



PMIR
PROJECT MANAGER
SUSTAINABILITY REPORT
INTEGRATED REPORT

THE PROJECT MANAGER OF SUSTAINABILITY/INTEGRATED REPORT



Erasmus+

PMIR
2017-1-IT01-KA202-006244
This project has been funded with support from the European Commission

Short Sustainability Report 2019

Jola Spezialschalter GmbH & Co. KG

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Jola

THE PMIR PROJECT

The PMIR Project aims at creating a new profession: the Project Manager of Sustainability Reporting. The idea, born as a response to the 2014/95/UE Directive, represents a significant step forward in raising awareness on the themes of sustainability and on the benefits of implementing sustainable practices for all organizations, regardless of their size.

The professional figure created by the Project will be able to support organizations and coordinate the Sustainability Reporting process by identifying economic, environmental, and social strategic objectives and monitoring them through a selection of a significant KPIs (Key Performance Indicators) panel.

Therefore, the Project Manager of Sustainability Reporting will have a role in connecting the different business areas of a company. The knowledge, competences and skills provided by the training modules of the Project were developed following the ECVET methodology and could consequently be recognized throughout Europe.

The PMIR Project addresses graduates in Economics and Engineering, business and tax consultants and employees willing to acquire new skills to become the future Project Managers of Sustainability Reporting.

The PMIR Project has also some indirect targets such as public and private companies (small, medium, and large companies), operating in different sectors, including the third sector.

The PMIR Project has been funded under the European Erasmus+KA2 Action Program.

Promoter

- Estra S.p.A. (ITA)

Partner

- University of Siena (ITA)
- Chamber of Commerce of Badajoz (ESP)
- ITKAM (DEU)
- BXL Europe (BEL)
- Euromasc (NOR).

THE COMPANY

Jola Spezialschalter GmbH & Co. KG is a German technology manufacturer producing sensors for measuring and controlling fluids.

Jola was founded in 1952 and is owned, since then, only by the members of the Mattil family. Until 2018, Lars Mattil and his father Volker Mattil were the limited partners (Kommanditisten) of the Jola Spezialschalter GmbH & Co. KG (Kommandisten Gesellschaft) with full control of the company shares. Since 2019, Lars Mattil is the only director. The personally liable partner of Jola is the Mattil Beteiligungs GmbH (like a holding of the GmbH), also controlled by Lars Mattil.

Jola is regarded as a family business also from the employee's perspective: 80% of the employees are locals and have a long-term relationship with the company, many of them have relatives who have themselves been working for Jola.

Jola designs, produces, and sells, directly or through authorized dealers, its products in many European and non-European countries.

There are four main kind of products:

- level control switches
- leakage detection and control
- limit switches
- cooling ceiling control.

Thanks to its processes Jola can make possible both serial and individual production, thereby satisfying the needs of standard products as well as purpose-built items.

Jola's products are, since inception, long life products by design and by strategy: Jola's products are conceived and manufactured to last longer than much of the competition's ones because they may last 20-30 years vs. 3-5 years of some competitors' low quality products and they can often be repaired, if broken.

Jola's unique trait lies in its comprehensive ability to provide client with technical advice and guidance for the product application to resolve problems or to improve performance, combined with fast manufacturing and delivery times. Its production enables both batch sizes from one piece to small series.

Jola's extended sales network of authorized distributors is also aligned with the company values and has long term relationships with Jola and with Jola's customer base, as shown by the steady revenue flow from the main countries where the company sells.

Jola is a typical of the German healthy small enterprises and undertook in 2020 a formal step for obtaining the Short PMIR Sustainability Report which fits with Jola's newly-understood social role as a multiplier of value for the local community aiming to a long term and risk balanced company life.

Mission

Jola is committed to providing high quality sensors to its customers in various industries, such as mechanical factories and utilities companies, all over the world. The distinctive competitive advantage of Jola lies not only in the quality of the product, that grants up to 10 times the life span of the products when compared with competitors, but also the service quality: punctual and flexible, capable of both serial and on demand production. The service is complete of customer advice, guidance, and support.

The aim of securing customer loyalty is achieved through the respect of both the employees end and the highest safety standards, such as the ATEX Directive (2014/34/EU). The employees are supported through comprehensive training programs, co-operative teamwork, and a transparent organizational structure, as it will be shown in this report.

Values

Jola's motto represents the values established by the founders in 1952:

*Creating and striving
is our commandment,
progress is life,
stagnation is death!*

The motto already is in the company since inception. It was in the Direction's office in one of the historical buildings taken over from Jola predecessor, the cloth-making company "Gebrüder Haas" ("Haas Brothers").

This sentence most likely derives from an aphorism of Jacob Venedey (1805-1871), a representative of the nineteenth-century liberal democratic movement in Germany. It expresses therefore the spirit of a family company striving to innovation and success.

Certifications

Jola has several certifications, thanks to the efforts exerted in the innovation of their offerings, and many of them are multi-annual.

The most important and with larger impact are:

- Quality management: DIN EN ISO 9001:2015
- Production quality in accordance with Directive 2014/34/EU ("ATEX Directive") concerning products for use in potentially explosive atmosphere one of the strong points of Jola's portfolio.

Comment

The management of Jola is sensitive to the problem of sustainability, which will be formally included in the company strategy starting 2021. For the first time the company is producing a sustainability report, although not legally required, to rise transparency, financial credibility and survival in the long term.

Many actions have already been undertaken and, in this chapter, we evaluate the impact of the company governance on sustainability.

To this aim we defined a series of qualitative indicators, rated from 1 to 10. The overall mark obtained by Jola is 6, showing the way still to go. We now provide a comment on the management and governance in Jola.

