

**ZEPPELIN**<sup>®</sup>  
WE CREATE SOLUTIONS

LIVING RESPONSIBLY



# FOREWORD



Dear Ladies and Gentlemen,

As a foundation-owned enterprise, every day we conscientiously assume responsibilities toward our customers, our employees, and the public. This is second nature to us at Zeppelin. It is a tradition that we can trace back many decades to a unique pioneer and visionary: Ferdinand Graf von Zeppelin, who founded and gave his name to our company. His values still define our corporate culture today.

With this brochure, we invite you to learn about our enterprise and its many facets. About our commitment to sustainability, which we put into practice in connection with and for the benefit of our customers, our employees, and the public. And about the innovative spirit that is increasingly driving Zeppelin's evolution into an integrated services group.

This brochure is also an excellent example of how we actively practice sustainability and live up to our entrepreneurial responsibilities. Under the title of "Living Responsibly", we acquaint you with many practical examples of our everyday work.

Sustainable thinking and actions: we are going to continue on this path with commitment, persistence, and a strong sense of responsibility. And the successes we achieve on the way will motivate and spur us on.

**Peter Gerstmann**  
Chairman of the Management Board  
of ZEPPELIN GmbH

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## FROM VISION TO INNOVATION

### The Success Story of the Zeppelin Group

The Zeppelin Group looks back on a long tradition. It all started with Ferdinand Graf von Zeppelin (1838-1917) and his vision of a steerable airship. This led to the maiden flight of the LZ 1, his first design, on July 2, 1900 and the founding of Luftschiffbau Zeppelin GmbH in 1908, thus kicking off the history of the Zeppelin Group.

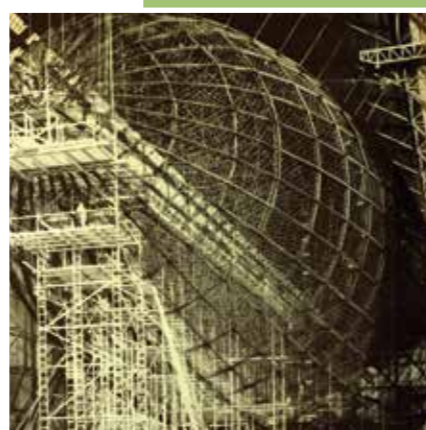
Luftschiffbau Zeppelin GmbH was a market success. It built airships in Friedrichshafen for decades and operated the first commercial airship service between Europe and the United States, marking the start of civil aviation. But after the 1937 accident at Lakehurst, New Jersey, that destroyed the Hindenburg, the company's airship activities came to an abrupt halt.

The Zeppelin production facilities were destroyed during World War II, but in 1950 the company rose from the ashes with the establishment of Metallwerk Friedrichshafen GmbH (it was later renamed Zeppelin-Metallwerke GmbH and, in 1995, ZEPPELIN GmbH). That marked a radical change in the Zeppelin Group's business activities. Initially successful as a manufacturer of containers and components, in 1954 the company acquired exclusive rights to sell and service Caterpillar construction machines in West Germany. That launched a new field of business and set a milestone in the Group's history.

Over the following decades, Zeppelin-Metallwerke GmbH (today's ZEPPELIN GmbH) steadily expanded its activities throughout much of Western and Eastern Europe. In 1994 it assumed the role of a holding company, while existing and newly founded subsidiaries in Germany and other countries took responsibility for actual operations. Other milestones were the expansion of the rental business to include construction and construction site equipment in 2003 and, in 2006, the pooling of all activities related to Caterpillar and MaK engines in a separate company called Zeppelin Power Systems GmbH & Co. KG.

In order to respond more sensitively to the needs of different markets and customer groups, in 2010 the Group restructured its operations in five Strategic Business Units.

Since 1993, airships have once again been produced in Friedrichshafen on Lake Constance. Zeppelin Luftschifftechnik GmbH & Co. KG develops and builds helium-filled Zeppelin NT ("Neue Technologie") airships. It is owned by Luftschiffbau Zeppelin GmbH and ZF Friedrichshafen AG, in which the Zeppelin Foundation in turn owns a majority stake.



## A SIGNAL FOR THE FUTURE

### The Zeppelin Donation of the German People

At the dawn of the 20th century, airships were regarded as a symbol of innovation and technical progress. Those veritable giants of the air evoked enormous fascination with technology. Consequently, there was huge public interest when Ferdinand Graf von Zeppelin set off on a 24-hour test flight in his LZ 4 airship on August 4, 1908.

Unfortunately, the voyage came to an unhappy end. After successfully completing the test, the airship made a stop in Echterdingen near Stuttgart. But before it could continue on its way, a storm tore it loose from its anchorage, causing it to crash into a tree and burst into flames. Count Zeppelin was forced to witness his life's work in ruins. Almost none of his

private fortune was left, seemingly putting the construction of a new airship beyond his reach. But then the "miracle of Echterdingen" happened: news of the disaster unleashed a wave of sympathy and generosity throughout the German Empire. In a spectacular collection campaign, more than six million marks came pouring in. The donations enabled Count Zeppelin to continue pursuing his innovative ideas. He also utilized his new funds to found Luftschiffbau Zeppelin GmbH and the Zeppelin Foundation.

That remarkable episode became known as the "Zeppelin Donation of the German People". It was a key event for the present-day Zeppelin Group, shaping both its history and its corporate culture.

## ZEPPELIN CREATES SOLUTIONS – WORLDWIDE

### Organization of the Zeppelin Group

More than 7,000 employees at 190 locations around the world contribute to the Zeppelin Group's success. Success that can also be expressed in figures. For example, sales of 2.55 billion euros in the 2012 financial year.

ZEPPELIN GmbH is the Group's holding company. Its legal seat is in Friedrichshafen and its headquarters in Garching near Munich. The Zeppelin Group is organized into five Strategic Business Units: Construction Equipment EU and CIS, which are responsible for sales and servicing of construction and agricultural equipment in Europe and the Commonwealth of Independent States (CIS); Rental, which rents and leases construction machines and equipment; Power Systems, which specializes in drive and energy solutions; and Plant Engineering, which focuses on building systems for high-quality bulk goods and liquids.

