and by providing opportunities for personal and professional advancement. At the same time, we challenge our employees to be open to change and to achieve ambitious goals. Our corporate culture is based on open and frank communication, complemented by a structure that is designed to allow each and every employee to contribute his or her knowledge and skills. We believe in initiative and creativity as well as the active involvement of all employees. We also offer them plenty of scope to think and act in an entrepreneurial manner, thus taking ownership of their work.

Through a combination of fair conditions of employment that meet market standards, a modern health management system, and a culture that emphasizes openness, fairness, and respect, we intend to make as significant a contribution as possible to maintaining or increasing our employees' skills, dedication, and capacity for work throughout their time with us.

Separately from that, changing demographics and social policies represent a major challenge for Wincor Nixdorf and business in general. Many of our employees will retire at some point over the next few years, while at the same time, due to our expansion and the company's strategic realignment, we will still have a need for highly qualified personnel. Against this backdrop, our HR planning and development activities must include measures both to recruit enough suitably qualified new staff and also provide dedicated ongoing training as the basis for our continued, long-term success.

HR structure

Restructuring to help achieve strategic growth targets

As of September 30, 2016, the Group employed a total of 9,080 people, compared with 9,100 on the equivalent date in 2015. This change – which in absolute terms is small – in the size of the workforce within the Group does not reflect the major shifts affecting our HR activities, which have largely been driven by the ongoing restructuring program, budgetary consolidation changes, and acquisitions.

In Germany, the company employed a total of 3,589 people at the end of the year under review (2014/2015: 3,689). The number of employees working outside Germany increased to 5,491 (2014/2015: 5,411). At year-end, 40% of staff were employed in Germany and 60% outside Germany.

For further details regarding the structure of our workforce, please refer to the company's [annual report](#).

Total Wincor Nixdorf headcount and regional breakdown

	2015/2016	2014/2015	2013/2014
Total	9,080	9,100	9,198
Germany	3,589	3,689	3,738
Europe (excluding Germany)	4,147	3,297	2,995
Asia/Pacific/Africa	815	1,502	1,667
Americas	529	612	798

Education and training

The primary goal of training and education at Wincor Nixdorf is to ensure a highly qualified and motivated workforce in line with the company's business strategy. As the basis for lasting business success, we want to attract the best young talent to work for us and to retain those people as employees. We achieve this with the aid of attractive starter opportunities for both school-leavers and graduates, tailored vocational training opportunities, and a variety of development and qualification options.

Strategic staff development helps employees to embrace the company's goals and makes Wincor Nixdorf even more attractive to highly qualified personnel. Our approach emphasizes the promotion of employees from within our own ranks. By offering them targeted professional development, we are contributing significantly to the success and future prosperity of our company. The measures involved are geared towards employees at all levels of the organization.

In response to the extensive adjustments we are making to structures and processes, each and every employee needs to show great flexibility and the capacity to help shape these changes in a constructive way. We are providing new training initiatives to help our managers and employees acquire these skills.

Attracting talent

As an innovative company facing strong global competition, we are reliant on the highly skilled graduates and school-leavers who decide to pursue their careers with Wincor Nixdorf. In order, therefore, to attract talent, our employer offering includes carefully devised vocational training, interesting dual-track study and apprenticeship programs, cooperation with universities, and graduate trainee programs.

Customized training. In Germany, Wincor Nixdorf boasts a long history of training young people. However, this also means that we have to respond and adapt to changes affecting society and businesses. One trend that cannot be ignored is the increasing take-up of two-track study programs, combining a university degree with on-the-job experience. By participating in these, we are responding to changes in the labor market and in qualification requirements by satisfying the need for new talent that offers both academic skills and a practical focus. This helps overcome the deficits inherent in hiring graduates with a purely academic background.

As of September 30, 2016, we were employing 37 apprentices, who complete their initial vocational training on one of four different apprentice career paths. At the same time, as part of a bursary-type arrangement our workforce also included 19 students undertaking two-track studies in collaboration with a private business school (FHDW) in Paderborn.

At the international level, the nature and scope of any company training activities are oriented to fit the requirements of the local businesses and stakeholders. Wincor Nixdorf's Czech subsidiary, for example, is currently running training programs for ten students from a technical high school and from a vocational business college in Prague. On the basis of cooperation agreements, the students of the electro-technical school are deployed at Wincor Nixdorf for one week every month on projects such as the installation and servicing of hardware and software, remote support, service logistics, and much more besides. The students from the business college, meanwhile, alternate three months of administrative work at the Prague office of the subsidiary with three months of schooling.

Additionally, Wincor Nixdorf Spain cooperates with training centers. As part of a two-track apprenticeship scheme, the apprentices gain between three and twelve months' experience at our Spanish company.

Opportunities for graduates. For students from many disciplines, the stimulating internships, joint work/study placements, and research opportunities we offer serve as an introduction to real professional practice. In Germany, our student employees work at the company alongside their studies for a maximum of 20 hours per week over a period of up to two years; they are involved in day-to-day business as well as specific projects. Their tasks are generally structured in line with their field of study, which allows the students to gain practical experience for their future careers.

The various measures promote awareness of Wincor Nixdorf among students and give them a positive impression of the Group. This strategy helps provide the company with a large pool of highly qualified graduates with extensive hands-on experience from which it can draw when filling vacancies.

Alongside direct entry subsequent to university graduation, we offer an intensive Group-wide program with appropriate support for those starting out on their career. The two-year **Graduate Onboarding** Program provides graduates with the opportunity to enjoy an internationally oriented introduction to the fields of supply chain management or global purchasing/supplier quality management. The graduates are assigned to various functions at the company's sites in Germany or Asia, where they are given the chance to take responsibility for their own projects. This program also includes relevant training modules. In addition to establishing an international network, those taking part in the program are given an excellent insight into the various activities along the value chain and can prepare themselves for a challenging career within our supply chain or purchasing network.

Outline of the Graduate Onboarding Program

Deployment on a project

- in quality management, logistics (inbound & outbound), supplier development, etc.
- in Singapore, Shanghai, or Paderborn



A job with prospects

Hit the ground running after your studies, by starting your international career with us. We offer new graduates an intensive support program with experience across the company. Read on to find out more.



Teaming up with universities. During the reporting period, we successfully extended our close cooperation with universities and higher education providers. For example, at our site in Paderborn students are given the opportunity to work on projects that focus on topics of specific interest to the Group, while company representatives organize workshops at universities. In addition, by regularly attending campus exhibitions and fairs, we establish contacts with potential future employees. We also support students directly in the form of our Germany Scholarship program. In the year under review, we directly assisted five students in this way.

Wincor Nixdorf Spain, for its part, offers students from a variety of public and private universities in Madrid the opportunity to complete internships of approximately a year's duration. To facilitate this, specific partnership agreements have been signed with the universities concerned.

Professional training

Preparing the workforce for change. The far-reaching structural adjustments and changes to our processes are crucial to the company's future viability. At the same time, however, they also pose a considerable challenge to our employees in terms of their willingness to embrace change. As part of this, they are having to adjust to such changes as new duties, roles, and processes. We have introduced appropriate training measures to support this transformation to ensure that they are equipped with the necessary skills.

In the reporting period, we again concentrated on educational initiatives in the fields of software and services, with a particular focus on sales-related training. Thanks to centrally organized product training, we also further enhanced our employees' skills in relation to our portfolio and products.

One aspect that was expanded during the reporting year were courses on the topic of "leadership." We consider it as one of our foremost tasks to set up concrete programs and targeted leadership training in order to promote a business culture based on values such as motivation, creativity, expertise, and teamwork.

By providing internal training on project management and seminars on the theme of "managing from a distance," we further developed the skills of our technical managers. In this way, we are giving them the tools to take charge of multidisciplinary projects and tasks.

Applying modern learning methods. We have successfully continued implementing our international Learning Management System. This has enabled our staff to acquire, under their own auspices, the skills and knowledge they need for their ongoing professional development. In the period under review, our employees participated in just over 19,000 days of training via the Learning Management System. This corresponds to an average rate of 2.08 (fiscal 2014/15: 1.63) days of training per employee.

A key focus of such activities involves modern forms of learning such as e-learning and blended learning, which combines traditional classroom-based activities with current e-learning techniques. We also plan to use video-based training to a larger extent.

We are enhancing the skills of our large pool of in-house trainers by means of an innovative and up-to-date "train the trainer" model. This incorporates a systematic training approach in which experts pass on their skills to the experts of the future. In the interest of both sides, where appropriate we test and certify internal training courses to ensure transparency with regard to our employees' skills and to support the transfer of learning.

In order to equip our employees as successfully as possible to deal with the particular tasks they face, we actively encourage the sharing of expertise and experience at an international level. Thus, colleagues from different countries meet in virtual meetings, conduct conferences and training sessions together, and hence share their expertise and relevant information in a prompt and efficient manner.