Jola has identified its stakeholders. They are various and differ in importance. For example, the customers are mainly based in Germany, but also in other, mainly European, countries. The employees are mostly local (usually up to 100 km distance). Jola pays taxes in Germany.

The management involves employees in the planning and design process. With this respect, it is the case to remind that Jola's name comes from the employee Josef Lambrecht who invented the first product 70 years ago, thus allowing the company turnaround from a declining textile manufacturer into a member of the electro-mechanical industry.

The involvement of the employees is achieved in three steps: clear definitions of goals, tasks and responsibilities, encouragement of independent action, evaluation of results and recognition of employee performances.

The management prioritize risk assessment as a mean to improve working conditions. Measures for economic, safe, and health-friendly work design are constantly defined and monitored. The workplace is designed so that the employees feel comfortable and can work productively.

Corporate responsibility is important also in the choice of business partners. Business relationships are chosen in compliance with legal and social rules such as working and manufacturing conditions as well as the corporate policy principles and values of the partners.

Objectives

To regularly convey the management ideas about Jola's work culture and values to employees in an understandable manner and develop them together. Everyone can address problems with the agreed values without fear of sanctions.

INDICATORS

Risk analysis

The company started identifying the risks in the supply chain and planned back up suppliers for over 90% of the components it uses in its production process.

Jola is compliant with the German laws and its quality policy faces many elements in terms of risk reduction.

Jola has regulated how working materials, work equipment, products and residues are recycled or disposed of in an environmentally friendly manner. Jola keeps the use of energy and materials as low as possible in all operational activities. As for energy, a cost analysis for energy supply was completed by the Head of Production, comparing different supply and deciding to stick to local supplier.

Rate: 7

Strategy for sustainability

Sustainability will formally be part of the company strategy starting 2020. The management started to work on a strategy for sustainability with the Short PMIR Sustainability Report 2019.

There is some awareness among the employees and the network of distributors (internal stakeholders) about the importance of sustainability. The suppliers are starting to ask for indicators. There is awareness but no formalization yet.

Rate: 4

Communication of sustainability

There is some awareness among the employees and the network distributors (internal stakeholders) about the importance of sustainability, but no awareness among the external stakeholders and consultants.

There are lots of stakeholders of different importance and sustainability is in the process of being communicated and demonstrated as part of the company strategy: during Covid-19 period, Jola communicated constantly that it was on duty and it opened to the Press for communication about the processes and the safety procedures in place.

Jola in the past started projects with universities and schools but due to time constraints and different focus it is difficult to conduct them further.

Jola finds more advantageous the commitment into associations where the management is active with projects and initiatives.

Jola's website is not fully communicating the sustainability strategy yet. The social media were used during Covid-19 as part of the employment and community relations.

Rate: 4

Accountability for sustainability

Currently the overall responsibility seats with the director and owner.

The Enterprise Company Plan has defined the mission statement and sustainability guidelines.

Jola's management created the conditions to enable employees to act independently, assume responsibility, and contribute with their skills, abilities, and experience. Jola fosters a culture of collaboration and the employees perform multifunctional roles, allowing flexibility and comprehension of the impact of their work.

The company shall communicate the intent of improving sustainability to the entire workforce, establish targets and responsibilities for every level and launch mini-projects and initiatives that can bring results at every level.

Rate: 4

Sustainable Development Goals (SDG)

Jola contributes to match the SDG 6 (Clean Water and sanitation) and SDG 7 (Affordable energy power without destroying the planet) of the United Nations Global Goals for Sustainable Development (SDG).

Jola's products are, by default, attentive to environmental protection: in particular, water leakage, cooling control switches and sensors do help in the natural protection and water saving.

Jola's products are, since inception, **long life products by design and by strategy**: Jola's products are conceived and manufactured to last longer than competitors (20-30 years vs 3-5 years of some competitors' low quality products) and to be possibly repaired, if broken. Most of the **electromechanical devices** can be realized either as a working current or as a closed current version. If they operate on working current (with a normally open contact), then they only consume power when triggering an alarm or a circuit. If they operate on quiescent current (with a normally closed contact), then they constantly use electricity; this method is utilized for security reasons when an alarm must be triggered in case of cable break or a power failure.

All electronic circuits are designed to **consume little energy**. The current and voltage values is so low that they even lie underneath the value range of Directive 2014/35/EU ("Low Voltage Directive").

Rate 8

Comment

As employer, Jola displays a working practice of adequate salary, safe job, pleasant working environment, self-responsible organization of work processes, and a culture of good teamwork. The workforce organization in Jola is flexible and the employees are multifunctional. Jola values the compatibility of family and work and develops special measures for this.

The good internal working climate is confirmed by the significantly low sick days in Jola, in comparison with general data of the country: 4,58% in 2018 and 3,62% in 2019.

Jola would welcome the diversity in the workforce, conscious that different age ranges, different perspectives, different culture are fruitful for the company progress and innovation but being a small company in a rural area can mainly attract the local workforce.

In the management still lies the sole responsible of making decisions, even though a responsible person is named and known in an informal fashion. It is important to change this through various measures: the "joleader" (internal term for Executives) must be strengthened into their function as theme leaders and matter experts abstracting from day-to-day operations.