The Construction Equipment EU business unit sells and services Caterpillar construction machines and Hyster lift trucks. With an overall portfolio of about 650 products, backed by application consultancy, financing, marketing of preowned construction machines, and innovative control and monitoring systems, this Strategic Business Unit offers customers construction site solutions from a single source.

The Construction Equipment CIS business unit is devoted to selling and servicing Caterpillar construction machines in Russia, Turkmenistan, Uzbekistan, Tajikistan, Armenia, Belarus, and Ukraine. Its special competencies are in providing solutions for large mines. The business unit's portfolio is rounded out by silvicultural and agricultural machines from market-leading manufacturers.

The Rental business unit rents out and leases construction machines and equipment, containers and sanitary systems, equipment and systems for securing construction sites and controlling traffic, aerial work platforms, stackers, agricultural machines, vehicles, and trailers. It also supports its customers with a range of supplementary services that include analysis and planning of project requirements, application consultancy, logistics, installation and setup, insurance, and maintenance.

The Power Systems business unit offers system solutions in the propulsion and energy industries. As an exclusive partner for CAT and MaK brand Caterpillar engines, Power Systems offers customers tailored, highly efficient system solutions backed by comprehensive services for the marine, locomotive, and oil & gas industries as well as for power generation and mobile & stationary applications with outputs from 15 kW to 16 MW.

The Plant Engineering business unit specializes in developing and producing components and plants for handling high-quality bulk goods and liquids. The plants are sold worldwide to customers in the chemical, plastics, rubber and tire, food, confectionery and baked goods, and beverage industries.



## LASTING VALUES

### The Corporate Culture of the Zeppelin Group

#### A Foundation-Owned Enterprise

Ferdinand Graf von Zeppelin established the Zeppelin Foundation in 1908. It still holds a stake in ZEPPELIN GmbH today, via Luftschiffbau Zeppelin GmbH. Being a foundation-owned enterprise, Zeppelin regards social responsibility and business as inseparable.

#### Principles and Maxims

Deeply ingrained in Zeppelin's corporate culture are the values of its founder, Count Zeppelin. These values stand for excellence, sustainability, responsibility, and passion. They have been formulated in the "Grafensätze": 10 statements that reinterpret Zeppelin's values and its identity as a foundation-owned enterprise entirely in keeping with Count Zeppelin's thinking and approach to life.

This value system links Zeppelin's unique history to the present while clearly expressing its corporate culture. This culture provides the basis for Zeppelin to act responsibly toward employees, customers, suppliers, business partners, and society.

#### Living up to Responsibility

Zeppelin employees accept responsibility and act sustainably for the benefit of customers and the environment. The success of this holistic approach is reflected in a high level of satisfaction on the part of both customers and employees. And responsible actions are essential for generating long-term confidence in Zeppelin's performance.



Our Commitment

# RELIABILITY AND INNOVATIONS FOR OUR CUSTOMERS

## GRAFEN STAY ON COURSE.

Zeppelin's employees base their daily actions on this principle. It expresses values such as integrity and excellence and implies a consistent customer focus. In this sense, Zeppelin—as a foundation-owned enterprise—places enormous value on reliability and stability, also in initiatives to drive growth and build new fields of business.

Zeppelin is an internationally active corporate group that stresses progress and innovation for strengthening its market position. New products and services simplify processes while conserving environmental and financial resources. Within the scope of a collaborative partnership, customers know they can depend on Zeppelin's competent staff. The focus is on providing custom-tailored solutions.



## A STRONG PARTNER OFFERING SECURITY



Zeppelin excels with a sound business model and forward-looking management. It stands out from the crowd as a company that offers its customers security and reliability. Its own stability is an elementary component of all strategic considerations, which are geared to achieving long-term development goals. Zeppelin applies the principles of good management along the lines of the German Corporate Governance Code. It is also committed to complying with clear internal rules and a policy of transparency that goes even further than the current legal requirements. In 2011, the Group also improved the performance of its financial organization by restructuring it into three parts: Group Treasury, Group Controlling, and Accounting, Taxes and Insurance.

### Practical Examples

#### A Rating

In 2012 Creditreform Rating AG, the leading credit rating agency in the German-speaking parts of Europe, gave the Zeppelin Group a rating of A. This tells creditors, suppliers, and customers that Zeppelin is a reliable partner in good financial standing. The rating report stresses that Zeppelin provides high-quality products and services, maintains strong strategic alliances, enjoys a positive image, and has stable, future-oriented structures.

#### Risk Management

The comprehensive risk management practices of the Zeppelin Group emphasize detecting, analyzing,

assessing, monitoring, and controlling risks. It is based on a comprehensive planning and reporting system that includes a quarterly risk report with analyses of 12 areas of risk and a risk panel that was established in 2011 to take effective countermeasures for mitigating risks. Group-wide early warning indicators were defined in 2012 to detect any incipient negative repercussions on its asset, financial, or profit situation and bolster long-term stability.

#### Long-Term Financing

Zeppelin attaches great importance to financial stability and the ability to take flexible action at any time. In the service of these goals, in 2011 it signed for a five-year unsecured syndicated loan from five main banks. In addition, since 2004 Zeppelin has been using capital market-related financing instruments such as bonded loans. Extensive facilities are also available for sale-and-lease-back transactions, especially for financing the rental fleet. For dealing with possible market turbulences, Zeppelin also keeps a certain minimum of liquid assets on hand. This diversified financing arsenal maximizes the Group's ability to take action when required.

Detailed information on the Zeppelin Group's strategy, financing, and successes can be found in the current annual report at [www.zeppelin.com](http://www.zeppelin.com).

## FARSIGHTED INVESTMENTS

The Zeppelin Group's investments are long-term in nature. They flow into a wide range of projects for renewing and expanding the network of branches, building logistical facilities and service and technical centers and expanding business activities.