Staff development interviews. The success of our company hinges on the development and training of our workforce. All supervisors / line managers are expected to conduct an appraisal with each employee at least once a year. During this appraisal, supervisors / line managers should assess and comment on the quality of the employee's work over the preceding year. They should also give their team members an opportunity to comment on their role and achievements, the working environment, and the performance of their line managers. The employee and manager should then agree on appropriate professional development activities.

Supporting and developing future talent

In a world of fluctuating markets, growing internationalization, and increasingly strong competition, a systematic approach is needed to ensure that key positions within the company are filled by qualified employees. It makes sense, therefore, to begin looking for and developing future "key players" among one's own ranks.

More than 120 employees are members of our international Talent Pool. The high proportion of employees appointed to new positions of responsibility within the company bears testimony to the success of measures aimed at developing talent. Even during the talent development phase, we adopt a strongly cooperative approach that continues from then on. As a result, those individuals who took part in the career development program can still draw on the international Talent Pool network, especially when challenges arise in their new roles.

The programs aimed at developing talent were further expanded over the course of the reporting period and extended to include additional career paths.

Potential successors are identified as part of a structured international process applied on a regular basis and are then systematically equipped to take on additional responsibilities. This does not simply involve designating successors for particular posts but rather supporting, from an early stage, employees with the drive, personality, and creativity to take over new areas of responsibility in the future.

Conditions of employment

Wincor Nixdorf competes at a global level to attract the best employees in the sector. This is why we offer our employees attractive conditions of employment – both in financial and in non-monetary terms. In addition, thanks to flexible working patterns and part-time solutions, we are able to help our employees strike the best possible work-life balance. Both our senior managers and the employees' representative groups within the Group and its subsidiaries maintain trusting relationships with one another so as to successfully meet the challenges that also arise in times of structural change for all sides. Furthermore, our "idea management" system – which has won awards as among the best in any sector – enables our employees to play an active part in improving their work environment on an ongoing basis.

Remuneration and benefits

Valuing and rewarding work fairly. With the help of global functional descriptions, which are linked to collective remuneration systems in some parts of the Group, we are able to ensure a fair and consistent differentiation in income according to the role assigned to each employee. Compensation is generally geared to local, sector-specific, or country-specific circumstances that Wincor Nixdorf assesses through remuneration comparisons with reputable suppliers.

The objective pursued by the company is to compensate staff fairly and reasonably at all times within an acceptable economic framework. Our international subsidiaries comply with all legal and otherwise mandatory provisions on minimum pay as well as additional collective arrangements such as wage settlements and company agreements.

Wincor Nixdorf designs its compensation structures in such a way as to ensure that both individual performance and the performance of the workforce as a whole are rewarded fairly. Individual performance is valued by means of (local) evaluation systems that are based on role-related requirements.

Another element is the ability to share in the success of the company (or parts thereof) by means of variable, target-based salary components. Thanks to a continuous system of target structures and key indicators, implemented in line with uniform principles, employees and managers around the world (including members of the Board of Directors) are assessed according to the same principle – the business success of the company – and participate jointly in the company's results. The amount and the proportion of variable income with regard to total remuneration also depend on the role and responsibility.

As well as the salary components, the terms of employment also include other payments in kind (such as company cars, insurance, and pension arrangements).

Company pension schemes. Retirement benefit schemes are in place for some employees of the Group. These vary in accordance with the legal, economic, and taxation conditions of the respective countries and generally take the form of defined benefit plans.

Under German employment law, pension obligations are based on direct performance-related commitments in the form of defined contribution plans. Beneficiaries receive varying yearly contributions according to their individual pay scale group or contractual classification.

In Germany, Wincor Nixdorf also operates various employee-financed company pension schemes, including deferred compensation via a pension fund or the internal deferred compensation system. In this way, instead of a cash pension entitlement, employees can apply for direct employer approval of a defined occupational pension scheme.

Social standards. Wincor Nixdorf is aware of its social responsibilities – as determined by internationally established obligations – to all employees, male and female, in the countries in which it is represented. Our Code of Conduct contains a number of provisions that are based on human rights standards accepted around the globe. These include the prohibition of child labor and forced labor, the right to freedom of association and collective wage negotiations, and the introduction of humane working conditions. During the reporting period, we were not made aware of any breaches of the provisions involved.

Work-life balance

Our aim is to enable our employees to strike an appropriate balance between their work and their personal lives. At the same time, we see the value of effective flexibility instruments in enabling us to react to downswings, fluctuations in sales volumes, and pressures on costs. The locations at which employees can work and the distribution of working hours represents a key element of this flexible approach. In Germany, the main emphasis is on trust-based working-time models; no working-time accounts are kept, and no checks are made on hours worked. We also make use of flexitime models, where staff can increase or reduce the balance of their working-time accounts over the course of a year. To varying degrees, both models provide scope for responding to fluctuating capacity requirements while helping to reconcile business and private interests.

Part-time work, which is particularly popular with female staff at present, is offered in various forms alongside semi-retirement plans for older employees. The solutions outlined take account of business needs and the personal interests of employees in equal measure and are open to men and women equally.

Part-time jobs in Germany

	2015/2016	2014/2015	2013/2014
Part-time employees	206	228	228
Female	179	195	199
Male	27	33	29
Employees in active partial retirement	162	130	132

In Germany, 142 employees of Wincor Nixdorf were on parental leave in the period under review. Of these, 55% were fathers. In most cases, however, the employees concerned tended to opt for a shorter period of leave lasting only a few months.

Employees on parental leave in Germany

	2015/2016	2014/2015	2013/2014
Employees on parental leave	142	150	151
Female	61	74	78
Male	81	76	73

Worker participation

Although Wincor Nixdorf is an international corporation, it nonetheless continues to be shaped by its heritage as a medium-sized enterprise. This is reflected in the direct, dialogue-based interaction between the company and its employees. In addition, the senior management team encourages a spirit of mutual trust and cooperation, with employees represented in works councils and trade unions. At a company level, the interests of the employees are represented within the Supervisory Board by six board members, in accordance with legal requirements.

Wincor Nixdorf respects the right of its employees to unionize in accordance with national legislation.

The works council is informed by the company about all significant changes within the organization and puts forward its own views during consultations with the company's management. In addition, the company informs the various committees representing employees of the financial situation and of essential changes within the Group and its member companies.

We notify our employees promptly of any significant operational changes. This information is generally passed on by the relevant line managers and via internal communications media. Participants in the regularly held meetings of the global senior management team are also expected to share locally the knowledge they have acquired and inform the employees for whom they are responsible.

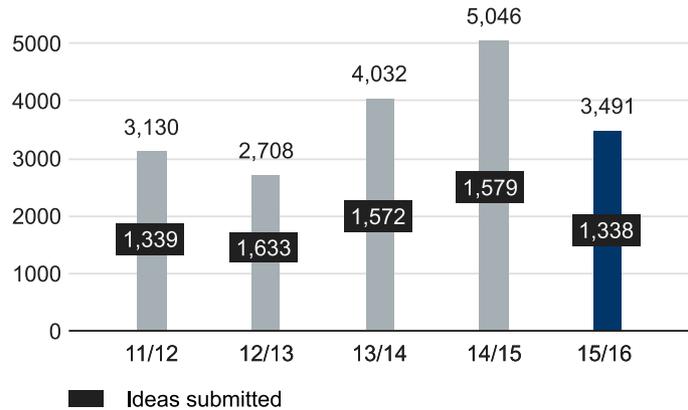
Idea management

It is our conviction that sustainable action not only calls for binding rules but also for innovative ideas. With this in mind, our employees' suggestions play a fundamental role in actively contributing to improvements within the company. By intensively utilizing the creativity of our entire workforce, Wincor Nixdorf's idea management system plays a role in continuously improving our products, services, and working processes in a constantly changing environment.

In the period under review, more than 1,300 ideas were submitted in Germany, with a benefit to the business, the environment, and social or community structures. These led to savings with a value of 3.5 million euros. In the reporting period, 9% of the ideas submitted were of relevance to the environment, achieving total savings of approximately 100,000 euros.

Furthermore, the level of participation by our employees in the idea management scheme continues to be high. It is clear that the improvements we have achieved thanks to this realignment of our idea management system are not merely a passing trend linked to one-off campaigns. Indeed, idea management has become firmly established within the company.

Idea management: ideas submitted and savings achieved (in € '000s)



In 2016, Wincor Nixdorf was awarded a special prize by the German Center for Idea Management ("Zentrum für Ideenmanagement") as the company with the best ideas in terms of the sustainability of its business processes. The award is presented by an independent international jury to organizations with outstanding services and achievements in the field of idea management.



Award-winning ideas for sustainability

Staying alert in our day-to-day work: the secret of successful idea management. The result? A flow of ideas for ongoing improvements. Many of which actually save money.



Diversity and equal opportunities

Wincor Nixdorf is active in more than 130 countries, with 78% of its sales generated outside Germany. Our customers and partners are located all around the world and belong to a variety of cultures and nationalities. To be successful in our various markets, we depend on the diversity of our workforce. As an international group, we view the diverse backgrounds of our employees as a source of strength. After all, the multifaceted talents and experience of our workforce contribute to an environment in which ideas for innovative business processes and software solutions can arise.