Objectives

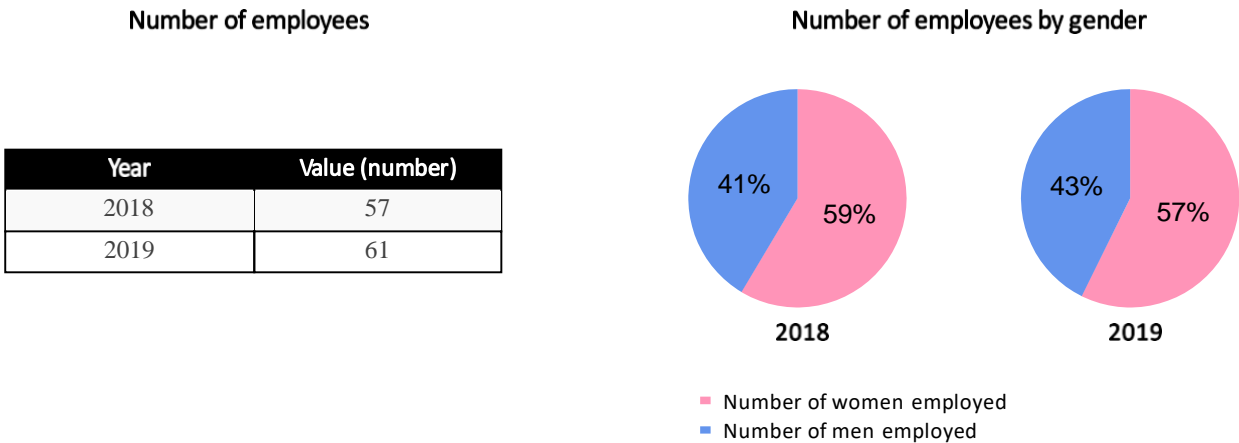
In its aim of developing a sustainable and profitable business, Jola knows that performance and productivity are important part of the success. For this reason, Jola will:

1. Continue to ensure safe working condition, using safe and functional equipment to work.
2. Define measures for economic, safe, and health-friendly work design and monitor them regularly.
3. Continue to improve the workplace to be comfortable so that the employees can work happily and productively.
4. As leader act as positive role model, recognize and praise employees' performances

Number of employees

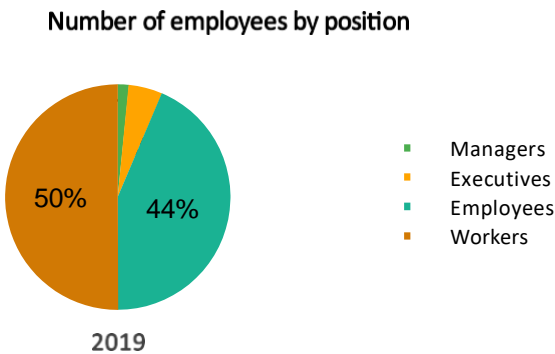
Jola is a small family business with regularly employed workforce, sourced from the local market. The number of employees is stable, and the gender balance is in favor of women, representing 57% of the workforce, also thanks to the favorable working conditions.

These figures are the average of the monthly presences including interns staying for three years



Number of employees by position

The pure number of employees and even the drill down per qualification would not provide much information as many individuals cover different roles are multifunctional. Also identifying the executives possess a huge potential for misunderstanding for a company like Jola, a family enterprise. It does not tell about neither the quantity of duties nor the complexity of the respective managerial responsibility. We have identified 3 people with executives roles, which suggest that Jola reflects the figures of its history, as a production and assembling company with a span of control 1:20, at the basis of the quality of its production and service.



	Manager	Executives	Employees	Workers
2018	1	3	29	28
2019	1	3	30	31

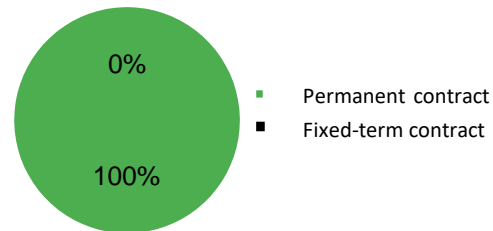
Contracts

Jola values his employees and adopts policies to increase their loyalty. In the respect of this company responsibility principles, all full-time employees have a permanent contract.

In compliance with the quality policy, Jola define clear quality, safety and health requirements also with subcontractors and temporary employment agencies.

Number of employees by contract 1

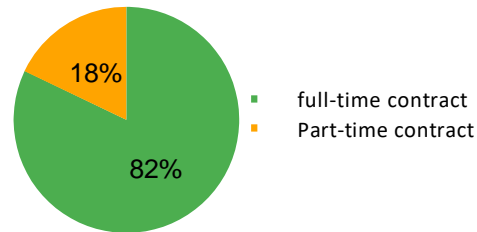
	Permanent contract	Fixed-term contract
2018	57	0
2019	61	0



2019

Number of employees by contract 2

	Full-time contract	Part-time contract
2018	45	10
2019	46	10



In addition to part-time contracts, marginal or minor employment contracts exists, called “mini jobs” (marginal/minor employment contract paid up to 450,00 a month) and “midi jobs” (in transition from a monthly remuneration of 450,00 € to 1300,00 € month).

Mini jobs 2018 = 2

Mini jobs 2019 = 5

New employee hires and terminations

Jola has a long-term relationship with its employees and has a stable number of employees.

New employees hires

Year	Value (number)
2018	3
2019	4

Number of terminations

Year	Value (number)
2018	2
2019	1

Injuries

Jola reports a low number of injuries particularly when compared with the average of the industry, according to Pfalzmetall association data.

The figures reported shall be related to the type of production that is not particularly dangerous and to the lower stress, compared to the sector.

Concerning the production process, at each step, only one machine or tool is used, and this may explain the low number of injuries when compared to more complex production facilities.

Concerning the level of stress, an analysis was conducted by an external psychologist, but the outcome was not significant as there was not enough response. On the other end, in Jola, workers are autonomous when it comes to the impact of what they do and this makes them feel more motivated and responsible for their work, which could explain the figure.

Total number of injuries

Year	Value (number)
2018	3
2019	2

The figure refers, in compliance to German laws, to the injuries that weight more than three days off work. It includes also injuries happened when commuting. In 2018, injuries related to accident during commuting are 33% of the total, in 2019 100% of the total. As a matter of fact no serious injuries occurred on the work site in the examined period.