In order to boost the availability of services and respond to customer needs even faster, Zeppelin made considerable investments in 2012. Employees' work environments were upgraded to meet new requirements and comply with high workplace design standards. In addition to stressing efficient processes, Zeppelin gives high priority to environmental sustainability. For instance, it includes comprehensive measures for conserving natural resources when planning new buildings.

### Practical Examples

#### The Böblingen Branch

In 2011, Construction Equipment EU inaugurated a sales and service center in Böblingen to serve the greater Stuttgart area. Its offices and workshops occupy total floor space of 5,420 square meters. The branch sets new standards of environmental friendliness with biological water purification, use of rain-water in the washing facility, a solar thermal collector, and heat recovery. Together, these measures reduce the plant's CO<sub>2</sub> emissions by more than 20 tonnes annually, or 16 percent.

#### Slovak Head Office in Banská Bystrica

Since 2011, the head office in Banská Bystrica has been the hub for all of Zeppelin's activities in Slovakia. In the year of its inauguration, Zeppelin received the coveted CE-ZA-AR accolade for outstanding architecture from the Slovak architects' association. The jury praised the building's esthetics as well as its exemplary energy concept, which uses façade insulation and heat pumps to efficiently manage heat and conserve resources.

#### Administration Building in Friedrichshafen

The new administration building that the Plant Engineering business unit inaugurated in Friedrichshafen in 2012 accommodates about 400 employees on gross floor space of more than 9,000 square meters. It boasts outstanding energy efficiency, thanks to a green (living) roof, highly effective roof and façade insulation, and windows with triple glazing. Heat is supplied by an on-site cogeneration plant that was installed by Power Systems business unit.



## ADDING VALUE WITH PROBLEM-SOLVING COMPETENCE

Zeppelin is developing from a mixed conglomerate with both manufacturing and trading activities into an integrated services group. For developing solutions, the company's employees focus first and foremost on the requirements and challenges of each individual customer. They boost customer benefits by systematically applying their problem-solving competence to improve processes. Optimal processes increase the quality of services, conserve resources, and pave the way for innovations.

### Service and Performance

Zeppelin leverages its vast know-how and diverse portfolio to offer customers clear value adds, thus lifting itself above the competition. Competent employees identify each customer's particular requirements and build a relationship based on partnership in accordance with these standards. The goal is for customers to develop increasing confidence in Zeppelin's holistic solutions and take advantage of them for future projects as well.

In addition, Zeppelin strives to maximize quality and efficiency. Customers reap benefits from a dense network of service centers and branches, fast responses by Zeppelin's staff, and the use of leading-edge technologies. The company defines high standards and ensures that its quality management practices consistently comply with them. This results in excellent service, for which Zeppelin has already received multiple awards.

## Practical Examples

### Customer Portal

The online customer portal of Construction Equipment EU in Germany is clearly organized and designed for user-friendliness. Customers can quickly call up an

overview of all important data such as orders, invoices, and statistics on their fleet of construction equipment. A link to the central logistics center in Cologne optimizes the process of ordering spare parts and ensures fast responses and deliveries. In 2012, Caterpillar distinguished Zeppelin for its customer portal, awarding it first prize in the "web marketing" category.

### Component Rebuild Center

Having opened its first component rebuild center (CRC) in Russia in 2011, Construction Equipment CIS inaugurated its second CRC in Armenia in 2012. Both facilities offer Zeppelin customers complete technical overhauls of construction and mining machines and equipment. The CRCs are an important step on the path of steadily raising the quality of service. At the same time, they have made Zeppelin into one of the groundbreaking service providers in the Russian and Armenian markets. In April 2012, Caterpillar conducted an environmental audit of the Armenian center and handed out four stars—the best score achieved so far by any dealer in a CIS country.

### ISO Certification

In 2012, the independent auditor DGUV Test (an arm of the umbrella association of the German accident prevention societies) assessed the systematic quality

management practices of the Rental business unit and granted it ISO certification. This confirms that Rental complies with all stipulations of the internationally acknowledged DIN EN ISO 9001:2008 standard. Among other things, the audit covered implementation of the business unit's quality policy and its documentation of all procedures, processes, and test routines. DGUV Test lavished praise on the strong customer focus of all employees. Rental has thus joined the list of ISO-certified Zeppelin Group companies. The certification supplements the DIN OHSAS 18001-compliant status awarded to Zeppelin Industrial Services. It is still fairly rare for a rental enterprise to obtain ISO certification.

### MaK Platinum Certificate

In 2012, the Germanischer Lloyd (GL) ship classification society distinguished the Marine Service MaK division of Power Systems in Germany with a platinum certificate for excellent customer service. Adhering to the Marine Service Assessment standard established by Caterpillar, GL evaluated the division's operating procedures, order processing, repairs, spare parts availability, and supply chain. It praised employee's strong service orientation and technical competence. The Marine Service CAT division had already received a CAT platinum certificate in 2011.

### Food Technology Center

In 2012, Plant Engineering opened a 600-square-meter Food Technology Center in Rödermark. The center supplements the existing development and test centers in Friedrichshafen and Kassel. It specializes in meeting the needs of customers in the food industry, who can take advantage of it to test new recipes and raw material mixtures and optimize processes together with the center's experts. The focus is consistently on individually advising customers. As an additional service, Zeppelin operates a customer center for meetings, training, and conferences.





## PROTECTING THE ENVIRONMENT AND CONSERVING RESOURCES

Zeppelin's offering goes further than selling and renting machines and building plants. As a service-oriented enterprise, it supports its customers with regular maintenance, general overhauls, and repair programs. These activities prevent problems and downtime while reducing waste, thus making a major contribution to protecting the environment.

Zeppelin also taps the potentials of sustainability by continually optimizing existing processes to benefit customers. This includes the use of information technologies at construction sites and developing and implementing turnkey energy supply projects. For improving internal processes, the activities range from erecting energy-efficient buildings across recycling, waste segregation, and optimally designed logistics all the way to an environmentally friendly motor pool.