Each and every employee is equally respected and valued. Any discrimination on the basis of gender, sexual orientation, origin, faith, disability, or age will not be tolerated. Any breaches of these principles will result in severe sanctions.

Innovation driven by diversity

Within Germany, Wincor Nixdorf's workforce includes people of 35 different nationalities. We believe it is this diversity that puts our company in a position to follow a sustainable corporate strategy based on the pillars of stability, productivity, and innovation. Our strategy rests on the conviction that our company benefits from the valuable knowledge derived from multicultural teams comprised of members from different backgrounds, and that this helps us to understand complex international markets more easily. Particularly as an international organization, we therefore thrive on the diversity of our employees, as this represents a vital element in the innovation and creativity we bring to our products and markets.

An international management team. Our international outlook is also reflected in our global management team. At our subsidiaries around the world, the vast majority of senior staff are derived from the respective local organizations. More than 80% of our senior managers in our country operations (i.e., general managers within an Area or country organization) are recruited from the country organization concerned. During the year under review, more than 30 different nationalities were represented among this senior management team.

Intercultural cooperation. To foster our international outlook and intercultural cooperation, we have set up an international onboarding program. Within this, employees of different nationalities are deployed to work on a range of projects in Asia and Germany.

Further information: "[Attracting talent](#)" (opportunities for graduates)

Taking account of age diversity. Over recent years, the average age of our employees has continued to increase. Globally, the average age of Wincor Nixdorf employees rose in fiscal 2015/16 to 43.4 (2014/15: 42.4). In Germany, the average age was 47.2 (2014/15: 46.0). Outside of Germany, the workforce was somewhat younger, with an average age of 41.0 (2014/15: 39.9).

Total workforce by age

	Total	International	Germany
< 30 years	9%	11%	5%
30 – 50 years	64%	70%	54%
> 50 years	27%	19%	41%

This demographic shift creates a number of challenges for both us and other businesses, challenges to which we are responding with a range of measures. For example, part-time employment options for staff approaching pensionable age allow employees to move smoothly from their working life into retirement. Thanks to our up-to-date healthcare management programs, we are also ensuring that our employees can remain fit for work as they grow older. A variety of training courses keep people's knowledge up to date, while a structured succession planning system helps ensure that the know-how of our experienced employees remains within the company even after they retire.

In order to maintain a balanced range of ages in the Group, we are endeavoring by means of various career-starter activities and programs for graduates to attract committed managers for the future and thereby continue to position Wincor Nixdorf as an attractive employer for young talent.

Equal treatment of men and women. At Wincor Nixdorf all employees – whatever their gender – are treated equally across the Group. In filling roles, decisions are made in respect of candidates, whether male or female, only on the basis of their suitability for the role and irrespective of their gender. Global job descriptions ensure that remuneration worldwide is based purely on the function undertaken, thus preventing differentiation between women's and men's salaries.

Total workforce by gender

	2015/2016	2014/2015	2013/2014
Employees by gender	9,080	9,100	9,198
Male	81%	81%	81%
Female	19%	19%	19%

In the programs we organize to develop the next generation of managers, there is a clear increase in the proportion of female participants. A full 50% of participants on our Graduate Onboarding Program – our Group-wide intensive scheme for those starting their career – were women in the year under review. Similarly, the proportion of women among our student employees (43% as of September 30, 2016) was substantially higher than the average for the workforce as a whole.

In order to motivate more young women to consider technical professions, we also take part in the Germany-wide "Girls' Day."

Fostering integration through work. We are committed to improving the employment situation for people with disabilities. In addition, we provide disadvantaged members of society with the opportunity to gain skills and employment in suitable roles. Within Germany, Wincor Nixdorf employed 133 severely disabled people (including those officially assigned to this category) across its various companies as of September 30, 2016. For those employees the focus is on integration, so that people can work together on an equal footing, whether or not they have a disability.

In addition, within Germany Wincor Nixdorf is cooperating with sheltered workshops that employ disabled people. Since 2007, we have been working in close cooperation with Caritas Wohn- und Werkstätten im Erzbistum Paderborn e.V. With an initial focus on specific projects, this partnership has been continuously extended and strengthened. In the period under review, there were therefore 20 designated work spaces at our Paderborn plant for employees from the aforementioned workshop. Furthermore, job content for around 30 additional assembly work stations has been created in the Paderborn area so that people who are severely restricted in their mobility can still work for Wincor Nixdorf. In addition, our Paderborn plant provides up to ten jobs for colleagues from INTEG GmbH, a recognized sheltered workshop for people with disabilities. Alongside the provision of employment, the focus for Wincor Nixdorf is on supporting the disabled persons' workshop and supporting the people who work there.

Preventing discrimination

In line with our corporate values, Wincor Nixdorf expects its employees to conduct themselves in both internal and external settings in a way that does not harm the interests of the company. In particular, all employees are expected to treat colleagues and others outside the Group in a friendly, objective, and fair manner.

Discrimination or harassment of staff, for example in the form of sexual harassment or bullying, will not be tolerated. Wincor Nixdorf is committed to ensuring that no employee is discriminated against, receives preferential treatment, is harassed, or marginalized on account of gender, descent, ethnicity, sexual orientation, skin color, religion, disability, or age. The dignity, personality rights, and privacy of employees must not be violated.

Our Code of Conduct outlines the compulsory rules governing fair and respectful treatment of one another. This Code of Conduct is binding on every employee of Wincor Nixdorf worldwide.

Employees should report any instances of discrimination to their line manager, the responsible HR department, or to the Compliance Officer. Alternatively, an external ombudsman is available for employees to contact for the purpose of reporting any infringements of the code of conduct.

In Germany, the Equal Treatment Act (the "Gleichbehandlungsgesetz") provides protection from discrimination, particularly in the workplace. Any infringements can be reported to the works council representative, the HR department, or the Federal anti-discrimination office. We use a clearly prescribed procedure for documenting and reviewing any such reports. If unacceptable discriminatory behavior is found to have occurred, we will take appropriate measures that, in extreme cases, could lead to the dismissal of the offending employee.

No cases of discrimination were identified during the reporting period; accordingly, no measures were taken.

Occupational health and safety

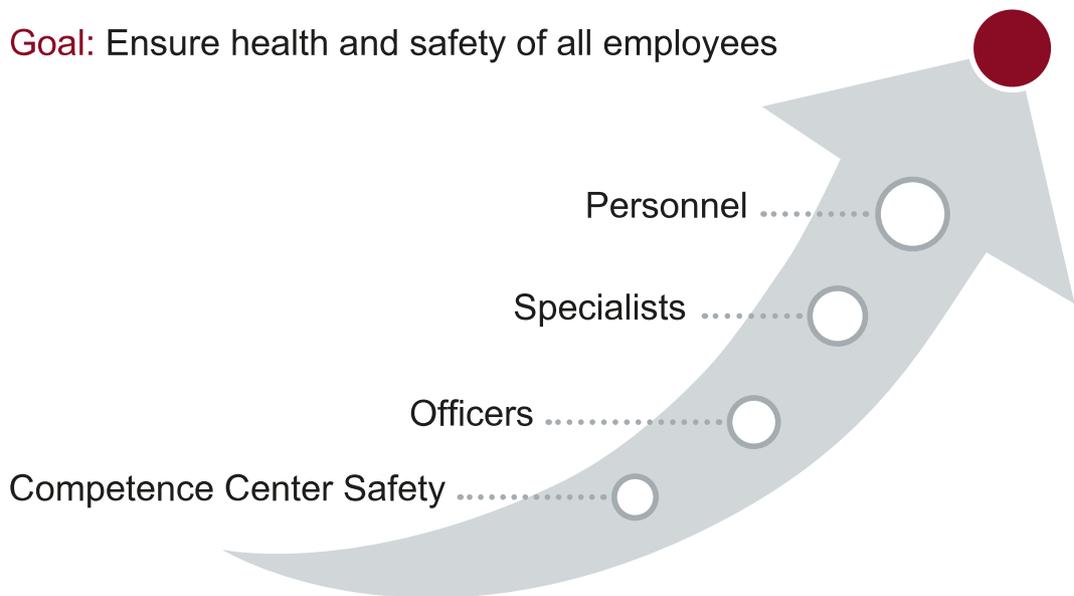
Safety first! This is the overriding principle and the basis for workplace health and safety at all Wincor Nixdorf sites and companies. High levels of vigilance and commitment are required from all workers at all times if a safe working environment and safe working practices are to be maintained. We therefore work collaboratively to enhance our awareness of potentially dangerous situations, organize our conditions and surroundings to promote safety, and reduce accidents at work to a minimum.

Health and safety structure

Our Group-wide health and safety policies are built around a multilevel health and safety structure and support functions (staff functions). This health and safety structure forms part of our Group-wide sustainability system.

