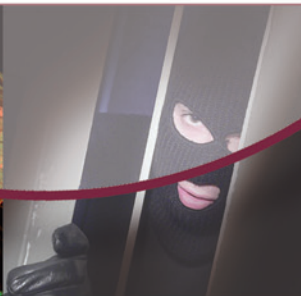
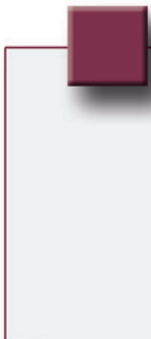




RISK Management

„With the implementation of its risk management,
MGlas AG ensures that all customers are supplied
effectively with the agreed quantity,
in the agreed quality, at the agreed time.“



www.mglas.com



Risk Management at M Glas AG

Our Philosophy

Corporate activity always involves risks. The dangers, which might jeopardize or threaten the success of a company, must be identified in time, assessed, eliminated or minimized and thereby mastered. Successful risk management offers new opportunities. Management and staff of M Glas AG are rising to this challenge.

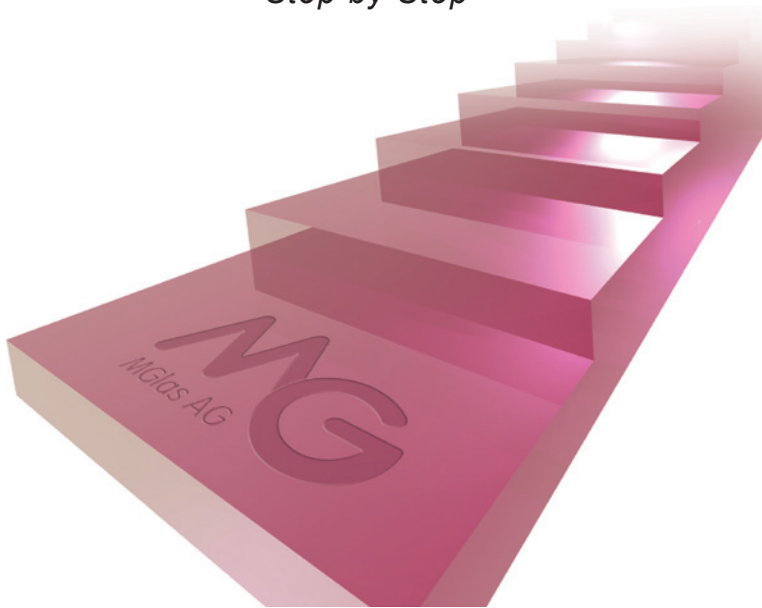
The subject risk management comprises all areas of corporate activity: from increasing globalization of the market, to economic development, all the way to legal requirements.

Our active risk management is one of the foundations for the trust of our customers.

For more than a decade, M Glas AG has been engaged in the areas of Loss Control and Risk Analysis. Established structures are integrated into the existing risk management and are continually improved.

Our approach

Step by Step



1. Risk Identification

Strategic risk, market risk, financial market risk, legal and political risk, corporate governance risk and performance risks resulting from the primary supply chain and support functions.

2. Risk Assessment

MG assesses risks and the related consequences for classification into risk groups.

3. Risk Aggregation

- ✓ Definition of an overall risk position
- ✓ Definition of the importance of individual risks
- ✓ Consolidation of risk management and traditional corporate planning

4. Consolidation of Risk Management and Traditional Corporate Planning

Optimization of the company's risk position, utilization and expansion of opportunities resulting from RM.

5. Risk Management Organization

- ✓ Embedding RM into the company's business processes
- ✓ Precise responsibility assignment
- ✓ Specified reporting paths to management for risk management in conformance with KonTraG

Risk Aspects

... summing it up

● Product and Technology

Risks emanating from technical systems at MG are identified and analyzed with emphasis on ensuring equipment availability and necessary resources. In line with this, regulations for operational disruptions and emergencies are developed and defined. Risks for MG due to this subject-matter are summarized under the aspects product manufacturing process, product liability and product traceability. Potential dangers emanating from suppliers are assessed. The decisive factor is continuous quality assurance.

● Plant Safety

The spatial surroundings of the plant premises themselves and all structures and facilities located hereon merit an in-depth risk management approach. Consequently, this aspect covers all internal and external safety risks for the site.

● Personnel

Preservation and conservation of acquired and committed expert knowledge and professional competence are important risk management factors. Necessary measures in this matter are the appointment of deputies, access authorization as well as workplace organization and document security. Intensive training options as part of an integrated knowledge management are intended to sensitize and motivate the staff in order to maintain know-how at MG.

Further aspects are the continuing improvement of working atmosphere and staff motivation, detailed job descriptions and the optimization of systematic work structures and their timeline.

● Environment

The risk potential resulting from the reciprocity between production and environment, defines this risk management aspect. Any direct and indirect environmental impact, including forces of nature and construction measures, is taken into consideration.

● Finances

Financial risks are identified according to the law on operational control and transparency (KonTraG). Liquidity and credit risks are evaluated, contracts and obligations analyzed. Observation of the market price situation and political risks round off this risk management aspect.

● EDP and IT

Network security and availability as well as data protection are the central elements, which are examined for sources of danger in regard to EDP and telecommunications. Technical safety precautions including firewalls and organizational measures such as the use of passwords, together with intensive staff training for data handling and protection at the workplace, represent an effective defense. We fully comply with the German Data Protection Act.

● Fire Prevention

Fire Prevention is defined by two focal points: on one hand the structural sector, by creating a behavioral basis through organization and planning, and the technical sector on the other, through training and active exercises for the entire staff. Subsequently, fire prevention procedures are put in place at all facilities under consideration of maintenance works or storage of various combustible materials. Preventive and active fire protection is intensively practiced with the cooperation of staff and local fire departments.

● Occupational Safety

Within the risk management system, we implement all relevant legal requirements and promote work and equipment safety within the company beyond the legal standard. Mainly, this concerns the implementation of the Ordinance on Industrial Safety and Health, the development of risk analyses, preventive industrial medical checkups and staff training. Sources of danger in the immediate vicinity of the workplace are an important focal point.