### Practical Examples

#### Caterpillar Certified Rebuild

Within the scope of the Caterpillar Certified Rebuild (CCR) program, the Construction Equipment EU and CIS business units completely overhaul older Caterpillar construction machines such as bulldozers, wheel loaders, and dump trucks. They install as many as 7,000 different original Caterpillar parts while doing so. Customers receive a like-new product with a long life expectancy and a warranty

like for a new machine. In addition to spending less for a factory-new machine, resources are conserved and less waste is produced.

#### Equipment Management

The equipment management systems offered by Construction Equipment EU and CIS include Product Link and VisionLink from Caterpillar. These products capture data on each machine's condition, hours of operation, fuel consumption, and location. The customer can access the data over the Internet. Analysis of the consumption data reveals opportunities for improving operating procedures and boosting efficiency—thus saving fuel and proactively preventing failures before they can occur. These measures are supplemented by programs like Caterpillar Eco-Operator, which teaches operators to use machines more efficiently.

#### Cogeneration Plants

The Power Systems business unit provides customers with turnkey distributed energy supply systems. Cogeneration plants, which supply both heat and electric power, are a cost-effective alternative to purchasing electricity from the grid. Cogeneration plants convert about 90 percent of the primary energy used (natural gas) into power and heat. This energy efficiency benefits both customers and the environment. Systems of this kind are already supplying a large number of municipal utilities and facilities as well as entire industrial complexes with electricity and heat in various countries.



#### Oil Diagnosis

Checks for high particulate contamination help prevent wear and damage to machines. An important part of this is regular testing of machine oil in Zeppelin's labs to give customers reliable information on the condition of engines, axles, transmissions, hydraulics, and cooling systems. This lets them avert failures and reduce both the frequency of oil changes and the amount of environmentally harmful fluids requiring disposal.

#### Service Cars

Since 2011, the Construction Equipment EU business unit has been taking steps to increase the fuel efficiency of its service vehicles in Germany. When purchasing new vehicles, special attention is paid to ensuring lower fuel consumption. Tires with lower rolling resistance are also being introduced. These "green tires" can slash fuel consumption by up to seven percent, thus significantly reducing CO<sub>2</sub> emissions.



## INNOVATION AND PROGRESS

Zeppelin works with strong partners who are themselves technology leaders and play major roles in implementing new environmental standards. The market launch of every new engine or construction machine is preceded by extensive research and development work in test centers. For example, Zeppelin's longtime manufacturing partner, Caterpillar, spends an average of six million U.S. dollars a day on research and development and operates a state-of-the-art dedicated facility, the Caterpillar Technical Center in Mossville, Illinois.

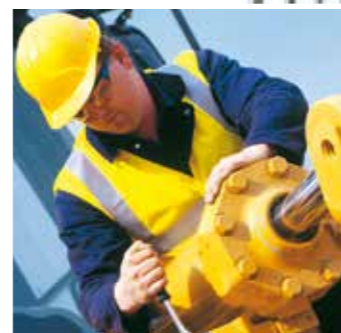
Zeppelin's business units also work intensively to develop new ideas and products. The company's consultants for construction machines are constantly coming up with even better notions for deploying them at construction sites. The engineers and technicians of Plant Engineering, for example, devise forward-looking technologies and components for handling bulk goods. Zeppelin's customers also benefit from innovative approaches in sales and rentals.

### Practical Examples

#### Engine Technology

The Construction Equipment EU business unit has been offering the new generation of Caterpillar engines since 2011: in the E Series crawler excavators, the K Series wheel loaders, and the B Series articulated trucks. These engines are based on ACERT technology and fully comply with the European Union's Stage IIIB emissions standard. This regulation covers various types of construction vehicles, requiring their emissions of nitrogen oxides and fine particulates to

be reduced by 50 and 90 percent, respectively. Construction machines equipped with Caterpillar's new engine technology boast reduced fuel consumption and release of soot. In 2012, Caterpillar also introduced its 966K XE wheel loader: an innovative machine with a completely novel, split-power, continuously variable transmission that delivers up to a 25 percent improvement in fuel efficiency.



#### Drive and Propulsion Solutions

The Power Systems business unit is an active player in the market for renewable energies. For instance, it planned and supplied an integrated energy and propulsion package for the "Innovation", one of the world's largest ships for installing offshore wind power plants. This drive solution excels with high fuel efficiency, thus enabling cost-effective, environmentally friendly operation, also to meet strict ceilings on emissions.



Power Systems also won a contract to supply 800 Caterpillar C18 engines for 200 Bombardier TRAXX diesel locomotives. Each locomotive is powered by four engines, which can be individually switched on and off as required. This translates into reduced wear, fuel consumption, and CO<sub>2</sub> emissions. All of the engines conform to the strict emission rules of the EU's Stage IIIB standard and are designed to allow further adjustments to comply with even tighter exhaust gas regulations in the future. They are an exemplary combination of cost-effectiveness and environmental friendliness.

#### ecoRent

Increasingly, construction projects carried out in city centers and nature conservation areas have to meet strict requirements with regard to noise and exhaust gas emissions. With its ecoRent program, the Rental business unit helps them comply by equipping them with special construction machines, hydraulic power packs, aerial work platforms, generator sets and so on that are characterized by high efficiency and very low emissions. In the case of the Caterpillar machines, this is mainly achieved with ACERT technology but also with intelligent control systems, as well as special features such as particulate filters and biodegradable hydraulic oils like CAT Bio HYDO Advanced. Together, all of these features slash the consumption and emissions of the electronically regulated, high-performance Caterpillar engines by up to 30 percent while enhancing their performance at the same time.

In addition, acoustically insulated machines like the Caterpillar wheel loaders of the 906 to 908 Series boast have noise levels below 101 dB(A), for which they have been awarded "Blue Angel" certification on account of their environmental friendliness.