Health and Safety Responsibility Model

Goal: Ensure health and safety of all employees



Responsibility for coordinating effective occupational safety measures around the globe lies with the central Competence Center Safety, which also develops principles and rules concerning occupational safety and supports local management. The Competence Center is guided by OHSAS 18001, the international standard on occupational safety management systems. These essential requirements are supplemented and executed by the local Safety Officer according to local needs. Additionally, the Safety Officer acts as the local point of contact of the Competence Center Safety. To support this process further, suitable staff members are appointed as occupational health and safety specialists at every site and provided with ongoing training. The number of such specialists depends on the size of the

location involved. The relevant internal guidelines can be found within the "Number of specialists" table in our [download area](#). This multilevel organizational structure helps us ensure that high standards of occupational safety are maintained worldwide. In addition, we can respond flexibly and rapidly to local legal regulations and specific customer requirements.

The Competence Center Safety and the Safety Officers, along with local specialists, assist our managers in executing their health and safety-related responsibilities within their particular area. Managers have responsibility for their employees in this context. They also act as multipliers and role models. To support them in this important task, we provide them with a variety of internal and external training courses on topics such as "Taking responsibility for health and safety."

Occupational health and safety at Wincor Nixdorf also involves every employee taking responsibility. To that end, numerous regular working groups and project groups have been set up to implement and develop our health and safety policies. Within the project groups, employees, managers, employee representatives, company doctors, and safety engineers plan and optimize new production processes with workplace safety in mind. Working groups comprising staff representatives, managers, and experts also convene regularly to devise strategies for ensuring a safe and healthy working environment.

Health and safety issues are also treated as a priority in our cooperation with customers and suppliers. We work with them to identify potential risks collaboratively and to agree and implement measures to reduce those risks. We employ specially trained coordinators for this task, which involves identifying potential hazards in cooperation with customers and suppliers and agreeing and implementing measures to minimize those risks.

Prevention of accidents

We seek as far as possible to avoid or to minimize any hazards and risks that might arise from our business activities. However, in the event that an accident occurs despite all of the preventive measures in place, we do more than simply identify the causes. We also utilize the opportunity to strengthen those measures in order to avoid – to the greatest degree possible – any potential repeat of the incident. Additionally, we maintain statistics on all accidents. Our goal is to reduce the frequency of accidents on a permanent basis. In this case, our Competence Center Safety provides professional support for the local Safety Officer.

In order to manage the accident investigation and assessment process in a uniform way, over the past two years we have introduced a Group-wide reporting and analysis system for accidents at work. Its aim is to define and implement standardized and coordinated measures across the company for the prevention of work-related accidents. In addition, we intend to improve communication between all those involved in order to promote a more active exchange of proven preventative measures. At a local level, the respective Safety Officers are responsible for documenting and assessing accidents as well as for drawing up and implementing suitable preventative measures for the site in question. Our Competence Center Safety reviews the locally recorded figures on accidents and each year compiles an accident report for the company. In addition, it takes the lead on Group-wide measures and programs for accident prevention.

Work-related accidents with lost days

	2015/2016	2014/2015
LTIFR*	2.66	5.46
LTI*	41	82
Fatal accidents	0	0

* LTIFR = Lost Time Injury Frequency Rate: Number of Lost Time Injuries (LTI) x 1,000,000 hours worked. LTI are work-related accidents resulting in at least one lost day of work. For the purpose of this report 95% of all employees were accounted for as part of these calculations.

Attending to employees' health and well-being

By providing effective health management, we hope to sustain and further improve our employees' well-being and readiness for work over the long term. Health management at Wincor Nixdorf's sites therefore goes beyond legal requirements for workplace health and safety and supplements these regulations by means of a two-pronged approach: health promotion and sickness prevention. We aim to help our employees stay fit and healthy with a wide range of company health promotion measures that are implemented in cooperation with company doctors, workplace health and safety specialists, and health insurance companies. We regularly raise awareness of health risks among the workforce by, for example, organizing campaign days devoted to issues such as cardiovascular health and dealing with stress. Information on related causes of illness and options for prevention is also provided. Aside from the campaign days, our staff also can take advantage of numerous advisory and preventive programs. We also place great importance on analyzing instances of incapacity for work and (subject to data protection rules) the causes of incapacity. We believe it is vital to discuss these issues and to implement preventive measures where appropriate. Where required we set up health committees, usually with the involvement of representatives from health insurance companies.

Additionally, in cooperation with the BG ETEM Employers' Liability Insurance Association (which covers the energy, textiles, electronics, and media sectors), we have launched a pilot project at one Wincor Nixdorf subsidiary. This involves using an employee survey to assess the workplace-related risks incurred by employees as a result of psychological pressures. On the basis of this, appropriate measures for preventing the resulting risks are identified.



Health and safety: the number one priority

Everyone benefits when employees are healthy and happy. That's why we follow the motto of "Working together for health and safety." Especially when it comes to psychological pressures.



Employee counseling service and social fund

To meet our own commitment to deliver comprehensive support to our workforce, in Germany we offer an employee counseling service, in cooperation with Caritasverband Paderborn e.V. This service is intended to assist staff who find themselves in difficult circumstances – whether in their private or professional lives. Wherever possible, this service is provided with the minimum of bureaucracy and in some cases involves the use of resources from the company's social fund.

Social responsibility



Social commitment has to be embraced in full by both management and the workforce. The tasks involved in supporting organizations and activities of a social nature call for people with ideas and a keen sense of responsibility. At Wincor Nixdorf, projects are often put forward by employees for consideration by management, although this arrangement can also work in reverse.

Wincor Nixdorf operates in more than 130 countries worldwide. In many of them, we have been firmly established in business and social circles for decades as an employer, client, taxpayer, and contractor. We take our social responsibility toward our local communities very seriously. Therefore, specific projects are mainly set up in places where we have sales or production bases.

In our capacity as an employer and a client, we make a committed contribution to the regions in which we operate. In this context, we play a part in enhancing competitiveness and in helping to overcome social, environmental, and education policy challenges. Our commitment takes account of the expectations of stakeholders in our corporate environment as well as the specific challenges and structures of a region.

Contributing to local communities

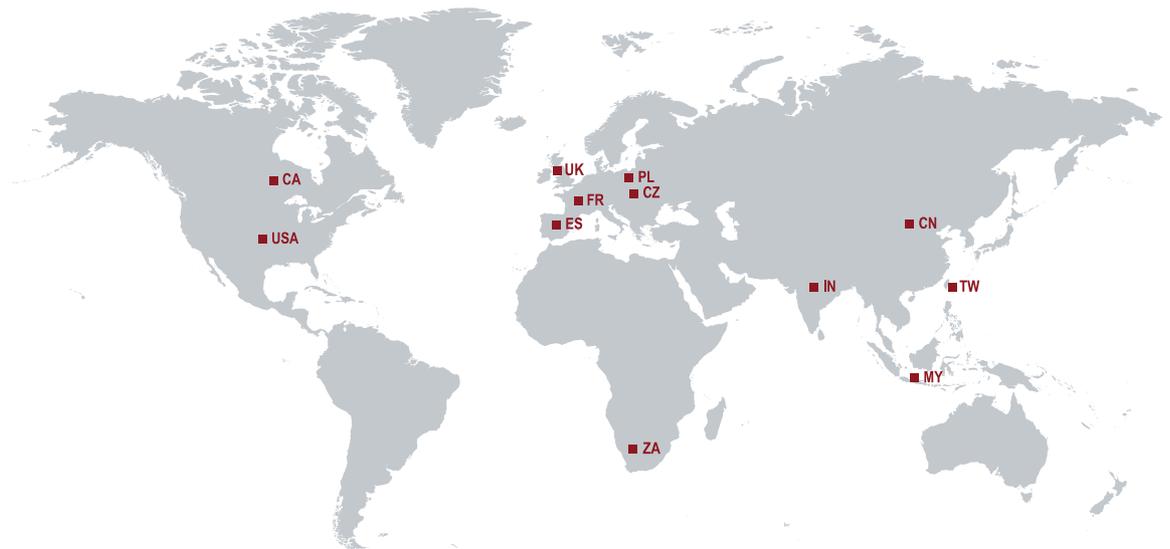
In those countries where Wincor Nixdorf is represented through its own subsidiaries, the respective management teams decide independently on the level of commitment. Strengthening integration within the local community remains the central principle.

A prime example of our commitment in this area is the "Wincor in the Community" initiative coordinated by Wincor Nixdorf UK. Our UK-based enterprise supports staff members' voluntary activities by offering them one day of paid leave per fiscal year. To qualify for this, the staff member in question has to team up with at least two other Wincor Nixdorf colleagues and take on charitable work within the local community.

However, this arrangement in the UK is by no means the only one of its kind within the Group as a whole. Wincor Nixdorf companies and their employees are actively involved in their local communities all over the world. The nature of this commitment and the projects supported by the company depend on the local situation.

We have put together a few examples during the period covered by this report.

Contributing to local communities



Wincor Nixdorf – taking positive action to improve communities

UK United Kingdom

- Colour Obstacle Rush
- Fundraising for a school in Bracknell
- 'Help for Heroes' charity run
- Annual charity golf day

The workforce at Wincor Nixdorf UK were involved in so many fundraising and charity events over the year that we only have space to mention a brief selection.