Training

The company delivers the compulsory training, such as working rules, consumer rights, cyber security, and some optional, like waste reduction, circular economy, life cycle costing.

Some training is available for free from the industry association or from the statutory accident insurance.

The Management allows visit to trade fairs and the company also pays further education (e.g. English courses).

Other indicators

Number of interns

As part of the working practice, Jola also hosts trainees (Auszubildende) from local schools for monthly summer jobs, only possible for clerical positions (i. e. Bürokaufmann = clerk) in collaboration with the Chamber of Commerce Pfalz. These may stay 1 day, 1 week or 2 weeks, or even for 2-3 years, coming from schools as well as from higher education and university.

Intern 2018 = 3

Intern 2019 = 4

Sick leave ratio

This indicator is the ratio of the total number of sick days taken over the overall contract paid hours.

2018: 4,58%

2019: 3,62%

This value is significantly lower than the average in Germany. We consider this indicator as a proxy of the good climate in Jola.

Period of employment (seniority)

Jola is proud of its numerous longtime employees. Sometimes they even come from families that remained loyal over generations.

number of years working for Jola	2018	2019
9 years or less	16	17
10-14 years	5	4
15-19 years	5	3
20-24 years	16	17
25-29 years	9	8
30-34 years	2	5
35-39 years	2	2
40-44 years	3	3
45-49 years	1	2
50 years or more	0	0

Comment

Jola economic performance is steady across the years, with low variance thanks to a sustained by a constant order flow and a loyal customer base. With its financial independence has not been strongly impacted by the raise of the cost of borrowing for small loans that has taken place in Germany, nor significantly by the amount of time needed to be paid by the customers. Scale-up is out of discussion: Jola wants to remain a small-mid size company and in this respect it required capital from banks only when an extraordinary operation made it necessary, but not for funding expansion nor for research & innovation.

Jola's indicators are not comparable with larger companies as a small enterprise has different parameters for evaluation. Jola chose to rather use absolute indicators instead of business ratios. For it, the reference is the source of the German "Bilanz" or "BWA", without monthly assignment of yearly costs, such as insurances or others.

Jola most important financial indicators are daily monthly lists that compare Jola's daily / monthly turnovers (Umsatz = Rechnungsausgang) and the value of the incoming orders (Auftragseingang) as well as their aggregate. Comparison is between Months and with the previous Year. These numbers are of high importance when it comes to liquidity/solvency and budget planning.

The data are not really comparable when it comes to the company structure, because larger companies have much more outsourcing of production than Jola. A comparison is only possible when it comes to the market that is represented into two sectors represented by the two associations: PfalzMetall (metal + electro) and ZVEI (only electro).

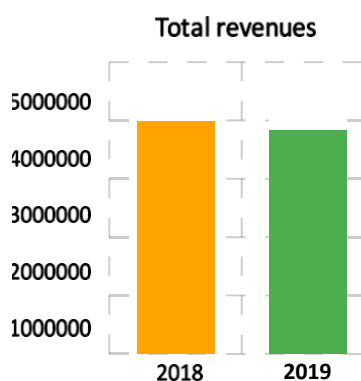
The steady revenues flows of last 5-10 years is the result of an healthy management. The challenge of the new generation that fully took over the drive in 2018 is to maintain and improve this heritage.

Main economic and financial values

The company revenues hold steady (approximately 5 million euro) and there isn't any significant variance over the last few years, sustained by a constant order flow and a loyal customer base.

Jola has determined payment terms that ensures that no temporary illiquidity happens or that the impacts are at least predictable and controllable. Jola demands written order placement from the customers and checks the credit worthiness or asks for adequate securities.

The company generates sufficient cash flows from sales and core business.



Year	Revenues (€)
2018	4 742 536
2019	4 690 253

Equity capital and debt capital

The long-term goal is financial independence: equity or family capital financing is performed.

Jola maintains personal relationships with the banks it uses. Credit lines are in place for cushion fluctuations in liquidity, but debt financing is only employed for extraordinary investments in a very cautious way. For example, debt was used to finance the consolidation of the company shares and realize the generation move of the business from Director Volker Mattil to his son Lars Mattil.

Investments

The last significant investment in the production process was more than 10 years ago for 2 CNC Machine (Computerized Numerical Control) that allows flexible production of important components of different materials (plastics, stainless steel, brass, titan). It also allows to differentiate the output waste.

The recent investments are mainly in the maintenance and improvement of the facilities, such as new windows, roof or ceiling insulation. The future investment can be in the efficiency of the production with automation of certain parts of the process and therefore a better quality and reduction of labor costs.

Furthermore, the information technology (IT) demands constant investment. Soon, a new ERP system is to be established.

The future investment can be in the efficiency of the production with automation of certain parts of the process and therefore a better quality and reduction of labor costs.

For the relevant investments like those in IT or new CNC machine, Jola may ask for bank credit.

CUSTOMERS

Comment

Jola has a very broad customer base, ranging from large international corporations, public utility companies, hospitals, teaching and learning establishments, alongside to local mechanics, engineering offices, solution providers to end users.

Jola only serves business to business. These customers are organized into different lines of business.

Products are organized into segments according to the target industry:

- Mechanical and plant engineering
- Building-services engineering
- Water and waste
- Energy sector
- Infrastructure

Jola directly serves Germany and France and sells through distributors in the other countries. Germany and France accounted for the 81,86% of the revenues in 2019. In Europe, a few sales distributors always had the highest revenues over the last few years, in varying order: the Netherlands, Austria, Switzerland. They showed a turnover above 100000 euros in 2019.