#### Codos® Mixing and Kneading System

The Codos® mixing and kneading system of the Plant Engineering business unit was developed for use in large bakeries. It continuously and quickly combines all ingredients into a homogeneous mixture for making dough. The Codos® system delivers top-quality products, responds instantly to fluctuations in raw materials and quality, maintains a constant processing temperature, and consumes up to 30 percent less energy than batch kneaders.

#### MoisTec System

Industrial dough preparation and processing operations can give off large quantities of flour dust, potentially endangering the health of bakery workers. The MoisTec flour moistening system reduces flour dust by up to 98 percent. It has earned Zeppelin the coveted iba-trophy award for innovative developments and solutions to benefit the baking trade. For collaborating in the system's development, the Institut für Getreideverarbeitung GmbH (IGV) has received the prevention award of BGN, the German accident prevention society for the food and catering industries.

A photograph of a sailboat with white sails on a blue sea under a clear sky. The boat is moving, as indicated by the wake in the water. The image is used as a background for the text on the left side of the page.

Our Goal

# SATISFIED AND WELL-TRAINED EMPLOYEES

## GRAFEN GET OTHERS ON BOARD.

This principle stands for integration and cooperation in a spirit of partnership. Zeppelin is a committed, forward-looking employer that allows many of its employees to work autonomously and take responsibility for their own results.

Zeppelin's employees are systematically supported and developed to let them grow with their tasks, their team, and the company. This collaboration is marked by mutual trust and appreciation and constitutes the basis for developing new solutions and approaches.

## CAREERS MADE EASY

Zeppelin enables young people to undergo vocational training or complete a cooperative work-study program so they will be well-prepared to begin their careers. It upholds exemplary standards of quality in training them for commercial, technical, and IT occupations.

Zeppelin attaches enormous importance to cultivating a corporate culture that stresses equal opportunities and admission of a wide variety of trainees. As a result of effective long-term personnel planning, the dropout rate is very low and a high percentage of those who complete training enter the company's workforce. Also afterward, Zeppelin continues to support their ongoing education and careers.

### Practical Examples

#### Cooperation Work-Study Programs

A Group-wide study program was launched in 2011 in cooperation with the Baden-Württemberg Cooperative State University. Students receive the opportunity to systematically supplement what they learn in the classroom with hands-on practical work experience. The program makes sure that they are thoroughly acquainted with the business units they work in while also learning about the rest of the enterprise and developing networks across multiple sites. Students can currently major in business administration/commerce, mechanical engineering, engineering management, or electrical engineering.

#### Prevocational Year

In Germany, the Construction Equipment EU business unit offers technically talented, motivated young people the chance to do a prevocational year or prepara-

tory course to systematically prepare for training as mechanics for agricultural and construction equipment. Zeppelin is giving them a boost up by offering them opportunities to do practical work at various branches.

#### Training

It takes three and a half years for young men and women to train as mechanics for agricultural and construction equipment. To acquire the corresponding theoretical knowledge, they attend classes at the Goldenberg Europakolleg in Hürth near Cologne. This is supplemented by blocks of on-the-job training lasting several weeks, during which they learn about the machines' mechanical systems, electronics, hydraulics and so on. Each year approximately 45 trainees begin the program. No matter which German branch they are assigned to, they all regularly travel to Hürth for classes.

Zeppelin trains young people as plant technicians at its Friedrichshafen site; this program also lasts three and a half years. The trainees learn to build, expand, modify, and maintain plants. Zeppelin makes a big effort to ensure that its trainees systematically learn about and with products; to achieve this, they are integrated into actual operations at an early stage. The company works closely with partner institutions such as schools and chambers of commerce and industry to ensure high-quality training.



## ENCOURAGING STRENGTHS – STRENGTHENING SKILLS

Employees of the Zeppelin Group benefit from its international orientation and wide-ranging training, development, and career opportunities. Zeppelin makes a point of identifying and systematically encouraging and developing the potentials of each individual employee, whether their strengths are in management or a technical field.

This process is facilitated by an active culture of open communication at all levels of the enterprise. Supervisors give their staff feedback and evaluate their performance in regular one-on-one meetings. Skills management systems and potentials workshops help to assess each worker's strengths and areas in need of improvement. They then receive support that is individually tailored to their particular situation and needs.

Employees working in technical occupations enjoy access to an extensive network of Zeppelin training and repair centers, like those in Kaufbeuren in Bavaria and Friedrichshafen on Lake Constance. They can gain practice in operating machines in quarries and gravel pits or at construction sites. They can also extend their knowledge by taking advantage of distance learning via videoconferences or Web-based training, to cite just two examples.

Sales and customer service staff also receive many kinds of support. It includes regular training sessions to make sure their knowledge of product innovations and new service offerings is up to date and complete. Attention is paid to tapping synergies between

different business units. This can take the form, for example, of Group-wide training courses attended by sales staff from all business units.

### Practical Examples

#### Group Academy

The Zeppelin Group Academy focuses on empowering individual employees and strengthening our corporate culture. This in-house training and career platform offers four comprehensive personnel development programs for specialists and managers. The aim is to develop essential skills for effectively performing their roles and ensure Zeppelin's business success. Among other things, the academy addresses the aspects of work organization and time management, communication, leadership, project management, presentation and moderation, and knowledge related to strategy and business administration.

#### Train the Trainer

The Power Systems business unit runs a two-stage career preparation program titled "Train the Trainer" to teach employees with extensive specialist knowledge or skills to work as internal trainers. Alongside their normal jobs, they then pass their expertise on to colleagues. This serves to spread know-how and skills within the enterprise and ensure ongoing training of specialists. As a result, Zeppelin is optimally prepared to deal with the constant evolution and changes in technology and meet customers' growing expectations.

## STRONG AS A TEAM

Targeted mentoring, such as having experienced colleagues look after new hirees, supports the development of each individual within the enterprise and makes it easier for them to assume new tasks. Sharing among trainees and students is facilitated by regular get-togethers and team building activities.