Colour Obstacle Rush

Members of the Implementation Management Team raised money for various charities by taking part in a 5-kilometer obstacle course in Milton Keynes entitled the “Colour Obstacle Rush.” The participants collected GBP 250 for the “National Autistic Society” and GBP 360 for the local hospice “Keech Hospice Care.” What’s more, all those who took part had a great time.



Fundraising for a school in Bracknell



Several Wincor Nixdorf teams spent part of their free time working on various projects at Kennel Lane School in Bracknell, which teaches children and young adults with special educational needs. The school also provides support for families in the Bracknell area. Employees from Wincor Nixdorf UK's banking, retail, HR, professional services, and services divisions worked in the school grounds, where they planted flower beds, put up tents for a school fair, and made the garden look more attractive.

"Help for Heroes" charity run

An 11-strong team from the Dartford office raised GBP 1,240 for the "Help for Heroes" charity by completing a 5-km obstacle course through mud, lakes, and woods.

Annual Charity Golf Day

The Implementation Team in Milton Keynes raised a total of GBP 1,894 by organizing its second charity golf day. The money is divided equally between Keech Hospice Care and the Rainbow Trust.

PL Poland

■ "The Noble Box"

"The Noble Box"

The Noble Box project provides direct help for families in need throughout Poland during the Christmas period. The project involves a group of people coming together, identifying a family in need, and organizing a collection of items that the family urgently requires. Employees at our office in Warsaw launched a Noble Box appeal in November 2015. In total, they donated over PLN 7,000, which was used to buy winter coal, floor coverings for the whole house, various food items with a long storage life, and clothes, shoes and toys for the family. The family also received a new washing machine.



US **United States**

■ Food collection and fundraising

Food collection and fundraising



In August 2016, the Central Texas Food Bank organized a food collection and fundraising campaign. 16 employees from Wincor Nixdorf USA took part in a volunteer-run event together with members of their families. In total, they collected packages containing enough food to make 1,500 meals for families in need. Our employees also donated five large boxes of food to the Food Bank and raised USD 720. On top of this, our US subsidiary Wincor Nixdorf Inc. donated USD 500, which was doubled by sponsors.

CA **Canada**

■ Fundraising half-marathon

Fundraising half-marathon

On May 1, 2016, six employees from Wincor Nixdorf Canada took part in a half-marathon in Toronto to raise money for the Canadian Cancer Society, a national community-based organization of volunteers which supports people with cancer. By taking part in the charity run, the team also wanted to show their support for colleagues affected by the disease. All six finished the course and raised a grand total of CAD 5,903.50 for the organization.



CZ Czech Republic

- Series of charity runs
- Partnership with cleaning firm to help integrate people with disabilities.

Series of charity runs



TA Taiwan

- Collecting old clothes and toys

Collecting old clothes and toys

Employees at Wincor Nixdorf Taiwan collected old clothes and toys and food donations and distributed them to various orphanages in the region.

ES Spain

- Support for employees with disabled children

Support for employees with disabled children

Employees with disabled children can apply to Wincor Nixdorf Spain for financial support. This support is available in cases where the children have a disability level of at least 33%. During the period covered by this report, our Spanish company provided financial support in this way to two employees.

ZA South Africa

- Funding university places
- Paying school fees for staff children

Funding university places

In the period covered by this report, our South African subsidiary paid for the university fees of three young people.

Paying school fees for staff children

In certain justified cases, Wincor Nixdorf South Africa helps employees to pay for their children's school expenses. In the period covered by this report, our subsidiary paid the school fees for one staff child in need of support.

CN China

- Fundraising for the Red Cross

Fundraising for the Red Cross

Every year the Red Cross in Shanghai organizes a blood donation and fundraising campaign. Staff at our local operation once again took part in the campaign during the period covered by this report. As well as urgently needed donations of blood, the employees helped to raise a substantial amount of money to support the victims of natural disasters.

FR **France**

▪ Salary donations

Salary donations

Many of our employees at Wincor Nixdorf France donated part of their salary to one of the following three charities:

- “Action Contre la Faim” (Action against Hunger) is the leading organization in the global fight against hunger.
- “Adie” is an organization that provides microcredits to people who are not currently working to help them set up their own business.
- “Rêves” was set up to help make the dreams of children and young people with life-threatening diseases come true and to bring some enjoyment to their lives.

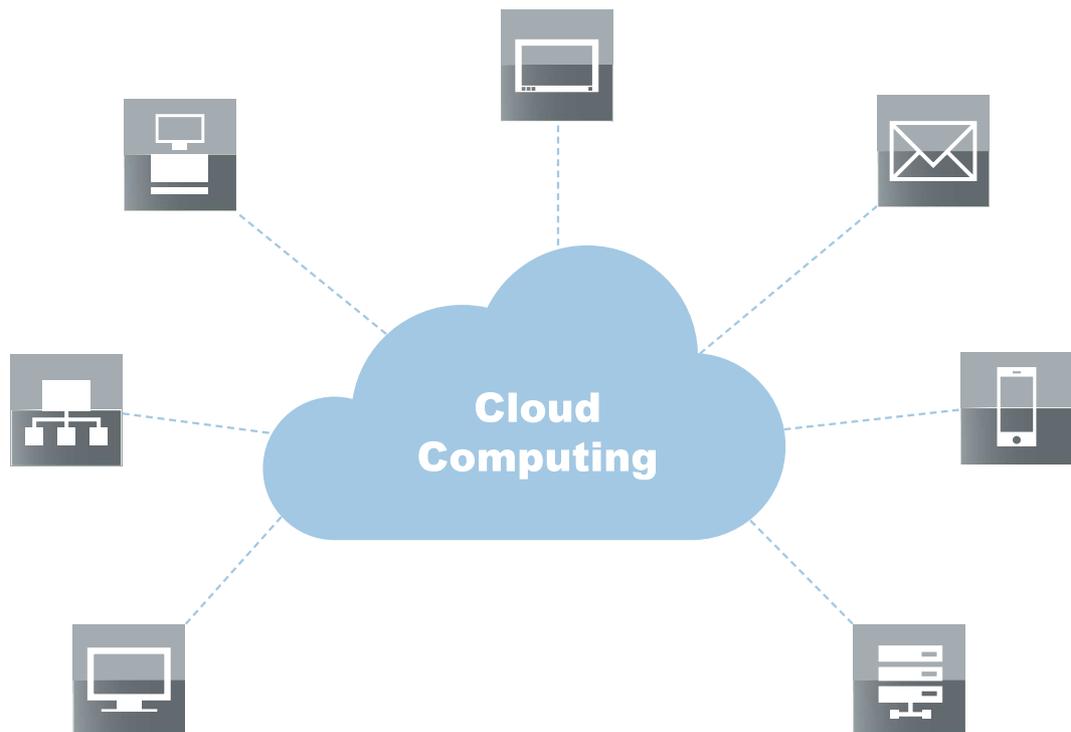
Appendix

Innovation Lab – a key success factor in our development work.

In February 2016, we opened our Innovation Lab. Its role is to act as a kind of think tank, demonstrating that we are ready to meet the challenges of the future. After all, innovation has always played a crucial role when it comes to launching new ideas and approaches. The new Innovation Lab showcases our efforts to take ideas from the abstract level, apply them to real life, and make them accessible to our customers. "Innovation is vitally important for any technology company that wants to play a leading role in the market," says Dr. Alexander Knobloch, Head of the Research and Innovation division within the Chief Technology Office. It is the engine that drives the company forward and ensures its future viability.

However, it takes a lot of work to convert trends and ideas into products and prototypes. You need a team with a lot of know-how and creativity and the ability to think outside the box. At Wincor Nixdorf, that team is made up of around 30 employees from many different divisions, and a large number of young researchers, e.g., postgraduates and student employees. Every member of the team contributes his or her own particular skills and expert knowledge. So you might have one member of the team with a lot of experience in software technology, for example, and another with expertise in cryptography.

The subjects they deal with often qualify for support from the German government or the European Union, focussing on areas such as digitalization and cloud computing. In fact, with regard to cloud computing, our team is currently working on a project that was mainly set up to develop a secure cloud platform linking various financial services. The project is primarily a response to the growing importance of IT security in our digital society, especially in the area of financial services.



Cloud platform to link financial services

Customers want to be able to perform transactions wherever they are and as flexibly as possible without compromising on security. There are still many cases of transaction data being intercepted or manipulated at ATMs, so there is a lot of scope for the cloud solution to deliver security combined with flexibility.

The focus of the project **Securing the Financial Cloud (SFC)** is on linking banks, ATMs, and transfer terminals by means of a cloud platform. This is where our encryption specialists come to the fore. Each user is allocated a number of attributes that reflect his or her specific authorizations. These attributes are incorporated into a unique key that only matches the authorized files. The procedure is combined with hardware security modules.

This project and many others can be found on display at the Innovation Lab. As well as bringing the future to life, they make it both comprehensible and accessible.