As a matter of fact, some products are functionally essential and serve a world-wide mass market (59% in 2018 and 56% in 2019), others are bound to satisfy rather special needs. Some products are quite classical, other are innovative

The employees know that every contact with the customer decisively shapes the image of the company. They know how to behave towards customers to increase loyalty and satisfaction. The employees are able to talk to customers about Jola specific strengths and try to identify opportunities for improving Jola's performance and for new services / products

The delivery time, from incoming order to shipping, is in the 95% of cases short term: 1 to 3 weeks. This requires stock availability and a well-managed production process.

The risk of losing one or a few large customers and consequent impact on the economic sustainability is one of the major worries for the all companies; Jola has a large customer base and this risk is reduced; nonetheless it monitors closely those 5-10 customers whose sales are above € 100.000 /year summing up to 15% of the annual revenues .

Another 25% of the sales are achieved with customers whose turn-over lies in the range of € 1500- 100.000/year.

The remaining 60% of the revenues is covered with customers below € 1500 / year.

Objectives

In terms of customers and markets Jola aims to:

- 1) Meet customers' needs with a well-defined marketing and design processes.
- 2) Ensure that innovations are practical and fit Jola and Jola's customers. Not every short-term trend should be followed.
- 3) When planning the products and services, Jola takes into account, as far as possible, all factors influencing the process in order to avoid quality defects, unproductive times, disruptions, delays, idle times, reworking and hazards for employees and the environment.
- 4) In quotation and coordination with the customer, it creates offerings that describe the services, the quality, the prices, and dates completely, in a way understandable to the customer.
- 5) There is a coordination process that guarantees the customer expectations and financial possibilities to be in line with Jola's performance options, if necessary, this is regulated contractually.
- 6) Establish and hold long-term relationship with the customer, even when they only buy seldomly or in low quantities.

Jola's customers

In this section we will detail Jola's customers segmentation by branch, target buyer, geographical area, and importance. It is worth noticing that about 80% of the customers have a long-term business relationship with Jola while it is estimated that about 20% of them changes over the years.

Customers segmentation

The segmentation by industry branch is not recorded exactly in the ERP currently in use but it comprehends the following sectors:

- Mechanical and plant industry
- Building-services engineering
- Water and wastewater management
- Energy sector and utility companies
- Infrastructure

The revenue distribution among different segments of the market in terms of their function as customer or dealer:

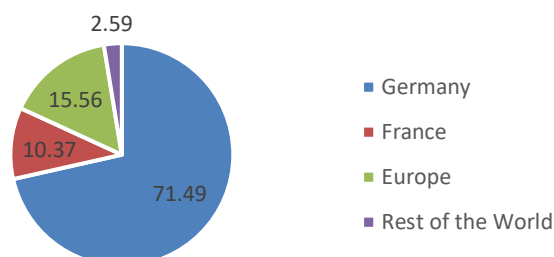
- approx. 5% owner / operator / builder
- approx. 25% manufacturer / implementer
- approx. 40% dealer
- approx. 30% supplier / installer & Maintenance / repair / customer service

Internal planners (e.g. planning department of a large company) and external planners (e.g. freelance engineering office) are an important target groups for Jola but enter into the sales process only as third parties.

Finally, we detail the geographical distribution of clients in the following table.

Number of customers by geographic area

	2018	2019
Germany	76,44%	71,49%
France	9,11%	10,37%
Rest of Europe	12,61%	15,56%
Rest of the World	1,84%	2,59%



Returns, complaints and disputes

The amount of the products returned is very low in comparison with the industry, which testify for the high quality of the products.

Quanta of returned products in comparison to total number of sold units

Year	Sold units over returned units ratio
2018	0.59 %
2019	0.07 %

Number of disputes fostered by clients

Year	Value (number)
2018	0
2019	0

Collection of money

Collection of money takes place in 30 to 45 days for about 50% of the domestic customers and within 8 to 14 days, with a cash discount, for the other half. Foreign customers typically pay within a 60 days period.

Over the last 20 years the payment history of the Jola customers is relatively stable with small fluctuations.

The same is the case of the debt defaults, which are quite small in nature; the last and only large loss happened in 2015 because of the insolvency of a customer, when approx. 11000 € were lost.

Collection: value of outstanding receivables

Year	Value (€)
2018	0
2019	1660,21

Sustainable Products

Jola produces several products for level control and leakage detection especially designed to protect the soil from penetrating contaminants; thereby contributing to save water across the world and reduce pollution.

Due to the emerging environmental regulations in Germany, these products were developed already in the 80s and 90s. They serve to detect liquids that are hazardous to water before a contamination or when a small amount has already leaked, enabling fast preventive actions.

In 2018 the sales revenue of the products for environment protection applications is €341.221 €, i.e., approximately more than 7% of the company revenues obtained with the sales of products.

The full-time equivalent of four employees work on environment protection applications. The statistics is prepared because there is a legal obligation to report these numbers to the regional statistics office (Statistisches Landesamt Rheinland-Pfalz).

SUPPLIERS

Suppliers' Main Features

Jola has a steady network of around 80 suppliers, mainly in Germany or Europe. This network is also useful to monitor the market and to get information about the competition.

If possible, business relationship are maintained with several suppliers for each type of good. For about 90% of the procured goods there are between one and eleven back-up suppliers that are regularly quality tested. Only a few suppliers are critical in the procurement of components to produce certain products and no supplier is critical for the entire portfolio.

Suppliers are treated with respect and recognized as a source of value. A litigation with supplier is extremely rare and the only recent example is the one with a former internet provider. It is relevant to notice that some suppliers are big companies toward which Jola has small bargaining power. For others, instead, Jola is a very important customer and can negotiate some conditions.

Jola has chosen not to adopt just-in-time production processes. One reason is that the minimal quantity per order requested by many suppliers is high with respect to Jola's needs. The goods and materials in stock can last for one year of production, except for certain customer specific products that have stocks for half a year.