Managers and employees are encouraged to participate together in activities outside of work such as sports to support sharing of information and strengthen their team spirit. Retired employees also take part, thus maintaining their bond with Zeppelin. Active employees greatly enjoy and appreciate their extensive experience, expertise, and feedback. In addition, the Zeppelin Veterans Club (founded by former employees) organizes regular meetings and activities.

### Practical Examples

#### Global Collaboration

In order to extend and facilitate collaboration across national borders, an IT project called Global Collaboration was launched in 2011. Its goal is to harmonize the various IT systems used by the Zeppelin Group's various companies. Consistent IT standards are being introduced for all employees worldwide. A key component of Global Collaboration is the new Zeppelin intranet, Z NET. The prerequisites for rolling it out throughout the Group were met in 2012.

#### Welcome Days and Graduation Events

Zeppelin holds "welcome days" to greet new trainees and students and ease their integration into the company. They engage in a whole range of activities and get to personally meet the company's top management and personnel supervisors. They are also acquainted with Zeppelin's history and organizational structure, as well as its corporate culture and values.

Each year, the big day for graduating trainees of all business units rolls around: once they have passed their journeyman's exams, their training at Zeppelin is over. They receive their certificates in a ceremony attended by management and their trainers, relatives, and friends.

#### Face-to-Face Events

"Face-to-Face" events help management and employees stay in touch. They are regularly held at Group headquarters in Garching near Munich. They give employees of all of the business units a chance to provide input and feedback on current decisions and instructions issued by management. This is valuable for assessing the success of measures initiated by management in the enterprise. A case in point is the "Grafensätze". These principles are an important element of Zeppelin's corporate culture. The talks help management tell whether it has adequately communicated and anchored them in employees' minds.



## EVERYTHING IN BALANCE

Zeppelin attaches great importance to ensuring the compatibility of work and family, an aspect that is crucial for attracting well-qualified staff. Zeppelin therefore takes appropriate steps to improve opportunities for job candidates with families. Flexible hours and part-time employment are examples of important measures for ensuring family-friendly working conditions.

### Practical Examples

#### Reconciling Work and Family

The Plant Engineering business unit has initiated a project called "Reconciling Work and Family" at its Friedrichshafen site. It is modeled after the "Family as a Success Driver" program for companies that is being implemented by the German Ministry of Family Affairs, Senior Citizens, Women and Youth in collaboration with the Association of German Chambers of

Commerce and Industry. It focuses on thoroughly advising employees on things like flexible working hours, parental leaves, and childcare. The project's offering is rounded out by day care for children during school holidays, courses to teach young people how to apply for jobs, and health campaigns.

#### Parent-Child Rooms

In 2011, two parent-child rooms were created at Zeppelin Headquarters in Garching and the Cologne site. This project is also part of the "Family as a Success Driver" program. It supports the implementation of a family-friendly personnel policy. Parents can take advantage of the rooms if their regular childcare arrangement becomes temporarily unavailable or circumstances force them to change their plans at short notice. The rooms have a fully equipped workplace as well as games and toys.



## PLAYING IT SAFE

Occupational safety is very important to Zeppelin. It therefore provides transparent, easily accessible information on health and work-related safety issues for all employees to take advantage of. In order to learn how to responsibly use machines, for example, employees can access information on risks and safety procedures. Courses are also regularly held in the company's own training centers. These measures serve to prevent work-related accidents and injuries.

### Practical Examples

#### Quality Mark

In 2011 the German Accident Prevention Society for the Retail and Merchandise Distribution Sectors (BGHW) awarded the "Sicher mit System" (systematically safe) quality mark to the Construction Equipment EU and Rental business units in Germany. This

mark is bestowed to confirm the effectiveness of a company's systematic occupational safety measures and management. Both of these business units have outstandingly complied with the BGHW's high standards and stringent safety criteria.

#### Safety in Mining

A customer of the Zeppelin Group operates an iron ore mine near the Ukrainian city of Komsomolsk. The local service team must of course follow international safety regulations. Zeppelin works with its partner, Caterpillar, to ensure strict compliance with these rules. The measures taken include properly securing machines, issuing protective clothing to personnel, and providing instruction on occupational safety and accident prevention. Zeppelin is applying its comprehensive safety expertise to ensure the adoption of Western standards by all of its customers.



Our Commitment

# OUR OBLIGATION TO CREATE A BETTER FUTURE

## GRAFEN LEAVE THEIR FOOTPRINT.

This Zeppelin principle stresses values that also marked the actions of Ferdinand Graf von Zeppelin: commitment, courage, and conviction.

These values are still very much alive in the Zeppelin Group today. They are the basis for responsible action, but that isn't all. Even more importantly, they constitute an obligation to pitch in and work toward a better future for everyone. From Zeppelin's perspective, business and social involvement don't contradict one another; in fact, they are intimately linked. The company therefore sends a clear message by fostering education and science, culture and sports, and community projects.

## TRUST AND COMPLIANCE

Within the Zeppelin Group, compliance is defined by three cornerstones: observance of laws and legal requirements, each individual employee's personal conscience, and our corporate culture.

Important issues related to compliance are regularly discussed and explained in Group-wide dialogs and communication media such as the Zeppelin employee magazine. In addition, employees are trained as compliance officers so they can capably answer others' questions on related subjects.

Each individual employee is responsible for practicing compliance. Staff can also count on their supervisors and management to support them in this. If an employee isn't sure how to deal with a situation, management is obliged to make the decision free of all outside influences, in keeping with Zeppelin's values and compliance rules.

### Practical Examples

#### Code of Conduct

A brochure titled "Code of Conduct: Business Ethics and Compliance" provides an ethical and legal framework. Its 10 chapters explain all of the aspects of compliance that are relevant to Zeppelin. The basic principles include avoidance discrimination, conflicts of interest, bribery, and corruption, and a commitment to doing business sustainably. The code has already been distributed to all of the Zeppelin Group's more than 7,000 employees in German, English, Czech, or Russian and supplemented by courses.