Helping to protect the climate with reverse vending systems

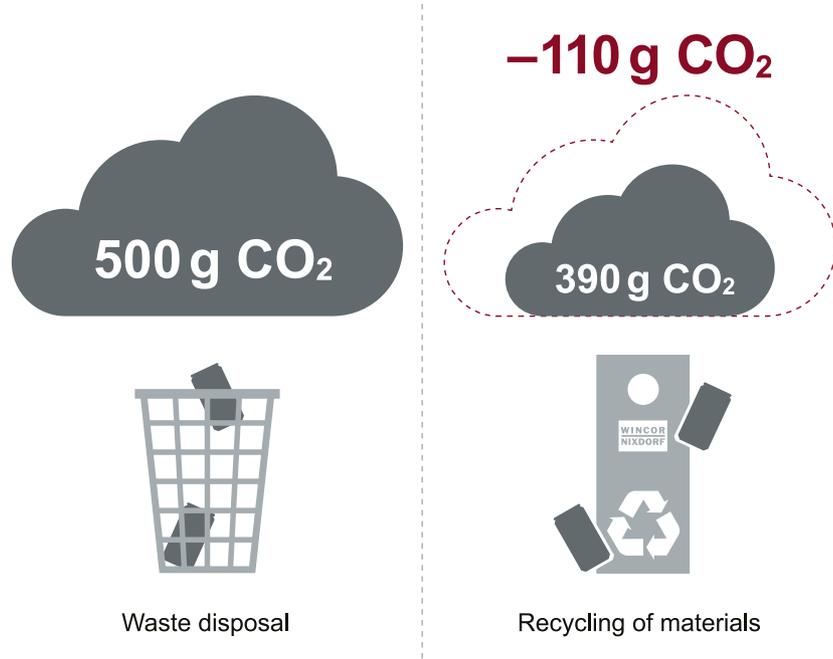
In the fiscal year 2014/2015, we used a life-cycle assessment program to measure the carbon footprint of our reverse vending systems for PET bottles. In addition to PET bottles, other methods of packaging are often used, e.g., aluminum cans. Not only do these have different properties; they also use different materials. During the year covered by this report, we conducted the same analysis for aluminum cans in order to compare their environmental impact with that of PET bottles.

The analysis was based on two scenarios.

1. The first of these involved the production of an aluminum can from new materials, its use and subsequent incineration, and the production of a new aluminum can using new material.
2. The second involved the production of an aluminum can from new material, its subsequent use and return via our Revendo 9020 reverse vending system, and finally its recycling and the production of a new aluminum can from recycled material.

Our analysis showed that the recycling process (scenario two), which is made possible by our reverse vending system, leads to a saving of 110 g of CO₂ per 0.5 liter aluminum can compared to scenario one. Based on a daily consumption of 3 liters of water, for example, this means a saving of approximately 240 kg of CO₂ per person per year.

CO₂ saving through reverse vending based on an 0.5 liter PET aluminum can



Revendo 9020 reverse vending system

Checkout systems – potential savings

We initiated a product carbon footprint analysis for one of our checkout systems based on continuous dialogue with our customers and a common interest in innovative and efficient products.

In the retail sector, energy-efficient business practices are growing in importance as companies aim for greater sustainability. As well as responding to rising energy costs, companies want to improve their overall energy usage and environmental footprint. There is also growing awareness of the PR benefits of introducing energy-saving measures.

The potential to save energy and reduce emissions in stores and branches is considerable, both with regard to lighting and air-conditioning and the various checkout systems in use. We decided to investigate the impact of our checkout systems in this sector. The product's carbon footprint allows us to draw conclusions not just about energy consumption but also about all the climate emissions generated throughout the life cycle of the device.

This life cycle can be divided into four different phases.



By conducting a detailed analysis of the results of our environmental assessment, we were able to highlight the emission hotspots in each phase. We used this method to identify areas where we can reduce our carbon footprint most efficiently, and where there is the greatest scope for optimization. With specific regard to our BEETLE /M-III I5 checkout system, it emerged that the "customer usage phase," which accounts for roughly 88% of the device's total life-cycle emissions, offers the greatest potential savings. Drawing on this comprehensive analysis and our know-how, retailers can develop their own specific responses.



A fully disassembled BEETLE /M-III I5

Protection against unauthorized access

Our customers, employees, secure transport firms, and engineers all need secure access to certain ATM functions. As far as customers are concerned, the process is now highly intuitive and they automatically identify themselves with their debit card and pin for every transaction.

However, security risks do not only take the form of stolen cards or pins; systems also have to be protected against unauthorized in-house access. Wincor Nixdorf uses a variety of solutions to offer the greatest possible protection in this area. These guarantee secure authentication at the ATM and protect any data involved in the transaction. By way of example, we have been conducting analyses, diagnoses and tests using CryptTA (Cryptographic Technician Authentication) since 2009. Technicians who need to access sensitive self-service system components or diagnostic software are required to authenticate themselves using a personalized Wincor Nixdorf CryptTA stick. This method is used to assign the individual authorizations that they need for their work so that Wincor Nixdorf products can be tested without the need for additional software tools outside the system. This helps to prevent manipulation, such as the installation of unauthorized components. Combined with the latest encryption technology, this provides effective protection for sensitive data.

"Our **CryptTA** solution offers a very high level of security to protect our intellectual property and implement our processes in a highly flexible way," says Guido Walther, Director Technical Support at Wincor Nixdorf.

Smart concept for replacement parts

As well as addressing security issues, we also speeded up the solution process for engineers. One of the key ways in which we achieved this was by using smart replacement parts (hardware inventory). All replacement parts (FRUs, field replaceable units) in the CINEO environment contain at least three specific electronic data: the serial number, FRU number, and build specification. This makes the support process much more effective, as it reduces the number of engineer call-outs, and allows us to clarify quickly and easily what action needs to be taken and exactly which FRUs are required. The same data can also be used in our own manufacturing systems, e.g., to optimize processes or identify development faults.

Training for approximately 2,200 engineers every year

Before they receive a CryptTA stick for specific devices, our engineers have to complete a dedicated training course for which we have developed a global training plan. Every year we conduct around 390 attended training courses and nearly 7,500 web-based courses in 19 languages, all leading to the corresponding certification. Overall, this means we can offer training to around 2,200 engineers every year.



Two participants' views of the Graduate Onboarding program

At Wincor Nixdorf the world of **Supply Chain Management (SCM)** and **Global Purchasing** is complex and wide-ranging. It is also fascinating and very international. It is perfectly suited to university graduates with some knowledge of supply chains who want to kick-start their career at international level following their degree. In February 2005 we set up a two-year "Graduate Onboarding Program – Supply Chain Management" for talented graduates at our SCM centers in Shanghai, Singapore, and Paderborn. We asked two of the course participants, Heike Fortströer and Amanda Tan, for their impressions.

Heike Fortströer



Heike Fortströer joined Wincor Nixdorf's strategic purchasing division in January 2015. In October 2016 she moved to the Group company Aevi, which specializes in cashless payment systems. After completing a commercial apprenticeship, Heike went on to take a Bachelor's degree in Business Administration and a Master's in logistics before joining Wincor Nixdorf's Graduate Onboarding Program.

Ms Fortströer, why did you decide to join the program?

I worked in a purchasing role during my degree, so I was looking for an opening in this area. Wincor Nixdorf's onboarding program seemed to offer a good opportunity to settle into the company, acquire a wide knowledge of the subject very quickly, and gain a lot of experience at the start of my career. What I found particularly exciting were the international openings with a global company.

Tell us something about how the program was structured.

I joined the strategic purchasing division at Wincor Nixdorf's headquarters in Paderborn in October 2015 and over the last 18 months or so I have been in charge of four challenging projects. While I was working on each project, I was allocated a coach that I could call on for advice about technical issues or if I had any problems. I also found it really helpful that we were able to conduct regular project reviews in the group as a whole. That involves keeping each other informed about the progress of our projects, and swapping ideas on best practices and what we've learned.

At the end of each project phase we took part in further specialist training together with the others on the program. Two of the courses were held in Singapore. That was a really exciting experience. As well as training on specific subjects such as quality management and logistics, the program taught us different project management skills.

What projects had you been involved in so far?

I was given responsibility for four projects altogether over the course of the program. The first project involved planning for the outsourcing of various production areas, and in the third I was responsible for establishing an evaluation program for suppliers. At the moment I'm working on the tender documentation to select a logistics provider for the European market.

What was the highlight of Wincor Nixdorf's Onboarding program for you?

To be honest, the entire program was a highlight because there were so many challenging and varied tasks. Also, I was allowed to define my projects and the best approach to solving them myself, and I was able to work very independently.

I really appreciate the fact that the program has allowed me to build up a large network in the company so quickly. I had a lot of help too from my mentor in the management team. He was always ready to listen and offer advice when I asked for it. That certainly helped to open doors for me especially at the beginning.

Thanks to all the international project work, I got to know many colleagues from all over the world and gained a lot of experience of other cultures. I found that working with colleagues in Asia helped particularly to expand my horizons.