This means that Jola, in case of crisis, has sufficient materials to continue the production, as happened during the Covid-19 period in spring 2020, and it is an important factor for longer term company sustainability.

In the past 20 years, Jola's payment behavior has been relatively constant. This is because the costs are distributed approximately evenly over the course of the year. Regular peaks are only in January / February and in summer. Payments are normally executed in 30 days or less.

Objectives

- Jola is engaged in reinforcing the relations with the suppliers and to have better knowledge of the conditions under which the supplier's products are manufactured.
- Establish and hold long-term relationships with the important suppliers.
- Define suppliers' selection and handling processes to communicate, acquire information and influence the perception of Jola. Also criteria should be defined to monitor the vendors. Better coordination with suppliers influences quality positively.

Suppliers segmentation by geographical area

We detail the supplier distribution by geographical area for 2019 in the following table

	Distribution of suppliers by geographical area
Germany	95%
Rest of Europe	4.5%
USA	0.5%

Comment

Jola is a valuable employer in its territory and is a steady presence for the families of the community.

Although counting only approx. 60 employees, the company is one of the largest employers in the near region (town of Lambrecht and surroundings).

Some years ago, it decided not to do donations or sponsorship, but rather to invest time in fostering the relations with the local politics schools, universities, associations, and other institutions. This is to have more impact and ability to make things happen.

Jola understand itself as “a voice for small German companies” according to its director Lars Mattil.

Jola is planning to use more effectively social media tools to communicate sustainability to intended audience. And it started already to do so, while in 2020 wants to have a more defined communication strategy.

Objectives

Jola plans to be present in 2021 on the YouTube channel with at least monthly videos on technical and general business topics. Also, external communication about sustainability and the United Nations’ global “Sustainable Development Goals” (UN SDGs) and/or other approaches, may be part of this communication.

There is not an intended number of university cooperation’s per year defined as an objective.

The only objective is to regularly have some contacts and participate to training sessions and useful research. (PhD Thesis, Master Thesis, research, or anything except sponsorship).

Website

Jola communication to the public and external stakeholder is improving, particularly during the Covid-19 crisis, when Jola started to show the activities done to protect the safety of the employees and guarantee production continuity. To this end the local press has also been use (<https://www.jola-info.de/en/press-releases/>). Unfortunately, Jola removed Google analytics from the website, because of the legal uncertainty of the new General Data Protection Regulation. For this reason, it is hard to evaluate the number and type of visits to the website and the impact a communication strategy.

This is a start. It is recommended to include sustainability communication in the Strategic Plan 2021.

Social Media

The Facebook page was improved during the Covid-19 period and Jola decided to communicate the actions taken for the safety of the employees through this social medium parallel to the news on the company's website.

The page reached 172 followers in July 2020.

Jola's objective is to present on YouTube with at least monthly videos on technical and general business topics.

Relationship with schools and universities

Jola regularly hosts trainees and interns. Sometimes it participates in events in the regional educational sector.

There are currently several informal agreements with universities. Professors and institutions approached by Jola (approx. 15 in 2019) all hesitated from a formal agreement. Most of the time, the professors (chair owners) did not get involved personally. Widely, projects are quite difficult to conduct due to missing motivation of the scientific institutions, the establishment of long-term relationships is even harder.

For a company this size, the investment in the community and development of the territory may be based on the leverage of the individual time rather than on a precise strategy or company approach to Academia.

Products, services and innovative projects

Nine new products were released in 2019, arisen from development and certification projects. No new product was developed in 2018.

- Leckstar 101/G, Leckmaster 101/G
- NSQ
- NSQL
- TSB
- Localizer 255/... , BTE, BT-BAE
- MBK

Protection of the local industrial history

Jola (founded 1952) and its shareholder family (Mattil) are following a century-long tradition of entrepreneurship. The predecessor firm, the cloth-making company “Gebrüder Haas” (“Haas Brothers”) was founded in 1868 and remained active until the beginning of the 1960s when globalization first hit Germany. That company arose from several small family businesses that grew up to larger companies during industrialization.

Efforts are made to preserve the historical buildings for the protection of the local history. They are witness to the regional industry culture and architecture of the penultimate turn of the century.

Public engagement

Jola participates to working teams, various events, networking, publications, through the associations generates projects and initiatives as well as learning opportunities for the Jola participants

Jola memberships are:

- Verband der Pfälzischen Metall- und Elektroindustrie e.V. / Palatinate Metal and Electrical Industry Association (PfalzMetall, www.pfalzmetall.de)
- Zentralverband Elektrotechnik- und Elektronikindustrie e.V. / Central Association of the Electrical and Electronic Industry (ZVEI, www.zvei.org)
- Verband der Selbständigen Lambrechter Tal e.V. / Association of the Self-Employed in the Lambrecht Valley (VdS, <https://vds-lambrecht.de>)
- Bund der Selbständigen Landesverband Rheinland-Pfalz und Saarland e.V. / Federation of the Self-Employed, Regional Association for the Rhineland-Palatinate and the Saarland (BDS, www.bds-rlp.de)
- Industrie- und Handelskammer für die Pfalz / The Chamber of Industry and Commerce for the Palatinate (IHK Pfalz, www.pfalz.ihk24.de)

Jola employees and Direction participate in the following working teams and committees (as of 07/2020): Working team and committee participation (as of 07/2020):

PfalzMetall: „Arbeitskreis Arbeitswissenschaft“ : Lars Mattil

- ZVEI: „Arbeitskreis Betrieblicher Umweltschutz“ : Tino Dietz (head of production), Lars Mattil
- ZVEI: „Task Force SDGs & Nachhaltigkeit“: Lars Mattil

Number research projects in cooperation with universities

Jola welcomes all forms of cooperation with universities: this includes sponsorship, thesis (bachelor, master, PhD), events, research, etc. In 2019, three projects, between PhD Thesis and Master Thesis, took place at Jola’s premises, producing impactful research. No intended number of university cooperation projects per year is defined, the only objective is to regularly have some.