#### E-Learning Program

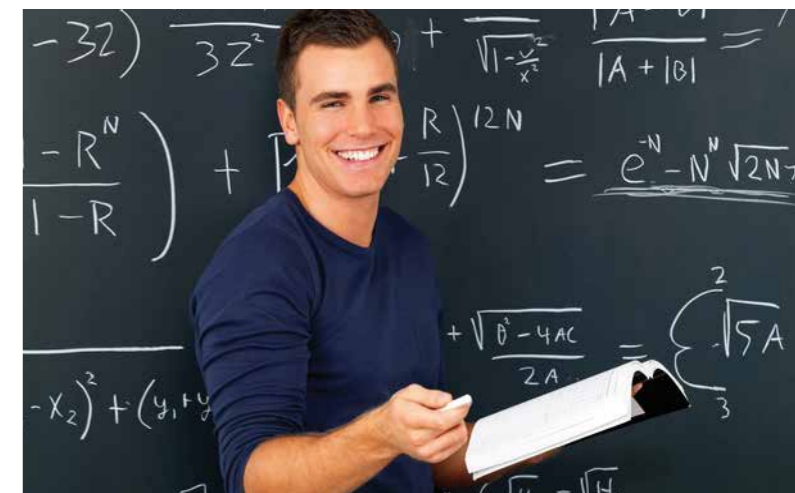
The e-learning program "Zeppelin Code of Conduct and Compliance Basics" raises employees' awareness of compliance-relevant situations in the context of their everyday work. The staff of the Zeppelin Group are responding with great interest to the theme of compliance, as is reflected in the very large number who have already completed the e-learning program. So far the program has been made available to colleagues in the German-speaking parts of Europe. English- and Russian-language versions and an in-depth module on dealing with corruption risks are currently being prepared.



## EDUCATION FOR THE FUTURE

Zeppelin attaches great importance to education and science. As an enterprise with deep roots in Friedrichshafen, Zeppelin supports initiatives and education institutions in the region and beyond. The Group sees activities to train and promote the development of young people as an important investment in the future.

Young people are actively supported in preparing for their lives and careers, and their potentials are identified. In doing this, Zeppelin greatly encourages its staff to share ideas with students and teachers. The emphasis is on closely linking theory and practice.



### Practical Examples

#### The Zeppelin Youth Foundation JUST!

The Zeppelin Youth Foundation JUST! resumed its work in 2012. Its main focus is on promoting students. Prizes of up to 25,000 euros are awarded for outstanding projects in the fields of science, technology, economics, and social and cultural studies. In 2012, for example, students of the Baden-Württemberg Cooperative State University (DHBW) received a sum of more than 7,500 euros for their study of environmentally compatible mobility concepts. Titled "Electric Drive & Infrastructure" (EDI), it dealt with the possibilities of electric vehicles and the technical, economic, and sociological barriers to their use. The Zeppelin Youth Foundation JUST! systematically fosters the inventiveness of young people in science and research. It also seeks to get them interested in the Zeppelin Group as a potential employer: an employer that offers career novices exciting perspectives along with a diverse range of products and services and attractive training and study opportunities.

#### Zeppelin University

The Zeppelin Group also backs Zeppelin University (ZU), which was founded in Friedrichshafen in 2003. Currently more than a thousand students are enrolled in bachelor's and master's degree programs at this private but state-accredited university. Zeppelin University enjoys an excellent reputation, in large part because it is the first private university in the German state of Baden-Württemberg to receive the right to confer doctorates. Occupying a place high in the ranking of German universities, Zeppelin University isn't just popular with students. The residents of the city of Friedrichshafen also benefit from events and courses it organizes.

The Zeppelin Group and Zeppelin University are linked by close collaboration. For instance, qualified and committed employees are being actively supported in their endeavors to complete masters' degrees there. As another point of contact, Zeppelin University offers tailor-made management development programs for Zeppelin managers.



## SPONSORING SPORTS AND CULTURE



Fair play and sportsmanship are deeply ingrained in Zeppelin's corporate culture. Zeppelin therefore actively sponsors sports. Zeppelin is also committed to making a difference in the realm of culture by backing regional art projects and international culture initiatives.

### Practical Examples

#### VfB Volleyball

Zeppelin is the main sponsor of the VfB Friedrichshafen men's volleyball team, which has won multiple trophies including the German championship 12 times and the CEV Champions League. Zeppelin has cultivated an excellent relationship with this athletic club for many years.

#### Zeppelin Sportpark

Since 2011, Zeppelin has been supporting the Zeppelin Sportpark in Garching near Munich. Its centerpiece is a triple-size, partitionable gymnasium that provides ideal conditions for training and holding competitions. There is also a 50-meter running track, a climbing room, a weightlifting room, several gymnastics rooms, and outdoor beach volleyball courts.

#### Art in Kluftern

In Kluftern, a borough of the city of Friedrichshafen, the Zeppelin Group is supporting an outstanding art project called "Art in Kluftern" involving local and regional artists. It has already attracted attention from far beyond the area. Integrated into the walking path that circles around Kluftern are 12 large sculptures depicting artists' ideas on the theme of "gate". The fascinating artworks are fashioned from an array of different materials.



© Gunar Seitz



© VfB Friedrichshafen Volleyball



## WITH COMMITMENT AND FEELING

The Zeppelin Group transfers part of its profits to the Zeppelin Foundation in Friedrichshafen. All of this money ultimately benefits nonprofit, community, and social projects.

The Zeppelin Foundation is especially active in advancing science and research, art and culture, and assistance for children and young people. For example, it supports a considerable number of facilities in and around Friedrichshafen, including daycare and youth centers, a music school, the local adult education school, and the municipal culture office, which organizes some 300 events a year. The overriding goal is greater quality of life for all residents.

But Zeppelin's social involvement isn't limited to channeling funds to the Zeppelin Foundation. The company also provides major support to nonprofit projects and initiatives, especially for providing assistance to children and young people. This support takes the form of both funding and voluntary work by employees.