The training in the different project phases was really helpful as a way of extending my knowledge and experience of my own specialist area. It opened doors for me in other areas, too. During the program, there were lots of opportunities to look at the way things work in other parts of the company, and I found that a very good way to progress at a personal level.

What skills or attitudes do you think are needed for the onboarding program?

You are expected to head up your own projects early on, so you have to be ready to work independently and create your own tasks. So I would say that anyone who wants to join the onboarding program needs to be particularly flexible, show initiative, and have intercultural and communication skills.

What is the next step for you after finishing the onboarding program?

I am now working as a purchasing specialist at our cashless payment company AEVI. It's an interesting job, and I'm looking forward to new tasks and challenges.

Amanda Tan



Amanda Tan joined the company in October 2014 as a procurement executive in the supply chain department in Singapore. Prior to this she completed a degree in Material Sciences and Engineering at Nanyang Technological University in Singapore.

What made you decide to join the program?

I thought the program sounded very interesting because it was so international and offered training in different specialist areas. To me, it seemed to be the perfect career opening for graduates. I wanted to find out more about the program so I joined a seminar in Singapore with about 30 others, and that left me with a really good impression. I particularly liked the presentation by the Vice President Supply Chain, who talked about the challenges of supply chain management. That reinforced my interest in the program. I just wanted to learn how I personally can help to solve those challenges.

Tell us something about how the program was structured.

The onboarding program runs over two years. First of all, at the kick-off event in February 2015, we were given an introduction to the company. At the same time, our project sponsors talked about the projects that we would be leading. After that, we got to work straight away on our projects. At the end of each of the four project phases, all the participants took part together in one-week training courses in supply chain or project management. Altogether there were four training modules: Project Management, Driving People in Project Teams, Supply Chain Tools and Methods, and Quality Management.

What projects have you been involved in so far?

My first project involved implementing an IT supplier evaluation tool for the IT systems of our Asian companies. I spent the six months of that project in Singapore. Next I worked on a local project in Shanghai. From September 2015 through to January 2016 my job was to document the Master Production Schedule, which ensures that all the corresponding production processes are clearly defined and recorded.

The third project was my buddy project. Together with a colleague from Wincor Nixdorf in Shanghai, I worked on improvements to the IT tool that I had implemented during my first project. In my fourth and last project, I was responsible for optimizing the supply chain process with Asian suppliers. That involved spending November and December 2016 in Paderborn, so that I could work on the process workflow between Germany and Asia. At the end of the year I returned to Singapore.

How was your international phase, and what do you feel you gained from it?

I spent three months at our production site in Shanghai and two months at the end of 2016 at Wincor Nixdorf's headquarters in Paderborn. I really enjoyed the opportunity to meet so many different people. I'm grateful for the opportunity I had to experience different working cultures and conditions in the two countries. That gave me a great insight into the various challenges facing the Group companies in Shanghai, Singapore, and Germany. This international experience really opened up new horizons for me.

What was the highlight of Wincor Nixdorf's onboarding program for you?

For me the highlights were my first and third projects, where the focus was on implementing an evaluation tool for suppliers. It was very exciting working on the new tool because there was so much potential to make improvements. I also really enjoyed working with the IT department and with colleagues in Germany. That involved evaluating feedback and conducting tests to find out how the application could be improved for users. That wasn't at all easy because it involved making changes to the supplier process. I am grateful in that respect for the excellent support I had from my coach, my mentor, and the project management office support team. The experience I gained was certainly very useful. I feel that I grew as a person over the two years, especially with regard to managing projects and working in teams.

What skills or attitudes do you think are needed for the onboarding program?

To make best use of the onboarding program you have to show lots of initiative and take responsibility for acquiring knowledge and building up your expertise. You also need to be open to advice from other colleagues and from the mentors and coaches. I also think it's really important to be flexible and adaptable so that you can fit in well in different business situations in the international working environment.

What is the next step for you after finishing the onboarding program?

To begin with, I want to build up experience as part of the supply chain procurement team. Looking further ahead, however, I'd like to work in other areas as well, such as project management.

Best Sustainability Idea 2016

Another award for Wincor Nixdorf's idea management system. In 2016 won first place in the category "Best Sustainability Idea." The awards are presented annually by the Center for Idea Management and are sponsored by the German Institute for Idea and Innovation Management in Frankfurt in order to highlight the key role of ideas in making businesses more competitive.



Presentation of the award to Wincor Nixdorf (from left to right): Christiane Kersting, Managing Director of the ZI, Wilfried Peters, Idea Manager at Wincor Nixdorf and Gunnar Tegethoff, in PRS Service at Wincor Nixdorf

The 2016 award recognized the contribution of Gunnar Tegethoff, whose idea was to provide customers with cleaning kits for thermal and barcode printers. One of the recurring problems with this kind of printer is that the print head and the cutting mechanism get dirty. Previously the job of cleaning them was performed by customers themselves, in Eastern Europe for example, using hard objects such as knives to clean the printer heads. Naturally this caused damage and led to device failure. In turn this generated considerable repair costs, as the devices had to be fixed on site. It occurred to Gunnar that a soft cleaning tool would clean the heads much more effectively and gently. Various tests were conducted until the most suitable solution was found. And best of all you can actually buy the cleaning tool in the shop! As well as saving materials and time, this solution means that it is no longer necessary to ship many items across Europe or for engineers to make on-site visits.

Awards received to date

- 2016: Best Sustainability Idea
- 2015: Best Idea Management System
- 2015: 2nd place, International Ideas Day
- 2014: Best Newcomer to Idea Management
- 2013: Best Idea Management Leadership
- 2012: Best Idea in Services Industry

"The awards are designed to promote a vision of idea management that acts as a driving force for improvement within companies. We want to recognize those companies that have the best idea management systems for outstanding work in this area. As in previous years, the winning submissions were selected by an independent, international jury in a transparent procedure," says Christiane Kersting, Managing Director of the German Institute for Idea and Innovation Management. "Based on five key topics, specially developed rating criteria are used to cover all the relevant aspects of a modern idea management system. As well as recognizing strengths, such as the performance of the idea management system, the criteria reflect lasting successes achieved through a systematic and continuous cycle of planning, implementation, measuring, learning, and ongoing development."

Joining forces to promote workplace health

In spring 2016, Wincor Nixdorf Global Logistics GmbH launched a pilot project in this category with the aim of improving employee health and satisfaction at the workplace. The project was set up to address many factors, e.g., frequent interruptions during work, permanent availability, and workplace layout, as these can all produce emotional stress. An anonymous questionnaire was sent out in spring 2016 to employees and management staff requesting information about individual workplace conditions. The survey was conducted with the help of the HR department, the social counseling team, and the Competence Center Safety at Work. The questionnaire was based on a model developed by the Employers' Liability Insurance Association. At 94 %, the number of questionnaires actually returned was very positive, underlining not only the importance of the subject but also the willingness of employees to get involved.

Based on the questionnaire results, we held a workshop for each of the three priority areas identified: development opportunities, appropriate volumes of work, and suitable working environment. The workshops involved staff, the HR Department, the social counseling team and the Competence Center Safety at Work. The participants were invited to put forward specific proposals for measures to improve working conditions. One of the areas in which potential improvements were identified was in personal time and organizational management. Training will now be arranged in these areas for individual employees, who will then act as multipliers for the entire group in order to improve the situation for the team as a whole. These measures will be implemented from 2017 onwards. After its successful launch at Global Logistics GmbH, the project will be extended to other Wincor Nixdorf companies in 2017.



Box to collect anonymous questionnaires

GRI Index

The key issues on which we focused are laid out in our "Sustainability Report." One such focus is on the management approach we adopted and on developments in the reporting year 2015/16.

Detailed information about Wincor Nixdorf's key financial indicators can be found in our [Annual Report](#). References to the Annual Report in the GRI Index are indicated by the abbreviation GB.

The report was drawn up in accordance with the G4 guidelines issued by the Global Reporting Initiative and fulfills the "Core" application level. The GRI Index offers an overview of General Standard Disclosures, the GRI indicators classified as material, and the related content in the report.

The GRI Index can be downloaded from the link in our [online report](#).

Glossary

Area:

The Wincor Nixdorf Group is divided into country groups known as "Areas."

AMT:

Active Management Technology for Intel processors. This function permits remote maintenance and therefore avoids or reduces the need for engineer call-outs.

Banking segment:

The segment within Wincor Nixdorf dealing with the development, production, and sale of hardware, software, and services for banks.

Employers' Liability Insurance Association:

In Germany, employers' liability insurance associations provide statutory accident insurance cover for private-sector companies and their employees. The role of employers' liability insurance associations is to prevent workplace accidents and work-related illness and to rehabilitate those affected who are covered by insurance policies.

CHP – combined heat and power plant:

A plant that generates both electrical energy and heat. The simultaneous use of mechanical energy and of the resulting heat makes CHP plants particularly efficient.

Carbon footprint:

The carbon footprint of a product tells us the volume of greenhouse gas emissions (e.g., CO₂) it creates over its entire life cycle.