Year	Research projects
2018	0
2019	3

Number of published press articles in non-technical press

Jola has a relationship with the local press that enables communication with the local community and external stakeholders.

Year	Non-technical articles
2018	8
2019	4

Comment

Environment for Jola means to minimize the impacts of the operations that negatively affect the ecosystem, to comply with the law and to continuously improve the contribution to the territory. Jola aims to comply with ISO 14001, a significant goal for business/competition purposes in the next years.

The main achievements in environment management for Jola are:

- High energy efficiency in the production process.
- Optimize the vehicles fleet concerning energy issues, since shipping is done through third parties.
- Reduced waste footprint
- Maintain the historical heritage investing in improvement of the energy efficiency of the building.

Objectives

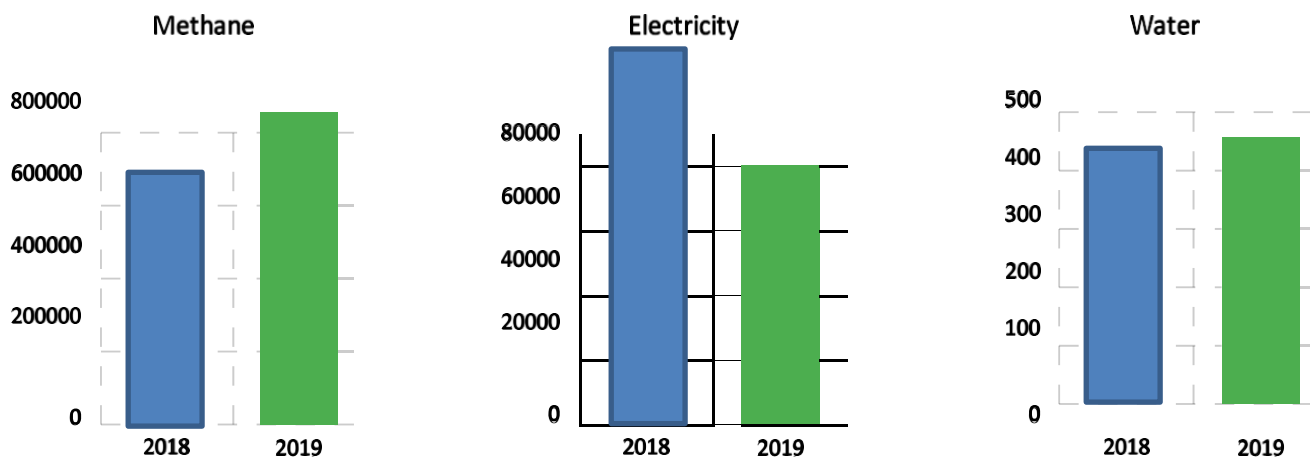
Jola aims to reduce the electricity consumption every year. This target can be obtained in accordance with external conditions (e.g. winter weather) but it also depends on the investment by the company (new windows, roof and ceiling isolation). An objective that Jola balances with the financial strategy.

Consumption of the company locations

Jola significantly improved the energy consumption, having changed in 2017 the old oil heating boiler. The benefits of the new methane heating will be visible and quantifiable from 2020 on and depends on the winter conditions.

	Electricity (kWh)	Methane (kWh)	Water (m³)
2018	110 076	541 772	444
2019	81 156	700 848	457

In 2017 and 2018, a mix of methane and oil heating was used to use up the final stock of the oil. Therefore, the methane consumption was low. From 2019, the heating was only done with gas/methane. Electricity went down in 2019 because of deliberate use of improved technology and saving efforts (LED, automatic switches and people awareness). Jola uses almost no water in its production processes.



Energy efficiency

Intervention are periodically undertaken to increase energy efficiency and reduce energy consumption. In 2019 the interventions were:

- Installation of new, energy efficient windows.
- Installation of a new heating system with new burner (methane)

For the maintenance and facility management, the following resources are given:

- 75 % of a full-time employee
- internal electricians if needed (approx. 20 days/year)
- financial resources for external service providers (architect, other specialists, craftspersons) for special projects; these are scheduled on a yearly basis depending on the financial situation.

Waste produced

Jola does not produce much waste as a characteristic of its production process.

More than 10 years ago, the acquisition of 2 CNC machines which can process different plastics and metals (stainless steel, brass, titan, etc.) had a positive environmental effect because of waste avoidance. Before, large lots of different parts had to be purchased due to minimum order sizes and partially disposed. Now, the new machines allow to manufacture a wide variety of parts, thereby saving money and improving quality with higher flexibility.

When conducting building projects (roof, windows, isolation), Jola uses materials which are not hazardous waste at the latest point of time. In some periods there is more waste resulting not from production but from the tidying up project or the renovation processes of the company buildings. This means that the waste from production is pretty stable.



Additionally the municipal trash can is emptied every 14 days (its maximum potential filling volume is 660 Liter)

Jola has decided to reuse the paper packaging which is shredded and put inside the parcels to protect the company products for shipping (instead of for example, plastics flakes)

Company vehicles

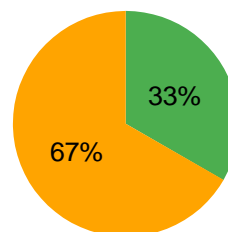
As for the company vehicles, Jola has 3 vehicles, one car and two transporters, average age 8.5 years in 2019. The use is not intensive as the parcels are shipped through a third-party service. In the following table the detailed characteristics of each vehicle and the strategy to be adopted to substitute them in the future.