### Practical Examples

#### Donations

In 2012, Zeppelin donated 7,500 euros to the St. Anna Children's Hospital and attached Children's Cancer Research Institute in Vienna. Since 1988, this institution has ranked among the most important centers of oncological research and enjoys an excellent reputation worldwide. The work that its team of scientists has been doing for many years is exemplary within Europe; it has set many new milestones while studying and treating cancer in children. Zeppelin also once again donated 5,000 euros to German Cancer Aid like

in previous years. So that a South African child could obtain necessary surgery, the company gave another 5,000 euros to the organization "Home from Home". The Zeppelin Group sent 4,200 euros to the Clemens Maria Children's Home in Putzbrunn near Munich, which was founded in 1916. Most of this money, which is going to support the construction of a new branch of the home, was donated by Zeppelin employees. The home for children with special educational needs is now teaching and coaching 150 children and adolescents aged three to 18.

The Zeppelin Group is also supporting the campaign "Häfler Helfen", which provides direct, unbureaucratic assistance to disadvantaged people in Friedrichshafen. All of the donated money goes to help persons in need without any deductions for administrative costs or other fees.

#### Voluntary Work by Employees

Employees of the Construction Equipment CIS business unit have demonstrated initiative and personal willingness to help: in 2011 and 2012 they rolled up their sleeves to renovate the children's homes in the Armenian cities of Gavar and Gyumri, also donating money and items.

In 2012, Zeppelin employees expressed their solidarity in a typing drive to identify suitable donors of lifesaving blood stem cells. The initiative was carried out at Zeppelin Headquarters in Garching in cooperation with the Bavarian Foundation for Bone Marrow Donations. The goal was to find and register as many potential donors as possible. A total of 605 persons showed up. Zeppelin bore the costs.

## SIGHTS SET ON SUCCESS

### Outlook and Goals – a Selection

#### Investments

The Zeppelin Group is continuing to make strategically sensible investments to boost its competitiveness in Germany and elsewhere. These investments secure jobs, increase Zeppelin's attractiveness as an employer, and ensure the company's long-term business success. A major event in 2013 is the inauguration of a new sales and service center at the Hamm site in the German state of North Rhine-Westphalia, where the Group has been active for 50 years. The new center optimally meets the prerequisites for providing better-than-ever service.

#### Focus on Service

A new division has been established within the Rental business unit: Zeppelin Industrial Services. This step once again significantly extends the portfolio while setting the stage for winning new customer groups. The division offers professional industrial and plant management for power chemical, petrochemical, pipeline, and wind power industries.

#### Resource Conservation

The Power Systems business unit is expanding its division for used equipment in its Bremen facility. Under the Premium Preowned name, since 2012 it has been offering customers professionally overhauled, upgraded, and certified engines and generator sets based on Caterpillar and MaK engines. The main benefits of these quality-certified sets are cost savings compared to purchasing a new one and efficient further use of materials.

#### CO<sub>2</sub> Ceilings for Motor Pool

In 2013 the management of the Zeppelin Group is developing a uniform Group-wide guideline for its motor pool, including CO<sub>2</sub> ceilings for the first time.

#### Innovativeness

The world's first Caterpillar 336 EH hybrid excavator begins shipping in 2013. This excavator model features an intelligent technology that uses hydraulic pressure accumulators to slash fuel consumption by up to 30 percent with a corresponding reduction in carbon dioxide emissions.

In Germany alone, around 630,000 tonnes of old tires are removed from service each year, and the



figure for the EU as a whole is 3.2 million tonnes. The Plant Engineering business unit has brought its new, globally unique Pyrolyx process for recycling used tires to market maturity. In a pilot plant, it has already succeeded in recovering oil, gas, and especially valuable carbon black from old tires.

#### Management

Zeppelin is kicking off the Group-wide introduction of a new, consistent corporate design in 2013. The switch will take an anticipated two years, but is guaranteed to optimally set Zeppelin apart from its competitors. The new corporate design reflects the company's philosophy and culture and will strengthen customers' confidence in the Zeppelin brand on a long-term, sustainable basis.

#### Workforce

The Zeppelin Group attaches great importance to recruiting and promoting technical and managerial

staff as well as trainees. A project dubbed "Zeppelin as an Employer Brand" is aimed at improving the company's attractiveness in the labor market and mastering the challenges posed by demographic shifts. A project team culled from the Group's personnel departments has developed strategies and measures for "employer branding" that are being put into practice starting in 2013.

#### Compliance

In 2012, Zeppelin's employees in the German-speaking parts of Europe participated in an e-learning program called "Zeppelin Code of Conduct and Compliance Basics". English- and Russian-language versions and an intensive supplementary module on corruption risks have been prepared and will be introduced Group-wide during the course of 2013. Appropriate guides for helping employees to make decisions and manage compliance risks are also being developed and made available throughout the Group.

## ABOUT THIS PUBLICATION



### **ZEPPELIN GmbH**

#### **Headquarters**

Graf-Zeppelin-Platz 1  
85748 Garching near Munich  
Germany  
Phone +49 89 320 00 - 0  
Fax +49 89 320 00 - 482

#### **Company Seat**

Graf-Zeppelin-Platz 1  
88045 Friedrichshafen  
Germany  
Phone +49 7541 202 - 02  
Fax +49 7541 202 - 210

#### **Corporate Communication**

E-mail [presse@zeppelin.com](mailto:presse@zeppelin.com)

More information on Zeppelin is available at  
[www.zeppelin.com](http://www.zeppelin.com)

#### **Design and Layout**

Söllner Communications AG, Munich



ZEPPELIN GmbH  
Graf-Zeppelin-Platz 1  
88045 Friedrichshafen, Germany

Headquarters: Graf-Zeppelin-Platz 1  
85748 Garching near Munich, Germany

Phone +49 89 320 00 - 0  
Fax +49 89 320 00 - 482

[zeppelin@zeppelin.com](mailto:zeppelin@zeppelin.com)  
[www.zeppelin.com](http://www.zeppelin.com)