Supply chain management:

This term refers to the ongoing steps taken across a range of business units to adapt tasks, measures, and activities, for example, to modified strategies, structures, or processes within an organization.

CINEO:

Product name for the new family of cash systems marketed by Wincor Nixdorf, comprising ATMs, cash recycling systems, automated teller safes, and transaction terminals.

Cloud computing

Cloud computing makes it possible to access IT infrastructures and resources (storage, computing power, or application software) via the internet.

Competence center:

Central control bodies within the Wincor Nixdorf Group with active remits for the environment and health and safety in the workplace as well as social issues and employee healthcare. As central control bodies, the Competence Centers' role is to make ongoing improvements in our efforts to achieve sustainability.

Compliance:

The act of observing statutory requirements and voluntary codes within an organization.

Compliance management system:

The term "compliance management system" (CMS) refers to the entire body of measures and processes put in place within a company to ensure compliance.

Corporate governance:

Responsible management and control of a company based on the principle of creating value over the long term.

Digitalization:

This refers to the process of converting analog to digital data. One advantage is that data can be made available and accessible at all times.

Energy audit:

A statutory requirement imposed by the EU Directive 2012/27/EU. Energy audits are an important method of both increasing energy efficiency and reducing energy costs. They take the form of an on-site energy consultation with a suitably qualified auditor.

EEG surcharge:

The EEG surcharge is the difference between the costs incurred when generating power from renewable sources and the revenue obtained from that power. The difference is payable by electricity consumers in the form of a surcharge.

eServices platform:

The technological platform used to connect with customer systems for the purpose of remote monitoring. It is designed to ensure the efficient management of service processes, e.g., in the case of software rollouts, and provides customers with performance reports and an overview of the operating status of their systems.

Field replaceable units (FRU):

FRUs are items of hardware that can be extended or replaced on site quickly and easily by an engineer. Under certain circumstances, FRUs can even be replaced during operation.

ISO – International Organization for Standardization:

The organization's role is to develop international standards (e.g., ISO 9001 – requirements of a quality management system) within a global framework. Its goals are to facilitate the exchange of international goods and services, and to promote mutual cooperation in the field of scientific, technological, and economic activity.

Idle mode:

This term is used to describe the operating status of a component in which it is ready for operation but not actually carrying out its main function(s). This status can be deactivated through a manual or automatic signal.

Global Reporting Initiative (GRI):

A not-for-profit organization that draws up standards (GRI Guidelines) as a basis for preparing sustainability reports. Its prime objectives are to promote transparency and improve the comparability of such reports.

Hotspots:

Within the context of our product life-cycle analyses, this term refers to the areas that show the greatest potential for improvement.

Management commitment:

The Group's commitment to sustainable business practices.

Product life-cycle:

The typical phases in the life of a product from the original concept through to its discontinuation (production, use and recycling/disposal).

LTIFR

LTIFR = Lost Time Injury Frequency Rate: This indicator measures a company's lost-time injury frequency rate as a result of workplace accidents, multiplied by 1,000,000 hours worked: number of lost-time injuries (LTI) x 1,000,000 hours worked. LTIs are workplace accidents that have led to at least one day off work.

Net promoter score:

Based on a survey, this is the likelihood of a customer recommending a given company, product, or service. Indirectly the net promoter score also measures customer satisfaction and customer loyalty.

OHSAS 18001 – Occupational Health and Safety Assessment Series:

This is the name given to an internationally recognized workplace safety management system whose goal is to prevent workplace accidents and to protect the role of employees at work.

Officer:

Within the Group, the person responsible for a particular area, i.e., country group.

PET:

Acronym for polyethyleneterephthalate, a thermoplastic material from the polyester family. It has many different applications and is used, for example, to make plastic bottles (PET bottles), foil, and textile fibers.

ProCash series:

Product line of ATMs that are sold primarily in the emerging markets.

Professional Services:

The provision of highly skilled services for corporate customers. At Wincor Nixdorf, they include consulting activities and integration services. These encompass all services required for the implementation of a solution.

Retail segment:

The segment within Wincor Nixdorf dealing with the development, production, and sale of hardware, software, and services for retail companies.

Roadshow:

A series of company presentations organized by an issuer at various locations for the purpose of promoting an investment in the company.

Self-service systems:

Devices that allow consumers or bank customers to perform and manage certain transactions themselves without the help of service personnel such as bank clerks or shop assistants. Examples of self-service systems are ATMs, self-service checkouts, or kiosk terminals.

Software solutions:

A software solution refers to software that has been tailored to the individual requirements of a customer; it can consist of one or several software modules and is integrated within a customer environment.

Solid State Disk:

A storage device, with no moving parts, that can be used in the same way as a hard disk. Solid state disks (SSD) can withstand greater shocks, read data very quickly, and access data extremely rapidly.

Standby:

This term is used to describe the operating status of a component in which it is not ready for operation. This status can be changed through a manual or automatic signal, although a certain amount of time is required in order to start up the component and for it to be initialized by the system.

Sustainability Steering Board:

A decision-making body at Wincor Nixdorf that makes decisions on sustainability issues. In addition to the Board of Directors and other central business areas, the Sustainability Steering Board includes representatives from Production and the Field Service Organization (customer service unit made up of service engineers). The Sustainability Steering Board establishes the Group's general strategic guidelines on sustainability issues and the corresponding Group objectives.

Supply chain management:

The development and management of logistical flows of goods spanning the Group's different business areas. This term covers the various units (e.g., production, distribution, and transport) that together provide the framework for a company's supplies.

Telepresence:

This term describes the sensation of being physically present in a remote environment. A wide range of techniques are used to break down the geographical separation between individuals. These methods create the sensation of being present in the same room and of communicating directly with one another.

Total cost of ownership (TCO):

The term TCO is often used for IT systems. It measures the total costs of a product from procurement through to decommissioning. As an indicator, it can help to identify and respond to any hidden costs as well as known cost factors before making an investment decision.

Further Information

Climate change

Wincor Nixdorf does not regard new climate protection agreements as posing any significant financial, physical, or other risks to the company. What is more, at present we do not anticipate that climate change will have any material impact on our business activities. The [Federal Ministry for the Environment](#) offers an extensive range of information on the issue of climate protection.

Combined heat and power generation

Combined heat and power generation, or cogeneration, refers to the simultaneous generation of electricity and heating in a decentralized manner. In this case, a combustion unit powered by gas drives a generator, thereby producing electricity. The waste heat associated with this process can be used for heating purposes by means of a heat exchanger. The fuel used in this system can be utilized much more efficiently than in the case of conventional generation in separate units. Ultimately, the lower level of fuel required as a result of cogeneration translates into reduced CO₂ emissions. Additionally, decentralized power generation helps to reduce the strain on the electricity grid.

Active environmental management in the Czech Republic

All new employees in the Czech Republic follow a wide-ranging two-day course that focuses on environmental protection and energy efficiency, with practical examples of ways in which the company can save energy. Additional monthly briefings are held for all employees to ensure that they have a good working knowledge of the legal requirements and industry standards.

EU Energy Efficiency Directive (2012/27/EU)

The **Energy Efficiency Directive** reflects the commitment of the EU to take measures to combat climate change. Within the framework of the 20-20-20 Initiative, the EU's member states have undertaken to reduce their greenhouse gas emissions by at least 20% compared to 1990 levels by the year 2020, to improve energy efficiency by 20%, and to raise the proportion of total energy consumption generated from renewables to 20%.

Hazardous waste

"Hazardous waste" is the common technical term used within the EU to describe waste that has certain hazardous properties (e.g., inflammability or toxicity) and therefore poses a risk to our health and the environment. The term "non-hazardous waste" is used to describe waste that does not pose these risks.

Legal structure of the company

Wincor Nixdorf is a stock corporation under German law. The company is headquartered in Paderborn. There were no changes to the legal structure of the company in fiscal 2015/2016. The reporting entity includes 90 fully consolidated Group companies.

LTIFR

The company assessed all accidents relating to work and business travel that resulted in one lost working day per 1,000,000 hours worked at Wincor Nixdorf worldwide (analysis based on 95% of all employees).

Supply chain management

Supply chain management (SCM) refers to the management of the flow of raw materials, components, work-in-progress, finished goods, and information along the value and supply chain from the supplier of raw materials to the end customer. The objective of SCM is to optimize resources for all entities involved in the supply chain.

Underwriters Laboratories (UL)

Established in 1894, Underwriters Laboratories (UL) is an independent organization that inspects and certifies products with regard to their safety. The company is headquartered in Northbrook, Illinois/USA. UL International Germany GmbH is based in Neu-Isenburg, near Frankfurt, and is UL's central office for Europe and Latin America. Additionally, UL International Germany GmbH operates branch offices in Munich and Krefeld.

Wincor Nixdorf Facility Services GmbH

Alongside the administration, management, servicing, and maintenance of company-owned properties, Wincor Nixdorf Facility Services GmbH is responsible for assisting the national and international sites in all matters relating to real estate – from infrastructure, facility equipment, and energy supply to security.

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