Number of vehicle by type of fuel

	Petrol	Diesel	Methane	Lpg	Electricity
2019	1	2	0	0	0

2019

- Petrol
- Diesel
- Methane gas
- Lpg
- Electric

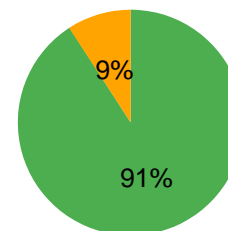


Vehicles consumption

	Petrol	Diesel	Methane	Lpg	Electricity
2019	1159 lt	1119 lt	0 lt	0 lt	0 kWh

2019

- Petrol
- Diesel
- Methane gas
- Lpg
- Electricity



Vehicles	Strategy
VW Passat: petrol powered, 3 years leasing contract started in 01.03.2018	Lease or rent hybrid
VW Transporter: diesel powered, acquired in 04.11.2004	Rent when needed
VW Crafter: diesel powered, acquired in 13.12.2010	Lease

FINAL COMMENT

Why a Sustainability Report for Jola?

2016: with the so-called “CSR Directive” the EU established the legal obligation to submit a sustainability report integrated with the financial report for all capital market orientated companies of more than 500 employees or more than € 40 M turn-over, due starting the fiscal year 2017.

In the beginning of 2019, the German “Bundesministeriums für wirtschaftliche Zusammenarbeit und Entwicklung” (BMZ) even proposed the draft of a new „Wertschöpfungskettengesetz“ which should take German companies more on responsibility to promote fair working conditions and environmentally friendly business practices. Germany is one of the best performing countries in the EU for the actions in environment and in sustainability overall.

Jola has already faced the steps for obtaining quality management certifications and is willing to proceed along this way, aiming to comply with ISO 14001.

In addition, Jola has successfully transitioned the company lead to the 4th family generation, eager for innovation and improvement but conscious of the heritage of the past and the need of ensuring long term success to the company and to the families in the territory. For the fact of being a small enterprise anchored to the territory, with its historical industrial site and third generation employees, Jola already is by default a sustainably managed company.

But the results of a more deliberately managed process and the setting of targets based on indicators, is a more convenient approach that can lead to concrete sound results in the medium term.

What is a Sustainability for Jola

Jola is willing to set a course of actions that is respectful for the environment factoring into **one plot** many initiatives already commenced in the last few years. As a small company its contribution to the United Nations’ global “Sustainable Development Goals may be relatively moderate but is aware that in combination with other companies similar in size the impact will be huge and that the benefits for Jola in terms of economic return and long terms survival will compensate the efforts.

Sustainability for Jola so far means:

- Resource efficiency measures and reduced use of inputs
- Offering long-life products and low energy consuming products
- Respecting the heritage, control the risk, ensure performance in the long term.

Ahead of the current progresses, sustainability for Jola in the future may mean:

- More involvement in the community, carefully identifying the stakeholders and the change projects in the territory
- Involving staff in the commitment to the environment and for innovation
- Taking advantage of the best technology available, sustain innovation on products and processes.

Risks avoidance measures

- Jola has an historical industrial location with extra space: it may take into consideration to launch projects for the possible use of space.
- It is also recommended to get organized for regularly convey the management ideas about Jola’s sustainability work culture and values not only to employees but to the entire stakeholders network, for a multiplication of the efforts and of the benefits.

METHODOLOGICAL NOTE

The analysis was conducted with collection of documents and interviews to Directors and Executives.

A physical observation was not possible, due to the limits imposed by the Covid-19 time, but a virtual tour was giving some ideas about the location and the possibility to virtually meet the company employees.

The collection of data was performed during the month of July, characterized by the holidays period and temporary absence of some experts. This problem was overcome with thanks to the efforts of the Director.

In the context of the PMIR project, two reporting years were modelled. Because of the long-term strategy and effects at Jola – which are typical for a small enterprise – those KPIs did rather serve as qualitative indicators than as quantitative ones. If the KPIs would be modeled on a longer term (approx.. 5-10 years), then they would provide better quantitative information; it was not possible in the limited scope of this project.

The number of significant indicators sometime was very lacking applicability because of the special nature of a small company, especially in the governance Chapter due to Jola's structure, a small enterprise. In a small enterprise, the concept of governance itself is present in a natural way, not a formalized one. Especially in a family enterprise, the direction and the managers are very close to all employees and processes.

ACKNOWLEDGEMENTS

This Report was possible only thanks to the availability of Jola's Director Lars Mattil and the contribution of all employees who provided data and information, ideas and considerations and accepted the digital hosting of the project (<https://www.jola-info.de/en/jola-becomes-digital-host-of-the-international-training-programme-pmir/>). Among them I must particularly thank Volker, Tino and Elmer.

Finally, this Report wouldn't have been possible without the help of Erina Guraziu (Project Manager, OpenCom issc) and Patrice de Micco (Project Quality Manager, Estra) who provided their professional guidance to me and without Francesco Schapira of the The Italian Chamber of Commerce for Germany, who put in touch Jola with the project and then with me, allowing the conclusion of my study on Project Management Integrated Reporting.

I thank you everyone for their help and patience and take full responsibility for all the content of this document.

I hope that Jola will see the realization of its plans and wish all the success it deserves.



PMIR
PROJECT MANAGER
SUSTAINABILITY REPORT
INTEGRATED REPORT

THE PROJECT MANAGER OF SUSTAINABILITY/INTEGRATED REPORT



Erasmus+

PMIR
2017-1-IT01-KA202-006244
This project has been funded with support from the European Commission

Short Sustainability Report

2019- Jola Spezialschalter GmbH & Co KG

27.07.2020

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